

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Township of Union***

*in the*

*County of Hunterdon*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2012*



TOWNSHIP OF UNION

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TOWNSHIP OF UNION

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2012 AND 2011



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Union  
County of Hunterdon  
Hampton, New Jersey 08827

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Union, 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 individual funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's regulatory 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 regulatory 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 regulatory 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.

## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Union 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 the various individual funds and account group of the Township of Union as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2012.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2012 and 2011, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance 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.

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## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Union's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also 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 regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 and data listed in the table of contents, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2013 on our consideration of the Township of Union'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 Union's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 20, 2013

CURRENT FUND

TOWNSHIP OF UNION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Cash-Treasurer	A-4	\$ 2,564,652.76	\$ 2,706,490.91
Due State of New Jersey-Chapter 20, PL 1971	A-8	7,392.30	9,142.30
		<u>\$ 2,572,045.06</u>	<u>\$ 2,715,633.21</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 311,441.01	\$ 399,469.74
Tax Title Liens Receivable	A-6	37,448.26	35,907.31
Prepaid Local School Taxes	A-15	317,759.42	
Revenue Accounts Receivable	A-9	8,535.24	5,732.43
Interfunds Receivable	A-10	3,616.21	351.94
	A	<u>\$ 678,800.14</u>	<u>\$ 441,461.42</u>
		<u>\$ 3,250,845.20</u>	<u>\$ 3,157,094.63</u>
Grant Fund:			
Grants Receivable	A-19	\$ 2,296.96	\$ 29,796.96
Due Current Fund	A-24	44,913.43	19,411.83
		<u>\$ 47,210.39</u>	<u>\$ 49,208.79</u>
		<u>\$ 3,298,055.59</u>	<u>\$ 3,206,303.42</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2012	BALANCE DECEMBER 31, 2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 163,327.26	\$ 202,331.84
Encumbrances Payable	A-26	26,873.23	35,130.45
Prepaid Taxes	A-17	158,533.55	110,288.19
Tax Overpayments	A-18	6,755.96	2,907.08
Interfunds Payable	A-10	95,339.01	47,154.22
Reserve for Grants - Unappropriated	A-11	16,911.00	16,911.00
County Taxes-Payable	A-14	1,533.62	11,166.27
Local District School Tax Payable	A-15		21,581.56
Regional High School Tax	A-16	1,750,069.28	1,759,292.77
Miscellaneous Reserves	A-21	79,615.12	12,000.00
		\$ 2,298,958.03	\$ 2,218,763.38
Reserve for Receivables and Other Assets	A	678,800.14	441,461.42
Fund Balance	A-1	273,087.03	496,869.83
		\$ 3,250,845.20	\$ 3,157,094.63
Grant Fund:			
Encumbrances Payable	A-23	\$	\$ 1,521.70
Reserve for Grants Appropriated	A-20	29,392.66	32,622.24
Reserve for Grants Unappropriated	A-12	17,817.73	15,064.85
		\$ 47,210.39	\$ 49,208.79
		\$ 3,298,055.59	\$ 3,206,303.42

The accompanying Notes to the Financial Statements are an integral part of this statement.

## TOWNSHIP OF UNION

## CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 425,000.00	\$ 517,000.00
Miscellaneous Revenue Anticipated	A-2	1,367,760.07	1,144,610.82
Receipts From Delinquent Taxes	A-2	399,469.74	357,613.09
Receipts From Current Taxes	A-2	17,966,651.11	18,642,163.78
Non-Budget Revenue	A-2	70,831.23	38,300.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	128,938.58	109,909.17
Interfunds Returned			1,269.90
<u>Total Income</u>		<u>\$ 20,358,650.73</u>	<u>\$ 20,810,866.88</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 1,723,222.17	\$ 1,793,411.57
Deferred Charges and Statutory Expenditures	A-3	103,162.00	134,826.00
Operations Excluded From "CAPS":			
Operating	A-3	19,580.25	37,132.41
Capital Improvements	A-3	115,000.00	125,000.00
Municipal Debt Service	A-3	991,946.97	758,380.14
County Taxes	A-14	2,996,739.36	2,990,285.25
County Share of Added Taxes	A-14	1,533.62	11,166.27
Local District School Tax	A-15	8,675,787.00	9,354,469.00
Regional High School Tax	A-16	5,069,414.71	5,087,861.70
Municipal Open Space Tax	A-25	137,273.76	137,566.17
Refund of Prior Year Revenue	A-4		3,814.16
Senior Citizen and Veteran State Audit Adjustment	A-8	2,750.00	
Reserve for Prepaid Local School Taxes		317,759.42	
Interfunds Advanced		3,264.27	
<u>Total Expenditures</u>		<u>\$ 20,157,433.53</u>	<u>\$ 20,433,912.67</u>
Excess in Revenue		\$ 201,217.20	\$ 376,954.21
<u>Fund Balance</u>			
Balance, January 1	A	496,869.83	636,915.62
		<u>\$ 698,087.03</u>	<u>\$ 1,013,869.83</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	425,000.00	517,000.00
Fund Balance, December 31	A	<u>\$ 273,087.03</u>	<u>\$ 496,869.83</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)	
	BUDGET	SPECIAL N.J.S. 40A:4-87			
Fund Balance Anticipated	A-1	\$ 425,000.00	\$	\$ 425,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 18,000.00	\$	\$ 17,040.00	\$ (960.00)
Fees and Permits:					
Other	A-9	35,965.00		52,824.01	16,859.01
Fines:					
Municipal Court	A-9	120,000.00		101,431.28	(18,568.72)
Interest and Costs on Taxes	A-9	65,000.00		102,863.46	37,863.46
Interest on Investments	A-9	6,200.00		3,825.88	(2,374.12)
Sewer Rent Charge-Clinton Town	A-9	110,000.00		100,407.19	(9,592.81)
Garden State Preservation Trust Fund	A-11	16,911.00		16,911.00	
Consolidated Municipal Property					
Tax Relief Act	A-9	12,884.00		12,884.00	
Energy Receipts Tax	A-9	362,013.00		362,013.00	
Reserve to Pay Debt Service-Milligan	A-9	478,180.00		478,180.00	
Reserve to Pay Debt-Douglass	A-9	72,000.00		72,000.00	
Clean Communities Program	A-19		12,380.25	12,380.25	
Capital Surplus	A-9	35,000.00		35,000.00	
	A-1	\$ 1,332,153.00	\$ 12,380.25	\$ 1,367,760.07	\$ 23,226.82
Receipts From Delinquent Taxes	A-7	\$ 290,000.00	\$	\$ 399,469.74	\$ 109,469.74
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 1,408,378.14	\$	\$ 1,585,902.66	\$ 177,524.52
<u>Budget Totals</u>		\$ 3,455,531.14	\$ 12,380.25	\$ 3,778,132.47	\$ 310,221.08
Non-Budget Revenue	A-1:A-2			70,831.23	70,831.23
		\$ 3,455,531.14	\$ 12,380.25	\$ 3,848,963.70	\$ 381,052.31
REF.	A-3		A-3		

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>		
Allocation of Current Tax Collections:			
Collections Realized on a Cash Basis	A-1:A-7	\$	17,966,651.11
Allocated to:			
School and County Taxes			<u>16,880,748.45</u>
Balance for Support of Municipal Budget Appropriations		\$	1,085,902.66
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3		<u>500,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>1,585,902.66</u></u>
 <u>Analysis of Non-Budget Revenues</u>			
Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Excess Animal Control Fees		\$	3,329.05
Cable TV Franchise Fee			4,821.48
Rental Income			3,500.00
Payment in Lieu of Taxes			4,493.94
Recycling			1,174.90
Building Fees			2,275.00
Reimbursement of Costs			2,028.00
Miscellaneous			49,516.40
Administrative Fee - Senior Citizen and Veterans			<u>645.00</u>
	A-4	\$	71,783.77
Tax Collector	A-5		<u>3,142.86</u>
			74,926.63
Refunds	A-4		<u>4,095.40</u>
	A-2	\$	<u><u>70,831.23</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS				CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration:					
Salaries and Wages	\$ 19,100.00	\$ 19,100.00	\$ 17,202.67	\$ 1,897.33	\$
Other Expenses	25,000.00	25,000.00	21,115.73	3,884.27	
Mayor and Council:					
Salaries and Wages	13,500.00	13,500.00	13,500.00		
Municipal Clerk:					
Salaries and Wages	56,375.00	56,375.00	56,373.36	1.64	
Financial Administration:					
Salaries and Wages	39,975.00	39,975.00	39,975.00		
Other Expenses	5,000.00	5,500.00	5,242.48	257.52	
Audit Services	28,900.00	28,900.00	28,900.00		
Computerized Data Processing:					
Other Expenses	16,000.00	18,000.00	16,067.15	1,932.85	
Revenue Administration (Tax Collection):					
Salaries and Wages	15,000.00	15,500.00	15,432.70	67.30	
Other Expenses	3,500.00	3,500.00	3,253.60	246.40	
Tax Assessment Administration:					
Salaries and Wages	29,806.00	29,806.00	29,805.64	0.36	
Other Expenses	3,000.00	3,000.00	1,000.50	1,999.50	
Legal Services:					
Other Expenses	70,000.00	75,000.00	72,682.62	2,317.38	
Engineering Services:					
Other Expenses	25,000.00	30,000.00	25,963.25	4,036.75	
<b>LAND USE ADMINISTRATION:</b>					
Municipal Land Use Law (NJSA 40:550-1)					
Planning Board:					
Salaries and Wages	28,741.00	28,741.00	28,741.00		
Other Expenses	20,000.00	15,000.00	7,152.11	7,847.89	
Zoning Board of Adjustment:					
Salaries and Wages	11,500.50	11,500.50	11,500.50		
Other Expenses:					
Miscellaneous Other Expenses	100.00	100.00	19.50	80.50	
<b>INSURANCE:</b>					
Liability Insurance	75,000.00	75,000.00	70,263.00	4,737.00	
Worker Compensation Insurance	42,000.00	42,000.00	40,640.00	1,360.00	
Employee Insurance	140,000.00	135,000.00	129,103.17	5,896.83	
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Office of Emergency Management:					
Salaries and Wages	3,837.10	3,837.10	3,837.09	0.01	
Other Expenses	750.00	750.00	599.00	151.00	
Aid to Volunteer Fire Companies	71,326.92	71,326.92	71,326.92		
Aid to Volunteer Fire Companies - Adjoining	53,692.60	53,692.60	53,692.60		
Contributions to First Aid Organizations	51,878.52	51,878.52	51,878.52		
Contributions to First Aid Organizations - Adjoining	19,693.53	19,693.53	19,692.63	0.90	
Fire Department:					
Other Expenses:					
Fire Hydrant Services	7,500.00	7,500.00	5,226.75	2,273.25	
Public Safety Officer:					
Salaries and Wages	5,200.00	5,200.00		5,200.00	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS				CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b><u>PUBLIC WORKS FUNCTIONS:</u></b>					
Street and Road Maintenance:					
Salaries and Wages	\$ 220,000.00	\$ 209,900.00	\$ 202,102.34	\$ 7,797.66	
Other Expenses	210,000.00	204,000.00	170,450.90	33,549.10	
Solid Waste Collection:					
Salaries and Wages	16,000.00	16,000.00	15,339.71	660.29	
Other Expenses:					
Sewer Rent Charges	120,000.00	120,000.00	71,990.33	33,009.67	15,000.00
Miscellaneous	20,000.00	20,000.00	20,000.00		
Building and Grounds:					
Other Expenses	27,500.00	40,500.00	34,482.90	6,017.10	
<b><u>HEALTH AND HUMAN SERVICES FUNCTIONS:</u></b>					
Public Health Services (Board of Health):					
Other Expenses	500.00	500.00		500.00	
Environmental Health Services:					
Other Expenses	1,000.00	1,000.00	15.27	984.73	
Animal Control Services:					
Salaries and Wages	14,396.00	14,396.00	14,395.19	0.81	
Other Expenses	1,000.00	1,000.00	10.00	990.00	
Contributions to Social Services Agencies:					
Other Expenses	5,000.00	5,000.00	4,044.35	955.65	
<b><u>PARKS AND RECREATION FUNCTIONS:</u></b>					
Recreation Services and Programs:					
Other Expenses	37,800.00	37,800.00	36,411.64	1,388.36	
Insurance Premiums	1,850.00	1,850.00	1,850.00		
Background Checks	400.00	400.00		400.00	
Maintenance of Parks:					
Other Expenses	12,500.00	12,500.00	10,255.68	2,244.32	
Municipal Court:					
Salaries and Wages	118,000.00	118,000.00	118,000.00		

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS				
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
<b>UNCLASSIFIED:</b>					
Electricity	\$ 6,000.00	\$ 6,000.00	\$ 5,859.32	\$ 140.68	\$
Street Lighting	12,000.00	12,000.00	9,510.23	2,489.77	
Telephone	9,000.00	9,000.00	7,698.85	1,301.15	
Fuel Oil #2	2,000.00	2,000.00	657.76	1,342.24	
Gasoline and Diesel Fuel	22,000.00	22,000.00	18,718.72	3,281.28	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>\$ 1,738,322.17</b>	<b>\$ 1,738,222.17</b>	<b>\$ 1,581,980.68</b>	<b>\$ 141,241.49</b>	<b>\$ 15,000.00</b>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS":</b>					
Statutory Expenditures:					
Contribution To:					
Unemployment Insurance	\$ 5,000.00	\$ 5,100.00	\$ 5,038.27	\$ 61.73	\$
Social Security System	45,000.00	45,000.00	34,358.90	10,641.10	
Public Employees Retirement System	53,062.00	53,062.00	53,062.00		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>	<b>\$ 103,062.00</b>	<b>\$ 103,162.00</b>	<b>\$ 92,459.17</b>	<b>\$ 10,702.83</b>	<b>\$</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>\$ 1,841,384.17</b>	<b>\$ 1,841,384.17</b>	<b>\$ 1,674,439.85</b>	<b>\$ 151,944.32</b>	<b>\$ 15,000.00</b>
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>					
LOSAP - Other Expenses	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$	\$
<b>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>\$ 7,200.00</b>	<b>\$ 7,200.00</b>	<b>\$ 7,200.00</b>	<b>\$</b>	<b>\$</b>
<b>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES:</b>					
Clean Communities Program (N.J.S. 40A:4-87 +12,380.25)	\$	\$ 12,380.25	\$ 12,380.25	\$	\$
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS</b>	<b>\$</b>	<b>\$ 12,380.25</b>	<b>\$ 12,380.25</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>\$ 7,200.00</b>	<b>\$ 19,580.25</b>	<b>\$ 19,580.25</b>	<b>\$</b>	<b>\$</b>
<b>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS":</b>					
Capital Improvement Fund	\$ 25,400.00	\$ 25,400.00	\$ 25,400.00	\$	\$
Purchase of Mason Dump Truck	70,000.00	70,000.00	65,962.06	4,037.94	
Purchase of Leaf Vacuum	19,600.00	19,600.00	12,255.00	7,345.00	
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>	<b>\$ 115,000.00</b>	<b>\$ 115,000.00</b>	<b>\$ 103,617.06</b>	<b>\$ 11,382.94</b>	<b>\$</b>
<b>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS":</b>					
Payment of Bond Principal	\$ 245,000.00	\$ 245,000.00	\$ 245,000.00	\$	\$
Payment of Bond Anticipation Notes	517,042.00	517,042.00	517,042.00		
Interest on Bonds	203,153.76	203,153.76	203,153.76		
Interest on Notes	26,751.21	26,751.21	26,751.21		
<b>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</b>	<b>\$ 991,946.97</b>	<b>\$ 991,946.97</b>	<b>\$ 991,946.97</b>	<b>\$</b>	<b>\$</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS				
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 1,114,146.97	\$ 1,126,527.22	\$ 1,115,144.28	\$ 11,382.94	\$
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 2,955,531.14	\$ 2,967,911.39	\$ 2,789,584.13	\$ 163,327.26	\$ 15,000.00
RESERVE FOR UNCOLLECTED TAXES	500,000.00	500,000.00	500,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 3,455,531.14</u>	<u>\$ 3,467,911.39</u>	<u>\$ 3,289,584.13</u>	<u>\$ 163,327.26</u>	<u>\$ 15,000.00</u>
	REF.	A-2	A-1	A:A-1	
Budget	A-3	\$ 3,455,531.14			
Appropriation by 40A:4-87	A-2	12,380.25			
		<u>\$ 3,467,911.39</u>			
Encumbered	A-26		\$ 26,873.23		
Reserve for Uncollected Taxes	A-2		500,000.00		
Reserve for Grants Appropriated	A-20		12,380.25		
Cash Disbursements	A-4		2,762,117.92		
			\$ 3,301,371.40		
Less: Refunds	A-4		11,787.27		
			<u>\$ 3,289,584.13</u>		

The accompanying Notes to the Financial Statements are an integral part of this statement.

TRUST FUND

TOWNSHIP OF UNION

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>17,070.86</u>	\$ <u>12,455.80</u>
		\$ <u>17,070.86</u>	\$ <u>12,455.80</u>
Other Funds:			
Cash	B-1	\$ 956,257.36	\$ 1,628,073.75
Due Current Fund	B-6	<u>50,425.58</u>	<u>27,742.39</u>
		\$ <u>1,006,682.94</u>	\$ <u>1,655,816.14</u>
		\$ <u><u>1,023,753.80</u></u>	\$ <u><u>1,668,271.94</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Due Current Fund	B-6	\$ 3,363.06	\$ 31.65
Due From State of New Jersey	B-3	1.20	
Accounts Payable	B-1:B-2	1,405.00	335.00
Reserve for Animal Control Trust Fund Expenditures	B-2	<u>12,301.60</u>	<u>12,089.15</u>
		\$ <u>17,070.86</u>	\$ <u>12,455.80</u>
Other Funds:			
Reserve For:			
Encumbrances	B-4	\$ 23,537.65	\$ 22,981.66
Various Reserves and Deposits	B-5	<u>983,145.29</u>	<u>1,632,834.48</u>
		\$ <u>1,006,682.94</u>	\$ <u>1,655,816.14</u>
		\$ <u><u>1,023,753.80</u></u>	\$ <u><u>1,668,271.94</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,044,656.71	\$ 1,600,792.31
Deferred Charges to Future Taxation - Funded	C-4	5,167,407.54	5,508,511.25
Deferred Charges to Future Taxation - Unfunded	C-5	1,051,713.05	1,568,755.05
Grants Receivable	C-10	<u>116,010.04</u>	<u>154,181.74</u>
		\$ <u>8,379,787.34</u>	\$ <u>8,832,240.35</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-12	\$ 4,440,000.00	\$ 4,685,000.00
Bond Anticipation Notes	C-13	1,051,714.00	1,568,756.00
Loan Payable - New Jersey Department of Environmental Protection	C-11	727,407.54	823,511.25
Improvement Authorizations:			
Funded	C-7	230,624.94	200,685.14
Unfunded	C-7	13,826.47	16,000.58
Reserve for:			
Contracts Payable	C-6	86,860.84	3,421.49
Debt Service	C-14	1,521,935.40	984,180.60
Due Current Fund	C-9	253.15	320.29
Capital Improvement Fund	C-8	299,347.74	507,547.74
Fund Balance	C-1	<u>7,817.26</u>	<u>42,817.26</u>
		\$ <u>8,379,787.34</u>	\$ <u>8,832,240.35</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 42,817.26
Decreased by:		
Utilized as Anticipated Revenue - Current Fund	C-2	<u>35,000.00</u>
Balance, December 31, 2012	C	\$ <u><u>7,817.26</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Cash - Treasurer: Public Assistance Trust Fund I	E-1	\$ <u>1,454.23</u>	\$ <u>1,453.72</u>
		\$ <u><u>1,454.23</u></u>	\$ <u><u>1,453.72</u></u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance: Public Assistance Trust Fund I		\$ <u>1,454.23</u>	\$ <u>1,453.72</u>
		\$ <u><u>1,454.23</u></u>	\$ <u><u>1,453.72</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF UNION

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2012</u>	<u>DECEMBER</u> <u>31, 2011</u>
General Fixed Assets:		
Sites	\$ 14,544,184.00	\$ 14,544,184.00
Site Improvements	168,183.00	168,183.00
Buildings and Building Improvements	715,061.00	715,061.00
Machinery and Equipment	<u>1,178,978.06</u>	<u>1,096,576.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 16,606,406.06</u>	<u>\$ 16,524,004.00</u>
Investment in General Fixed Assets	<u>\$ 16,606,406.06</u>	<u>\$ 16,524,004.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF UNION

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Union is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Union include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Union, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Union do not include the operations of the volunteer fire companies, first aid squads, local or regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Union conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Union are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from U.S. generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have not been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation.

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.

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 held in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Union has the following cash and cash equivalents at December 31, 2012:

Fund Type:	Bank <u>Balance</u>	N.J. Cash <u>Management</u>	<u>Reconciling Items:</u>		Reconciled <u>Balance</u>
			<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$ 2,816,731.47	\$ 10,136.89	\$ 38,374.98	\$ 300,590.58	\$ 2,564,652.76
Animal Control Fund	17,120.86			50.00	17,070.86
Other Trust Fund	948,956.66	19,220.91		11,920.21	956,257.36
General Capital Fund	1,747,616.47	297,040.24			2,044,656.71
Public Assistance Trust Fund	<u>1,454.23</u>				<u>1,454.23</u>
<b>TOTAL DECEMBER 31, 2012</b>	<b>\$ <u>5,531,879.69</u></b>	<b>\$ <u>326,398.04</u></b>	<b>\$ <u>38,374.98</u></b>	<b>\$ <u>312,560.79</u></b>	<b>\$ <u>5,584,091.92</u></b>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$5,031,879.69 was covered under the provisions of NJGUDPA.

B. Investments

The purchases of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2012, the Township has \$326,398.04 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, based by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2012</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Issued:			
General:			
Bonds and Notes	\$ 6,219,121.54	\$ 7,077,267.25	\$ 7,679,520.34
Less: Funds Temporarily held to			
Pay Bonds and Notes - Gen. Capital	<u>1,521,936.35</u>	<u>984,181.55</u>	<u>1,192,182.40</u>
<u>Net Debt Issued</u>	<u>\$ 4,697,185.19</u>	<u>\$ 6,093,085.70</u>	<u>\$ 6,487,337.94</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u>\$ 4,697,185.19</u>	 <u>\$ 6,093,085.70</u>	 <u>\$ 6,487,337.94</u>

SUMMARY OF REGULATORY 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 regulatory net debt of .554%.

	<u>GROSS DEBT</u>	<u>DEDUCTION</u>	<u>NET DEBT</u>
LOCAL SCHOOL DEBT	\$ 13,890,000.00	\$ 13,890,000.00	\$
REGIONAL SCHOOL DEBT	341,451.95	341,451.95	
GENERAL DEBT	<u>6,219,121.54</u>	<u>1,521,936.35</u>	<u>4,697,185.19</u>
	<u>\$ 20,450,573.49</u>	<u>\$ 15,753,388.30</u>	<u>\$ 4,697,185.19</u>

NET DEBT \$4,697,185.19 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$847,964,375 EQUALS .554%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2012	\$ <u>847,964,375.00</u>
3-1/2% of Equalized Valuation Basis	\$ 29,678,753.13
Net Debt	<u>4,697,185.19</u>
Remaining Borrowing Power	\$ <u>24,981,567.94</u>

\*Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

Long-Term Debt

Serial Bonds

\$6,000,000.00 of 2001 Serial Bonds with a final principal installment of \$165,000 due on November 2013 at an interest rate of 4.50%. \$ 165,000.00

\$4,285,000.00 of 2006 Serial Bonds with annual principal installments of \$10,000 to \$350,000 starting 2012 through November 2026 at variable interest rate of 4.50% to 5.0%. \$ 4,275,000.00

Green Acres Loan

\$1,000,725.24 of 1999 Green Acres Loan with semi-annual principal and interest installments of \$31,784.54 through April 2018 at an interest rate of 2.0%. \$ 329,530.22

\$747,300 of 2003 Green Acres Loan with semi-annual principal and interest installments of \$26,263.37 through December 2021 at an interest rate of 2.0%. \$ 397,877.32

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follow:

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>
General Capital			
Ord. 2000-15	1.05%	1/11/2007	\$ 403,984.00
Ord. 2000-16	1.05%	1/11/2007	270,568.00
Ord. 2003-16	1.05%	9/15/2004	60,000.00
Ord. 2005-11	1.05%	1/12/2006	<u>317,162.00</u>
			<u>\$ 1,051,714.00</u>

Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Township has no authorized but not issued bonds and notes.

SCHEDULE OF GREEN ACRES TRUST LOANS

<u>CALENDAR YEAR</u>	<u>SAXTON</u>		<u>HOFFMAN</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2013	\$ 57,263.35	\$ 6,305.71	\$ 40,772.05	\$ 7,754.70	\$ 112,095.81
2014	58,414.34	5,154.72	41,591.56	6,935.18	112,095.80
2015	59,588.48	3,980.60	42,427.56	6,099.19	112,095.83
2016	60,786.20	2,782.86	43,280.35	5,246.40	112,095.81
2017	62,008.01	1,561.06	44,150.29	4,376.46	112,095.82
2018	31,469.84	314.70	45,037.71	3,489.05	80,311.30
2019			45,942.96	2,583.79	48,526.75
2020			46,866.41	1,660.33	48,526.74
2021			47,808.43	718.31	48,526.74
	<u>\$ 329,530.22</u>	<u>\$ 20,099.65</u>	<u>\$ 397,877.32</u>	<u>\$ 38,863.41</u>	<u>\$ 786,370.60</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF SERIAL BONDS PAYABLE

CALENDAR YEAR	<u>2001 ISSUE</u>		<u>2006 ISSUE</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2013	\$ 165,000.00	\$ 7,425.00	\$ 90,000.00	\$ 184,793.76	\$ 447,218.76
2014			265,000.00	181,463.76	446,463.76
2015			285,000.00	168,213.76	453,213.76
2016			295,000.00	153,963.76	448,963.76
2017			310,000.00	139,213.76	449,213.76
2018			320,000.00	123,713.76	443,713.76
2019			335,000.00	110,913.76	445,913.76
2020			350,000.00	97,513.76	447,513.76
2021			345,000.00	83,513.76	428,513.76
2022			340,000.00	69,713.76	409,713.76
2023			340,000.00	55,773.76	395,773.76
2024			335,000.00	41,748.76	376,748.76
2025			335,000.00	27,930.00	362,930.00
2026			330,000.00	13,860.00	343,860.00
	<u>\$ 165,000.00</u>	<u>\$ 7,425.00</u>	<u>\$ 4,275,000.00</u>	<u>\$ 1,452,330.12</u>	<u>\$ 5,899,755.12</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund \$107,240.58\*

\*Per introduced budget

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Prepaid Taxes	<u>\$158,533.55</u>	<u>\$110,288.19</u>

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in the Public Employees Retirement System administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$66,246.00 for 2010, \$79,826.00 for 2011 and \$53,062.00 for 2012.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 8: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2012. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51.

NOTE 9: CONTINGENT LIABILITIES

The Township participates in several state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to state financial assistance programs will be discussed in detail in Part II of the 2012 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2012, the Township does not believe that any material liabilities will result from such audits.

NOTE 10: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following table is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and the previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 12.39	\$ 10,006.71	\$ 27.82	\$ 25,746.06
2011	24.78	1,050.87	10,880.00	15,754.78
2010	23.14	14,670.86	7,763.46	25,559.13

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 3,616.21	\$ 95,339.01
Grant Fund	44,913.43	
Animal Control Trust Fund		3,363.06
Trust Other Fund	50,425.58	
General Capital Fund		253.15
	<u>\$ 98,955.22</u>	<u>\$ 98,955.22</u>

All balances resulted from the time lag between the dates that payment between funds is made.

NOTE 12: DEFERRED SCHOOL TAXES

New Jersey statutes provide for the deferral of liability for not more than 50% of the annual levy when school taxes are raised on a school year basis and such taxes have not been requisitioned by the school district.

LOCAL DISTRICT SCHOOL TAX

	BALANCE DECEMBER 31, 2012	BALANCE DECEMBER 31, 2011
Balance of Tax Deferred	\$4,337,898.58 <u>4,655,658.00</u>	\$4,677,239.56 <u>4,655,658.00</u>
School Tax Payable (Prepaid)	<u>(\$317,759.42)</u>	<u>\$21,581.56</u>

REGIONAL HIGH SCHOOL TAX

	BALANCE DECEMBER 31, 2012	BALANCE DECEMBER 31, 2011
Balance of Tax Deferred	\$2,534,707.28 <u>784,638.00</u>	\$2,543,930.77 <u>784,638.00</u>
School Tax Payable	<u>\$1,750,069.28</u>	<u>\$1,759,292.77</u>

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

During 2000, the Township of Union adopted an ordinance establishing a Length of Service Awards Program for the members of the Pattenberg Volunteer Fire Company pursuant to N.J.S.A. 40A:14-183 *et seq.* Under this program, each volunteer of the Pattenberg Volunteer Fire Company that performs the maximum amount of service will have an annual amount of \$600.00 deposited into a tax deferred income account that will earn interest for the volunteer. The amount budgeted for this cost was \$7,200.00 in 2012.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 14: DEFERRED COMPENSATION PLANS

The Township offers its employees enrollment in a deferred compensation plan created in accordance with Internal Revenue Code Section 403 (b). The plan, which is administered by VALIC, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

TOWNSHIP OF UNION

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2012

## TOWNSHIP OF UNION

## CURRENT FUND

## SCHEDULE OF CASH-TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2011	A	\$ 2,706,490.91	\$
Increased by Receipts:			
Collector	A-5	\$ 18,962,079.02	\$
State of New Jersey-Chapter 20, P.L. 1971	A-8	29,500.00	
Revenue Accounts Receivable	A-9	1,235,605.36	
Miscellaneous Revenue Not Anticipated	A-2	71,783.77	
Appropriation Refunds	A-3	11,787.27	
Grants Receivable	A-19		39,880.25
Interfunds Received	A-10:A-24	585,690.12	17,131.53
Petty Cash	A-22	100.00	
Reserve for Grants - Unappropriated	A-11:A-12	16,911.00	2,752.88
		<u>20,913,456.54</u>	<u>59,764.66</u>
		\$ <u>23,619,947.45</u>	\$ <u>59,764.66</u>
Decreased by Disbursements:			
2012 Appropriations	A-3	\$ 2,762,117.92	\$
2011 Appropriation Reserves	A-13	108,523.71	
Interfunds Disbursed	A-10:A-24	540,769.60	42,633.13
County Taxes	A-14	3,007,905.63	
Local District School Tax	A-15	9,015,127.98	
Regional High School Tax	A-16	5,078,638.20	
Municipal Open Space Tax	A-25	137,273.76	
Tax Overpayments	A-18	26,140.84	
Grants Appropriated	A-20		17,131.53
Outside Liens	A-21	374,601.65	
Petty Cash	A-22	100.00	
Refund of Revenue	A-2	4,095.40	
		<u>21,055,294.69</u>	<u>59,764.66</u>
Balance, December 31, 2012	A	\$ <u><u>2,564,652.76</u></u>	\$ <u><u>-0-</u></u>

"A-5"

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

REF.

Received:				
Interest on Delinquent Taxes	A-9	\$	102,863.46	
Taxes Receivable	A-7		18,220,899.53	
2013 Taxes Prepaid	A-17		158,533.55	
Outside Liens	A-21		442,216.77	
Tax Overpayments	A-18		32,422.85	
Senior Citizen Deductions Disallowed	A-8		2,000.00	
Miscellaneous Revenue Not Anticipated	A-2		<u>3,142.86</u>	
				\$ 18,962,079.02
Decreased by Disbursements:				
Payments to Treasurer	A-4			\$ <u><u>18,962,079.02</u></u>

"A-6"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2011	A	\$	35,907.31	
Increased by:				
Transfers From Taxes Receivable	A-7		<u>1,540.95</u>	
Balance, December 31, 2012	A	\$	<u><u>37,448.26</u></u>	

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2011	2012 LEVY	COLLECTED		OVERPAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2012
			IN 2011	IN 2012				
2011	\$ 399,469.74	\$	\$	\$ 399,469.74	\$	\$	\$	\$
	\$ 399,469.74	\$	\$	\$ 399,469.74	\$	\$	\$	\$
2012		18,298,891.55	110,288.19	17,853,929.79	2,433.13	19,258.48	1,540.95	311,441.01
	\$ 399,469.74	\$ 18,298,891.55	\$ 110,288.19	\$ 18,253,399.53	\$ 2,433.13	\$ 19,258.48	\$ 1,540.95	\$ 311,441.01
	REF. A		A-2, A-17	A-2	A-2, A-18		A-6	A
Collector	A-5			\$ 18,220,899.53				
State of New Jersey	A-8			32,500.00				
				\$ 18,253,399.53				

ANALYSIS OF 2012 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 18,289,260.97
Added Taxes (54:4-63.1 et seq.)	9,630.58
	<u>\$ 18,298,891.55</u>

TAX LEVY

Regional High School Tax (Abstract)	A-16	\$ 5,069,414.71
Local District School Tax (Abstract)	A-15	8,675,787.00
Municipal Open Space Tax	A-25	137,273.76
County Taxes:		
County Tax (Abstract)	A-14	\$ 2,996,739.36
Due County for Added Taxes (54:4-63.1 et seq.)	A-14	1,533.62
Total County Taxes		2,998,272.98
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 1,408,378.14
Add: Additional Tax Levied		9,764.96
		<u>1,418,143.10</u>
		<u>\$ 18,298,891.55</u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	9,142.30
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	3,250.00
Veterans			29,500.00
Allowed by Collector			500.00
			<u>33,250.00</u>
		\$	<u>42,392.30</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	29,500.00
Disallowed per State Audit	A-1		2,750.00
Disallowed by Collector - 2012 Taxes			750.00
Disallowed by Collector - 2011 Taxes	A-5		2,000.00
			<u>35,000.00</u>
Balance Due from, December 31, 2012	A	\$	<u><u>7,392.30</u></u>

SUMMARY OF 2012 EXEMPTIONS

Senior Citizens and Veterans Deductions			
Per Tax Billings		\$	32,750.00
Allowed by Collector			500.00
		\$	<u>33,250.00</u>
Disallowed by Collector:			
2012 Taxes			<u>750.00</u>
	A-7	\$	<u><u>32,500.00</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE	ACCRUED	COLLECTED BY		BALANCE
		DECEMBER 31, 2011		IN 2012	COLLECTOR	TREASURER
Clerk:						
Alcoholic Beverage Licenses	A-2	\$	\$ 17,040.00	\$	\$ 17,040.00	\$
Recreation:						
Fees and Permits	A-2		52,824.01		52,824.01	
Municipal Court:						
Fines and Costs	A-2	5,732.43	104,234.09		101,431.28	8,535.24
Interest and Costs on Taxes	A-2		102,863.46	102,863.46		
Interest on Investments	A-2		3,825.88		3,825.88	
Rental - Sewer Department	A-2		100,407.19		100,407.19	
Consolidated Municipal Property						
Tax Relief Act	A-2		12,884.00		12,884.00	
Energy Receipts Tax	A-2		362,013.00		362,013.00	
Capital Surplus	A-2		35,000.00		35,000.00	
Reserve to Pay Debt Service-Milligan	A-2		478,180.00		478,180.00	
Reserve to Pay Debt -Douglass	A-2		72,000.00		72,000.00	
		\$ 5,732.43	\$ 1,341,271.63	\$ 102,863.46	\$ 1,235,605.36	\$ 8,535.24
REF.		A		A-5	A-4	A

TOWNSHIP OF UNION  
CURRENT FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2011:						
Due From	A	\$ 351.94	\$	\$ 31.65	\$	\$ 320.29
Due To	A	<u>47,154.22</u>	<u>19,411.83</u>	<u></u>	<u>27,742.39</u>	<u></u>
Cash Receipts	A-4	<u>585,690.12</u>	<u>42,633.13</u>	<u></u>	<u>42,989.85</u>	<u>500,067.14</u>
Cash Disbursements	A-4	<u>540,769.60</u>	<u>17,131.53</u>	<u>3,331.41</u>	<u>20,306.66</u>	<u>500,000.00</u>
Balance, December 31, 2012:						
Due From	A	\$ 3,616.21	\$	\$ 3,363.06	\$	\$ 253.15
Due To	A	<u>95,339.01</u>	<u>44,913.43</u>	<u></u>	<u>50,425.58</u>	<u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF RESERVES FOR GRANTS-UNAPPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	16,911.00
Increased by:			
Cash Receipts	A-4		16,911.00
		\$	<u>33,822.00</u>
Decreased by:			
Applied to Revenue	A-2		<u>16,911.00</u>
Balance, December 31, 2012	A	\$	<u><u>16,911.00</u></u>

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF RESERVES FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	BALANCE DECEMBER 31, 2012
Clean Communities	\$ 12,423.84	\$	\$ 12,423.84
Recycling Tonnage Grant	<u>2,641.01</u>	<u>2,752.88</u>	<u>5,393.89</u>
	<u>\$ 15,064.85</u>	<u>\$ 2,752.88</u>	<u>\$ 17,817.73</u>
<u>REF.</u>	A	A-4	A

## TOWNSHIP OF UNION

## CURRENT FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
General Administration	\$ 3,008.47	\$ 3,008.47	835.38	\$ 2,173.09
Municipal Clerk	1.51	1.51		1.51
Financial Administration	1,499.98	1,499.98	350.00	1,149.98
Assessment of Taxes	1.04	1.04		1.04
Zoning Board of Adjustments	73.36	73.36		73.36
Public Safety Officer	5,200.00	5,200.00		5,200.00
Street and Road Maintenance	40,642.16	38,142.16		38,142.16
Solid Waste Collection	2,110.26	2,110.26		2,110.26
Animal Control Services	6.02	6.02		6.02
<u>OTHER EXPENSES:</u>				
General Administration	1,905.89	7,189.20	6,127.01	1,062.19
Financial Administration	6,252.82	6,563.82	630.10	5,933.72
Computer Data Processing	929.53	2,574.53	1,645.00	929.53
Revenue Administration	98.65	98.65		98.65
Assessment of Taxes	1,852.15	1,902.15	50.00	1,852.15
Legal Services and Costs	3,763.06	3,763.06	3,269.00	494.06
Engineering Services	4,219.85	6,719.85	5,262.06	1,457.79
Planning Board	4,192.84	4,356.49	1,224.08	3,132.41
Zoning Board of Adjustments	75.00	75.00		75.00
Unemployment Insurance	4,464.57	4,464.57	4,464.57	
Liability Insurance	124.00	124.00		124.00
Worker Compensation Insurance	2.00	2.00		2.00
Employee Insurance	15,170.17	15,170.17		15,170.17
Office of Emergency Management	323.05	323.05		323.05
Contributions to First Aid Organization	0.90	0.90		0.90
Fire Department	2,273.25	2,273.25	1,742.25	531.00
Street and Road Maintenance	19,753.25	36,079.81	32,147.80	3,932.01
Solid Waste Collection - Sewer Rent	37,174.59	37,174.59	29,491.35	7,683.24
Solid Waste Collection - Other	3,253.99	5,400.33	3,901.83	1,498.50
Building and Grounds	7,552.20	8,697.55	3,718.74	4,978.81
Public Health Services	500.00	500.00		500.00
Environmental Health Services	156.18	156.18		156.18
Animal Control Services	664.36	664.36		664.36
Contribution to Social Services Agencies	714.62	2,072.32	1,357.70	714.62
Recreation Services and Programs	5,928.80	10,823.62	6,808.57	4,015.05
Maintenance of Parks	3,750.36	3,750.36		3,750.36
Electricity	421.22	636.79	279.85	356.94
Street Lighting	5,010.87	6,103.58	3,434.78	2,668.80
Telephone	1,873.56	2,372.00	708.44	1,663.56
Fuel Oil #2	604.97	604.97		604.97
Gasoline-Diesel Fuel	4,607.48	4,607.48	1,075.20	3,532.28
Social Security System (O.A.S.I.)	12,174.86	12,174.86		12,174.86
	\$ <u>202,331.84</u>	\$ <u>237,462.29</u>	\$ <u>108,523.71</u>	\$ <u>128,938.58</u>

REF.

A

A-4

A-1

Balance, December 31, 2012

A-13

\$ 202,331.84

Encumbrances Payable

A-26

35,130.45\$ 237,462.29

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	11,166.27
2012 Tax Levy:			
County Taxes	A-1:A-7	\$	2,492,102.04
County Open Space	A-1:A-7		255,645.16
County Library	A-1:A-7		248,992.16
County Share of Added Taxes	A-1:A-7		<u>1,533.62</u>
			<u>2,998,272.98</u>
		\$	<u>3,009,439.25</u>
Decreased by:			
Cash Disbursements	A-4		<u>3,007,905.63</u>
Balance, December 31, 2012	A	\$	<u><u>1,533.62</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

	<u>REF.</u>		
Balance, December 31, 2011:			
School Tax Deferred		\$ 4,655,658.00	
School Tax Payable	A	<u>21,581.56</u>	
			\$ 4,677,239.56
Increased by:			
Levy	A-7		<u>8,675,787.00</u>
			13,353,026.56
Decreased by:			
Cash Disbursements	A-4		<u>9,015,127.98</u>
Balance, December 31, 2012:			
School Tax Deferred		\$ 4,655,658.00	
School Tax Payable (Prepaid)	A	<u>(317,759.42)</u>	
			\$ <u>4,337,898.58</u>
2012 Liability for Local District School Tax:			
Tax Paid	A-4		\$ 9,015,127.98
Tax Payable, December 31, 2012	A-15		<u>(317,759.42)</u>
			8,697,368.56
Less:			
Tax Payable, December 31, 2011	A-15		<u>21,581.56</u>
	A-1		\$ <u>8,675,787.00</u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

	<u>REF.</u>		
Balance, December 31, 2011:			
School Tax Deferred		\$ 784,638.00	
School Tax Payable	A	<u>1,759,292.77</u>	
			\$ 2,543,930.77
Increased by:			
Levy	A-7		<u>5,069,414.71</u>
			<u>7,613,345.48</u>
Decreased by:			
Cash Disbursements	A-4		<u>5,078,638.20</u>
Balance, December 31, 2012:			
School Tax Deferred		\$ 784,638.00	
School Tax Payable	A	<u>1,750,069.28</u>	
			\$ <u><u>2,534,707.28</u></u>
2012 Liability for Local District School Tax:			
Tax Paid	A-4		\$ 5,078,638.20
Tax Payable, December 31, 2012	A-16		<u>1,750,069.28</u>
			<u>6,828,707.48</u>
Less:			
Tax Payable, December 31, 2011	A-16		<u>1,759,292.77</u>
	A-1		\$ <u><u>5,069,414.71</u></u>

"A-17"

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2011 (2012 Taxes)	A	\$	110,288.19
Increased by:			
Collection of 2013 Taxes	A-5		<u>158,533.55</u>
		\$	<u>268,821.74</u>
Decreased by:			
Application to 2012 Taxes Receivable	A-7		<u>110,288.19</u>
Balance, December 31, 2012 (2013 Taxes)	A	\$	<u><u>158,533.55</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2011	A	\$	2,907.08
Increased by:			
Cash Receipts	A-5		<u>32,422.85</u>
		\$	<u>35,329.93</u>
Decreased by:			
Cash Disbursements	A-4	\$	26,140.84
Applied	A-7		<u>2,433.13</u>
			<u>28,573.97</u>
Balance, December 31, 2012	A	\$	<u><u>6,755.96</u></u>

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER <u>31, 2011</u>	ACCRUED 2012 <u>BUDGET</u>	CASH <u>RECEIPTS</u>	BALANCE DECEMBER <u>31, 2012</u>
Clean Communities Program	\$	\$ 12,380.25	\$ 12,380.25	\$
NJDOT-Perryville Road	27,500.00		27,500.00	
NJHWP&PC- Initial Assessment	135.16			135.16
NJHWP&PC- Plan Conformance	<u>2,161.80</u>	<u>                    </u>	<u>                    </u>	<u>2,161.80</u>
	<u>\$ 29,796.96</u>	<u>\$ 12,380.25</u>	<u>\$ 39,880.25</u>	<u>\$ 2,296.96</u>
<u>REF.</u>	A	A-2	A-4	A

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

		BALANCE DECEMBER 31, 2011	2012 BUDGET APPROPRIATIONS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Clean Communities Program	\$	13,487.02	\$ 12,380.25	\$ 14,493.29	\$ 11,373.98
Smart Growth Planning		10,000.00			10,000.00
Recycling Tonnage Grant		4,627.79		876.70	3,751.09
Anheuser Busch - Environmental Commission		350.00			350.00
Municipal Stormwater Regulation Grant		2,808.00			2,808.00
NJHWP&PC- Initial Assessment		710.66			710.66
NJHWP&PC- Plan Conformance		2,160.47		1,761.54	398.93
	\$	<u>34,143.94</u>	\$ <u>12,380.25</u>	\$ <u>17,131.53</u>	\$ <u>29,392.66</u>
	<u>REF.</u>		A-3	A-4	A
Balance, December 31, 2011	A	\$ 32,622.24			
Encumbrances Payable	A-23	<u>1,521.70</u>			
	\$	<u>34,143.94</u>			

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Off Tract Improvements	\$ 12,000.00	\$	\$	\$ 12,000.00
Outside Liens		442,216.77	374,601.65	67,615.12
	<u>\$ 12,000.00</u>	<u>\$ 442,216.77</u>	<u>\$ 374,601.65</u>	<u>\$ 79,615.12</u>
<u>REF.</u>	A	A-5	A-4	A

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>
Township Clerk	\$ <u>100.00</u>	\$ <u>100.00</u>
	\$ <u><u>100.00</u></u>	\$ <u><u>100.00</u></u>
<u>REF.</u>	A-4	A-4

"A-23"

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	1,521.70
Decreased by:			
Transfer to Grants Appropriated	A-20	\$	<u>1,521.70</u>

"A-24"

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

Balance, December 31, 2011 (Due From)	A	\$	(19,411.83)
Increased by:			
Cash Receipts	A-4		<u>17,131.53</u>
		\$	<u>(2,280.30)</u>
Decreased by:			
Cash Disbursements	A-4		<u>42,633.13</u>
Balance, December 31, 2012 (Due From)	A	\$	<u>(44,913.43)</u>

"A-25"

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

REF.

Increased by:			
2012 Tax Levy	A-1:A-7	\$	137,273.76
Decreased by:			
Cash Disbursements	A-4	\$	<u>137,273.76</u>

"A-26"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011	A	\$	35,130.45
Increased by:			
Transferred from 2012 Appropriations	A-3		26,873.23
		\$	<u>62,003.68</u>
Decreased by:			
Transferred to 2011 Appropriation Reserves	A-13		<u>35,130.45</u>
Balance, December 31, 2012	A	\$	<u>26,873.23</u>

## TOWNSHIP OF UNION

## TRUST FUND

## SCHEDULE OF CASH-TREASURER

	REF.	ANIMAL CONTROL		TRUST OTHER	
Balance, December 31, 2011	B	\$	12,455.80	\$	1,628,073.75
Increased by Receipts:					
Dog License Fees	B-2	\$	6,189.50	\$	
Due From State of New Jersey	B-3		762.60		
Various Reserves and Deposits	B-5			972,570.25	
Due Current Fund	B-6		<u>3,331.41</u>	<u>20,306.82</u>	
			<u>10,283.51</u>		<u>992,877.07</u>
		\$	<u>22,739.31</u>	\$	<u>2,620,950.82</u>
Decreased by Disbursements:					
Expenditures Under R.S. 4:19-15.11	B-2	\$	1,243.00	\$	
Statutory Excess to Current Fund	B-2		3,329.05		
Due From State of New Jersey	B-3		761.40		
Accounts Payable	B		335.00		
Various Reserves and Deposits	B-5			1,621,703.45	
Due Current Fund	B-6			<u>42,990.01</u>	
			<u>5,668.45</u>		<u>1,664,693.46</u>
Balance, December 31, 2012	B	\$	<u><u>17,070.86</u></u>	\$	<u><u>956,257.36</u></u>

"B-2"

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	12,089.15
Increased by:			
License Fees Collected	B-1	\$	<u>6,189.50</u>
			18,278.65
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-1	\$	1,243.00
Accounts Payable	B		1,405.00
Excess Fees Due Current Fund	B-1		<u>3,329.05</u>
			<u>5,977.05</u>
Balance, December 31, 2012		\$	<u><u>12,301.60</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2011	\$	6,781.60
2010		<u>5,520.00</u>
	\$	<u><u>12,301.60</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

Increased by:			
Cash Receipts	B-1	\$	762.60
Decreased by:			
Cash Disbursements	B-1		<u>761.40</u>
Balance, December 31, 2012	B	\$	<u><u>1.20</u></u>

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE  
TRUST OTHER FUND

REF.

Balance, December 31, 2011	B	\$	22,981.66
Increased by:			
Transfer from Reserves and Deposits	B-5	\$	<u>23,537.65</u>
			46,519.31
Decreased by:			
Transfer to Reserves and Deposits	B-5		<u>22,981.66</u>
Balance, December 31, 2012	B	\$	<u><u>23,537.65</u></u>

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

		BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSED	ENCUMBERED	BALANCE DECEMBER 31, 2012
Driveway Deposits	\$	25,728.47	\$ 2.03	\$ 250.25	\$	25,480.25
Escrow Deposits		423,190.09	58,908.75	192,048.75	75.00	289,975.09
Land Use Deposits		94,159.86	135,319.82	125,890.76	22,532.65	81,056.27
C.O.A.H. Deposits		685,817.93	8,067.26	634,331.57		59,553.62
Unemployment Compensation		15,754.78	10,019.10	27.82		25,746.06
Performance Bond Deposits		308,228.80	74,599.18	4,000.00		378,827.98
Public Events		2,713.26				2,713.26
Open Space		91,268.59	137,330.22	115,506.20	930.00	112,162.61
Payroll Agency		2,942.86	545,388.39	545,388.39		2,942.86
Public Defender		6,011.50	2,935.50	4,259.71		4,687.29
	\$	<u>1,655,816.14</u>	<u>\$ 972,570.25</u>	<u>\$ 1,621,703.45</u>	<u>\$ 23,537.65</u>	<u>\$ 983,145.29</u>
	<u>REF.</u>		B-1	B-1	B-4	B
Balance, December 31, 2011	B	\$ 1,632,834.48				
Encumbrances Payable	B-4	<u>22,981.66</u>				
	\$	<u>1,655,816.14</u>				

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2011:				
Due From	B	\$ 27,742.39	\$	27,742.39
Due To	B	<u>31.65</u>	<u>31.65</u>	<u>                    </u>
Increased by:				
Cash Receipts	B-1	<u>23,638.23</u>	<u>3,331.41</u>	<u>20,306.82</u>
		\$ 23,669.88	\$ 3,363.06	\$ 20,306.82
Decreased by:				
Cash Disbursements	B-1	<u>42,990.01</u>	<u>                    </u>	<u>42,990.01</u>
Balance, December 31, 2012:				
Due From	B	\$ 50,425.58	\$	50,425.58
Due To	B	<u>3,363.06</u>	<u>3,363.06</u>	<u>                    </u>

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2011	C		\$ 1,600,792.31
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 25,400.00	
Off-site Improvements	C-7	99,000.00	
Grants Receivable	C-10	38,171.70	
Due Current Fund	C-9	500,000.00	
Bond Anticipation Notes	C-13	1,051,714.00	
Reserve for Debt Service	C-14	<u>1,087,934.80</u>	
			<u>2,802,220.50</u>
			\$ <u>4,403,012.81</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 221,394.96	
Bond Anticipation Notes	C-13	1,051,714.00	
Fund Balance	C-1	35,000.00	
Reserve for Debt Service	C-14	550,180.00	
Due Current Fund	C-9	<u>500,067.14</u>	
			<u>2,358,356.10</u>
Balance, December 31, 2012	C:C-3		\$ <u><u>2,044,656.71</u></u>

"C-3"

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2012
Capital Improvement Fund	\$ 299,347.74
Fund Balance	7,817.26
Contracts Payable	86,860.84
Reserve for Debt Services	1,521,935.40
Unexpended Proceeds of Bond Anticipation Notes on "C-5"	13,826.47
Cash on Hand to Pay Notes	0.95
Improvement Authorizations: Funded Improvements Listed on "C-7"	230,624.94
Due Current Fund	253.15
Grants Receivable	<u>(116,010.04)</u>
	<u>\$ 2,044,656.71</u>
<u>REF.</u>	C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011	C	\$ 5,508,511.25
Decreased by:		
2012 Budget Appropriation to Pay:		
Bond Principal	C-12	\$ 245,000.00
Loan Principal	C-11	<u>96,103.71</u>
		<u>341,103.71</u>
Balance, December 31, 2012	C	<u>\$ 5,167,407.54</u>

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>		<u>BALANCE DECEMBER 31, 2012</u>	<u>ANALYSIS OF BALANCE DECEMBER 31, 2012</u>	
			<u>BOND ANTICIPATION NOTES</u>	<u>UNEXPENDED BALANCE</u>
05-11	General Improvements: Purchase of Real Property - Milligan	\$ 317,161.05	\$ 317,161.05	\$
00-15	Purchase of Real Property - Geiler	403,984.00	403,984.00	
00-16	Purchase of Real Property - Manzaone	270,568.00	270,568.00	
03-16	Purchase of Fire Engine	60,000.00	60,000.00	
		<u>\$ 1,051,713.05</u>	<u>\$ 1,051,713.05</u>	<u>\$</u>
	<u>REF.</u>	C		
	Bond Anticipation Notes		\$ 1,051,714.00	
	Cash on Hand - Ord. 05-11		0.95	
			<u>\$ 1,051,713.05</u>	
	Improvement Authorizations - Unfunded	C-7		\$ 13,826.47
	Unexpended Proceeds of Bond Anticipation Notes	C-3		<u>\$ 13,826.47</u>

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	3,421.49
Increased by:			
Contracts Issued	C-7		304,834.31
		\$	<u>308,255.80</u>
Decreased by:			
Cash Disbursements	C-2		<u>221,394.96</u>
Balance, December 31, 2012	C	\$	<u><u>86,860.84</u></u>

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2011		2012 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2012							
				FUNDED	UNFUNDED			FUNDED	UNFUNDED						
2003-16	Purchase of Fire Engine	11/05/03	\$ 360,000.00	\$	\$ 2,317.33	\$	\$	\$	\$ 2,317.33						
2004-02	Purchase of Park Maintenance Building	06/16/04	35,000.00		937.00				937.00						
2004-06	Installation of Backstop/Fencing	08/18/04	12,500.00		1,230.00				1,230.00						
2005-02	Digital Recording System	02/16/05	12,000.00		2,627.39		2,500.00		127.39						
2005-06	Perryville Road Improvement	05/18/05	291,250.00		3,067.34				3,067.34						
2005-08	Construction of Pavilion	10/19/05	100,000.00		2,580.00				2,580.00						
2005-11	Purchase of Land - Milligan Tract	11/02/05	10,655,959.00				2,174.11		11,509.14						
2007-02	Watershed Protection Plan	03/07/07	237,362.00		53,565.23		32,292.00		21,273.23						
2007-06	Purchase of a Utility Truck	06/06/07	70,000.00		1,734.04				1,734.04						
2008-03	Van Syckels Road Improvement	04/16/08	190,000.00		84,997.22				84,997.22						
2010-03	Purchase of Computer Equipment/Server	05/19/10	7,000.00		282.00				282.00						
2010-04	Purchase of Supplies - Gano Road Improvement	06/16/10	4,000.00		4,000.00				4,000.00						
2010-06	Farmland Preservation - Bl 30 Lot 28	09/15/10	126,720.00		8,844.66				8,844.66						
2010-08	Engineering Soft Costs - Perryville Road	12/01/10	40,000.00		7,084.31		7,084.31								
2011-09	Off Tract Improvements	06/15/11	35,939.00		11,835.95		6,446.94		5,389.01						
2011-16	Municipal Building HVAC	12/07/11	27,500.00		17,900.00				17,900.00						
2012-03	Off Tract Race Street Improvements	03/07/12	13,000.00			13,000.00	9,403.32		3,596.68						
2012-07	Demolition of Various Buildings B19 L12	05/16/12	40,000.00			40,000.00	39,123.61		876.39						
2012-09	Demolition of Various Buildings B19 L12	06/02/12	95,000.00			95,000.00	94,240.75		759.25						
2012-10	Rubber Mulch for Finn Playground	07/11/12	11,100.00			11,100.00	7,093.00		4,007.00						
2012-11	Perryville Road Improvement	07/11/12	166,000.00			166,000.00	97,526.27		68,473.73						
2012-16	Exterior Painting of Building	10/03/12	7,500.00			7,500.00	6,950.00		550.00						
				\$	<u>200,685.14</u>	\$	<u>16,000.58</u>	\$	<u>332,600.00</u>	\$	<u>304,834.31</u>	\$	<u>230,624.94</u>	\$	<u>13,826.47</u>
				REF.	C	C	C-6	C:C-3	C:C-5						
Reserves				C-2			\$	99,000.00							
Capital Improvement Fund				C-8				<u>233,600.00</u>							
							\$	<u>332,600.00</u>							

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 507,547.74
Increased by:		
2012 Budget Appropriation	C-2	<u>25,400.00</u>
		\$ <u>532,947.74</u>
Decreased by:		
Appropriation to Finance		
Improvement Authorizations	C-7	<u>233,600.00</u>
Balance, December 31, 2012	C	\$ <u><u>299,347.74</u></u>

"C-9"

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 320.29
Increased by:		
Cash Receipts	C-2	500,000.00
		<u>\$ 500,320.29</u>
Decreased by:		
Cash Disbursements	C-2	<u>500,067.14</u>
Balance, December 31, 2012	C	<u>\$ 253.15</u>

"C-10"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2011	C	\$ 154,181.74
Decreased by:		
Cash Receipts	C-2	<u>38,171.70</u>
Balance, December 31, 2012	C	<u>\$ 116,010.04</u>



TOWNSHIP OF UNION  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012		INTEREST RATE	BALANCE DECEMBER 31, 2011	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
Farm Preservation and Open Space	12/11/01	\$ 6,000,000.00	11/15/13	\$ 165,000.00	4.50%	\$ 400,000.00	\$ 235,000.00	\$ 165,000.00
Farm Preservation and Open Space	04/06/2006	4,285,000.00	11/15/13	90,000.00				
			11/15/14	265,000.00				
			11/15/15	285,000.00				
			11/15/16	295,000.00				
			11/15/17	310,000.00				
			11/15/18	320,000.00				
			11/15/19	335,000.00				
			11/15/20	350,000.00				
			11/15/21	345,000.00				
			11/15/22	340,000.00				
			11/15/23	340,000.00				
			11/15/24	335,000.00				
			11/15/25	335,000.00	4.5% to			
			11/15/26	330,000.00	5.0%			
						4,285,000.00	10,000.00	4,275,000.00
						\$ 4,685,000.00	\$ 245,000.00	\$ 4,440,000.00
					REF.	C	C-4	C

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
2005-11	Purchase Real Property	01/12/2006	06/07/11	06/05/12	1.71%	\$ 795,342.00	\$	\$ 795,342.00	\$
			06/05/12	06/04/13	1.05%		\$ 317,162.00		\$ 317,162.00
2000-15	Acquisition of Real Property	01/11/2007	06/07/11	06/05/12	1.71%	409,238.00		409,238.00	409,238.00
			06/05/12	06/04/13	1.05%		403,984.00		403,984.00
2000-16	Acquisition of Development Interest	01/11/2007	06/07/11	06/05/12	1.71%	274,176.00		274,176.00	274,176.00
			06/05/12	06/04/13	1.05%		270,568.00		270,568.00
2003-16	Purchase of Fire Truck	09/15/2004	06/07/11	06/05/12	1.71%	90,000.00		90,000.00	90,000.00
			06/05/12	06/04/13	1.05%		60,000.00		60,000.00
						<u>\$ 1,568,756.00</u>	<u>\$ 1,051,714.00</u>	<u>\$ 1,568,756.00</u>	<u>\$ 1,051,714.00</u>
					<u>REF.</u>	C	C-2		C:C-5
	Notes Paid by Budget Disbursements				C-2			\$ 517,042.00	
								<u>1,051,714.00</u>	
								<u>\$ 1,568,756.00</u>	

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 984,180.60
Increased by:		
Cash Receipts	C-2	<u>1,087,934.80</u>
		\$ <u>2,072,115.40</u>
Decreased by:		
Transferred to Current Fund as Anticipated Revenue	C-2	<u>550,180.00</u>
Balance, December 31, 2012	C	\$ <u><u>1,521,935.40</u></u>

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT I</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2011	E	\$ 1,453.72	\$ 1,453.72
Increased by Receipts: Interest Earned	E-4	<u>0.51</u>	<u>0.51</u>
Balance, December 31, 2012	E	\$ <u><u>1,454.23</u></u>	\$ <u><u>1,454.23</u></u>

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5

	<u>REF.</u>		
Balance, December 31, 2012	E	\$	1,454.23
Increased by:			
Cash Receipts Record			<u>0.10</u>
Balance March 31, 2013		\$	<u><u>1,454.33</u></u>

RECONCILIATION-MARCH 31, 2013

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement:			
PNC Bank			
Account #81-3010-9633	\$	1,000.01	\$ 1,000.01
Account #80-2553-3862		<u>454.32</u>	<u>454.32</u>
Balance March 31, 2013	\$	<u><u>1,454.33</u></u>	\$ <u><u>1,454.33</u></u>

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
AS OF DECEMBER 31, 2012

	<u>REF.</u>		
Balance, December 31, 2011	E-1	\$	1,453.72
Increased by:			
Cash Receipts	E-4		<u>0.51</u>
Balance, December 31, 2012	E-1	\$	<u><u>1,454.23</u></u>

RECONCILIATION-DECEMBER 31, 2012

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement:			
PNC Bank			
Account #81-3010-9633	\$	1,000.01	\$ 1,000.01
Account #80-2553-3862		<u>454.22</u>	<u>454.22</u>
Balance, December 31, 2012	\$	<u><u>1,454.23</u></u>	\$ <u><u>1,454.23</u></u>

TOWNSHIP OF UNION  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Interest Earned		\$ <u>0.51</u>	\$ <u>0.51</u>
<u>TOTAL RECEIPTS</u>	E-1	\$ <u><u>0.51</u></u>	\$ <u><u>0.51</u></u>

TOWNSHIP OF UNION

PART II

REPORTS 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

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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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**

The Honorable Mayor and Members  
of the Township Committee  
Township of Union  
County of Hunterdon  
Hampton, New Jersey 08827

We have audited, in accordance with the 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Union, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 20, 2013. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Union prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

**Internal Control Over Financial Reporting**

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

# SUPLEE, CLOONEY & COMPANY

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, there was an immaterial instance of noncompliance which is discussed in Part III, General Comments and Recommendations Section of the audit 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 20, 2013

TOWNSHIP OF UNION

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2012 RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
		FROM	TO				
<u>Department of Environmental Protection</u>							
Clean Communities Program	4900-752-042-4900-004-V42Y-6020	1/1/12	12/31/12	\$ 12,380.25	\$ 12,380.25	\$ 1,006.27	1,006.27
Clean Communities Program	4900-765-042-4900-004-V42Y-6020	1/1/11	12/31/11	18,204.62		12,842.02	18,204.62
Clean Communities Program	4900-765-042-4900-004-V42Y-6020	Unappropriated		12,423.84			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/11	12/31/11	6,527.79			2,776.70
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	Unappropriated		2,752.88	2,752.88		
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	Unappropriated		2,641.01			
Highlands-Initial Assessment	09-100-082-2078-033	01/01/09	12/31/09	19,000.00			18,289.34
Highlands-Plan Conformance	09-100-082-2078-033	01/01/09	12/31/09	100,000.00		1,761.54	99,601.07
Sidney Brook	4801-100-042-4801-442-VB78-6120	2007	Open	237,362.00	38,171.70	38,171.70	217,741.98
Municipal Stormwater Grant	05-100-042-4850-118-WQ04-281	01/01/05	12/31/05	5,000.00			2,192.00
				\$	<u>53,304.83</u>	<u>53,781.53</u>	<u>359,811.98</u>
<u>Department of Transportation</u>							
Van Syckles Road	6320-480-078-6320-AJ3-TCAP-6010	01/01/08	12/31/08	150,000.00	\$	\$	99,619.18
Perryville Road	6320-480-078-6320-AKN-TCAP-6010	2012	Open	110,000.00	27,500.00		110,000.00
Van Syckles Road - East Section 2		2002	Open	188,000.00			141,990.80
				\$	<u>27,500.00</u>	\$	<u>351,609.98</u>
<u>Department of Community Affairs</u>							
Smart Growth	02-1736-00	01/01/06	12/31/06	10,000.00	\$	\$	
				\$	<u>80,804.83</u>	<u>53,781.53</u>	<u>711,421.96</u>

TOWNSHIP OF UNION

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial awards of the Township of Union, County of Hunterdon, New Jersey. All state financial awards received directly from state agencies, as well as state financial awards passed through other government agencies is included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS-REGULATORY BASIS  
(CONTINUED)

Revenues:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 42,633.13	\$ 42,633.13
General Capital Fund	<u>38,171.70</u>	<u>38,171.70</u>
	<u>\$ 80,804.83</u>	<u>\$ 80,804.83</u>

Expenditures:

	<u>State</u>	<u>Total</u>
Grant Fund	\$ 15,609.83	\$ 15,609.83
General Capital Fund	<u>38,171.70</u>	<u>38,171.70</u>
	<u>\$ 53,781.53</u>	<u>\$ 53,781.53</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule.

PART III  
TOWNSHIP OF UNION  
STATISTICAL DATA  
LIST OF OFFICIALS  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2012

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2012		YEAR 2011	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 425,000.00	2.09	\$ 517,000.00	2.48
Miscellaneous-From Other Than Local				
Property Tax Levies	1,567,529.88	7.70	1,294,090.01	6.22
Collection of Delinquent Taxes and				
Tax Title Liens	399,469.74	1.96	357,613.09	1.72
Collection of Current Tax Levy	<u>17,966,651.11</u>	<u>88.25</u>	<u>18,642,163.78</u>	<u>89.58</u>
<u>TOTAL INCOME</u>	\$ <u>20,358,650.73</u>	<u>100.00</u> %	\$ <u>20,810,866.88</u>	<u>100.00</u> %
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 2,952,911.39	14.65	\$ 2,848,750.12	13.94
County Taxes	2,998,272.98	14.87	3,001,451.52	14.69
School Taxes	13,745,201.71	68.19	14,442,330.70	70.68
Other	<u>461,047.45</u>	<u>2.29</u>	<u>141,380.33</u>	<u>0.69</u>
<u>TOTAL EXPENDITURES</u>	\$ <u>20,157,433.53</u>	<u>100.00</u> %	\$ <u>20,433,912.67</u>	<u>100.00</u> %
Excess in Revenue	\$ 201,217.20		\$ 376,954.21	
Fund Balance, January 1	<u>496,869.83</u>		<u>636,915.62</u>	
	\$ 698,087.03		\$ 1,013,869.83	
Less: Utilization as Anticipated Revenue	<u>425,000.00</u>		<u>517,000.00</u>	
Fund Balance, December 31	\$ <u>273,087.03</u>		\$ <u>496,869.83</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	<u>\$2.666</u>	<u>\$2.769</u>	<u>\$2.770</u>
Appointment of Tax Rate:			
Municipal	\$0.205	\$0.204	\$0.193
Municipal Open Space	0.020	0.020	0.020
County	0.364	0.368	0.384
County Open Space	0.038	0.039	0.040
County Library	0.037	0.031	0.033
Local District School	1.264	1.365	1.354
Regional High School	<u>0.738</u>	<u>0.742</u>	<u>0.746</u>

Assessed Valuation:

2012	<u>\$686,018,796.00</u>		
2011		<u>\$685,208,637.00</u>	
2010			<u>\$696,905,822.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2012	\$18,298,891.55	\$17,966,651.11	98.18%
2011	\$19,059,250.01	\$18,642,163.78	97.81%
2010	\$19,413,460.04	\$18,855,016.87	97.12%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2012	\$37,448.26	\$311,441.10	\$348,889.36	1.91%
2011	\$35,907.31	\$399,469.74	\$435,377.05	2.28%
2010	\$34,306.83	\$376,875.67	\$411,182.50	2.12%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2012 by foreclosure or deed, as a result of liquidation of tax title liens.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2012	\$ 273,087.03	\$ 107,240.58 *
	2011	496,869.83	425,000.00
	2010	636,915.62	517,000.00
	2009	820,928.43	768,000.00
	2008	934,821.98	898,000.00

\*Per introduced budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
William Bischoff	Mayor	*	
Michelle McBride	Deputy Mayor	*	
Bruce Hirt	Committeeman	*	
Frank Mazza	Committeeman	*	
Matt Severino	Committeeman	*	
Grace Brennan	Chief Financial Officer	\$1,000,000.00	Municipal Excess J.I.F.
Alice Anne Pareti	Tax Collector to 2/10/12	\$1,000,000.00	Municipal Excess J.I.F.
Sharon Brown	Tax Collector from 2/13/12 to 11/20/12	\$1,000,000.00	Municipal Excess J.I.F.
Kelly Hahn	Tax Collector from 11/26/12		
Ella Malecki-Ruta	Township Clerk	\$1,000,000.00	Municipal Excess J.I.F.
Ryan Riccio	Tax Assessor	*	
J. Peter Jost	Township Attorney		

\* There is a Blanket Bond provided by Public Alliance Insurance Coverage Joint Insurance Fund in the amount of \$1,000,000.00. This bond covers employees , volunteers, non-compensated officials and officers other than those specifically bonded.

All bonds were examined and were properly executed.

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GENERAL COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective January 1, 2011, municipalities that had not appointed a qualified purchasing agent had the bid threshold reduced to \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution dated April 4, 2012 of the governing body, the bid threshold for all purchases made by the Township's qualified purchasing agent, Amy Barkman, is \$36,000.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Solicitor's opinion should be sought before a commitment is made.

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

Building Demolition  
Road Improvements

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "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.

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2012 for the following professional services:

Township Auditor  
Township Engineer  
Township Attorney  
Planning Consultant  
Environmental Consultant  
Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 4, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes.

BE IT RESOLVED that pursuant to N.J.S.A. 50:4-67, the Township Committee of the Township of Union, County of Hunterdon, and State of New Jersey, hereby fixes the rate of interest to be charged on all delinquent taxes for the year 2012 at the rate of 8% (eight percent) per annum on the first one thousand five hundred (\$1,500.00) dollars of delinquency and 18% (eighteen percent) per annum on any amount in excess of one thousand five hundred dollars of delinquency.

BE IT FURTHER RESOLVED, that notwithstanding the above provision, no interest shall be charge if payment of any installment is made within ten (10) days after the date upon which the same become payable according to the laws in such cases made and provided. If such payment is not made within ten (10) days grace period, the above rate of interest shall run and accrue from the original due date of such taxes.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 9, 2012 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2012	4
2011	4
2010	4

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 tax paying basis.

**CONFIRMATION OF DELINQUENT TAXES  
AND OTHER CHARGES**

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

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	15
Information Tax Current Positive Confirmation	25

**OTHER COMMENTS**

**Interfunds**

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

**Purchasing**

Our review of cash disbursements noted that several vouchers were processed after products or services were received.

**Municipal Court**

Fines and bail receipts were not always deposited within 48 hours.

## RECOMMENDATIONS

\*That all vouchers presented for payment be recorded prior to the receipt of goods or services.

That all monies received be deposited within 48 hours.

\*Unresolved 2011 Audit Recommendation



