

**REPORT OF AUDIT**  
**TOWNSHIP OF WANTAGE**  
**COUNTY OF SUSSEX**  
**DECEMBER 31, 2012**

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**TOWNSHIP OF WANTAGE**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2012**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Township Committee  
Township of Wantage  
Wantage, NJ 07461

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

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Township of Wantage in the County of Sussex, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly,



we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Wantage as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully describe in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2012, and 2011, stated as \$8,683,975.38 and \$8,142,992.86, respectively.

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

In our opinion, except for the effects of the matter described in "Basis for Qualified Opinion on Regulatory Basis Accounting Principles", with the exception of the Length of Services Award Program, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



***Other Matters***

*Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the Township of Wantage'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 Wantage's internal control over financial reporting and compliance.



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkutz, Cerullo, & Cuva, P.A.*

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

June 26, 2013



## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	1,550,316.90	1,574,149.29
Change Fund	A-5	300.00	300.00
		<u>1,550,616.90</u>	<u>1,574,449.29</u>
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	5,838.72	19,841.80
		<u>5,838.72</u>	<u>19,841.80</u>
		<u>1,556,455.62</u>	<u>1,594,291.09</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	944,787.03	794,647.92
Tax Title Liens Receivable	A-7	288,486.17	252,044.41
Property Acquired for Taxes - Assessed Valuation	A-8	1,203,650.57	1,203,650.57
Interfund Receivables:			
Animal Control Trust Fund	A-11		12.21
		<u>2,436,923.77</u>	<u>2,250,355.11</u>
Deferred Charges:			
Special Emergency Authorizations	A-12	144,000.00	182,600.00
		<u>144,000.00</u>	<u>182,600.00</u>
		<u>4,137,379.39</u>	<u>4,027,246.20</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-21	34,703.61	162,806.33
Interfund - General Capital Fund	A-21	38,553.47	
Interfund - Other Trust Fund	A-21	28.65	
Grants Receivable	A-22	10,314.65	162,861.65
		<u>83,600.38</u>	<u>325,667.98</u>
		<u>4,220,979.77</u>	<u>4,352,914.18</u>

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

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	197,275.39	385,569.62
Interfunds Payable:			
Federal and State Grant Fund	A-11	34,703.61	162,806.33
Other Trust Fund	A-11	42.07	
Tax Overpayments	A-14	8,555.21	13,489.03
Reserve for:			
Garden State Trust Pilot Program	A-14	29,948.00	29,948.00
Revaluation of Real Property	A-14		956.45
Hurricane Irene - Deferred Charge	A-14	144,000.00	
Due to State of N.J. - Building Surcharge	A-14		2,206.00
Due to State of N.J. - Marriage Licenses	A-14	175.00	200.00
Encumbrances Payable	A-15	177,713.59	61,459.34
Prepaid Taxes	A-16	190,750.16	153,931.86
County Taxes Payable	A-17	16,632.82	18,398.04
		<u>799,795.85</u>	<u>828,964.67</u>
Reserve for Receivables	Contra	2,436,923.77	2,250,355.11
Fund Balance	A-1	<u>900,659.77</u>	<u>947,926.42</u>
		<u>4,137,379.39</u>	<u>4,027,246.20</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	71,822.30	303,266.50
Unappropriated Reserve for Grants	A-24	11,778.08	22,401.48
		<u>83,600.38</u>	<u>325,667.98</u>
		<u>4,220,979.77</u>	<u>4,352,914.18</u>

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

## Township of Wantage, N. J.

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

## Current Fund

December 31,

	Ref.	2012	2011
Revenues and Other Income:			
Fund Balance Utilized	A-2	648,500.00	360,000.00
Miscellaneous Revenue Anticipated	A-2	1,493,657.38	1,776,958.18
Receipts from Delinquent Taxes	A-2	811,511.43	998,054.16
Receipts from Current Taxes	A-2	28,833,927.40	28,851,683.56
Non-Budget Revenue	A-2	234,005.44	80,969.97
Other Credits to Income:			
Interfunds Returned	A-11	12.21	
Appropriated Grants Cancelled	A-11	15,701.48	15,612.95
Unexpended Balance of Appropriation Reserves	A-13	261,808.30	174,407.85
Schedule of Various Reserves Cancelled	A-14	956.45	
Encumbrances Cancelled	A-15	9,350.91	3,734.27
Total Revenues and Other Income		<u>32,309,431.00</u>	<u>32,261,420.94</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	1,332,368.00	1,364,041.00
Other Expenses	A-3	1,937,160.00	2,167,944.00
Deferred Charges and Statutory Expenditures - Municipal - Within Caps	A-3	289,930.00	289,467.00
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	103,100.00	92,367.00
Other Expenses	A-3	210,410.00	301,700.00
Capital Improvements	A-3	241,850.00	415,000.00
Municipal Debt Service	A-3	906,477.95	789,137.10
Deferred Charges	A-3	38,600.00	2,600.00
Interfund Advances			12.21
Grants Receivable Cancelled			13,903.00
Refund of Prior Year Taxes	A-4	81,944.43	
County Taxes including Added Taxes	A-17	5,912,631.33	5,952,179.23
Local Regional School Tax	A-18	13,428,692.47	13,184,492.79
Regional High School Tax	A-19	7,155,070.51	7,164,395.93
Open Space Tax	A-20	69,962.96	72,983.78
Total Expenditures		<u>31,708,197.65</u>	<u>31,810,223.04</u>
Excess (Deficit) Revenue Over Expenditures		601,233.35	451,197.90
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>180,000.00</u>
Statutory Excess to Fund Balance		601,233.35	631,197.90
Fund Balance, January 1,	A	<u>947,926.42</u>	<u>676,728.52</u>
		1,549,159.77	1,307,926.42
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>648,500.00</u>	<u>360,000.00</u>
Fund Balance, December 31,	A	<u>900,659.77</u>	<u>947,926.42</u>

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

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	648,500.00	648,500.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	3,700.00	3,770.00	70.00
Interest and Costs on Taxes	A-9	200,000.00	190,528.62	(9,471.38)
Interest on Investments and Deposits	A-9	25,000.00	9,968.37	(15,031.63)
Fines and Costs: Municipal Court	A-9	50,000.00	29,063.34	(20,936.66)
Cable TV Franchise Fee	A-9	31,765.00	31,765.00	
Consolidated Municipal Property Tax Relief Aid	A-9	100,587.00	100,587.00	
Energy Receipts Tax	A-9	654,078.00	654,078.00	
Garden State Trust	A-9	29,948.00	29,948.00	
Watershed Moratorium Offset	A-9	4,559.00	4,559.00	
Uniform Construction Code Fees	A-9	100,000.00	193,576.00	93,576.00
Special Items of General Revenue Anticipated				
With Prior Written Consent of Director of				
Local Government Services:				
Interlocal Service Agreements:				
Municipal Court - Stillwater	A-9	36,700.00	36,700.00	
Animal Control Agreements	A-9	85,115.00	88,798.00	3,683.00
Municipal Court - Sussex Borough	A-9	37,700.00	37,700.00	
Tax Assessor - Sussex Borough	A-9	10,000.00	10,000.00	
Recycling Coordinator - Branchville Borough	A-9	2,500.00	2,500.00	
Recycling Coordinator - Frankford Township	A-9	2,500.00	2,500.00	
Reserve for Recycling Tonnage Grant	A-22	10,752.00	10,752.00	
Reserve for Municipal Alliance on Alcoholism and Drug Abuse	A-22	12,716.00	12,716.00	
Municipal Court Alcohol Rehab	A-22	161.00	161.00	
Clean Communities Program	A-22	32,302.00	32,302.00	
Other Special Items:				
Uniform Fire Safety Act	A-9	605.00	11,685.05	11,080.05
Total Miscellaneous Revenues	A-1	1,430,688.00	1,493,657.38	62,969.38
Receipts from Delinquent Taxes	A-1;A-2	850,000.00	811,511.43	(38,488.57)
Subtotal General Revenues		2,929,188.00	2,953,668.81	24,480.81
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,352,877.00	3,489,612.13	136,735.13
Budget Totals		6,282,065.00	6,443,280.94	161,215.94
Non-Budget Revenue	A-1;A-2		234,005.44	234,005.44
		6,282,065.00	6,677,286.38	395,221.38
		A-3		

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

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Realized Revenues</u>				
Revenue from Collections	A-1;A-6		28,833,927.40	
Allocated to School and County Taxes	A-6		<u>26,566,357.27</u>	
Balance for Support of Municipal Budget Appropriations			2,267,570.13	
Add : Appropriation - Reserve for Uncollected Taxes	A-3		<u>1,222,042.00</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u><u>3,489,612.13</u></u>	
Receipts from Delinquent Taxes:				
Delinquent Taxes				
Taxes Receivable	A-6		784,170.67	
Tax Title Liens Receivable	A-7		<u>27,340.76</u>	
	A-2		<u><u>811,511.43</u></u>	
<u>Analysis of Non-budget Revenues</u>				
	<u>Ref.</u>			
Miscellaneous Revenues Not Anticipated:				
Revenues Accounts Receivable:				
Township Clerk	A-9	4,905.68		
Fire Prevention	A-9	1,642.00		
Planning and Zoning Board	A-9	7,515.00		
Board of Health/Registrar of Vital Statistics	A-9	<u>32,401.90</u>		
			46,464.58	
Cable T.V. Franchise Fee				
Senior Citizens and Veterans Admin. Fees		2,540.00		
Soil and Driveway Applications		4,199.28		
Other Fees and Permits		3,460.95		
Housing Fees, Zoning and Soil		4,440.00		
Land Use		7,549.35		
Assessor		509.47		
Tax Sale Certificates Cancelled		47,000.00		
Federal Emergency Management Agency Reimbursements				
Hurricane Irene in Excess of Funding Emergency		102,082.62		
Miscellaneous		<u>15,759.19</u>		
	A-4		<u>187,540.86</u>	
	A-2		<u><u>234,005.44</u></u>	

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>General Appropriations</b>							
General Government:							
Administrative and Executive							
Salaries and Wages		122,108.00		122,968.00	122,946.33	21.67	
Other Expenses		28,000.00		28,000.00	22,151.00	5,849.00	
Mayor and Committee							
Salaries and Wages		18,000.00		18,000.00	18,000.00		
Other Expenses		800.00		800.00	635.00	165.00	
Municipal Clerk							
Salaries and Wages		71,040.00		71,040.00	70,936.65	103.35	
Other Expenses		13,000.00		13,000.00	7,358.25	5,641.75	
Financial Administration							
Salaries and Wages		79,588.00		80,138.00	80,137.95	0.05	
Other Expenses		9,600.00		9,600.00	9,359.34	240.66	
Audit Services		30,000.00		30,000.00	25,800.00	4,200.00	
Computer Services		25,000.00		25,000.00	24,233.97	766.03	
Collection of Taxes							
Salaries and Wages		63,574.00		65,279.00	65,275.20	3.80	
Other Expenses		12,000.00		12,550.00	12,533.13	16.87	
Assessment of Taxes							
Salaries and Wages		73,040.00		77,780.00	77,779.06	0.94	
Other Expenses		16,000.00		18,000.00	17,903.44	96.56	
Legal Services and Costs							
Other Expenses		90,000.00		85,450.00	80,566.59	4,883.41	
Engineering Services and Costs							
Other Expenses		45,000.00		45,000.00	35,224.94	9,775.06	
Municipal Land Use Law (N.J.S. 40:55 D-11)							
Salaries and Wages		25,281.00		20,581.00	20,543.87	37.13	
Other Expenses		50,000.00		39,080.00	11,306.49	27,773.51	

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

General Appropriations	Ref.	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Code Enforcement							
Salaries and Wages		48,958.00		48,958.00	48,405.41	552.59	
Other Expenses		1,000.00		1,000.00	417.36	582.64	
Insurance							
Surety Bond Premium		1,800.00		745.00		745.00	
Other Insurance Premiums		130,000.00		128,100.00	128,099.00	1.00	
Workmen's Compensation Insurance		86,000.00		83,625.00	83,624.00	1.00	
Group Insurance Plan for Employees		580,300.00		592,300.00	573,939.38	18,360.62	
Health Benefit Waiver		4,500.00		4,000.00	4,000.00		
Emergency Management Systems							
Salaries and Wages		3,960.00		3,990.00	3,986.35	3.65	
Other Expenses		5,600.00		5,600.00	5,551.24	48.76	
Public Safety:							
Fire Department		26,200.00		26,200.00	25,666.91	533.09	
Aid to Volunteer Fire Companies		90,000.00		90,000.00	90,000.00		
Aid to Volunteer Fire - Adjoining Municipalities (2)		57,000.00		57,000.00	57,000.00		
OSHA Standard Fire Fighter Turnout Gear		30,000.00		30,000.00	29,256.09	743.91	
Ambulance Squad - Contribution		30,000.00		30,000.00	30,000.00		
Uniform Fire Safety Act							
Fire Official							
Salaries and Wages		5,362.00		5,362.00	5,361.55	0.45	
Other Expenses		1,000.00		1,000.00	4.86	995.14	
Streets and Roads:							
Road Repair and Maintenance							
Salaries and Wages		486,000.00		486,715.00	486,715.00		
Other Expenses		20,000.00		20,000.00	19,711.92	288.08	
Road Equipment Repair & Maintenance		72,000.00		72,000.00	72,000.00		
Safety Equipment		6,000.00		6,000.00	5,942.40	57.60	

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

**Township of Wantage, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2012**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u> <u>Canceled</u>
Snow Removal:							
Salaries & Wages		50,000.00		50,000.00	50,000.00		
Other Expenses		160,000.00		160,000.00	160,000.00		
Sanitation							
Garbage Collection/Recycling		15,000.00		15,000.00	11,260.60	3,739.40	
Fire Hydrant Services		4,800.00		4,800.00	3,870.27	929.73	
Public Buildings and Grounds							
Other Expenses		45,000.00		45,000.00	38,585.40	6,414.60	
Health and Welfare:							
Board of Health							
Salaries and Wages		15,119.00		15,264.00	15,260.20	3.80	
Other Expenses		1,500.00		1,500.00	1,152.09	347.91	
HBV Vaccination		3,000.00		3,000.00	360.00	2,640.00	
PEOSHA Respiratory Program		6,000.00		6,000.00	6,000.00		
Animal Regulation							
Salaries and Wages		7,355.00		14,155.00	14,154.49	0.51	
Other Expenses		10.00		10.00		10.00	
Aid to Sussex County Assoc. for Retarded Citizens		500.00		500.00		500.00	
Recreation and Education:							
Board of Recreation Comm. (N.J.S. 40A:12-1)							
Salaries and Wages		11,589.00		11,634.00	11,632.26	1.74	
Other Expenses		30,200.00		30,200.00	30,200.00		
Contribution to Senior Citizen Ctr. (N.J.S. 40:48-94)		3,000.00		3,000.00	2,000.00	1,000.00	
Celebration of Public Events		100.00		100.00	100.00		
Electricity		50,000.00		50,000.00	38,028.63	11,971.37	
Telephone		28,000.00		28,000.00	21,441.71	6,558.29	
Propane		4,500.00		4,500.00	1,761.53	2,738.47	
Fuel Oil		29,000.00		29,000.00	25,510.77	3,489.23	

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

	Ref.	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
General Appropriations							
Gasoline/Diesel Fuel		67,000.00		67,000.00	55,066.30	11,933.70	
Municipal Court							
Salaries and Wages		97,600.00		97,600.00	90,910.59	6,689.41	
Other Expenses		19,000.00		19,000.00	11,686.79	7,313.21	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):							
Construction Code Official							
Salaries and Wages		62,001.00		62,631.00	62,579.10	51.90	
Other Expenses		15,500.00		15,500.00	8,587.47	6,912.53	
Sub-Code Officials:							
Building Inspection:							
Salaries and Wages		34,940.00		38,110.00	38,109.41	0.59	
Plumbing Sub-Code Official:							
Salaries and Wages		12,542.00		12,542.00	12,517.80	24.20	
Electrical Sub-Code Official:							
Salaries and Wages		18,535.00		18,665.00	18,663.42	1.58	
Fire Sub-Code Official:							
Salaries and Wages		17,756.00		10,956.00	10,953.46	2.54	
Unclassified:							
Accrued Sick Leave & Other Compensation		1,000.00		1,000.00	1,000.00		
Total Operations Within "CAPS"		3,268,258.00		3,269,528.00	3,113,764.97	155,763.03	
Detail:							
Salaries and Wages	A-1	1,324,348.00		1,332,368.00	1,324,868.10	7,499.90	
Other Expenses (Including Contingent)	A-1	1,943,910.00		1,937,160.00	1,788,896.87	148,263.13	
Deferred Charges and Statutory Expenditures-							
Municipal Within "CAPS"							
Statutory Expenditures							
Contribution to:							

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

	Ref.	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
<u>General Appropriations</u>							
Social Security System (O.A.S.I.)		111,000.00		111,350.00	111,348.18	1.82	
Public Employees Retirement System		176,000.00		176,000.00	175,577.00	423.00	
Defined contribution Program		2,200.00		2,200.00	1,114.71	1,085.29	
Unemployment Compensation Insurance		2,000.00		380.00	377.75	2.25	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	291,200.00		289,930.00	288,417.64	1,512.36	
Total General Appropriations for Municipal Purposes within "CAPS"		3,559,458.00		3,559,458.00	3,402,182.61	157,275.39	
Operations - Excluded From "CAPS"							
Insurance:							
LOSAP		40,000.00		40,000.00		40,000.00	
Total Other Operations - Excluded From Caps		40,000.00		40,000.00		40,000.00	
Interlocal Municipal Service Agreements							
"911" Communications							
Other Expenses		70,000.00		70,000.00	70,000.00		
Animal Control Officer							
Salaries and Wages		60,000.00		60,000.00	60,000.00		
Tax Assessor Sussex Borough							
Salaries and Wages		4,000.00		4,000.00	4,000.00		
Other Expenses		6,000.00		6,000.00	6,000.00		
Municipal Court							
Salaries and Wages		34,400.00		34,400.00	34,400.00		
Other Expenses		40,000.00		40,000.00	40,000.00		
Total Interlocal Municipal Service Agreements		214,400.00		214,400.00	214,400.00		
Public and Private Programs Offset By Revenues							
Clean Communities Grant							
Salaries and Wages		4,700.00		4,700.00	4,700.00		
Other Expenses		27,602.00		27,602.00	27,602.00		

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

	Ref.	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
General Appropriations							
Recycling Tonnage Grant		10,752.00		10,752.00	10,752.00		
Other Expenses							
Municipal Alliance		3,179.00		3,179.00	3,179.00		
Matching Funds - Other Expenses							
Municipal Alliance on Alcoholism & Drug Abuse		12,716.00		12,716.00	12,716.00		
Other Expenses		161.00		161.00	161.00		
Municipal Court Alcohol Rehab							
Total Public and Private Programs Offset		59,110.00		59,110.00	59,110.00		
By Revenues		313,510.00		313,510.00	273,510.00	40,000.00	
Total Operations - Excluded from "CAPS"							
Detail:							
Salaries and Wages	A-1	103,100.00		103,100.00	103,100.00		
Other Expenses	A-1	210,410.00		210,410.00	170,410.00	40,000.00	
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund		25,250.00		25,250.00	25,250.00		
Improvements to Various Roads		158,000.00		158,000.00	158,000.00		
Purchase of Fire Equipment		29,600.00		29,600.00	29,600.00		
Improvement to Layton Road		24,000.00		24,000.00	24,000.00		
Fire Department Hose Replacement Program		5,000.00		5,000.00	5,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	241,850.00		241,850.00	241,850.00		
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal		560,000.00		560,000.00	560,000.00		
Payment of Bond Anticipation Notes		150,000.00		150,000.00	150,000.00		
Interest on Bonds		84,400.00		84,400.00	84,363.75		36.25
Interest on Notes		25,400.00		25,400.00	25,309.50		90.50
Loan Repayments for Principal and Interest		86,805.00		86,805.00	86,804.70		0.30
Total Municipal Debt Service-Excluded from "CAPS"	A-1	906,605.00		906,605.00	906,477.95		127.05
Deferred Charges - Municipal -							

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

Township of Wantage, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>							
Excluded From "CAPS"		38,600.00		38,600.00	38,600.00		
Deferred Charges:							
Special Emergency Authorization							
5 Years (N.J.S. 40A:4-55)							
Total Deferred Charges-Municipal-Excluded from "CAPS"	A-1	38,600.00		38,600.00	38,600.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,500,565.00		1,500,565.00	1,460,437.95	40,000.00	127.05
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,500,565.00		1,500,565.00	1,460,437.95	40,000.00	127.05
Subtotal General Appropriations		5,060,023.00		5,060,023.00	4,862,620.56	197,275.39	127.05
Reserve for Uncollected Taxes		1,222,042.00		1,222,042.00	1,222,042.00		
Total General Appropriations		6,282,065.00		6,282,065.00	6,084,662.56	197,275.39	127.05

A-2

A

Analysis of Paid or Charged

Reserve for Uncollected Taxes	A-2	1,222,042.00
Cash Disbursed	A-4	4,587,196.97
Schedule of Interfunds	A-11	3,179.00
Deferred Charges	A-12	38,600.00
Encumbrances Payable	A-15	177,713.59
Interfund - Federal and State Grant Fund	A-23	55,931.00
		<u>6,084,662.56</u>

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

**Township of Wantage, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<b>Animal Control Trust Fund:</b>			
Cash- Treasurer	B-1	21,955.42	14,584.18
Cash - Change Fund	B-2	100.00	100.00
Due From N.J. Department of Heath	B-7	39.00	
		<u>22,094.42</u>	<u>14,684.18</u>
<b>Other Trust Funds:</b>			
Cash	B-1	1,706,713.76	1,639,375.86
Interfund - Current Fund	B-5	42.07	
		<u>1,706,755.83</u>	<u>1,639,375.86</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited):</b>			
Cash in Plan	B-1	260,116.03	210,064.74
Contributions Receivable	B-9	35,625.00	34,250.00
		<u>295,741.03</u>	<u>244,314.74</u>
		<u>2,024,591.28</u>	<u>1,898,374.78</u>

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

**Township of Wantage, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Animal Control Trust Fund:			
Reserve for Animal Control			
Trust Fund Expenditures	B-3	18,202.42	11,217.97
Pre-Paid Licenses	B-4	3,892.00	3,454.00
Interfund - Current Fund	B-6		12.21
		<u>22,094.42</u>	<u>14,684.18</u>
Other Trust Fund:			
Interfund - General Capital Fund	B-5		168,748.06
Interfund - Federal and State Grant Fund	B-5	28.65	
Reserve for:			
Municipal Court P.O.A.A. Fees	B-8	182.00	182.00
Affordable Housing	B-8	347,030.36	372,193.86
Tax Sale Premiums	B-8	240,100.00	283,300.00
Open Space	B-8	466,634.58	324,171.62
Accumulated Sick	B-8	2,069.87	1,069.87
Snow Removal	B-8	199,940.67	93,480.60
Escrow Administrator	B-8	220,957.62	202,934.06
Recreation	B-8	12,531.78	12,685.51
COAH	B-8	95,641.00	59,041.50
Veterans Memorial	B-8	13,394.18	12,013.18
Payroll	B-8	1,091.04	2,604.11
Flexible Spending Account	B-8	10,204.23	10,001.64
Planning and Zoning Deposits	B-8	96,949.85	96,949.85
		<u>1,706,755.83</u>	<u>1,639,375.86</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	295,741.03	244,314.74
		<u>2,024,591.28</u>	<u>1,898,374.78</u>

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

**Township of Wantage, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**General Capital Fund**

**December 31,**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	C-2	611,364.85	809,068.58
Interfund - Other Trust Fund	C-5		168,748.06
Deferred Charges to Future Taxation			
Funded	C-6	2,344,416.01	2,976,917.10
Unfunded	C-7	3,378,278.00	2,976,004.00
		<u>6,334,058.86</u>	<u>6,930,737.74</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Federal and State Grant Fund	C-4	38,553.47	
Capital Improvement Fund	C-8	126,536.97	193,745.05
Improvement Authorizations:			
Funded	C-9	25,335.13	71,149.71
Unfunded	C-9	705,527.33	1,062,873.49
Reserve for:			
Various Reserves	C-10	351,021.67	345,373.11
Bond Anticipation Notes Payable	C-11	2,717,824.00	2,266,000.00
Serial Bonds Payable	C-12	1,680,000.00	2,240,000.00
Green Acres Trust Loan Payable	C-13	664,416.01	736,917.10
Fund Balance	C-1	24,844.28	14,679.28
		<u>6,334,058.86</u>	<u>6,930,737.74</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued on December 31, 2012 in the amount of \$662,504.00 as per Exhibit C-14.

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

**Township of Wantage, N.J.**  
**Schedule of Fund Balance - Regulatory Basis**  
**General Capital Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	C	14,679.28
Increased by:		
Premium on Bond Anticipation Note Sale	C-2	<u>10,165.00</u>
Balance - December 31, 2012	C	<u><u>24,844.28</u></u>

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

Township of Wantage, N.J.

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	D-1	<u>10,000.00</u>	<u>10,000.00</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance	D-5	<u>10,000.00</u>	<u>10,000.00</u>

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

**Township of Wantage**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31,**

**(Unaudited)**

	<u>2012</u>	<u>2011</u>
<u>General Fixed Assets:</u>		
Land	1,083,489.77	1,081,114.77
Buildings	3,153,647.29	2,912,377.90
Machinery and Equipment	<u>4,446,838.32</u>	<u>4,149,500.19</u>
	<u>8,683,975.38</u>	<u>8,142,992.86</u>
 Investment in Fixed Assets	 <u>8,683,975.38</u>	 <u>8,142,992.86</u>

(1) See Notes to Financial Statement Note 1

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

**TOWNSHIP OF WANTAGE, N. J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

A. Reporting Entity

The Township of Wantage (the "Township") operates under a Township Committee form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department and first aid squad which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting**

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

The Township has the following funds and account groups:

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

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. The Township transferred administration of the General Assistance Program to the Sussex County Board of Social Services. The funds remaining in the Public Assistance Fund are used to assist certain residents who do not qualify for the General Assistance Program.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (Continued)

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

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 11 in the current year, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

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

Budgets and Budgetary Accounting

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

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

Animal Control Trust Fund  
Trust Fund

General Capital Fund  
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, the Governing Body did not increase the original Current Fund budget, however, several budget transfers were approved by the Governing Body.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

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

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

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

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

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

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

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

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

General Fixed Assets - The Township of Wantage has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles.

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

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

No depreciation has been provided for in the financial statements.

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

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

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

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2012 statutory budget included a reserve for uncollected taxes in the amount of \$1,222,042.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2012 statutory budget was \$648,500.00.

Interdepartment budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Township Committee.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION (CONTINUED)**

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2012, there were no special items of revenue and appropriations.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year.

Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2012, there were no Emergency Authorizations.

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$260,116.03 of the Township's bank balance of \$3,894,872.97 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Unaudited Investments**

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2012 and 2011 amounted to \$260,116.03 and \$210,064.74 respectively.

The following investments represent 5% or more of the total invested with Lincoln Benefit Life on December 31, 2012:

	<u>2012</u>	<u>2011</u>
DWS EQ 500 Index	\$105,685.29	\$ 81,678.28
Fixed	102,652.49	87,226.51
Other	<u>51,778.25</u>	<u>41,159.95</u>
Total	<u>\$260,116.03</u>	<u>\$210,064.74</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT**

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

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Amount Due</u> <u>Within One Year</u>
Bonds Payable - General Obligation Debt	\$2,240,000.00	\$560,000.00	\$1,680,000.00	\$575,000.00
New Jersey Green Acres Loan	736,917.10	72,501.09	664,416.01	73,958.35
Other Liabilities - Compensated Absences Payable	<u>212,584.69</u>	<u>13,183.21</u>	<u>199,401.48</u>	<u>-</u>
	<u>\$3,189,501.79</u>	<u>\$645,684.30</u>	<u>\$2,543,817.49</u>	<u>\$648,958.35</u>

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligations bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds, Notes and Loans	<u>\$5,062,240.01</u>	<u>\$5,242,917.10</u>	<u>\$5,838,989.63</u>
Total Issued	<u>5,062,240.01</u>	<u>5,242,917.10</u>	<u>5,838,989.63</u>
<u>Authorized But Not Issued:</u>			
<u>General:</u>			
Bonds and Notes	<u>662,504.00</u>	<u>710,004.00</u>	<u>900,254.00</u>
Total Authorized But Not Issued	<u>662,504.00</u>	<u>710,004.00</u>	<u>900,254.00</u>
Net Bonds, Notes and Loans Issued and Authorized but Not Issued	<u>\$5,724,744.01</u>	<u>\$5,952,921.10</u>	<u>\$6,739,243.63</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**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 statement net debt of .433%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 245,130.42	\$245,130.42	\$ -
General Debt	<u>5,724,744.01</u>	<u>81,824.00</u>	<u>5,642,920.01</u>
	<u>\$5,969,874.43</u>	<u>\$326,954.42</u>	<u>\$5,642,920.01</u>

Net debt \$5,642,920.01 divided by average equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,303,363,198.33 = .433%.

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

Outstanding debt whose principal and interest are paid from the Current Fund Budget of the Township:

\$400,000.00 General Obligation Loan - Purchase of Land - dated 9/14/96 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$12,436.64 through 3/14/16. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2012 was \$83,676.13.

\$150,000.00 General Obligation Loan - Wantage Park - Phase I - dated 10/31/97 with the State of New Jersey Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$4,663.74 through 6/26/17. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2012 was \$43,696.50.

\$150,000.00 General Obligation Loan - Wantage Park - Phase II - dated 12/21/98 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$4,663.74 through 9/21/18. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2012 was \$52,490.75.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

\$445,936.69 General Obligation Loan - Improvements to Parks - dated 12/16/03 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$6,932.44 through 8/12/23. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2012 was \$272,588.87.

\$250,000.00 General Obligation Loan - Improvements to Parks - dated 6/6/09 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$7,772.90 through 12/6/28. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2012 was \$211,963.76.

\$3,087,000.00 General Obligation - General Improvements of 2004 - dated 6/15/04. This is payable in annual installments through 2/15/14. Interest is calculated at various rates from 3.00% to 4.00%. The remaining balance as of December 31, 2012 was \$702,000.00.

\$1,878,000.00 General Obligation - General Improvements of 2007 - dated 7/1/07. This is payable in annual installments through 7/1/17. Interest is calculated at various rates from 4.00% to 4.25%. The remaining balance as of December 31, 2012 was \$978,000.00.

General Obligation Bonds and Loans - Listed above	<u>\$2,344,416.01</u>
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**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

3 ½% of Equalized Valuation Basis (Municipal)	\$45,617,711.94
Net Debt	<u>5,642,920.01</u>

Remaining Borrowing Power	<u>\$39,974,791.93</u>
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The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**ANALYSIS OF AVERAGE EQUALIZED VALUATION - SUMMARY**

2012	1,303,363,198.33		
2011		1,381,963,364.00	
2010			1,451,103,695.00

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

On December 31, 2012, the Township had \$2,717,824.00 in outstanding General Capital Bond Anticipation Notes matured on January 11, 2013 with an interest rate of 1.50%. The Committee renewed this note for another one year period. The current interest rate on this note is 1.50%. Principal and interest on this note is paid from the Current Fund Budget of the Township. The Township renewed this note on January 10, 2013, totaling \$3,040,324.00, payable to TD Securities (USA) LLC, with an interest rate of 1.50%. Paydown on this note was \$200,000.00, consisted of \$5,000.00 from General Capital Fund Reserve for Debt Service and \$195,000.00 was paid from the Current Fund Budget of the Township and an increase for Ordinance #2012-03, in the amount of \$522,500.00.

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2012:

	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/30/2012</u>
Valley National Bank	<u>\$2,266,000.00</u>		<u>\$2,266,000.00</u>	
Oppenheimer & Co.		<u>\$2,717,824.00</u>		<u>\$2,717,824.00</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

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

<u>Calendar Year</u>	<u>General Capital Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
2013	648,958.35	74,927.93	723,886.28
2014	652,444.91	50,401.38	702,846.29
2015	326,961.38	32,282.42	359,243.80
2016	344,071.67	20,110.53	364,182.20
2017	53,921.78	7,091.84	61,013.62
2018 - 2022	203,254.04	22,451.24	225,705.28
2023 - 2027	99,488.19	5,970.56	105,458.75
2028	<u>15,315.69</u>	<u>230.11</u>	<u>15,545.80</u>
Total	<u>2,344,416.01</u>	<u>213,466.01</u>	<u>2,557,882.02</u>

**NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriation</u>	<u>Balance To Succeeding Budgets</u>
Current Fund:			
Road Repair - Hurricane Irene	<u>\$144,000.00</u>	<u>\$144,000.00</u>	<u>\$ -</u>

The appropriations in the 2013 Budget are not less than required by Statute.

**NOTE 6: REGIONAL AND REGIONAL HIGH 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 Wantage has not elected to defer school taxes.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 7: PENSION PLANS**

Description of Systems:

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

*Public Employees' Retirement System (PERS)*

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

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

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

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

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

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

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

Contribution Requirements

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

Contribution Requirements (continued)

The Township's contribution to the Public Employee's Retirement System, equal to the required contributions for each year, were as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2012	\$175,577.00
2011	172,377.00
2010	134,429.00

Defined Contribution Retirement Program

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

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

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

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

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

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program, (continued)

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

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

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

There were 5 employees eligible to be enrolled in the DCRP as of December 31, 2012.

**NOTE 8: FUND BALANCES APPROPRIATED**

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

Current Fund	<u>625,000.00</u>
--------------	-------------------

**NOTE 9: ACCRUED SICK BENEFITS**

The Township of Wantage has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. The current cost of such unpaid compensation is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. It is estimated that the current cost of such unpaid compensation would approximate \$199,401.48.

This amount is not reported either as an expenditure or a liability. The Township has reserved \$2,069.87 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-8 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 10: DUE TO/FROM OTHER FUNDS**

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

\$ 42.07	Due to Other Trust Fund from Current Fund for various cash receipts and disbursements in the Current Fund.
38,553.47	Due to Federal and State Grant Fund from General Capital Fund for cash disbursements.
34,703.61	Due to Federal and State Grant Fund from Current Fund for cash disbursed from the Current Fund for Federal and State Grants.
<u>28.65</u>	Due to Federal and State Grant Fund from Other Trust Fund for receipts.
<u>\$73,327.80</u>	

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

**NOTE 11: FIXED ASSETS (UNAUDITED)**

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

	Balance as of <u>12-31-11</u>	<u>Increase</u>	Balance as of <u>12-31-12</u>
Land	\$1,081,114.77	\$ 2,375.00	\$1,083,489.77
Buildings	2,912,377.90	241,269.39	3,153,647.29
Equipment (Including Vehicles)	<u>4,149,500.19</u>	<u>297,338.13</u>	<u>4,446,838.32</u>
	<u>\$8,142,992.86</u>	<u>\$540,982.52</u>	<u>\$8,683,975.38</u>

**NOTE 12: RISK MANAGEMENT**

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 13: PUBLIC ASSISTANCE**

The Township of Wantage has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Township of Wantage no longer has a public assistance director.

**NOTE 14: HEALTH INSPECTIONS**

The Township of Wantage has elected to have the County of Sussex, Department of Health perform all inspections. Therefore, the Township does not have a health inspector.

**NOTE 15: TAXES COLLECTED IN ADVANCE**

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

	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Prepaid Taxes	<u>\$190,750.16</u>	<u>\$153,931.86</u>
Cash Liability for Taxes Collected in Advance	<u>\$190,750.16</u>	<u>\$153,931.86</u>

**NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN  
(LOSAP)**

On 3/11/04, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plans contribution requirements are as follows: the contribution for each participating active volunteer member shall be between the minimum contributions of \$115.00 and the maximum contribution of \$1,150.00 commencing 2004. The Township's contribution shall be included in the current year's budget.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN  
(LOSAP) (CONTINUED)**

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

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

**NOTE 17: POST-RETIREMENT BENEFITS**

**A. PLAN OVERVIEW**

Township of Wantage ("Wantage") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Wantage will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Postemployment Benefits Other Than Pensions ("GASB 45").

Wantage provides medical benefits to retirees who retired from Wantage with 25 years of service. All active employees who retire directly from Wantage are no longer eligible to participate.

The summary below presents the results of the actuarial valuation of the postretirement medical obligations as of December 31, 2011, including a determination of financial reporting information for the year ending December 31, 2011.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

**Results of Valuation**

- *Actuarial Accrued Liability*

The Actuarial Accrued Liability (“AAL”) as of December 31, 2011 is \$217,289 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2011.

- *Annual Required Contribution*

The Annual Required Contribution (“ARC”) is the measure of annual cost on an accrual basis. It is comprised of the “Normal Cost” which is the portion of future liabilities attributable to the measurement year, plus 7 year amortization of the Unfunded Actuarial Accrued Liability (“UAAL”). Seven year amortization is used because the eligible group consists entirely of retirees and the amortization period is based on their future life expectancy. As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.

The ARC as of December 31, 2011 is \$36,874 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2011. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 0
(2) Actuarial Accrued Liability	\$ 217,289
(3) Assets	\$ 0
(4) UAAL = (2)-(3)	\$ 217,289
(5) 7 Year Amortization of UAAL at Discount Rate	\$ 36,874
(6) ARC = (1)+(5)	\$ 36,874

**Basis of Valuation**

This valuation has been conducted as of December 31, 2011 based upon census, plan design and claims information provided by The Fund. Census includes 3 participants currently receiving retiree benefits, and no active participants, as this plan is closed to future retirees. The average age of the retiree population is 78.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

**Basis of Valuation (continued)**

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2011 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2011 report from Aon Consultants.

**Key Actuarial Assumptions**

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>Current Age</i>
<i>Full Attribution Period</i>	<i>All Benefits Fully Earned</i>
<i>Benefit End Date</i>	<i>At Death</i>
<i>Annual Discount Rate</i>	<i>4.50%</i>
<i>Medical Trend</i>	<i>9% in 2012, reducing by 0.5% per annum, leveling at 5% per annum in 2020</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

- Attribution period – All benefits are fully accrued as the plan is open to a select group of current retirees only.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2012 medical and prescription drug premiums and the plan option selected. 2012 total contributions for retiree benefits as reported by the Fund were \$27 thousand.
- Retiree Contributions – None.
- Actuarial valuation method – Projected Unit Credit Funding Method.

**NOTE 18: CONTINGENT LIABILITIES**

Township Counsel has advised us that there is one lawsuit filed against the Township that will not materially affect the Township financial statements.

**NOTE 19: SUBSEQUENT EVENT**

The Township has evaluated subsequent events through June 26, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

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

<u>Name</u>	<u>Title</u>
William Gaechter	Mayor
Ronald Bassani	Deputy Mayor
William DeBoer	Committeeman
James Doherty	Administrator/Municipal Clerk; Assess. Search Officer
Melissa Caton	Tax Collector; Tax Search Officer Assistant Tax Collector
Michelle LaStarza	Chief Financial Officer/Treasurer
Thomas DeKorte	Assessor to 6/30/12
Kristy Lockburner	Assessor from 7/1/12
Craig U. Dana	Court Judge
Tania Ell	Municipal Court Administrator
Jeanne McBride	Sec. Board of Health
Michael S. Garofalo	Attorney
Harold E. Pellow	Engineer
William Haggerty	Prosecutor
James P. Sloan	Public Defender
Christine Von Oesen	Assistant Municipal Clerk; Registrar
Stella Salazar	Sec. Planning Board and Zoning Board
Kevin Kervatt	Fire Prevention; Zoning Officer; Housing Inspector to 7/27/12
Patrick Stefanelli	Fire Inspector; Fire Prevention; Plumbing Subcode Official; Building Subcode Official; Construction Official; Zoning Officer; Housing Inspector from 7/28/12
Vernon Township	Fire Prevention from 7/28/12
William Paterson	Fire Subcode Office from 7/28/12
Robert Schultz	Electrical Subcode Official
John Abate	Animal Control Officer
Thomas M. Ferry, C.P.A., R.M.A.	Township Auditor

Blanket Bond coverage is provided for all Officials and Employees in the amount of \$1,000,000, provided by Statewide Insurance Fund. The type of coverage provided by Blanket Bond is for employee forgery and alteration.

All of the bonds were examined and were properly executed.



**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**CURRENT FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	648,500.00	2.01%	360,000.00	1.12%
Miscellaneous - From Other Than Local Property Tax Levies	1,493,657.38	4.62%	1,776,958.18	5.51%
Collection of Delinquent Taxes and Tax Title Liens	811,511.43	2.51%	998,054.16	3.09%
Collection of Current Tax Levy	28,833,927.40	89.24%	28,851,683.56	88.80%
Other Credits to Income	521,834.79	1.62%	274,725.04	1.41%
	<hr/>		<hr/>	
<b><u>Total Revenue and Other Income Realized</u></b>	<b>32,309,431.00</b>	<b>100.00%</b>	<b>32,261,420.94</b>	<b>100.00%</b>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	5,059,895.95	15.96%	5,422,256.10	16.67%
Local and Regional School Taxes	20,583,762.98	64.92%	20,348,888.72	64.07%
County Taxes	5,912,631.33	18.65%	5,952,179.23	18.53%
Municipal Open Space Taxes	69,962.96	0.22%	72,983.78	0.23%
Other Expenditures	81,944.43	0.26%	13,915.21	0.50%
	<hr/>		<hr/>	
<b><u>Total Expenditures</u></b>	<b>31,708,197.65</b>	<b>100.00%</b>	<b>31,810,223.04</b>	<b>100.00%</b>
<b>Excess (Deficit) in Revenue</b>	<b>601,233.35</b>		<b>451,197.90</b>	
<b>Adjustments to Income Before Fund Balance:</b>				
<b>Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year</b>	<hr/>		<hr/>	<b>180,000.00</b>
<b>Statutory Excess to Fund Balance</b>	<b>601,233.35</b>		<b>631,197.90</b>	
<b>Fund Balance, January 1,</b>	<hr/>		<hr/>	<b>676,728.52</b>
	<b>1,549,159.77</b>		<b>1,307,926.42</b>	
<b>Less:</b>				
Utilized as Anticipated Revenue	<hr/>		<hr/>	<b>360,000.00</b>
<b>Fund Balance, December 31,</b>	<hr/>		<hr/>	<b>947,926.42</b>

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>2.143</u>	<u>2.052</u>	<u>2.036</u>

Apportionment of Tax Rate:

Municipal	.240	.240	.233
County	.423	.409	.405
Local Regional School	.962	.906	.889
Regional High School	.513	.492	.505
Municipal Open Space	.005	.005	.004

Assessed Valuation

2012	1,395,583,237		
2011		1,455,353,584	
2010			1,459,063,024

**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 levy.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	29,990,589.47	28,833,927.40	96.14%
2011	29,955,929.01	28,851,683.56	96.31%
2010	29,745,789.49	28,547,617.32	95.97%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	288,486.17	944,787.03	1,233,273.20	4.11%
2011	252,044.41	794,647.92	1,046,692.33	3.49%
2010	188,227.04	978,401.29	1,166,628.33	3.92%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2012	1,203,650.57
2011	1,203,650.57
2010	1,203,650.57
2009	1,203,650.57
2008	1,233,400.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2012	900,659.77	625,000.00
2011	947,926.42	648,500.00
2010	676,728.52	360,000.00
2009	654,464.23	363,000.00
2008	830,795.44	537,500.00

## Township of Wantage, N. J.

## Schedule of Cash

## Current Fund

## Year Ended December 31, 2012

Balance - December 31, 2011	<u>Ref.</u> A		1,574,149.29
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	187,540.86	
Taxes Receivable	A-6	29,329,033.61	
Tax Title Liens Receivable	A-7	27,340.76	
Revenue Accounts Receivable	A-9	1,454,242.96	
Due From State - Senior Citizen and Veteran Deductions	A-10	127,000.00	
Interfunds	A-11	6,919,468.65	
Various Cash Liabilities and Reserves	A-14	232,781.73	
Prepaid Taxes	A-16	<u>190,750.16</u>	
			<u>38,468,158.73</u>
			<u>40,042,308.02</u>
Decreased by Disbursements:			
Refund of Prior Year Taxes	A-1	81,944.43	
Current Year Budget Appropriations	A-3	4,587,196.97	
Interfunds	A-11	7,104,957.57	
Appropriation Reserves	A-13	123,761.32	
Various Cash Liabilities and Reserves	A-14	43,862.87	
Encumbrances Payable	A-15	52,108.43	
County Taxes Payable	A-17	5,914,396.55	
Local Regional School Taxes Payable	A-18	13,428,692.47	
Regional High School Taxes Payable	A-19	<u>7,155,070.51</u>	
			<u>38,491,991.12</u>
Balance - December 31, 2012	A		<u><u>1,550,316.90</u></u>

## Township of Wantage, N. J.

## Schedule of Change Fund

## Current Fund

## Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	A	<u>300.00</u>
Balance - December 31, 2012	A	<u>300.00</u>

Analysis of Balance

Tax Collector	100.00
Building Department	<u>200.00</u>
	<u>300.00</u>

**Township of Wantage, N. J.**  
**Schedule of Taxes Receivable and Analysis of Property Tax Levy**

**Current Fund**

**Year Ended December 31, 2012**

Year	Balance, Dec. 31, 2011	Levy	Collected		Senior Citizen and Veteran Deductions	Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2012
			2011	2012					
2010	196.40						196.40		
2011	794,451.52			794,193.14	(10,022.47)		8,214.79	7,771.68	
	794,647.92			794,193.14	(10,022.47)		8,214.79	7,771.68	
2012		29,907,351.29	83,238.18	28,534,840.47	123,019.39	22,135.68	71,374.09	937,015.35	
	794,647.92	29,907,351.29	89,196.19	29,329,033.61	112,996.92	22,135.68	79,588.88	944,787.03	
A			A-2;A-16	A-2;A-4	A-2;A-10	A-2;A-14	A-7	A	

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	29,907,351.29
Added Tax (R.S. 54:4-63.1 et seq.)	83,238.18
	<u>29,990,589.47</u>
Tax Levy:	
County Tax	5,895,998.51
Added County Taxes	<u>16,632.82</u>
Regional School Tax	A-17
Regional High School Tax	A-18
Open Space Tax	A-19
	A-20
	A-2
Local Tax for Municipal Purposes	3,352,877.00
Additional Taxes	<u>71,355.20</u>
	<u>3,424,232.20</u>
	<u>29,990,589.47</u>

**Township of Wantage, N. J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> A		252,044.41
Increased by:			
Transferred from 2012 Taxes Receivable	A-6	71,374.09	
Transferred from 2011 Taxes Receivable	A-6	8,214.79	
Interests and Costs		<u>1,177.07</u>	
			<u>80,765.95</u>
			332,810.36
Decreased by:			
Cancelled		16,983.43	
Collections	A-2;A-4	<u>27,340.76</u>	
			<u>44,324.19</u>
Balance - December 31, 2012	A		<u><u>288,486.17</u></u>

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**Township of Wantage, N. J.**  
**Schedule of Property Acquired for**  
**Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> A	<u><u>1,203,650.57</u></u>
Balance - December 31, 2012	A	<u><u>1,203,650.57</u></u>

**Township of Wantage, N. J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	3,770.00	3,770.00
Miscellaneous Revenue not Anticipated	A-2	4,905.68	4,905.68
Municipal Court :			
Fines and Costs	A-2	29,063.34	29,063.34
Tax Collector:			
Interest and Costs on Taxes	A-2	190,528.62	190,528.62
Interest on Investments and Deposits	A-2	9,968.37	9,968.37
Board of Health / Registrar of Vital Statistics			
Miscellaneous Revenue not Anticipated	A-2	32,401.90	32,401.90
Planning and Zoning Board			
Miscellaneous Revenue not Anticipated	A-2	7,515.00	7,515.00
Uniform Construction Code:			
Fees and Permits - Building	A-2	193,576.00	193,576.00
Fire Prevention			
Miscellaneous Revenue not Anticipated	A-2	1,642.00	1,642.00
Interlocal Service Agreements:			
Stillwater Agreement	A-2	36,700.00	36,700.00
Animal Control Agreement	A-2	88,798.00	88,798.00
Municipal Court - Sussex Borough	A-2	37,700.00	37,700.00
Tax Assessor - Sussex Borough	A-2	10,000.00	10,000.00
Recycling Coordinator - Branchville Borough	A-2	2,500.00	2,500.00
Recycling Coordinator - Frankford Township	A-2	2,500.00	2,500.00
Energy Receipts Tax	A-2	654,078.00	654,078.00
Garden State Trust	A-2	29,948.00	29,948.00
Consolidated Municipal Property Tax	A-2	100,587.00	100,587.00
Uniform Fire Safety Act	A-2	11,685.05	11,685.05
Cable TV Franchise Fee	A-2	31,765.00	31,765.00
Watershed Moratorium Offset	A-2	4,559.00	4,559.00
		<u>1,484,190.96</u>	<u>1,484,190.96</u>
	<u>Ref.</u>		
	Cash Receipts	A-4	1,454,242.96
	Various Reserves	A-14	29,948.00
			<u>1,484,190.96</u>

## Township of Wantage, N. J.

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

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	A	19,841.80
Increased by:		
Senior Citizens' and Veterans' Per Tax Billing		127,500.00
Add: Deductions Allowed - Current Year		3,750.00
Less: Deductions Disallowed - Current Year		<u>(8,230.61)</u>
		123,019.39
Less: Deductions Disallowed - Prior Year		<u>(10,022.47)</u>
	A-6	<u>112,996.92</u>
		132,838.72
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>127,000.00</u>
Balance - December 31, 2012	A	<u><u>5,838.72</u></u>

## Township of Wantage, N. J.

## Schedule of Interfunds Receivables/(Payables)

## Current Fund

## Year Ended December 31, 2012

Fund	Ref.	Due From/(To) Balance		Due From/(To) Balance	
		Dec. 31, 2011	Increased	Decreased	Dec. 31, 2012
Federal and State Grants	A	(162,806.33)	206,706.43	334,809.15	(34,703.61)
Animal Control Trust Fund	A	12.21	21,660.13	21,672.34	
Other Trust	A		1,826,059.11	1,826,017.04	(42.07)
General Capital Fund			4,938,172.73	4,938,172.73	
		<u>(162,794.12)</u>	<u>6,992,598.40</u>	<u>7,120,671.26</u>	<u>(34,745.68)</u>
<u>Analysis</u>					
Due To Current Fund	A-1	12.21			
Due From Current Fund		<u>(162,806.33)</u>			<u>(34,745.68)</u>
		<u>(162,794.12)</u>			<u>(34,745.68)</u>
Appropriated Grants Cancelled	A-1			15,701.48	
Appropriation Payable	A-3		3,179.00		
Received	A-4		6,897,796.31	21,672.34	
Disbursed	A-4		21,660.13	7,083,297.44	
Open Space Tax	A-20		69,962.96		
			<u>6,992,598.40</u>	<u>7,120,671.26</u>	

Township of Wantage, N. J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2012

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Reduced 2012</u>	<u>Balance, Dec. 31, 2012</u>
Special Emergency Authorizations (40A:4-53)						
Master Plan	07/10/07	13,000.00	2,600.00	2,600.00	2,600.00	
Road Repair - Hurricane Irene	10/27/11	180,000.00	36,000.00	180,000.00	36,000.00	144,000.00
				<u>182,600.00</u>	<u>38,600.00</u>	<u>144,000.00</u>
				A	A-3	A

**Township of Wantage**  
**Schedule of Appropriation Reserves**

A-13  
Page 1 of 3

**Current Fund**

**Year Ended December 31, 2012**

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages Within "CAPS"</b>				
Financial Administration	0.04	0.04		0.04
Municipal Clerk	339.56	339.56		339.56
Assessment of Taxes	14,264.64	14,264.64	4,319.73	9,944.91
Collection of Taxes	1,180.94	1,180.94		1,180.94
Code Enforcement	17,890.80	17,890.80		17,890.80
Emergency Management Services	1.00	1.00		1.00
<b>Health and Welfare:</b>				
Board of Health	14.23	14.23		14.23
Animal Control	13.51	13.51		13.51
Board of Recreation Comm.	270.90	270.90		270.90
Municipal Court	24,478.31	24,478.31		24,478.31
<b>Uniform Construction Code - Appropriations Offset by</b>				
<b>Dedicated Revenues:</b>				
<b>State Uniform Construction Code:</b>				
Construction Official	2,323.37	2,323.37		2,323.37
<b>Sub - Code Officials:</b>				
Building Inspector	0.36	0.36		0.36
Plumbing Inspector	241.68	241.68		241.68
Fire Protection Official	3,020.68	3,020.68		3,020.68
<b>Total Salaries and Wages Within "CAPS"</b>	<u>64,040.02</u>	<u>64,040.02</u>	<u>4,319.73</u>	<u>59,720.29</u>
<b>Other Expenses Within "CAPS":</b>				
Administrative and Executive	2,644.16	2,644.16	1,968.94	675.22
Mayor and Committee	27.51	27.51		27.51
Municipal Clerk	52.92	52.92		52.92
Financial Administration	541.65	541.65	65.92	475.73
Audit Services	16,350.00	16,350.00	12,650.00	3,700.00
Computer Services	2,616.34	2,616.34		2,616.34
Assessment of Taxes	1,899.65	1,899.65		1,899.65
Collection of Taxes	2,511.05	2,511.05	652.08	1,858.97
Legal Services and Costs	42,015.88	42,015.88	3,661.50	38,354.38
Engineering Services and Costs	3,634.51	3,634.51	1,796.25	1,838.26
<b>Municipal Land Use Law (N.J.S. 40:55 D-1):</b>				
Miscellaneous Other Expenses	20,858.83	20,858.83	1,102.56	19,756.27
Code Enforcement	21.49	21.49	7.88	13.61

**Township of Wantage**  
**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2012**

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
<b>Insurance:</b>				
Group Insurance for Employees	20,839.87	20,839.87		20,839.87
Worker's Compensation Insurance	2,047.00	2,047.00		2,047.00
Surety Bond Premiums	126.20	126.20		126.20
Other Insurance Premiums	4,586.12	4,586.12		4,586.12
Emergency Management Services	0.66	0.66		0.66
<b>Public Safety:</b>				
Fire Department	42.50	42.50		42.50
<b>Streets and Roads:</b>				
Road Equipment Repair and Maintenance	38.86	2,038.86	1,323.32	715.54
Repairs for Hurricane Irene	60,464.66	60,464.66	58,503.69	1,960.97
<b>Sanitation:</b>				
Garbage Collection/Recycling	7,082.37	7,082.37		7,082.37
Fire Hydrant Service	2.70	2.70		2.70
<b>Public Buildings and Grounds:</b>				
Other Expenses	26,055.89	24,055.89		24,055.89
<b>Health and Welfare:</b>				
Board of Health	1,387.09	602.59	14.52	588.07
HBV Vaccination	3,000.00	3,784.50		3,784.50
Animal Control	10.00	10.00		10.00
Aid to Sussex Cty Assoc. for Retarded Citizens	500.00	500.00		500.00
<b>Recreation and Education:</b>				
Other Expenses	50.85	50.85		50.85
Electricity	8,423.91	8,423.91	687.36	7,736.55
Telephone	6,028.74	6,028.74	5.52	6,023.22
Propane	958.73	958.73		958.73
Fuel Oil	7,207.75	7,207.75		7,207.75
Gasoline/Diesel Fuel	10,631.01	10,631.01		10,631.01
Municipal Court	16,503.82	16,503.82	173.83	16,329.99
Construction Code Official	7,218.51	7,218.51	1.71	7,216.80
Contribution to Senior Citizen Ctr. (N.J.S. 40:48-94)	1,000.00	1,000.00		1,000.00
<b>Dedicated Revenues:</b>				
State Uniform Construction Code:				
Sub - Code Officials				
Fire Protection Official	1,299.80	1,299.80	17.60	1,282.20
Celebration of Public Events	3.00	3.00		3.00
<b>Total Other Expenses Within "CAPS"</b>	<u>278,684.03</u>	<u>278,684.03</u>	<u>82,632.68</u>	<u>196,051.35</u>

**Township of Wantage**  
**Schedule of Appropriation Reserves**  
**Current Fund**

**Year Ended December 31, 2012**

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	38.25	38.25		38.25
Defined Contribution Program	1,827.91	1,827.91	1,058.91	769.00
Unemployment Compensation Insurance	1,604.41	1,604.41		1,604.41
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>3,470.57</u>	<u>3,470.57</u>	<u>1,058.91</u>	<u>2,411.66</u>
Total General Appropriation Reserves Within "CAPS"	<u>346,194.62</u>	<u>346,194.62</u>	<u>88,011.32</u>	<u>258,183.30</u>
Other Expenses Excluded From "CAPS":				
LOSAP	<u>39,375.00</u>	<u>39,375.00</u>	<u>35,750.00</u>	<u>3,625.00</u>
Total Other Expenses Excluded from "CAPS"	<u>39,375.00</u>	<u>39,375.00</u>	<u>35,750.00</u>	<u>3,625.00</u>
Total General Appropriation Reserves	<u><u>385,569.62</u></u>	<u><u>385,569.62</u></u>	<u><u>123,761.32</u></u>	<u><u>261,808.30</u></u>
	A		A-4	A-1

Township of Wantage, N. J.  
Schedule of Various Liabilities and Reserves

Current Fund

Year Ended December 31, 2012

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
<u>Liabilities:</u>				
Due State of NJ DCA Building Surcharge	2,206.00	14,909.00	17,115.00	
Due State of NJ-Marriage License Fees	200.00	1,150.00	1,175.00	175.00
Tax Overpayments	13,489.03	42,774.73	47,708.55	8,555.21
<u>Reserves for:</u>				
Revaluation of Real Property	956.45		956.45	
Hurricane Irene - Deferred Charge		144,000.00		144,000.00
Garden State Trust Pilot Program	29,948.00	29,948.00	29,948.00	29,948.00
	<u>46,799.48</u>	<u>232,781.73</u>	<u>96,903.00</u>	<u>182,678.21</u>
	A			A
	<u>Ref.</u>			
Canceled	A-1		956.45	
Cash Disbursed	A-4		43,862.87	
Cash Receipts	A-4	232,781.73		
Applied to Taxes Receivable	A-6		22,135.68	
Revenue Receivable	A-9		29,948.00	
		<u>232,781.73</u>	<u>96,903.00</u>	

**Township of Wantage, N. J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		61,459.34
Increased by:			
Transfer from Current Appropriations	A-3		<u>177,713.59</u>
			239,172.93
Decreased by:			
Cancelled	A-1	9,350.91	
Cash Disbursed	A-4	<u>52,108.43</u>	
			<u>61,459.34</u>
Balance - December 31, 2012	A		<u><u>177,713.59</u></u>

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		153,931.86
Increased by:			
Receipts - Prepaid 2013 Taxes	A-4		<u>190,750.16</u>
			344,682.02
Decreased by:			
Applied to 2012 Taxes	A-6		<u>153,931.86</u>
Balance - December 31, 2012	A		<u><u>190,750.16</u></u>

**Township of Wantage, N. J.**  
**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		18,398.04
Increased by:			
Levy- 2012	A-6	5,895,998.51	
Added and Omitted Taxes	A-6	16,632.82	
	A-1		5,912,631.33
			5,931,029.37
Decreased by:			
Payments	A-4		5,914,396.55
Balance - December 31, 2012	A		16,632.82

A-18

**Schedule of Local Regional School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		
Increased by:			
Levy- 2012	A-1;A-6		13,428,692.47
Decreased by:			
Payments	A-4		13,428,692.47

**Township of Wantage, N. J.**  
**Schedule of Regional High School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Levy- 2012	A-1;A-6	<u>7,155,070.51</u>
Decreased by:		
Payments	A-4	<u>7,155,070.51</u>

A-20

**Schedule of Open Space Tax**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Levy- 2012		69,779.00
Added and Omitted		<u>183.96</u>
	A-1;A-6	<u>69,962.96</u>
Decreased by:		
Interfund - Other Trust Fund	A-11	<u>69,962.96</u>

Township of Wantage, N. J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2012

Fund	Ref.	Due From/(To)			Due From/(To)
		Balance Dec. 31, 2011	Increased	Decreased	
Current Fund	A	162,806.33	206,706.43	334,809.15	34,703.61
General Capital Fund	A			38,553.47	38,553.47
Other Trust Fund	A		28.65		28.65
		<u>162,806.33</u>	<u>206,735.08</u>	<u>296,255.68</u>	<u>73,285.73</u>
Grants Receivable	A-22		197,565.00		
Appropriated Grants	A-23			280,554.20	
Appropriated Grants - Canceled	A-23			10,000.00	
Appropriated Grants - Matching Fund	A-23		3,179.00		
Unappropriated Grants	A-24		<u>5,991.08</u>	<u>5,701.48</u>	
			<u>206,735.08</u>	<u>296,255.68</u>	

Township of Wantage, N. J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Budget</u> <u>Revenue</u>	<u>Received</u>	<u>Transfer from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Recycling Tonnage Grant		10,752.00		10,752.00	
Municipal Court Alcohol Rehabilitation		161.00		161.00	
Arts and Heritage Council	28.65		28.65		
Municipal Alliance on Alcohol and Drug Abuse	9,083.00	12,716.00	11,484.35		10,314.65
Garden State Preservation	72,500.00		72,500.00		
NJ DOT - Newton Road	81,250.00		81,250.00		
Clean Communities		32,302.00	32,302.00		
	<u>162,861.65</u>	<u>55,931.00</u>	<u>197,565.00</u>	<u>10,913.00</u>	<u>10,314.65</u>
	A	A-2	A-21	A-24	A

Township of Wantage, N. J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance	Transfer	Expended	Cancel	Balance
	Dec. 31, 2011	From 2012 Budget			
Clean Communities Program	34,301.92	32,302.00	23,403.04		43,200.88
Recycling Tonnage	13,030.73	10,752.00	8,018.78		15,763.95
Municipal Court Alcohol Rehabilitation	292.58	161.00			453.58
Municipal Alliance:					
State Share		12,716.00	12,716.00		
Local Share	9,725.68	3,179.00	500.79		12,403.89
NJ DOT - Newton Road	162,034.59		162,034.59		
Arts and Heritage Council	1,381.00		1,381.00		
Garden State Preservation	72,500.00		72,500.00		
Stormwater Management	10,000.00			10,000.00	
	<u>303,266.50</u>	<u>59,110.00</u>	<u>280,554.20</u>	<u>10,000.00</u>	<u>71,822.30</u>
	A		A-21	A-21	A
	Ref.				
State Grant Fund	A-3	55,931.00			
Matching Funds for Grants	A-21	3,179.00			
		<u>59,110.00</u>			

Township of Wantage, N. J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance Dec. 31, 2011	Transfer To Appropriated Reserves	Received	Cancel to Surplus	Balance Dec. 31, 2012
Recycling Tonnage Grant	10,752.13	10,752.00	5,514.48	0.13	5,514.48
Clean Communities	5,787.55		98.86	0.55	5,885.86
Alcohol Education Rehabilitation Fund	161.80	161.00	377.74	0.80	377.74
Airport Study	5,700.00			5,700.00	
	<u>22,401.48</u>	<u>10,913.00</u>	<u>5,991.08</u>	<u>5,701.48</u>	<u>11,778.08</u>
	A	A-22	A-21	A-21	A

## Township of Wantage, N.J.

## Schedule of Cash - Treasurer

## Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Emergency Services Volunteer Length of Service Award Program</u>
Balance - December 31, 2011	B	<u>14,584.18</u>	<u>1,639,375.86</u>	<u>210,064.74</u>
Increased by Receipts:				
Dog License Fees	B-3	11,748.00		
Pound/Kennel/Late Fees	B-3	8,746.00		
Pre-Paid Licenses	B-4	3,892.00		
Dog License Fees - State Share	B-7	3,018.00		
Schedule of Interfunds	B-5;B-6	79.92	2,028.65	
Other Trust Funds	B-8		2,256,316.78	
Township Contributions	B-9			34,250.00
Schedule of Net Assets Available for Benefits	B-10			<u>21,539.28</u>
Total Receipts		<u>27,483.92</u>	<u>2,258,345.43</u>	<u>55,789.28</u>
		<u>42,068.10</u>	<u>3,897,721.29</u>	<u>265,854.02</u>
Decreased by Disbursements:				
Interfund - Current Fund	B-6	20,112.68		
Schedule of Interfunds	B-5		170,748.06	
Other Trust Funds	B-8		2,020,259.47	
Distributions	B-10			3,412.99
Accounting Charges	B-10			<u>2,325.00</u>
Total Disbursements		<u>20,112.68</u>	<u>2,191,007.53</u>	<u>5,737.99</u>
Balance - December 31, 2012	B	<u>21,955.42</u>	<u>1,706,713.76</u>	<u>260,116.03</u>

**Township of Wantage, N.J.**

**Schedule of Cash - Change Fund**

**Animal Control Trust Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	B	<u>100.00</u>
Balance - December 31, 2012	B	<u>100.00</u>

## Township of Wantage, N.J.

## Schedule of Reserve/(Deficit) for Animal Control Trust Fund Expenditures

## Trust Funds

## Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		11,217.97
Increased by:			
Dog License Fees	B-1	11,748.00	
Pre-paid Licenses Applied	B-4	3,454.00	
		<u>15,202.00</u>	
Pound/Kennel/Late Fees	B-1	8,746.00	
Pound/Kennel/Late Fees Collected in Current Fund	B-6	1,639.58	
		<u>25,587.58</u>	
			<u>36,805.55</u>
Decreased by:			
Interfund - Current Fund			<u>18,603.13</u>
Balance - December 31, 2012	B		<u><u>18,202.42</u></u>

License Fees Collected

<u>Year</u>		
2010		15,224.60
2011		15,864.80
		<u>31,089.40</u>

B-4

## Schedule of Pre-Paid Dog Licenses

## Trust Funds

## Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		3,454.00
Increased by:			
Cash Received in 2012	B-1	3,892.00	
		<u>7,346.00</u>	
Decreased by:			
Prepaid Realized	B-3	3,454.00	
Balance - December 31, 2012	B		<u><u>3,892.00</u></u>

**Township of Wantage, N.J.**

**Schedule of Interfund Accounts Receivable/(Payable)**

**Trust Fund**

**Year Ended December 31, 2012**

	Due (to)/from Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due (to)/from Balance <u>Dec. 31, 2012</u>
Current Fund		183.96	141.89	42.07
General Capital Fund	(168,748.06)	2,000.00	170,748.06	
Federal and State Grant Fund		28.65		(28.65)
	<u>(168,748.06)</u>	<u>2,212.61</u>	<u>170,889.95</u>	<u>13.42</u>
	B			B
	<u>Ref.</u>			
Receipts-Trust Funds	B-1	2,028.65		
Disbursed-Trust Funds	B-1		170,748.06	
Other Trust Funds	B-8	183.96	141.89	
		<u>2,212.61</u>	<u>170,889.95</u>	

**Township of Wantage, N.J.**

**Schedule of Interfund Accounts Receivable/(Payable)**

**Animal Control Trust Fund**

**Year Ended December 31, 2012**

	Due (to)/from Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due (to)/from Balance <u>Dec. 31, 2012</u>
Current Fund	<u>(12.21)</u>	<u>21,740.05</u>	<u>21,752.26</u>	<u></u>
	B			
Cash Receipts	B-1	79.92		
Cash Disbursements	B-1		20,112.68	
Reserve for Animal Control Expenditures	B-3	18,603.13	1,639.58	
Due to State Department of Health	B-7	<u>3,057.00</u>		
		<u>21,740.05</u>	<u>21,752.26</u>	

**Township of Wantage, N.J.**

**Schedule of Due to / (From) State Department of Health**

**Trust Funds**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-1	3,018.00
Decreased by:		
Paid to State	B-6	<u>3,057.00</u>
Balance - December 31, 2012		
Due From State	B	<u>(39.00)</u>

## Township of Wantage, N.J.

## Schedule of Other Trust Funds

## Trust Funds

## Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Municipal Court P.O.A.A. Fees	182.00			182.00
Affordable Housing	372,193.86		25,163.50	347,030.36
Tax Sale Premiums	283,300.00	81,200.00	124,400.00	240,100.00
Open Space	324,171.62	142,462.96		466,634.58
Accumulated Sick	1,069.87	1,000.00		2,069.87
Snow Removal	93,480.60	106,460.07		199,940.67
Escrow Administrator	202,934.06	143,037.08	125,013.52	220,957.62
Recreation	12,685.51	19,229.03	19,382.76	12,531.78
COAH	59,041.50	36,599.50		95,641.00
Veterans Memorial	12,013.18	1,409.65	28.65	13,394.18
Payroll	2,604.11	1,714,602.09	1,716,115.16	1,091.04
Flexible Spending Account	10,001.64	10,500.36	10,297.77	10,204.23
Planning and Zoning Deposits	96,949.85			96,949.85
	<u>1,470,627.80</u>	<u>2,256,500.74</u>	<u>2,020,401.36</u>	<u>1,706,727.18</u>
	B			B
	<u>Ref.</u>			
Interfund - Current	B-5	183.96	141.89	
Cash Receipts	B-1	2,256,316.78		
Cash Disbursements	B-1		<u>2,020,259.47</u>	
		<u>2,256,500.74</u>	<u>2,020,401.36</u>	

**Township of Wantage, N.J.**

**Schedule of Contributions Receivable**

**Emergency Services Volunteer Length of Services Award Program**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	B	34,250.00
Increased by:		
Township Contributions'	B-10	<u>35,625.00</u>
		69,875.00
Decreased by:		
Receipts	B-1	<u>34,250.00</u>
Balance - December 31, 2012	B	<u><u>35,625.00</u></u>

Township of Wantage, N.J.

Schedule of Net Assets Available for Benefits

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		244,314.74
Increased by:			
Gain or ( Loss)	B-1	21,539.28	
Township Contributions - 2012	B-9	<u>35,625.00</u>	
			<u>57,164.28</u>
			301,479.02
Decreased by:			
Withdrawals	B-1	3,412.99	
Accounting Charges	B-1	<u>2,325.00</u>	
			<u>5,737.99</u>
Balance - December 31, 2012	B		<u><u>295,741.03</u></u>

## Township of Wantage, N.J.

## General Capital Fund

## Schedule of Cash

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	C;C-3		809,068.58
Increased by Receipts:			
Fund Balance	C-1	10,165.00	
Interfund Other Trust Fund	C-5	168,748.06	
Capital Improvement Fund	C-8	25,250.00	
Various Reserves	C-10	197,560.14	
Bond Anticipation Notes	C-11	<u>570,000.00</u>	
	C-3		<u>971,723.20</u>
			1,780,791.78
Decreased by Disbursements:			
Improvement Authorizations	C-9	1,016,065.37	
Various Reserves	C-10	<u>153,361.56</u>	
	C-3		<u>1,169,426.93</u>
Balance - December 31, 2012	C;C-3		<u><u>611,364.85</u></u>

Township of Wantage, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

	Balance Dec. 31, 2011	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012
		BAN's	Miscellaneous	Improvement Authorizations	Miscellaneous	To	From	
Fund Balance	14,679.28		10,165.00					24,844.28
Capital Improvement Fund	193,745.05		25,250.00			41.92	92,500.00	126,536.97
Various Reserves	345,373.11		197,560.14		153,361.56	3.45	38,553.47	351,021.67
Interfund - Federal and State Grant Fund						38,553.47		38,553.47
Interfund - Other Trust Fund	(168,748.06)		168,748.06					
<b>Ordinance</b>								
05-22 Improvement Authorizations	(140,004.00)							(140,004.00)
06-14 Various Capital Improvements	19,750.19							19,750.19
08-12 Imp. To Woodbourne Park	3.92						3.92	
09-13 Purchase of Fire Equipment	55,873.49			50,837.93			3.45	5,032.11
09-14 Various Capital Improvements	437,000.00							437,000.00
10-17 Amending Bond Ord 07-12 Various Capital Imp.	38.00						38.00	
11-10 Brine System								
Acquisition of a Fire Engine and Associated								
Fire Equipment	30,000.00			544,733.18				(514,733.18)
Improvement of Newton Avenue	21,357.60	570,000.00		21,357.60				570,000.00
Purchase of DPW Vehicle				59,415.06		65,000.00		5,584.94
Various Capital Improvements				339,721.60		27,500.00		(312,221.60)
	<u>809,068.58</u>	<u>570,000.00</u>	<u>401,723.20</u>	<u>1,016,065.37</u>	<u>153,361.56</u>	<u>131,098.84</u>	<u>131,098.84</u>	<u>611,364.85</u>
	C;C-2							C;C-2

**Township of Wantage, N.J.**

**Schedule of Due From / (To) Federal and State Grant Fund**

**General Capital Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Various Reserves	C-10	<u>38,553.47</u>
Balance - December 31, 2012	C	<u><u>(38,553.47)</u></u>

**Schedule of Due From Other Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	C	<u><u>168,748.06</u></u>
Decreased by:		
Cash Receipts	C-2	<u><u>168,748.06</u></u>

## Township of Wantage, N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

## General Capital Fund

## Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	C	2,976,917.10
Decreased by:		
Funded by Budget Appropriation		
General Serial Bonds	C-12	560,000.00
Green Acres Trust Loan	C-13	<u>72,501.09</u>
		<u>632,501.09</u>
Balance - December 31, 2012	C	<u><u>2,344,416.01</u></u>

Township of Wantage, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Ord. No.	Ordinance Date	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Cancelled	Notes Paid By Budget Appropriation	Balance Dec. 31, 2012	Financed by Bond Anticipation Notes	Analysis of Balance Dec. 31, 2012		
									Expended	Overfunded Ordinance	Unexpended Improvement Authorizations
05-22	12/08/05	Various Capital Improvements	140,004.00				140,004.00				
07-12	05/10/07	Various Capital Improvements	437,250.00			21,413.00	415,837.00				
08-06	05/29/08	Various Capital Improvements	617,500.00			32,128.00	585,372.00				
09-13	06/25/09	Various Capital Improvements	1,211,250.00		2,050.00	64,635.00	1,144,565.00			2,050.00	
11-10	10/20/11	Acquisition of a Fire Engine and Associated Fire Equipment	570,000.00				570,000.00				
12-03	04/26/12	Various Capital Improvements		522,500.00			522,500.00				210,278.40
			<u>2,976,004.00</u>	<u>522,500.00</u>	<u>2,050.00</u>	<u>118,176.00</u>	<u>3,378,278.00</u>	<u>2,717,824.00</u>	<u>312,221.60</u>	<u>2,050.00</u>	<u>210,278.40</u>
			C	C-9	C-9	C-11	C		452,225.60		

Ref.

Improvement Authorizations - Unfunded	C-9	705,527.33
Less: Unexpended Proceeds of Bond Anticipation Notes		
Ord. # 09-13	2,982.11	
Ord. # 07-12	437,000.00	
Ord. # 11-10	55,266.82	
		<u>495,248.93</u>
		<u>210,278.40</u>

**Township of Wantage, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	C	193,745.05
Increased by:		
Budget Appropriation	C-2	25,250.00
Cancel Improvement Authorization	C-9	<u>41.92</u>
		<u>25,291.92</u>
		219,036.97
Appropriated to Finance Improvement Authorizations	C-9	<u>92,500.00</u>
Balance - December 31, 2012	C	<u><u>126,536.97</u></u>

Township of Wantage, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Expended	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
06-14	General Improvements: Imp. To Woodbourne Park	08/10/06	262,500.00	19,750.19					19,750.19	
08-12	Purchase of Fire Equipment	09/25/08	9,350.00	3.92			3.92			
09-13	Various Capital Improvements	06/25/09	1,275,000.00	55,873.49			50,837.93	2,053.45		2,982.11
09-14	Amending Section 3 of Bond Ord. 2007-08 as Amended by Ord. 2007-12	06/25/09 12/29/10	437,000.00 7,000.00		437,000.00					437,000.00
10-17	Brine System	10/20/11	600,000.00	30,000.00				38.00		
11-10	Acquisition of a Fire Engine and Associated Fire Equipment	10/20/11	65,100.00	21,357.60			544,733.18			55,266.82
11-11	Improvement of Newton Ave.	04/26/12	65,000.00		65,000.00		59,415.06			5,584.94
12-02	Purchase of DPW Vehicle	04/26/12	550,000.00		550,000.00		339,721.60			210,278.40
12-03	Various Capital Improvements			71,149.71	1,062,873.49	615,000.00	1,016,065.37	2,095.37	25,335.13	705,527.33
				C	C		C-2		C	C
	Deferred Charges to Future Taxation - Unfunded				522,500.00			2,050.00		
	Capital Improvement Fund				92,500.00			41.92		
	Various Reserves				615,000.00			3.45		
					615,000.00			2,095.37		

Ref.  
C-7; C-14  
C-8  
C-10

## Township of Wantage, N.J.

## Schedule of Various Reserves

## General Capital Fund

Year Ended December 31, 2012

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Debt Service	50,000.00	150,000.00	118,176.00	81,824.00
Purchase Fire Truck	20,994.45	5,653.45	685.67	25,962.23
Hose Replacement Program		5,000.00		5,000.00
Improvement to Public Property	69.00		69.00	
Improvement to Various Roads	205,158.37	22,562.30	10,270.56	217,450.11
Office Equipment	600.00			600.00
Vehicle Maintenance	5,837.49	14,347.84		20,185.33
Newton Avenue	58,000.00		58,000.00	
Blair Road	4,713.80		4,713.80	
	<u>345,373.11</u>	<u>197,563.59</u>	<u>191,915.03</u>	<u>351,021.67</u>
	C			C

	<u>Ref.</u>		
Cash Disbursements	C-2		153,361.56
Cash Receipts	C-2	197,560.14	
Interfund - Federal and State Grant Fund	C-4		38,553.47
Improvement Authorizations	C-9	3.45	
		<u>197,563.59</u>	<u>191,915.03</u>



**Township of Wantage, N.J.**  
**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2012**

Purpose	Date of Issue	Maturities of Bonds Outstanding, December 31, 2012	Interest Rate	Balance	
				Dec. 31, 2011	Dec. 31, 2012
General Improvement Bonds of 2004	06/15/2004	02/15/13	4.00%	1,037,000.00	702,000.00
		02/15/14	4.00%	335,000.00	
General Improvement Bonds of 2007	7/1/2007	07/01/13	4.00%		
		07/01/14	4.00%		
		07/01/15	4.25%		
		07/01/16	4.25%		
		07/01/17	4.25%		
				1,203,000.00	978,000.00
				<u>2,240,000.00</u>	<u>1,680,000.00</u>
				C	C
				225,000.00	560,000.00
				C-6	C-6

Township of Wantage, N.J.

Schedule of Green Acres Trust Loan Payable

General Capital Fund

Year Ended December 31, 2012

Maturities of  
Bonds Outstanding,  
December 31, 2012

Purpose	Date of Issue	Original Issue	Date	Amount	Interest Rate	Balance	
						Dec. 31, 2011	Dec. 31, 2012
Green Acres Loan	9/14/1996	400,000.00	3/14/2013 - 3/14/2016	See Notes	2.00%	106,532.47	22,856.34
			9/14/2013 - 9/14/2015				
Green Acres Loan	10/31/1997	150,000.00	6/26/2013 - 6/26/2017	See Notes	2.00%	52,098.74	8,402.24
			12/26/2013 - 12/26/2016				
Green Acres Loan	12/21/1998	150,000.00	3/21/2013 - 3/21/2018	See Notes	2.00%	60,645.88	8,155.13
			9/21/2013 - 9/21/2018				
Green Acres Loan	12/16/2003	445,936.69	2/12/2013 - 2/12/2023	See Notes	2.00%	294,537.09	21,948.22
			8/12/2013 - 8/12/2023				
Green Acres Loan	6/6/2009	250,000.00	6/6/2013 - 6/6/2028	See Notes	2.00%	223,102.92	11,139.16
			12/6/2013 - 12/6/2028				
						<u>736,917.10</u>	<u>72,501.09</u>
						C	C-6
						<u>664,416.01</u>	C

Township of Wantage, N.J.

Schedule of Bond And Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2012

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2012</u>
05-22	Various Capital Improvements	140,004.00			140,004.00
11-10	Acquisition of Fire Engine and Associated Fire Equipment	570,000.00		570,000.00	522,500.00
12-03	Various Capital Improvements	<u>710,004.00</u>	<u>522,500.00</u>	<u>570,000.00</u>	<u>662,504.00</u>
			C-9	C-11	Footnote C

**Township of Wantage, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	<u>P.A.T.F.</u> <u>Account #1</u>
Balance - December 31, 2011	D;D-3	10,000.00
Increased by Receipts:		
Interest	D-4	<u>25.09</u>
		10,025.09
Decreased by Disbursements:		
Disbursed to Current Fund	D-5	<u>25.09</u>
Balance - December 31, 2012	D;D-3	<u><u>10,000.00</u></u>

## Township of Wantage, N.J.

## Schedule of Cash and Reconciliation Per N.J.S.A. 40A:5-5

## Public Assistance Fund

## Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2012	D-1	10,000.00
Increased by:		
Cash Receipts Record		<u>10.35</u>
Balance - May 31, 2013		<u><u>10,010.35</u></u>
<u>Reconciliation - May 31, 2013</u>		P.A.T.F. <u>Account #1</u>
Balance on Deposit per Statement of:		
Lakeland Bank		
Checking		<u>10,010.35</u>
Balance - May 31, 2013		<u><u>10,010.35</u></u>

**Township of Wantage, N.J.**  
**Schedule of Cash and Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	D	10,000.00
Increased by Receipts:		
Cash Receipts Record	D-4	<u>25.09</u>
		10,025.09
Decreased by Disbursements:		
Cash Disbursements Record	D-5	<u>25.09</u>
Balance - December 31, 2012	D	<u><u>10,000.00</u></u>

	P.A.T.F. <u>Account #1</u>
<u>Reconciliation - December 31, 2012</u>	
Balance on Deposit per Statement of: Lakeland Bank Checking	10,002.12
Less: Outstanding Checks	<u>(2.12)</u>
Balance - December 31, 2012	<u><u>10,000.00</u></u>

**Township of Wantage, N.J.**

**Schedule of Revenues**

**Public Assistance Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Interest Earned	D-5	<u>25.09</u>
Total Revenues (P.A.T.F.)		<u>25.09</u>
Total Receipts		<u><u>25.09</u></u>

D-1;D-3

## Township of Wantage, N.J.

## Schedule of Reserve for Public Assistance

## Public Assistance Fund

## Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	D	10,000.00
Increased by:		
Interest Earned	D-4	<u>25.09</u>
		10,025.09
Decreased by:		
Disbursed to Current Fund	D-3	<u>25.09</u>
Balance - December 31, 2012	D	<u><u>10,000.00</u></u>

**TOWNSHIP OF WANTAGE**

**PART II**

---

**LETTER ON INTERNAL CONTROL AND  
ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2012**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the Township Committee  
Township of Wantage  
Wantage, NJ 07461

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Wantage in the County of Sussex as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated June 26, 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting and qualified that we did not audit the Fixed Asset account group.

### **Internal Control Over Financial Reporting**

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

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



Honorable Mayor and  
Members of the Township Committee  
Page 2

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

### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkutz, Cerullo, + Cova, P.A.*

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

June 26, 2013



## GENERAL COMMENTS

### Cash Balance

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2012, and June 26, 2013, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

N.J.S.A. 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 contracts 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.40A:11-2), 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. That adjustment shall become effective on July 1 of the year in which it is made."

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

## GENERAL COMMENTS (CONTINUED)

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

Effective January 1, 2011, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

The Governing Body of the Township of Wantage have 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 the bids were requested by public advertising per N.J.S.A. 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.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, that interest shall apply at the rate of 8 per cent per annum on all taxes which are unpaid and delinquent after the respective quarterly due dates; provided, however, that the said interest shall not be charged if the taxes are paid within the period of ten days after the respective due dates but if such taxes are not paid within the aforesaid period of ten days, interest on such unpaid taxes shall accrue from the respective due dates; and shall accrue at the rate of 18% per cent per annum on any unpaid taxes and delinquent taxes in excess of \$1,500.00.

It appears from an examination of the Collector's records that interest was generally collected in accordance with the forgoing resolutions.

**GENERAL COMMENTS (CONTINUED)**

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 5, 2012 and was complete except for parcels in the process of bankruptcy.

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

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

<u>Year</u>	<u>Number of Liens</u>
2012	49
2011	54
2010	46

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

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

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

**OTHER COMMENTS**

Outside Offices *Payroll*

1. Retirement incentives and health insurance waivers did not have the proper payroll taxes deducted.

Management Response:

Taxes will be withheld in the future.

Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Township Clerk and Division of Local Government Services. Comments regarding the financial records maintained by the Court Clerk are covered in this report.

## RECOMMENDATIONS

1. That taxes be withheld from retirement incentives and health insurance waivers per IRS regulations.

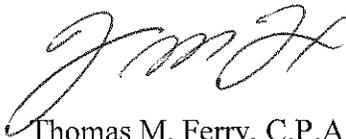
### Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all.

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

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

Very truly yours,



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkocz, Cerullo, & Cuva, P.A.*

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