

TOWNSHIP OF MILLBURN

Financial Statements
with Additional Financial Information

December 31, 2013

(With Independent Auditor's Report Thereon)

TOWNSHIP OF MILLBURN

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2013 and 2012 of the Township of Millburn, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the Current Fund and Parking Utility Fund for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in note 1 of the financial statements, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of

Community Affairs, State of New Jersey- regulatory basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the State 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 Township of Millburn, New Jersey, as of December 31, 2013 and 2012 and the changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Millburn, New Jersey, as of December 31, 2013 and 2012 and the related statement of operations and changes in fund balances for the years then ended and the related statement of revenues and statements of expenditures of the Current Fund, and Parking Utility Funds for the year ended December 31, 2013 on the regulatory basis of accounting described in note 1.

Other Matters

Additional Financial Information

Our audit was conducted for the purpose of forming an opinion on the regulatory financial statements that collectively comprise the Township’s financial statements. The additional financial information included in the accompanying table of contents, is presented for the purpose of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial information included in the accompanying table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Millburn’s financial statements. The information included in the Supplementary data and the General Comments and Recommendations as listed in the table of contents are presented for additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014 on our consideration of the Township'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 Township of Millburn's internal control over financial reporting and compliance.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

September 22, 2014

LOUIS C. MAI CPA & ASSOCIATES

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

Independent Auditor's Report

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

We have audited , in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2013 and 2012 of the Township of Millburn, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the Current Fund and Parking Utility Fund for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 22, 2014, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unmodified opinion on the regulatory basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

September 22, 2014

FINANCIAL STATEMENTS

TOWNSHIP OF MILLBURN

A-1

**CURRENT FUND
REGULATORY BASIS
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	Ref.	2013	2012
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	A-2	\$ 4,200,000	4,300,000
Miscellaneous Anticipated Revenue	A-2	7,271,014	7,301,979
Receipts from Delinquent Taxes	A-2	974,304	1,019,471
Receipts from Current Taxes	A-2	156,459,403	153,859,605
Non-budget Revenues	A-2	888,391	605,756
Other Credits to Income:			
Interfund Returned	A-24, A-28	211,536	1,317
Overpayments Canceled	A-15	1,201	
Cancelled Payroll liability	A-17		253,850
Debt Service Approp. Canceled	A-3	6,119	23,362
Unexpended Balances of Appropriation Reserves	A-9	587,724	735,594
TOTAL REVENUE AND OTHER INCOME		<u>170,599,692</u>	<u>168,100,933</u>
EXPENDITURES:			
Budgeted	A-3	48,594,213	48,350,464
County Taxes	A-18	41,618,550	40,317,400
Local District School Taxes	A-10	76,708,625	76,343,886
S.I.D. Receivable	A	4,359	2,681
Prior Year Expenses	A-4		6,791
Tax Appeals	A-4	579,586	
Litigation Expense	A-21	529,323	
Interfunds Created	A-24, A-28	51,874	115,720
TOTAL EXPENDITURES		<u>168,086,531</u>	<u>165,136,942</u>
EXCESS OF REVENUE OVER EXPENDITURES		2,513,161	2,963,991
FUND BALANCE, BEGINNING OF YEAR	A	<u>9,438,816</u>	<u>10,774,825</u>
		11,951,978	13,738,816
UTILIZED AS ANTICIPATED REVENUE	A-2	<u>4,200,000</u>	<u>4,300,000</u>
FUND BALANCE, END OF YEAR	A	<u>\$ 7,751,978</u>	<u>9,438,816</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

**CURRENT FUND
REGULATORY BASIS
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2013**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 4,200,000	\$ 4,200,000	\$
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-8	38,000	38,290	290
Other	A-8	20,000	30,095	10,095
Fees and Permits:				
Uniform Construction Code Fees	A-8	475,000	741,451	266,451
Other	A-8	175,000	243,621	68,621
Fines and Costs - Municipal Court	A-8	340,000	440,897	100,897
Hotel Tax	A-8	440,000	553,189	113,189
Uniform Fire Maintenance	A-8	36,762	21,477	(15,285)
Interest and Costs on Taxes	A-8	210,000	221,067	11,067
Energy Receipt Taxes	A-8	2,368,523	2,368,523	
Golf Course Revenue	A-8	140,000	145,198	5,198
Interest on Investments	A-8	25,000	28,206	3,206
Recreation Fees	A-8	235,000	316,383	81,383
Swimming Pool Revenue	A-8	380,000	386,377	6,377
Franchise Fee - Cable	A-8	290,450	290,450	
Reserve for Electrical Trust	A-8	50,000	50,000	
Reserve for Recycling Trust	A-8	125,000	125,000	
Sale of Township-Owned Property	A-20	35,000	35,000	
Joint Trunk Sewer Maintenance Charges	A-13	1,229,396	1,113,487	(115,909)
Clean Communities Program	A-11	37,451	37,451	0
FEMA - Emergency Management	A-11	10,000	10,000	
Reserve for Body Armor	A-11	5,229	5,229	0
Governor's Council on Alcohol and Drug Abuse	A-11	60,000	60,000	
Reserve for Investors Grant	A-11	4,880	4,880	
Reserve for Acohol Ed and Rehab	A-11	792	792	0
Reserve for Click it or Ticket	A-11	3,950	3,950	
TOTAL MISCELLANEOUS ANTICIPATED REVENUES	A-1	6,735,432	7,271,014	535,582

(Continued)

TOWNSHIP OF MILLBURN

A-2
Sheet 2

CURRENT FUND
REGULATORY BASIS
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2013

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
RECEIPTS FROM DELINQUENT TAXES	A-1, A-6	625,000	974,304	349,304
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET	A-2	36,205,977	37,304,423	1,098,446
MINIMUM LIBRARY TAX		<u>2,850,172</u>	<u>2,850,172</u>	
		<u>39,056,149</u>	<u>40,154,595</u>	<u>1,098,446</u>
BUDGET TOTALS		<u>\$ 50,616,581</u>	52,599,914	<u>\$ 1,983,332</u>
NON-BUDGET REVENUES	see below		<u>888,391</u>	
			<u>\$ 53,488,305</u>	
NON BUDGET REVENUES				
Cash:				
			\$ 7,334	
			55,974	
			4,314	
			770	
			94,106	
			35,088	
			45,563	
			97,518	
			5,218	
			9,593	
			35,928	
			520	
			10,790	
			8,025	
			21,234	
			18,508	
			12,467	
			<u>409,666</u>	
			Subtotal Cash	<u>872,616</u>
Prior Year Sewer	A-13		13,094	
Prior Year SID	A-23		2,681	
Cash	A-4		<u>872,616</u>	
	Above		<u>\$ 888,391</u>	

(Continued)

TOWNSHIP OF MILLBURN

**CURRENT FUND
REGULATORY BASIS
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
ANALYSIS OF REALIZED REVENUES:		
Allocation of Current Tax Collection:		
Revenue from Collections	A-1,A-6	\$ 156,459,403
Allocated to - School and County Taxes	A-6	<u>118,327,175</u>
Balance for Support of Municipal Budget Appropriations		38,132,228
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>2,022,367</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 40,154,595</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

A-3

CURRENT FUND
 REGULATORY BASIS
 STATEMENT OF EXPENDITURES
 YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
OPERATIONS - WITHIN "CAPS":					
GENERAL GOVERNMENT:					
Administrative and Executive:					
Salaries and Wages:					
Governing Body	\$ 37,500	\$ 37,500	\$ 37,500	\$	\$
Business Administration	384,397	384,397	371,460		12,937
Other Expenses:					
Business Administration	99,000	99,000	88,612	9,785	603
Printing, Legal, Advertising, and Miscellaneous	45,100	45,100	19,730	8,016	17,354
Customer Service:					
Salaries and Wages	201,050	201,050	177,176		23,874
Other Expenses	3,500	3,500	1,900	875	725
Municipal Clerk:					
Salaries and Wages	168,024	168,024	163,747		4,277
Data Processing Center:					
Other Expenses	158,500	158,500	136,450	4,509	17,540
Finance Administration:					
Comptroller's Office:					
Salaries and Wages	305,465	300,465	297,708		2,757
Other Expenses	70,550	50,550	36,737	1,477	12,336
Annual Audit	43,450	43,450	33,200		10,250
GENERAL GOVERNMENT:					
Assessment of Taxes:					
Salaries and Wages	81,820	81,820	68,454		13,366
Other Expenses	71,650	96,650	67,252	1,980	27,418
Collector of Taxes:					
Salaries and Wages	160,820	95,820	72,203		23,617
Other Expenses	48,500	48,500	33,700	1,321	13,478
Legal Services and Costs:					
Salaries and Wages	32,385	22,385	21,913		472
Other Expenses	630,000	1,130,000	866,866	115,390	147,744
Public Buildings and Grounds:					
Other Expenses	399,600	399,600	261,662	39,416	98,522
Planning Board:					
Salaries and Wages	40,500	40,500	37,816		2,684
Other Expenses	36,200	36,200	26,424		9,776
Board of Adjustment:					
Salaries and Wages	40,500	40,500	40,500		
Other Expenses	35,400	35,400	29,820	359	5,220
Historical Preservation Commission:					
Salaries and Wages	3,000	3,000	1,572		1,428
Other Expenses	1,100	1,100	1,100		
GENERAL GOVERNMENT:					
PUBLIC SAFETY:					
Fire:					
Salaries and Wages	5,616,448	5,361,448	5,356,411		5,037
Other Expenses	585,000	585,000	514,111	16,048	54,841
Aid to Volunteer Fire Companies	20,000	5,000	2,378		2,622
Police:					
Salaries and Wages	6,296,081	6,641,081	6,640,890		191
Other Expenses	553,490	538,490	216,071	267,256	55,163
Emergency Management Service:					
Other Expenses	5,000	5,000	4,236		764
Insurance:					
Group Insurance for Employees	5,556,824	5,356,824	4,797,313	32,340	527,171
Workers Compensation Insurance	465,769	465,769	465,769		
Employee Opt Out	83,500	83,500	83,500		
Other Insurance Premiums	425,596	425,596	401,288		24,309

(Continued)

TOWNSHIP OF MILLBURN

A-3

CURRENT FUND
REGULATORY BASIS
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
OPERATIONS - WITHIN "CAPS" (Continued):					
Inspection of Buildings:					
Salaries and Wages	\$ 434,000	\$ 434,000	\$ 412,430		\$ 21,571
Other Expenses	379,650	354,650	334,450	1,276	18,925
Engineering Services and Costs:					
Salaries and Wages	243,530	243,530	237,800		5,730
Other Expenses	104,510	104,510	53,228	45,712	5,570
Shade Tree:					
Salaries and Wages	982,500	882,500	773,628		108,872
Other Expenses	529,540	529,540	383,927	54,060	91,553
MUNICIPAL SERVICES AND ENGINEERING:					
Road Repair and Maintenance:					
Salaries and Wages	2,668,812	2,643,812	2,558,909		84,903
Other Expenses	446,000	446,000	222,542	100,998	122,461
Dispatch					
Salaries and Wages	410,000	410,000	409,863		137
Other Expenses	164,590	164,590	164,590		
Joint Meeting Maintenance:					
Salaries and Wages	3,013	3,013			3,013
Other Expenses	2,750	2,750	2,750		
Vehicle Maintenance:					
Salaries and Wages	325,000	325,000	324,801		199
Other Expenses	218,000	218,000	131,126	59,270	27,604
Sanitation:					
Other Expenses	179,100	179,100	83,683	21,030	74,386
HEALTH AND WELFARE:					
Board of Health - Local Health Agency:					
Salaries and Wages	33,000	33,000	29,032		3,968
Other Expenses	16,071	16,071	10,824		5,247
Environmental Commission					
Other Expenses	2,500	2,500	350		2,150
Condo Reimbursement	30,000	30,000			30,000
Administration of Public Assistance:					
Salaries and Wages	12,947	12,947	12,354		593
Other Expenses	37,120	37,120	26,250	5,248	5,622
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries and Wages	665,000	665,000	609,872		55,128
Other Expenses	307,600	307,600	234,993	25,681	46,925
Celebration of Public Events, Anniversary or Holiday	10,000	10,000	8,650		1,350
Senior Citizens' Transportation:					
Salaries and Wages	155,000	153,200	128,549		24,651
Other Expenses	8,500	10,300	9,915	28	357
RECYCLING ACT AND SANITARY LAND FILL:					
Facilities and Contingencies Fund	1,833,000	1,783,000	1,434,393	127,491	221,116
Municipal Court:					
Salaries and Wages	313,911	313,911	248,126		65,785
Other Expenses	100,950	100,950	89,875	3,617	7,458
Public Defender:					
Salaries and Wages	10,000	10,000	10,000		
UNCLASSIFIED:					
Electricity	280,500	250,500	191,173	28,412	30,915
Natural Gas	160,000	130,000	55,475	7,600	66,925
Street Lighting	327,000	302,000	197,039	20,086	84,875
Gasoline	390,000	415,000	330,853	45,646	38,502
Telephone and Telegraph	175,000	150,000	122,772	10,712	16,516
TOTAL OPERATIONS - WITHIN "CAPS"	34,664,814	34,664,814	31,219,690	1,055,639	2,389,484

(Continued)

TOWNSHIP OF MILLBURN

A-3

CURRENT FUND
 REGULATORY BASIS
 STATEMENT OF EXPENDITURES
 YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
OPERATIONS - WITHIN "CAPS" (Continued):					
DETAIL:					
Salaries and Wages	\$ 19,300,792	\$ 19,183,992	# \$ 18,784,588	\$	\$ 399,404
Other Expenses (Including Contingent)	15,364,022	15,480,822	12,435,102	1,055,639	1,990,081
STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":					
Defined Contribution Retirement System	1,000	1,000	1,000		
Public Employees' Retirement System	893,243	893,243	893,243		
Police and Firemen's Retirement System of N.J.	2,246,276	2,246,276	2,246,276		
PERS ERI	61,249	61,249	61,249		
Social Security System (O.A.S.I.)	867,500	867,500	832,544		34,956
TOTAL STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":	4,069,268	4,069,268	4,034,312		34,956
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - WITHIN "CAPS"	38,734,082	38,734,082	35,254,002	1,055,639	2,424,441
OPERATIONS - EXCLUDED FROM "CAPS":					
Employee Group Insurance	1,052,168	1,052,168	1,052,168		
Maintenance of Free Public Library	2,850,172	2,850,172	2,850,172		
Joint Trunk Sewer Maintenance	1,229,396	1,229,396	1,228,396		1,000
Reserve for Accumulate Absences	500	500			500
Reserve for Snow Trust	500	500			500
Reserve for Tax Appeals	1,100,000	1,100,000	1,100,000		
Clean Communities Program: Other Expenses	37,451	37,451	37,451		
FEMA - Emergency Mgt. Grant Other Expenses	10,000	10,000	10,000		
Reserve for Clickit or Ticket Grant Other Expenses	3,950	3,950	3,950		
Alcohol Ed. And Rehab Other Expenses	792	792	792		
Reserve for Body Armor Fund Other Expenses	5,229	5,229	5,229		
Investors Savings Charitable Foundation Other Expenses	4,880	4,880	4,880		
Governor's Alcoholism and Drug Abuse Grant: Other Expenses	60,000	60,000	60,000		
Township Match	15,000	15,000	4,848		10,152
Interlocal Agreements Maplewood: Plumbing Inspections	81,978	81,978	51,639		30,339
Electrical Inspections	75,775	75,775	52,860		22,915
Hepatitis	10,000	10,000	190	1,810	8,000
Interlocal Agreement Borouigh of Madison Other Expenses	93,500	93,500	92,840		660
Livingston: Other Expenses	78,245	78,245	75,023	-	3,222
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	6,709,535	6,709,536	6,630,438	1,810	77,288

(Continued)

TOWNSHIP OF MILLBURN

A-3

CURRENT FUND
 REGULATORY BASIS
 STATEMENT OF EXPENDITURES
 YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
OPERATIONS - EXCLUDED FROM "CAPS" (Continued):					
DETAIL:					
Salaries and Wages					
Other Expenses	\$ 6,709,535	\$ 6,709,536	\$ 6,630,438	\$ 1,810	\$ 77,288
CAPITAL IMPROVEMENT FUND	1,200,000	1,200,000	1,200,000		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Interest on Notes	140,022	140,022	140,022		
Payment of Note Principal	1,680,000	1,680,000	1,680,000		
Payment of Bond Principal	111,674	111,674	111,674		
Interest on Bonds	18,900	18,900	18,900		
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,950,596	1,950,596	1,950,596		
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	9,860,131	9,860,132	9,781,034	1,810	77,288
SUBTOTAL GENERAL APPROPRIATIONS	\$ 48,594,213	\$ 48,594,213	\$ 45,035,036	\$ 1,057,449	\$ 2,501,729
RESERVE FOR UNCOLLECTED TAXES	2,022,367	2,022,367	2,022,367		
TOTAL GENERAL APPROPRIATION	\$ 50,616,581	\$ 50,616,581	\$ 47,057,403	\$ 1,057,449	\$ 2,501,729
Reference		A-1	see below	A	A
Adopted budget	\$ 50,573,459				
Added by 40A:4.87	\$ 43,122				
	\$ 50,616,581				
<u>Paid or Charged</u>					
Cash Disbursed	A-4		\$ 43,806,615		
Reserve for Tax Appeals	A-12		1,100,000		
Reserve for Grants	A-16		122,301		
Debt Service Cancelled	A-1		6,119		
Reserve for Uncollected Taxes	A-2		2,022,367		
			\$ 47,057,403		

See notes to financial statements.

MILLBURN TOWNSHIP

B

**TRUST FUND
REGULATORY BASIS
BALANCE SHEETS
AS OF DECEMBER 31, 2013 AND 2012**

ASSETS	Ref.	December 31,		LIABILITIES, RESERVES AND FUND BALANCE	Ref.	December 31,	
		2013	2012			2013	2012
ELECTRICAL INSPECTION TRUST FUND:				ELECTRICAL INSPECTION TRUST FUND:			
Cash	B-1	\$ 434,497	\$ 324,497	Reserve	B-1	434,497	\$ 324,497
DOG LICENSE FUND:				DOG LICENSE FUND:			
Cash	B-1	61,728	50,913	Due to State		26	350
				Reserve for Dog Fund Expenditures	B-1	61,702	50,563
						61,728	50,913
ESCROW TRUST FUND:				ESCROW TRUST FUND:			
Cash	B-1	260,883	74,508	Due To Current Fund	B-2		23
				Reserve for State Surcharge	B-1	260,883	74,485
						260,883	74,508
UNEMPLOYMENT INSURANCE TRUST FUND:				UNEMPLOYMENT INSURANCE TRUST FUND:			
Cash	B-1	132,273	157,318	Reserve for Unemployment Insurance	B-1	132,273	157,318
TAX SALE PREMIUM				TAX SALE PREMIUM			
Due from Current Fund	B-2	108,725	283,525	Reserve for Tax Sale Premium	B-1	108,725	283,525
WASTE RECYCLING FUND:				WASTE RECYCLING FUND:			
Cash	B-1	304,811	319,277	Reserve for Waste Recycling	B-1	304,811	319,277
RECREATION TRIP TRUST FUND:				RECREATION TRIP TRUST FUND:			
Cash	B-1	158,215	166,600	Reserve for Recreation Trip Trust	B-1	158,215	166,600
POAA TRUST FUND:				POAA TRUST FUND:			
Cash	B-1	52,831	49,615	Reserve for POAA Trust	B-1	52,831	49,615
SPECIAL IMPROVEMENT DISTRICT TRUST FUND:				SPECIAL IMPROVEMENT DISTRICT TRUST FUND:			
Cash	B-1	3,421	100,181	Due to Current Fund	B-2	3,421	100,181
FIRE PENALTY TRUST FUND:				FIRE PENALTY TRUST FUND:			
Cash	B-1	7,397	6,073	Reserve for Fire Penalty Trust	B-1	7,397	6,073
ACCUMULATED ABCSENCES TRUST				ACCUMULATED ABCSENCES TRUST			
Cash	B-1	526,824	482,035	Reserve for Accumulated Abscences	B-1	526,824	482,035
SNOW TRUST				SNOW TRUST			
Cash	B-1	382,315	149,913	Reserve for Snow Trust	B-1	516,891	142,398
Due From Capital Fund		134,576		Due to General Fund	B-1		7,515
		516,891	149,913			516,891	149,913
POLICE OFF-DUTY TRUST				POLICE OFF-DUTY TRUST			
Cash	B-1	308,060	341,377	Due to Current Fund			
Due from Current Fund			9,876	Reserve for Police Off-Duty	B-1	308,060	351,253
		308,060	351,253			308,060	351,253
FORFEITED PROPERTY ACCOUNT				FOREFEITED PROPERTY ACCOUNT			
Cash	B-1	8,293	198	Reserve for Forefeited Property	B-1	8,293	198
PAYROLL TRUST				PAYROLL TRUST			
Cash	B-1	36,860	88,483	Reserve	B-1	36,860	88,483
PAYROLL AGENCY				PAYROLL AGENCY			
Cash	B-1	323,650	253,850	Cash	B-1	323,650	253,850
DONATION TRUST				DONATION TRUST			
Cash	B-1	5,789	4,809	Cash	B-1	5,789	4,809
		\$ 3,214,288	\$ 2,456,357			\$ 3,214,288	\$ 2,456,357

See notes to financial statements.

TOWNSHIP OF MILLBURN

C

**GENERAL CAPITAL FUND
 REGULATORY BASIS
 BALANCE SHEETS
 AS OF DECEMBER 31, 2013 AND 2012**

ASSETS	Ref.	December 31,	
		2013	2012
Cash and Cash Equivalents	C-2,C-3	\$ 5,647,070	6,916,845
Deferred Charges to Future Taxation:			
Funded	C-4,C-6	449,601	561,275
Unfunded	C-5	9,493,320	10,733,830
Grant Receivable	C-16	<u>410,758</u>	<u>163,812</u>
		<u>\$ 16,000,749</u>	<u>\$ 18,375,762</u>
LIABILITIES AND FUND BALANCE			
Serial Bonds	C-6	\$ 449,601	561,275
Improvement Authorizations:			
Funded	C-8	2,027,868	3,691,167
Unfunded	C-8	1,310,050	2,593,116
Capital Improvement Fund	C-10	1,724,742	1,822,902
Reserve for Parking Lots	C-11	1,753	1,753
Reserve for Payment of Bonds	C-15	1,448	1,448
Reserve for Encumbrances	C-8	2,312,478	423,411
Reserve for Little League Field	C-9	18,067	18,067
Reserve for Preliminary Planning Expenses	C-17	10,597	10,597
Reserve for Papermill Property	C-12	342,000	192,251
Reserve for Grants	C-18	280,000	-
Interfund Payable	C-7	134,576	26
Bond Anticipation Notes Payable	C-14	7,053,781	8,733,781
Fund Balance	C-1	<u>333,789</u>	<u>325,968</u>
		<u>\$ 16,000,749</u>	<u>\$ 18,375,762</u>

*There were bonds and notes authorized but not issued at December 31, 2012 and 2013 of \$2,028,137 and \$2,467,627 respectively. (Exhibit C-13)

See notes to financial statements

TOWNSHIP OF MILLBURN

C-1

**GENERAL CAPITAL FUND
REGULATORY BASIS
STATEMENT OF FUND BALANCE
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	Ref.	2013	2012
BALANCE, BEGINNING OF YEAR	C	\$ <u>325,968</u>	\$ <u>582,070</u>
Increased by Receipts:			
Cancellation of capital improvement fund	C-10	-	500,000
Premium on Sale of Notes	C-2, C-3	<u>7,821</u>	<u>81,410</u>
		<u>7,821</u>	<u>581,410</u>
		333,789	1,163,480
Decreased by:			
Budget Appropriation	C-2	<u> </u>	<u>837,512</u>
BALANCE, END OF YEAR	C	\$ <u><u>333,789</u></u>	\$ <u><u>325,968</u></u>

See notes to financial statements

TOWNSHIP OF MILLBURN

D

**PARKING UTILITY FUNDS
REGULATORY BASIS
BALANCE SHEETS
AS OF DECEMBER 31, 2013 AND 2012**

	Ref.	December 31, 2013	December 31, 2012
ASSETS			
OPERATING FUND			
Cash and Cash Equivalents	D-5	\$ 1,576,025	\$ 1,558,861
Deferred Charge - Emergency Appropriation	D-21	150,000	-
Due From Parking Capital	D-16	-	20
Total Assets Operating Fund		<u>1,726,025</u>	<u>1,558,881</u>
CAPITAL FUND			
Cash	D-5	1,796,018	4,329,201
Fixed Capital	D-14	8,370,225	535,225
Fixed Capital Authorized and Uncomplete	D-10	<u>1,415,000</u>	<u>9,000,000</u>
Total Assets Capital Fund		<u>11,581,243</u>	<u>13,864,426</u>
Total Assets		<u>13,307,268</u>	<u>\$ 15,423,307</u>
LIABILITIES AND FUND BALANCE			
OPERATING FUND			
Reserve for Encumbrances	D-3, D-13	\$ 16,270	\$ 37,031
Appropriation Reserves	D-3, D-13	75,437	55,642
Prepaid Parking Permits	D-17	201,343	115,120
Accrued Interest on Notes	D-19	39,792	21,042
Reserve for Parking Meter Replacement	D-7	<u>98,727</u>	<u>202,326</u>
Total Liabilities		<u>431,569</u>	<u>431,160</u>
Fund Balance	D-1	<u>1,294,456</u>	<u>1,127,721</u>
Total Liabilities and Fund Balance Operating Fund		<u>1,726,025</u>	<u>1,558,881</u>
CAPITAL FUND			
Improvement Authorizations - Funded	D-9	90,958	-
Improvement Authorizations - Unfunded	D-9	1,076,417	1,223,066
Bond Anticipation Notes Payable	D-18	8,595,000	7,500,000
Reserve for Encumbrances	D-9	89,310	3,646,390
Capital Improvement Fund	D-12	467,250	527,250
Reserve for Amortizations	D-15	535,225	535,225
Reserve for Preliminary Planning Expenses	D-8	250	250
Due to Parking Operating	D-16	-	20
Deferred Reserve For Amortization	D-11	655,000	405,000
Fund Balance	D-4	<u>71,833</u>	<u>27,225</u>
Total Liabilities and Fund Balance Capital Fund		<u>11,581,243</u>	<u>13,864,426</u>
Total Liabilities and Fund Balances		<u>\$ 13,307,268</u>	<u>\$ 15,423,307</u>

*There were bonds and notes authorized but not issued at December 31, 2012 and 2013 of \$1,095,000 and \$0.00 respectively. (Exhibit D-20)

See notes to financial statements

TOWNSHIP OF MILLBURN

D-1

**PARKING UTILITY OPERATING FUND
REGULATORY BASIS
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	Ref.	2013	2012
REVENUE AND OTHER INCOME:			
Miscellaneous Anticipated Revenue	D-2, D-5	\$ 945,407	\$ 949,609
Unexpended Balance of Appropriation Reserves	D-13	62,849	74,361
Interfund Receivable	D-16	-	20
Non-budget Revenues	D-2	<u>27,306</u>	<u>11,433</u>
TOTAL REVENUE AND OTHER INCOME	D-2	<u>1,035,561</u>	<u>1,035,423</u>
EXPENDITURES:			
Accrued Interest on Notes	D-19	-	21,042
Budgeted	D-3	<u>1,018,826</u>	<u>890,000</u>
TOTAL EXPENDITURES		<u>1,018,826</u>	<u>911,042</u>
EXCESS OF REVENUE OVER EXPENDITURES		16,735	124,381
ADJUSTMENT TO INCOME BEFORE FUND BALANCE - Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Year			
		<u>150,000</u>	<u>-</u>
STATUTORY EXCESS TO FUND BALANCE		166,735	124,381
FUND BALANCE, BEGINNING OF YEAR	D	<u>1,127,721</u>	<u>1,003,340</u>
SUBTOTAL		1,294,456	1,127,721
UTILIZED AS ANTICIPATED REVENUE		<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	D	<u>\$ 1,294,456</u>	<u>\$ 1,127,721</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

D-2

**PARKING UTILITY OPERATING FUND
REGULATORY BASIS
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2013**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
ANTICIPATED REVENUES				
Parking Meters	D-4	\$ 250,000	\$ 283,864	\$ 33,864
Parking Permits	below	590,000	626,484	36,484
Parking Tokens	D-4	<u>28,826</u>	<u>35,059</u>	<u>6,233</u>
TOTAL ANTICIPATED REVENUES		<u>\$ 868,826</u>	945,407	76,581
Miscellaneous Revenues	D-4		27,306	27,306
BUDGET TOTALS			<u>\$ 972,713</u>	<u>\$ 103,887</u>
			D-1	
	2013 Prepaid Permits	D-17	\$ 115,120	
	2013 Permits	D-5	<u>511,364</u>	
			<u>\$ 626,484</u>	

See notes to financial statements.

TOWNSHIP OF MILLBURN

D-3

**PARKING UTILITY OPERATING FUND
REGULATORY BASIS
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2013**

	Budget	Budget after Modification	Paid or Charged	Encumbered	Reserved
Salary and Wages	\$ 249,326	249,326	249,326	-	-
Other Expenses	299,500	449,500	357,793	16,270	75,437
Capital Improvement Fund	190,000	190,000	190,000	-	-
Reserve for Meter Replacement	35,000	35,000	35,000	-	-
Debt Service	75,000	75,000	75,000	-	-
Social Security	20,000	20,000	20,000	-	-
BUDGET TOTALS	\$ 868,826	1,018,826	927,119	16,270	75,437
	Ref. D-2	D-1		D	D
Adopted budget	\$ 868,826				
Emergency	150,000				
	<u>\$ 1,018,826</u>				
		Ref.			
Cash Disbursed		D-5	\$ 817,119		
Accrued Interest on Notes		D-19	75,000		
Reserve for Meter Replacement		D-7	35,000		
			<u>\$ 927,119</u>		

See notes to financial statements.

TOWNSHIP OF MILLBURN

D-4

**PARKING UTILITY UTILITY CAPITAL FUND
REGULATORY BASIS
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2013 and 2012**

	Ref.	2013	2012
FUND BALANCE, BEGINNING OF YEAR	D	\$ 27,225	\$ -
REVENUE AND OTHER INCOME:			
Premium on Sale of Notes	D-5	<u>44,608</u>	<u>27,225</u>
FUND BALANCE, BEGINNING OF YEAR	D	<u>\$ 71,833</u>	<u>\$ 27,225</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

F

**PUBLIC ASSISTANCE FUND
REGULATORY BASIS
BALANCE SHEETS
AS OF DECEMBER 31, 2013 AND 2012**

ASSETS	Ref.	2013	2012
Cash	F-3	<u>\$ 23,305</u>	<u>\$ 12,522</u>
LIABILITIES AND RESERVES			
Due To Current Fund		-	8,000
Reserve for Public Assistance	F-4	<u>23,305</u>	<u>4,522</u>
Total Liabilities and Reserves		<u>\$ 23,305</u>	<u>\$ 12,522</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

F-1

**PUBLIC ASSISTANCE FUND
REGULATORY BASIS
SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2013**

	P.A.T.F. Account # 1 (75%)	P.A.T.F. Account # 2 (100%)	Fund Total
State Aid Payments	\$ -	\$ 46,900	\$ 46,900
Interest on Investments	4	12	16
Due to/from PA II	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Revenues (PATF)	<u>\$ 3,004</u>	<u>\$ 46,912</u>	<u>\$ 49,916</u>

See notes to financial statements.

**SCHEDULE OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013**

F-2

	P.A.T.F. Account # 1 (75%)	P.A.T.F. Account # 2 (100%)	Fund Total
Current Year Assistance (Eligible for State Aid):			
Maintenance Payments	\$ -	\$ 11,455	\$ 11,455
Rent / Shelter	-	16,678	16,678
Due to/from Current fund	-	8,000	8,000
Due to PA 1	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 39,133</u>	<u>\$ 39,133</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN**G****GENERAL FIXED ASSETS GROUP
REGULATORY BASIS
BALANCE SHEETS
AS OF DECEMBER 31, 2013 AND 2012**

	2013	2012
Movable Fixed Assets:		
Computers and Computer Equipment	\$ 431,047	\$ 353,268
Furniture and Equipment	1,872,739	1,654,162
Vehicles	9,938,386	9,264,448
Radio and Communication Equipment	<u>477,162</u>	<u>477,162</u>
	<u>12,719,334</u>	<u>11,749,040</u>
Land	15,408,472	15,408,472
Buildings	6,110,241	5,460,241
Improvements Other Than Buildings	<u>2,006,128</u>	<u>1,971,568</u>
	<u>23,524,841</u>	<u>22,840,281</u>
Investment in General Fixed Assets	<u>\$ 36,244,175</u>	<u>\$ 34,589,321</u>

See notes to financial statements.

TOWNSHIP OF MILLBURN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 and 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Description of Funds

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

The accounting policies of the Township of Millburn conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division")(Regulatory Basis). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial activities through the following separate funds which differ from the fund structure required by GAAP:

Current Fund—resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

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

General Capital Fund—receipt and disbursement of funds used for acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Parking Utility Operating Fund – Accounts for the resources and expenditures for operation of the Township Parking Utility.

Parking Utility Capital Fund- is used to account for financial resources to be used for the acquisition, installation, and improvement of parking utility facilities.

Public Assistance Fund—receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group—Accounts for general fixed assets acquired by the Township of Millburn.

2. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Investments—The Township’s investments are reported at cost. GASB requires investments to be recorded on the balance sheet at fair value and all investment income, including changes in the fair value of investments to be reported as revenue on the statement of operations.

Property Taxes and Other Revenues—Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township’s Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Taxes for the Township are levied annually in June and are payable February 1st, May 1st, August 1st, and November 1st. The taxes are liens on the property as of the billing date.

Grant Revenues and Expenditures—Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures—Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances—Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

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

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

Fixed Assets—Fixed assets purchased by the Current and General Capital Funds are recorded as expenditures. A General Fixed Assets Account Group, required by GAAP and the Division of Local Government Services to account for the Township’s general property and equipment, excluding infrastructure items, has been established and, accordingly, is presented in the financial statements. GAAP requires that capital assets include the value of infrastructure and be

recorded in the government-wide financial statements.

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. GAAP does not require the establishment of an offsetting reserve.

Deferred Charges to Future Taxation Funded and Unfunded- Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. Under GAAP deferred charges to future taxation would not be recorded and proceeds of debt issued would be recognized as revenue.

Use of Estimates

The preparation of financial statements requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

3. Had the Township's financial statements been prepared under generally accepted accounting principles, appropriation reserves would not be recorded; revenues susceptible of accrual would have been reflected without offsetting reserves; Federal grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and encumbrances would not be considered expenditures. Depreciation would have been recognized in the Utility Funds. Taxes collected on behalf of the county and school district and the related payment to those entities would not be reflected in operations. Deferred charges and improvement authorizations would not be recorded as assets and liabilities in the General Capital Fund. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the government wide financial statement required by generally accepted accounting principles to be presented.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

4. Reporting Entity

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Board of Education, Ambulance and Rescue Services or Free Public Library.

B. DEPOSITS AND INVESTMENTS

1. Deposits

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

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

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

2. Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the Township or bonds or other obligations of school districts, which are a part of the Township or school districts located within the Township.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2013 the Township's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act or are collateralized with the federal securities held by another institution in the Township's name.

The Township's cash and investments were as follows at December 31, 2013 and 2012:

Type	Collateral	Bank Balance, December 31, 2013	Book Amount December 31, 2013	Fund
Cash and Cash Equivalents				
Deposits:				
Cash on Deposit	FDIC, State Collateral Pool	\$ 13,116,193	\$ 13,471,020	Current
	FDIC, State Collateral Pool	3,680,893	2,971,987	Trust
	FDIC, State Collateral Pool	5,668,298	5,647,070	Capital
	FDIC, State Collateral Pool	1,629,850	1,576,025	Parking Operating
	FDIC, State Collateral Pool	1,802,018	1,796,018	Parking Capital
	FDIC, State Collateral Pool	23,599	23,305	Public Assistance
Total Cash and Cash Equivalents		<u>\$ 25,920,851</u>	<u>\$ 25,485,425</u>	

Type	Collateral	Balance, December 31, 2012	Amount December 31, 2012	Fund
Cash and Cash Equivalents				
Deposits:				
Cash on Deposit	FDIC, State Collateral Pool	\$ 15,642,652	\$ 15,357,684	Current
	FDIC, State Collateral Pool	2,770,360	2,864,439	Trust
	FDIC, State Collateral Pool	6,931,846	6,916,846	Capital
	FDIC, State Collateral Pool	1,553,317	1,558,861	Parking Operating
	FDIC, State Collateral Pool	4,345,391	4,329,201	Parking Capital
	FDIC, State Collateral Pool	12,816	12,522	Public Assistance
Total Cash and Cash Equivalents		<u>\$ 31,256,383</u>	<u>\$ 31,039,553</u>	

There were no investment balances as of December 31, 2013 and 2012

C. OUTSTANDING DEBT

General Serial Bonds

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness of the capital expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

On October 15, 1998 the Township borrowed \$2,076,373 from the New Jersey Environmental Infrastructure program at interest rates of 4.25% to 4.5% payable each February 1 and August 1 until the loan is paid in full in 2018. The balance outstanding at December 31, 2013 and 2012 respectively was \$449,601 and \$561,275. Reductions in outstanding balances during 2013 and 2012 were \$111,674 and \$113,401 respectively.

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must continue to be paid if the notes are to be renewed beyond the third anniversary date of the original issuance. At December 31, 2013 and 2012, there was 7,053,781 and \$8,733,781 of bond anticipation notes outstanding respectively for the General Capital Fund and \$8,595,000 of Parking Capital notes at December 31, 2013. The General Capital Fund paid down \$1,680,000 of outstanding notes and the Parking Utility Capital Fund issued \$1,095,000 of notes.

Tax Anticipation Notes

Under N.J.S. 40A:4-64 the Township may issue tax anticipation notes to temporarily finance current fund operations. Tax collections are pledged to the payment of such debt. The notes must be redeemed within one year. At December 31, 2012 and 2013 there were no tax anticipation notes outstanding.

Township debt is summarized as follows:

	December 31,	
	2012	2013
Issued:		
General Obligation Bonds	\$ 561,275	\$ 449,601
General Capital	8,733,781	7,053,781
Utility Bond Anticipation Notes	7,500,000	8,595,000
Authorized not Issued:		
Utility Obligation Bonds and Notes	1,095,000	-0-
General Obligation Bonds and Notes	<u>2,028,137</u>	<u>2,467,627</u>
Bonds and Notes Issued and		
Authorized but not Issued	<u>\$19,918,193</u>	<u>\$18,566,009</u>

Principal and interest due on General Obligation Bonds outstanding for the next five years and thereafter is as follows:

Calendar Year	Principal	Interest	Total
2014	118,180	16,200	134,380
2015	106,420	13,275	119,696
2016	70,000	10,125	80,125
2017	75,000	6,975	81,975
2018	<u>80,000</u>	<u>3,600</u>	<u>83,600</u>
	<u>\$ 449,601</u>	<u>\$50,175</u>	<u>\$ 499,776</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method used in preparing the Annual Debt Statement and indicates a statutory net debt of .12% as compared to the statutory net debt limitation of 3.5%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$38,244,000	\$38,244,000	\$ —
Parking Utility Debt	8,595,000	8,595,000	—
General Debt	<u>9,971,009</u>	<u>-0-</u>	<u>9,971,009</u>
	<u>\$56,810,009</u>	<u>\$46,839,000</u>	<u>\$9,971,009</u>

Net debt of \$9,971,009 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 \$8,618,170,484 equals .116%.

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

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, 2013, was as follows:

3.5% Equalized Valuation Basis	\$301,635,967
Net Debt	<u>9,971,009</u>
Remaining Borrowing Power	<u>\$291,664,958</u>

D. PENSION PLANS

Those Township employees who are eligible for pension coverage are enrolled in one of three State pension plans.

The State pension systems were established by act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State Legislature. The three State administered pension funds are: the Public Employees' Retirement System (PERS), the Consolidated Police and Firemen's Pension Fund (CPFPPF), which is closed with no active members, the Police and Firemen's Retirement System of New Jersey (PFRS), the Defined Benefits Contribution Retirement Plan (DCRP), which was new in July of 2008. As of December 31, 2010, Milburn Township has three employee eligible for the DCRP. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds.

Covered employees are required by statute to contribute a uniform 6.25% of compensation under the PERS plan, 10% under the PFRS plan, and 5% under the DCRP plan. In addition, the PERS, PFRS and CPFPPF bill the Township annually for its required contribution.

The Township is required by the same statute to contribute the remaining amounts necessary to pay benefits when due and its portion of the plan's administrative 7.5% of covered payroll. Contributions for the years 2008 through 2013 are as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2013	\$995,208	\$2,385,452
2012	880,789	2,339,275
2011	832,003	2,656,618.
2010	651,096	2,284,664
2009	614,071	2,118,450
2008	503,264	1,920,989

Employees who are members of the PERS and retire at or after age 60 are entitled to a retirement benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service. Vesting occurs after 10 years of service. As of July 1, 2008 all employees hired after July 1, 2008 are not eligible to retire until age 60.

Enrolled PFRS members may retire at age 55 with a benefit equal to 2% of the members' final average compensation for each year of service up to 25 years, plus 1% for each year of creditable service over 30 years. Benefits fully vest on reaching 10 years of service.

A variety of significant actuarial assumptions are used to determine the valuation of the pension benefit obligation including: (a) an assumed interest rate of 8.25%, which is in excess of the current prevailing market rate, (b) projected salary increases, including inflation, merit, and productivity of 5.45% Mortality vesting, retirement age and withdrawal estimates are based upon tables supplied by the Plan actuary.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an addition 1% phased-in over 7 years; PFRS active member rates increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be a least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

According to State Statues, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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

E. ACCRUED SICK AND VACATION BENEFITS

The Township permits employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation as of December 31, 2013 and December 31, 2012 would approximate \$5,783,698.58 and \$5,823,484. The 2013 Township budget and the 2012 appropriation reserves included appropriations for accrued benefits paid in 2013.

F. FUND BALANCE APPROPRIATED

The Current fund has available Fund Balance as of December 31, 2012 and 2013 are \$9,224,681 and \$8,280,978 respectively and were anticipated in the 2013 and 2014 budgets as follows:

	<u>2013</u>	<u>2014</u>
Current Fund	\$4,200,000	\$3,800,000

The Parking Utility Operating fund has available Fund Balance as of December 31, 2013 and 2012 of \$1,726,025 and \$1,127,721. \$150,000 was anticipated in 2014 as a revenue.

G. INTERFUND BALANCES

The Township had interfund balances at December 31, 2013 as follows:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Premium On Tax Sale Fund		\$108,725
Other Trust Funds	3,422	
Other Trust Fund		
Current Fund		3,422
General Capital	134,576	
Premium on Tax Sale:		
Current Fund	108,725	
General Capital		
Other Trust Funds		134,576

Interfund balances at the year end were due to receipts or expenditures collected and disbursed through the current fund and not turned over to the other funds as indicated.

The Township had interfund balance at December 31, 2012 as follows:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Other Trust Funds	\$107,720	
Premium On Tax Sale Fund		\$ 283,525
General Capital Fund	26	
Other Trust Funds		9,876
Public Assistance	8,000	
General Capital Fund:		
Current Fund		26
Other Trust Fund		
Other Trust Fund	9,876	
Current Fund		107,720
Premium on Tax Sale:		
Current Fund	283,525	
Parking Utility Operating:		
Parking Capital	20	
Parking Capital		
Parking Operating		20
Public Assistance		
Current Fund		8,000

Interfund balances at the year end were due to receipts or expenditures collected and disbursed through the Current fund and not turned over to the other funds as indicated

H. RISK MANAGEMENT

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

The Township participates in a joint insurance fund that provides coverage for its automobile, general liability, and workers; compensation exposures, property, fire, water, utility, boiler, and machinery, and employee fidelity. Various deductibles, limits, and coinsurance provisions apply to these policies.

I. FIXED ASSETS

The Township records assets with a useful life in excess of one year and with a value over \$5,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("Infrastructure") general fixed assets consisting of certain improvement other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

The Township's fixed assets are summarized as follows:

General Fixed Assets:

Description	Balance 12/31/2012	Additions	Disposals	Balance 12/31/2013
Land	\$ 15,408,472			\$ 15,408,472
Improvements other than buildings	1,971,568	34,560		2,006,128
Buildings	5,460,241	650,000		6,110,241
Computers & Computer Equipment	353,268	77,761		353,268
Furniture & Equipment	1,654,162	218,577		1,654,162
Vehicles	9,264,448	631,000		9,938,386
Radio & Communication Equipment	477,162			477,162
	\$ 34,589,321	1,611,898		\$ 36,244,175

Parking Utility Fixed Assets:

Description	Balance 12/31/2012	Additions	Disposals	Balance 12/31/2013
Land	\$ 314,725	—	—	\$ 314,725
Computers & Computer Equipment	220,500	—	—	220,500
Building		7,835,000		7,835,000
	\$ 535,225	7,835,000	—	\$ 8,370,000

General Fixed Assets:

Description	Balance 12/31/2011	Additions	Disposals	Balance 12/31/2012
Land	\$ 15,093,747	314,725	\$	15,408,472
Improvements other than buildings	1,971,568			1,971,568
Buildings	5,131,191	329,050		5,460,241
Computers & Computer Equipment	327,322	25,946		353,268
Furniture & Equipment	1,654,162			1,654,162
Vehicles	8,379,007	992,332	(106,891)	9,264,448
Radio & Communication Equipment	283,054	194,108	-	477,162
	\$ 32,840,051	1,856,161	(106,891)	\$ 34,589,321

Parking Utility Fixed Assets:

Description	Balance 12/31/2011	Additions	Disposals	Balance 12/31/2012
Land	\$ 314,725	—	—	\$ 314,725
Computers & Computer Equipment	220,500	—	—	220,500
	\$ 535,225	—	—	\$ 535,225

J. DEFERRED COMPENSATION PLANS

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan is funded solely from voluntary employee payroll deductions. Distribution is available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and right of the individual contributors and are not subject to the claims of the Township's general creditors.

K. DEFERRED CHARGES TO BE RAISED IN FUTURE YEARS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012 and 2011, the Township Current Fund had the following charges to be raised in the 2013 or subsequent budgets

Current Fund	Balance <u>Dec. 31,</u>	Budget <u>Appropriation</u>
Special Emergency:		
2013	\$ 0	\$ 0
2012	0	0

L. CONTINGENCIES

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2013. The Township is vigorously defending its assessments in each case. Under the accounting principles

prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. Funding of any liability would be provided for in succeeding years' budgets or through a refunding bond ordinance which would allow the Township to fund these liabilities over a number of years.

The Township is also involved in suits in the normal course of business. These cases, if decided against the Township, would be paid by its insurance carrier. The Township expects such amounts, if any, to be immaterial.

The Township is a defendant in a zoning matter with a related complaint alleging a violation of constitutional rights and seeking damages. The Township is vigorously defending this matter.

The Township participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivables at December 31, 2012 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

M. POST RETIREMENT MEDICAL BENEFITS

PERS, PFRS and CFPF require post retirement medical benefits to be funded on a pay-as-you-go basis for employees that have 25 years of accumulated service. Benefits include medical and prescription coverage for the participant and family.

Plan Description:

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On September 14th, 1976, the Township authorized participation in the SHBP's post-retirement benefit program by resolution. Premiums or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, but not including survivors, if such employees retired from a State or locally – administered retirement system effective after the date the employer adopted the State Health benefits Program on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement, but including the employees who retired on disability pensions based on fewer years of service credited in such retirement system and also to reimburse such retired employees for their premium charges under Part B of the federal Medicare Program covering the retired employees and their spouses in accordance to the regulations of the State Health Benefits Commission.

The State Health Benefit Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The report may be obtained by writing to: State of New Jersey Division of Pension and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.gasb-43-sept2088.pdf.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis.

The Township contributions to the SHBP for retirees for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 were \$2,482,187, \$2,167,590, \$2,281,714, \$1,765,170 and \$1,588,316 respectively, which equaled the required contributions for each year. There were approximately 184, 178, 185, 168 and 165 retired participants eligible at December 31, of each year end.

* * * * *

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF MILLBURN

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CURRENT FUND

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2013**

BALANCE, DECEMBER 31, 2012	\$ 15,357,684
Increased by Receipts:	
Taxes Receivable	156,402,689
Revenue Accounts Receivable	6,045,863
Deposits Received	257,809
Miscellaneous Revenue Not Anticipated	872,616
Prepaid Taxes	787,471
Change fund	50
Petty Cash Funds	850
State of New Jersey Senior Citizens' and Veterans' Deductions:	70,750
Tax Overpayments	348,708
Sewer Maintenance Charges	1,126,095
Due from Other Interfunds	450,298
Due from Public Assistance Fund	8,000
Reserve for Sewer Capital	172,505
Sale of Township Property	86,442
Federal and State Grants - Unappropriated	10,464
Reserve for Rahway River Project	17,500
Reserve for Litigation	67,943
Federal and State Grants Receivable	114,669
Prepaid SID	26
Third Party Liens	197,029
TOTAL RECEIPTS	<u>167,037,777</u>
	<u>182,395,461</u>
Decreased by Disbursements:	
Accounts Payable and Deposits	222,484
Reserve for Grants	108,247
Local District School Taxes	76,708,625
2013 Appropriations	43,806,615
2012 Appropriation Reserves	2,190,016
Petty Cash Funds	850
County Taxes	41,619,314
Tax Overpayments	283,486
Reserve for Tax Appeals	1,537,833
Tax Appeals Paid	579,586
Due to Other Trust Funds	530,677
Jt Meeting Captial	597,636
Third Party Liens	197,029
Reserve for Rahway River Project	12,669
Litigation expense receivable	529,323
Change Fund	50
	<u>168,924,440</u>
BALANCE, DECEMBER 31, 2013	<u>\$ 13,471,020</u>

TOWNSHIP OF MILLBURN

A-5

CURRENT FUND

**RESERVE FOR THIRD PARTY TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>197,029</u>
		197,029
Decreased by:		
Cash Disbursements	A-4	<u>197,029</u>
BALANCE, DECEMBER 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF MILLBURN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2013

	Balance, December 31, 2012	Collected		Transfer to Tax Title Liens	Senior Citizens' and Veterans' Deductions (Net)	HomeStead Rebates	Canceled	Balance, December 31, 2013	
		2013	2012						
2012	\$ 968,535	-	974,652	-	(348)	-	(5769)	-	
2013	-	157,825,822	154,822,777	958,616	58	72,750	605,260	631,725	734,636
	<u>\$ 968,535</u>	<u>157,825,822</u>	<u>155,797,429</u>	<u>958,616</u>	<u>58</u>	<u>72,402</u>	<u>605,260</u>	<u>625,956</u>	<u>734,636</u>
Reference	A		A-4	A-7	A-6a	A-19		A	

ANALYSIS OF PROPERTY
TAX LEVY:

Ref.

General Purpose Tax:

Added Taxes	\$ 600,809
General Property Tax	<u>157,225,013</u>
	<u>\$ 157,825,822</u>

Tax Levy:

Local District School Tax Levy	A-10	\$ 76,708,625	
County Tax	A-18	41,460,238	
Due County for Added Taxes	A-18	<u>158,312</u>	<u>118,327,175</u>
Local Tax for Municipal Purposes	A-2	36,205,977	
Library Tax	A-2	2,850,172	
Add Additional Tax Levied		<u>442,498</u>	<u>39,498,647</u>
			<u>\$ 157,825,822</u>

TOWNSHIP OF MILLBURN

A-7

CURRENT FUND

**SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A		\$ 958,616
Increased by:			
Transfer from 2013 Taxes	A-6	-	
Prepayments	A-4	<u>787,471</u>	<u>787,471</u>
			1,746,087
Decreased by:			
Applied in 2013	A-6	958,616	<u>958,616</u>
BALANCE, DECEMBER 31, 2013	A		<u>\$ 787,471</u>

TOWNSHIP OF MILLBURN

A-8

CURRENT FUND

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	Balance, December 31, 2012	Accrued in 2013	Collected by Treasurer	Balance, December 31, 2013
Licenses - Alcoholic Beverage	A-2	\$ -	38,290	38,290	-
Other Licenses	A-2	-	30,095	30,095	-
Uniform Construction Code Fees	A-2	-	741,451	741,451	-
Other Fees and Permits	A-2	-	243,621	243,621	-
Municipal Court Fines	A-2	31,913	479,208	472,810	38,311
Interest and Costs on Taxes	A-2	-	221,067	221,067	-
Energy Receipts Tax	A-2	-	2,368,523	2,368,523	-
Golf Course Revenue	A-2	-	145,198	145,198	-
Interest on Investments	A-2	-	28,206	28,206	-
Swimming Pool Revenues	A-2	-	386,377	386,377	-
Franchise Fee - Cablevision	A-2	-	290,450	290,450	-
Uniform Fire Code Maintenance	A-2	-	21,477	21,477	-
UESEP - Storm Water Dry Well Study	A	13,750	-	13,750	-
Hotel Tax	A-2	-	553,189	553,189	-
Reserve for Electrical Trust	A-2	-	50,000	50,000	-
Reserve for Recycling Trust	A-2	-	125,000	125,000	-
Recreation Fees	A-2	-	316,383	316,383	-
Sale of Township owned property	A-2	-	35,000	35,000	-
Joint Trunk Sewer Maintenance Charges	A-2	-	1,113,487	1,113,487	-
		<u>\$ 45,663</u>	<u>7,187,023</u>	<u>7,194,376</u>	<u>38,311</u>
	A			A-4	A
Reserve for sale of property			A-20	\$ 35,000	
Joint Trunk Sewer Maintenance Charge			A-13	1,113,487	
Prepaid SID				26	
Cash			A-4	<u>6,045,863</u>	
				<u>\$ 7,194,376</u>	

TOWNSHIP OF MILLBURN

**A-9
Sheet 1**

CURRENT FUND

**SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Administrative and Executive:				
Business Administration				
Salaries and Wages	\$ -	14,300	14,295	5
Other Expenses:				
Business Administration	11,890	11,890	11,796	95
Printing, Legal, Advertising, and Miscellaneous	25,942	19,942	12,357	7,585
Data Processing Center:				
Other Expenses	56,815	56,815	48,704	8,111
Customer Service:				
Salaries and Wages	3,008	3,008		3,008
Other Expenses	1,028	1,028		1,028
Municipal clerk:				
Salaries and Wages	7,698	3,698	1,778	1,920
Financial Administration:				
Comptroller's Office:				
Salaries and Wages	28	28		28
Other Expenses	11,805	12,304	12,207	97
Annual Audit	42,625	42,625	42,625	
Assessment of Taxes:				
Salaries and Wages	10,706	1,706	1,706	
Other Expenses	22,617	22,617	16,308	6,309
Collector of Taxes:				
Salaries and Wages	25,799	6,499		6,499
Other Expenses	9,573	9,073	1,920	7,153
Legal Services and Costs:				
Salaries and Wages	8,596	596		596
Other Expenses	142,497	262,497	258,831	3,666
Public Buildings and Grounds:				
Other Expenses	62,449	62,449	54,373	8,076
Planning Board:				
Other Expenses	12,659	6,659	370	6,289
Board of Adjustment:				
Salaries and Wages	26	26		26
Other Expenses	18,669	10,668	5,156	5,512

(Continued)

TOWNSHIP OF MILLBURN

**A-9
Sheet 2**

CURRENT FUND

**SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013**

	Balance, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Historical Preservation Commission:				
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Other Expenses	1,100	1,100		1,100
Insurance:				
Group Insurance for Employees	333,415	123,415	123,415	
Other Insurance Premiums	72,756	37,756	28,598	9,158
Fire:				
Salaries and Wages	342	60,342	55,994	4,348
Other Expenses	101,812	92,813	86,820	5,993
Aid to Volunteer Fire Companies	2,263	2,263		2,263
Police:				
Salaries and Wages	54	162,354	162,220	133
Other Expenses	343,571	326,683	289,196	37,487
Emergency Management				
Other Expenses	724	724	680	44
Inspection of Buildings:				
Other Expenses	44,252	44,252	5,547	38,705
Engineering Services and Costs:				
Salaries and Wages	300	300		300
Other Expenses	39,982	24,982	14,519	10,463
Shade Tree:				
Salaries and Wages				
Other Expenses	141,198	141,198	93,412	47,786
Road Repair and Maintenance:				
Salaries and Wages	6,839	6,839		6,839
Other Expenses	247,167	137,055	49,904	87,151
Dispatch:				
Salaries and Wages	25	25		25
Other Expenses				
Joint Meeting Maintenance				
Salaries and Wages	2,925	2,925		2,925

(Continued)

TOWNSHIP OF MILLBURN

**A-9
Sheet 3**

CURRENT FUND

**SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Vehicle Maintenance:				
Salaries and Wages				\$ -
Other Expenses	76,388	76,388	33,924	42,464
Sanitation:				
Other Expenses	78,727	53,727	18,096	35,631
Board of Health - Local Health Agency:				
Salaries and Wages	5,911	5,911		5,911
Other Expenses	5,107	5,107	289	4,818
Environmental Commission				
Other Expenses	1,550	1,550		1,550
Administration of Public Assistance:				
Salaries and Wages	214	214		214
Other Expenses	5,774	5,774	5,145	629
Parks and Playground				
Salaries and Wages	26,875	14,875	(747)	15,622
Other Expenses	52,972	52,971	23,857	29,114
Senior Citizens' Transportation:				
Salaries and Wages	9,762	762		762
Other Expenses	1,842	1,843	612	1,230
Celebration of Public Events	60	60		60
Electricity	44,840	29,839	26,382	3,457
Natural Gas	54,492	19,492	10,785	8,707
Street Lighting	91,229	26,229	17,064	9,165
Gasoline	40,509	40,509	35,306	5,204
Telephone and Telegraph	6,327	6,327	1,848	4,479
Landfill Facilities and Contingency Fund Act	293,195	228,195	195,207	32,989
Municipal Court				
Salaries and Wages	15,581	15,581	12,152	3,430
Other Expenses	15,711	15,711	1,864	13,847
Governor's Alcoholism and Drug Abuse Grant:				
Other Expenses	9,753	9,753	9,753	

(Continued)

TOWNSHIP OF MILLBURN

**A-9
Sheet 4**

CURRENT FUND

**SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Social Security System (OASI)	\$ 62,081	\$ 12,781		\$ 12,781
Defined Contribution Retirement System	500	500		500
Reserve for Snow Trust	500	175,500	175,500	
Reserve for Accumulated Absence Trust	500	200,500	200,500	
Condo Reimbursement				
Other Expenses	30,000	30,000	22,298	7,702
Interlocal Agreements Maplewood:				
Plumbing Inspections	30,662	30,662	21,638	9,024
Electrical Inspections	21,852	21,852	18,034	3,818
Hepatitis	10,200	10,200		10,200
Livingston	<u>22,322</u>	<u>22,322</u>	<u>18,630</u>	<u>3,692</u>
	<u>\$ 2,828,591</u>	<u>\$ 2,828,591</u>	<u>\$ 2,240,867</u>	<u>\$ 587,724</u>
Reference	Below		Below	A-1
Appropriation Reserve	A \$ 1,771,412			
Reserve for Encumbrances	A <u>1,057,179</u>			
	<u>\$ 2,828,591</u>			
	Above			
		Cash	A-4 \$ 2,190,016	
		Litigation Reserve	A-29 \$ 25,000	
		Accounts Payable	A-14 <u>25,851</u>	
			<u>\$ 2,240,867</u>	(Concluded)

TOWNSHIP OF MILLBURN

A-10

CURRENT FUND

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
2013 Tax Levy	A-1,A-6	\$ 76,708,625
Decreased by:		
Cash Disbursements	A-4	<u>76,708,625</u>
BALANCE DECEMBER 31, 2013		<u><u>\$ -</u></u>

TOWNSHIP OF MILLBURN

A-11

CURRENT FUND

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Grant Award	From Grants Unappropriated	Receipts	Balance, December 31, 2013
Governor's Council on Alcohol and Drug Abuse Grant	\$ 54,456	60,000	-	71,547	42,909
Clean Communities Program	655	37,451	-	37,451	655
Alcohol Education and Rehab. Fund	-	792	-	792	-
Seat Belt Grant	8,029	-	-	-	8,029
Natural Resource Grant - WHIP (Gilbert Place)	33	-	-	-	33
Firefighters Assistance Grant	6,805	-	-	-	6,805
Investors Savings Charitable Foundation	-	4,880	-	4,880	-
ANJEC -Environmental Commission	2,250	7,500	-	-	9,750
Essex County Community Dev. Block	29,458	-	-	-	29,458
FEMA - Emergency Mgt.	-	10,000	5,000	-	5,000
Crash Test Investigation	14,887	-	-	-	14,887
Edward J. Byrne Memorial (ARRA) Grant	10,425	-	-	-	10,425
Reserve for Click it or Ticket	-	3,950	3,950	-	-
Body Armor Replacement	-	5,229	5,229	-	-
	<u>\$ 126,999</u>	<u>129,801</u>	<u>14,179</u>	<u>114,669</u>	<u>127,952</u>
	A	A-2	A-25	A-4	A

TOWNSHIP OF MILLBURN

A-12

CURRENT FUND

**SCHEDULE OF RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	A	\$ 437,833
Increased by:		
2013 Budget Appropriation	A-3	<u>1,100,000</u>
		1,537,833
Decreased:		
Cash Disbursed	A-4	<u>1,537,833</u>
BALANCE, DECEMBER 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF MILLBURN

A-13

CURRENT FUND

**SCHEDULE OF SEWER MAINTENANCE CHARGES RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE DECEMBER 31, 2012	A		\$ 13,109
Increased by:			
Transfer to Prepaid Sewer Levy	A	<u>1,297,168</u>	1,297,168
Decreased by:			
Current Year Collections	A-8, A-4	1,113,001	
Reserve for Sewer Capital	A-26	172,505	
2012 Sewer	A-2, A-4	13,094	
Cancellation by Resolution		1,080	
Prepaid Sewer Charge Applied	A, A-8	<u>486</u>	
			<u>1,300,166</u>
BALANCE, DECEMBER 31, 2013	A		<u>\$ 10,111</u>

TOWNSHIP OF MILLBURN

A-14

CURRENT FUND

**SCHEDULE OF ACCOUNTS PAYABLE AND DEPOSITS
YEAR ENDED DECEMBER 31, 2013**

BALANCE, DECEMBER 31, 2012	A		\$ 56,693
Increased by:			
2012 Accounts Payable	A-9	25,851	
Deposits	A-4	<u>257,809</u>	<u>283,660</u>
			340,353
Decreased by:			
Cash Disbursements	A-4		<u>222,484</u>
 BALANCE, DECEMBER 31, 2013	 A		 <u>\$ 117,869</u>

TOWNSHIP OF MILLBURN

A-15

CURRENT FUND

**SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A		\$ 77,481
Increased by:			
Transfer from 2013 Taxes	A-4		<u>348,708</u>
			426,189
Decreased by:			
Canceled by Resolution	A-1	1,201	
Refunded By Treasurer	A-4	<u>283,486</u>	
			<u>284,687</u>
BALANCE, DECEMBER 31, 2013	A		<u>\$ 141,502</u>

TOWNSHIP OF MILLBURN

A-16

CURRENT FUND

**SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Increased by Budget Appropriation	Decreased by Cash Disbursed	Balance, December 31, 2013
Clean Communities Program	\$ 61,773	37,451	13,814	85,410
Governor's Council on Alcohol and Drug Abuse Grant	28,358	60,000	71,547	16,811
DWI - Police	286	-	-	286
Drunk Driving Enforcement Fund	5,187	792	507	5,472
Essex County - Comm. Development Blk	62,501	-	-	62,501
ANJEC - Environmental Commission Grant	2,250	-	-	2,250
Body Armor	-	5,229	-	5,229
Commercial Motor Vehicle Enforcement	100	-	-	100
County Wide CJIS Grant	15,243	-	-	15,243
Wild Life Incentive Program	698	-	-	698
Emergency Management Assist. Fund	1,397	10,000	11,397	-
Click it or Ticket Grant	-	3,950	-	3,950
Comcast Local Access Grant	60,000	-	-	60,000
Crash Test Investigation Grant	14,887	-	-	14,887
Investors Savings Charitable Foundation	2,500	4,880	4,880	2,500
NJ Business Stimulation Fund - NJ Forest	7,000	-	-	7,000
Essex County _ Multi Parks Project	8,486	-	6,102	2,384
NJ BPU Clean Energy Audit	1,955	-	-	1,955
ANJEC - Environmental Commission Grant	-	7,500	-	7,500
	<u>\$ 272,622</u>	<u>\$ 129,801</u>	<u>\$ 108,247</u>	<u>\$ 294,175</u>
	A	A-3	A-4	A

TOWNSHIP OF MILLBURN

A-17

CURRENT FUND

**SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A	\$	577
Increased by:			
Transferred from Taxes Receivable	A-6		<u>58</u>
BALANCE, DECEMBER 31, 2013	A	\$	<u><u>635</u></u>

TOWNSHIP OF MILLBURN

A-18

CURRENT FUND

**SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A		\$ 159,075
Increased by:			
2013 County Tax Levy	A-6	41,460,238	
Added Taxes	A-6	<u>158,312</u>	<u>41,618,550</u>
	A-1		41,777,625
Decreased by:			
Cash Disbursements	A-4		<u>41,619,314</u>
BALANCE, DECEMBER 31, 2013	A		<u>\$ 158,311</u>

TOWNSHIP OF MILLBURN

A-19

CURRENT FUND

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - SENIOR CITIZENS AND VETERANS DEDUCTIONS
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A		\$ 1,329
Increased by:			
Cash Received	A-4	\$ 70,750	
2012 Deductions Disallowed	A-6	\$ 348	
2013 Deductions Disallowed	A-6	<u>1,000</u>	<u>72,098</u>
			73,427
Decreased by:			
2013 Deductions Per Levy	A-6	73,250	
Veterans Deductions Allowed	A-6	<u>500</u>	<u>73,750</u>
BALANCE, DECEMBER 31, 2013 (Due From)	A		<u>(323)</u>

TOWNSHIP OF MILLBURN

A-20

CURRENT FUND

**SCHEDULE OF RESERVE FOR SALE OF TOWNSHIP OWNED PROPERTY
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	A	\$ 99,859
Increased by:		
Cash Received	A-4	<u>86,442</u>
		186,301
Decreased by:		
Anticipated as Revenue	A-8	<u>35,000</u>
BALANCE, DECEMBER 31, 2013	A	<u>\$ 151,301</u>

TOWNSHIP OF MILLBURN

A-21

CURRENT FUND

**SCHEDULE OF INSURANCE LITIGATION RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	A	\$ -
INCREASED BY:		
Litigation expense receivable	A-1	<u>529,323</u>
 BALANCE, DECEMBER 31, 2013	 A	 <u>\$ 529,323</u>

TOWNSHIP OF MILLBURN

A-22

CURRENT FUND

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES- ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012 and 2013	A	<u>\$ 14,000</u>

TOWNSHIP OF MILLBURN

A-23

CURRENT FUND

**SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	A		\$ 2,681
Increased by:			
Levy			<u>196,249</u>
			198,930
Decreased by:			
Current Year Collections:			
2012 SID	A-4	\$ 191,850	
Prior Year SID	A-2, A-4	2,681	
Canceled by Resolution		14	
Prepaid SID Charge Applied	A	<u>26</u>	<u>194,571</u>
BALANCE, DECEMBER 31, 2013	A		<u>\$ 4,359</u>

TOWNSHIP OF MILLBURN

A-24

CURRENT FUND

**SCHEDULE OF DUE (TO) FROM TRUST FUND
YEAR ENDED DECEMBER 31, 2013**

	Balance, December 31, 2012	Cash Received	Cash Disbursed	Balance, December 31, 2013
Special Improvement	\$ 100,182	\$ 291,760	\$ 195,000	\$ 3,422
Tax Sale Premium	(283,525)	151,000	325,800	(108,725)
Police Off Duty	(9,877)	-	9,877	-
Escrow	23	23	-	-
Snow Trust	<u>7,515</u>	<u>7,515</u>	<u>-</u>	<u>-</u>
	<u>\$ (185,683)</u>	<u>\$ 450,298</u>	<u>\$ 530,677</u>	<u>\$ (105,304)</u>
	A	A-4	A-4	A
Due to	\$ (293,402)			\$ (108,725)
Due from	<u>107,720</u>			<u>3,422</u>
	<u>\$ (185,682)</u>			<u>\$ (105,304)</u>

TOWNSHIP OF MILLBURN

A-25

CURRENT FUND

**SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, 2012	Cash Receipts	Anticipated As Miscellaneous Revenue	Balance December 31 2013
Click it or Ticket Grant	\$ 3,950	3,800	3,950	3,800
Reserve for Body Armor	5,229	6,664	5,229	6,664
FEMA Emergency Management Grant	5,000	-	5,000	-
	<u>\$ 14,179</u>	<u>10,464</u>	<u>14,179</u>	<u>10,464</u>
	A	A-4	A-2, A-11	A

TOWNSHIP OF MILLBURN

A-26

CURRENT FUND

**SCHEDULE OF RESERVE FOR JOINT TRUNK SEWER CAPITAL
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	A	\$ 828,385
Increased by:		
Cash Received from Sewer Collections	A-4, A-13	<u>172,505</u>
		1,000,890
Decreased by:		
Paid to Joint Meeting of Essex County	A-4	<u>597,636</u>
BALANCE, DECEMBER 31, 2013	A	<u>\$ 403,254</u>

TOWNSHIP OF MILLBURN

A-27

CURRENT FUND

**SCHEDULE OF RESERVE FOR SPECIAL EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012 and 2013	A	<u>\$ 880</u>

TOWNSHIP OF MILLBURN

A-28

CURRENT FUND

**SCHEDULE OF RESERVE FOR RAHWAY RIVER PROJECT
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	A	\$ -
Increased by:		
Cash Received from member towns	A-4	<u>17,500</u>
		17,500
Decreased by:		
Cash Disbursed	A-4	<u>12,669</u>
		12,669
BALANCE, DECEMBER 31, 2013	A	<u>\$ 4,831</u>

TOWNSHIP OF MILLBURN

A-29

CURRENT FUND

**SCHEDULE OF RESERVE FOR LITIGATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	A	\$ -
Increased by:		
Appropriation Reserves - Legal	A-9	25,000
Cash Received from member towns	A-4	<u>67,943</u>
		<u>92,943</u>
 BALANCE, DECEMBER 31, 2013	 A	 <u>\$ 92,943</u>

TOWNSHIP OF MILLBURN

B-1

TRUST FUND

SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2013

	Ref.	Electrical Inspection	Dog License	Escrow	Unemployment Insurance	Waste Recycling	Recreation Trip	POAA	Fire Penalty Trust	Accumulated Absences Trust	Snow Trust	Police Off-Duty Trust	Forfeited Property Account	Donation Trust	Payroll Trust	Payroll Agency Trust	Special Improvement District
Balance																	
December 31, 2012	B	\$ 324,497	\$ 50,913	\$ 74,508	\$ 157,318	\$ 319,277	\$ 166,600	\$ 49,615	\$ 6,073	\$ 482,035	\$ 149,913	\$ 341,377	\$ 198	\$ 4,809	\$ 88,483	\$ 253,850	\$ 100,181
Increased by:																	
Interest Received		300		61	155					719	390		7				195,000
From SID																	
Interfund - Current			123									9,877					
Interfund - Capital											134,576						
Escrow Deposits				267,616													
Dog License Fees			17,255														
Donations															980		
Recreation Trip Fees							814,768										
Recycling Fees						128,990											
SID Collections	B-2												8,613				
Forfeiture Funds												675,350					
Police Off-Duty																	
From Budget										200,500	175,500						
Inspection Fees		159,700															
Due to State			14,177														
FEMA											357,000						
Interlocal Animal Control			15,013														
Fire Inspectors									1,325								
Payroll Fees					18,910										13,681,731	13,244,892	
Balance from Gen. Fund								3,217									
Municipal Court																	
		<u>160,000</u>	<u>46,568</u>	<u>267,677</u>	<u>19,065</u>	<u>128,990</u>	<u>814,768</u>	<u>3,217</u>	<u>1,325</u>	<u>201,219</u>	<u>667,466</u>	<u>685,227</u>	<u>8,620</u>	<u>980</u>	<u>13,681,731</u>	<u>13,244,892</u>	<u>195,000</u>
		<u>484,497</u>	<u>97,481</u>	<u>342,185</u>	<u>176,382</u>	<u>448,268</u>	<u>981,368</u>	<u>52,831</u>	<u>7,397</u>	<u>683,254</u>	<u>817,379</u>	<u>1,026,604</u>	<u>8,819</u>	<u>5,789</u>	<u>13,770,214</u>	<u>13,498,742</u>	<u>295,181</u>
Decreased by:																	
Dog Fund Payments			21,129														
State of New Jersey			14,501		44,110												
Interfund - Current	B-2		123	84							7,515						100,181
Interfund - Library																	
SID Payments	B-2						823,153										191,579
Recreation Trip																	
Escrow Payments				81,219													
Police Off Duty												718,544					
Municipal Court																	
Forfeiture Funds													526				
Accumulated Absences										156,430							
Fire Penalty Trust																	
Electric Fees		50,000															
Payroll Fees															13,733,354	13,175,092	
Snow Trust											292,973						
Recycling Fees						143,457											
		<u>50,000</u>	<u>35,753</u>	<u>81,303</u>	<u>44,110</u>	<u>143,457</u>	<u>823,153</u>			<u>156,430</u>	<u>300,488</u>	<u>718,544</u>	<u>526</u>		<u>13,733,354</u>	<u>13,175,092</u>	<u>291,760</u>
Balance																	
December 31, 2013	B	\$ 434,497	\$ 61,728	\$ 260,883	\$ 132,273	\$ 304,811	\$ 158,215	\$ 52,831	\$ 7,397	\$ 526,824	\$ 516,891	\$ 308,060	\$ 8,293	\$ 5,789	\$ 36,860	\$ 323,650	\$ 3,421

TOWNSHIP OF MILLBURN

**TRUST FUND
SCHEDULE OF DUE (TO) FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2013**

B-2

	Balance, December 31, 2012	Cash Received	Cash Disbursed	Balance, December 31, 2013
Special Improvement	\$ (100,181)	195,000	291,760	(3,421)
Tax Sale Premium	283,525	325,800	151,000	108,725
Escrow	(23)	-	23	-
Police Off Duty	9,877	9,877	-	-
Snow Trust	(7,515)	-	7,515	-
	<u>\$ 185,683</u>	<u>\$ 530,677</u>	<u>\$ 450,298</u>	<u>\$ 105,304</u>
	A	A-24, B-1	A-24, B-1	A
Due to	\$ (107,719)			(3,421)
Due from	<u>293,402</u>			<u>108,725</u>
	<u>\$ 185,683</u>			<u>\$ 105,304</u>

TOWNSHIP OF MILLBURN

C-2

GENERAL CAPITAL FUND

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	Ref.		
BALANCE, DECEMBER 31, 2012	C, C-3		\$ 6,916,845
Increased by Receipts:			
2012 Budget Appropriation	C-10	\$ 1,200,000	
Refund of Ordinances	C-8	\$ 156,471	
Premium on Sale of Notes	C-1	7,821	
Deferred Charges Unfunded	C-5	375,510	
Receipt of Bond Anticipation Notes	C-14	7,053,781	
Grants Receivable	C-16	33,054	
Due to Snow Trust	C-7	134,576	
Reserve for Papermill Property	C-12	<u>149,749</u>	
			<u>9,110,962</u>
			16,027,806
Decreased by Disbursements:			
Improvement Authorizations	C-8	-	
Due From Current Fund	C-7	-	
BAN Rollover	C-14	26	
		<u>7,053,781</u>	
			<u>10,380,736</u>
BALANCE, DECEMBER 31, 2013	C, C-3		<u>\$ 5,647,070</u>

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

ANALYSIS OF CASH
AS OF DECEMBER 31, 2013 AND 2012

	Ref.	Balance December 31,	
		2013	2012
Fund Balance	C-1	\$ 333,789	325,968
Capital Improvement Fund	C-10	1,724,742	1,822,902
Reserve for Parking Lots	C-11	1,753	1,753
Reserve for Encumbrances	C-8	2,312,478	423,411
Notes Payable	C-13	28,088	28,088
Grants Receivable	C-16	(130,758)	(163,812)
Interfund Receivable	C-7, C-19	134,576	26
Reserve for Payment of Bonds	C-15	1,448	1,448
Reserve for Preliminary Expenses	C-17	10,597	10,597
Reserve for Papermill Property	C-12	342,000	192,251
Reserve for Little League Field	C	18,067	18,067
Improvement Description			
2186-01 Road Improvements	C-5	(621,028)	(621,028)
2255-05 Road Improvements	C-8	2,580	1,080
2293-07 Short Hills RR Station	C-8	29,477	29,477
2297-07 Purchase of Property	C-5, C-8	248,267	895,982
2321-08 Purchase of Papermill	C-5, C-8	350	350
2323-08 General Bldg. Improvements	C-8	499	499
2323-08 Police Dept. Imp. And Equipment	C-8	29,201	29,201
2324-08 ADA Improvements	C-5, C-8	(62,050)	(62,050)
2342-09 Engineering	C-8	88,649	559,400
2342-09 Recreation Improvement	C-8	305	-
2355-10 Riverwalk Project	C-5, C-8	30,000	(358,205)
2365-10 Public Works Equipment	C-8	-	130,752
2365-10 Recreation Equipment	C-8	19,321	28,616
2365-10 General Building Improvements	C-8	2	2,073
2365-10 Engineering - GIS	C-8	5,000	30,000
2365-10 Police Equipment	C-8	12,812	12,812
2366-10 Taylor Parks UST Remediations	C-5, C-8	42,009	41,741
2367-10 Old Short Hills Road Imp (Parsonage to Essex)	C-5, C-8	(210,573)	(210,573)
2376-11 Engineering - Drainage Imp	C-8	21,801	35,201
2376-11 DPW Vehicles and Equipment	C-8	2,778	3,081
2376-11 Recreation Improvement	C-8	4,624	52,634
2376-11 Fire Vehicles & Equipment	C-8	261	290,261
2376-11 General Building Improvements	C-8	-	150,000
2376-11 Engineering - Hobart Ave	C-8	33,401	33,401
2376-11 Police Vehicles & Equipment	C-8	1,093	1,093
2375-11 Knollwood Raod	C-5, C-8	34,570	937,850
2375-11 Great Hills and Ridgewood Road	C-8	41,529	11,014
2375-11 Short Hills Train Station -ADA	C-8	44	44
2399-12 Storm Damage	C-8	695,438	502,019
2393-12 Canoe Brook Pump Stations	C-5, C8	(569,900)	(59,090)
2393-12 Brook Side Drive Reconstruction	C-5, C8	(19,222)	265,300
2393-12 Street Ramp Imp (ADA)	C-5, C8	12,640	38,000
2392-12 Engineering - Seal Coating	C-8	38,060	44,710
2392-12 Engineering - Small Drainage	C-8	50,492	250,000
2392-12 DPW Equipment	C-8	11,616	405,005
2392-12 Recreation Equipmnet & Imp	C-8	10,914	150,000
2392-12 Fire Department Equipment & Imp	C-8	6,320	274,816
2392-12 General Building Improvement	C-8	-	59,398
2392-12 Engineering - Hobart (Rt24- White oak)	C-8	110,000	110,000
2392-12 Enginerring - Curb Repl	C-8	22,281	22,281
2392-12 Police Imp & Equipment	C-8	4,196	105,000
2392-12 Library Imp. & Equipment	C-8	14,930	64,000
2405-13 Engineering - Sealcoating	C-8	14,721	-
2405-13 Engineering - Small Drainage	C-8	120,000	-
2405-13 DPW Improvment & Equipment	C-8	265,185	-
2405-13 Recreation Improvements	C-8	41,206	-
2405-13 Fire Dept. Equipment	C-8	72,889	-
2405-13 Genreal Building Improvements	C-8	107,768	-
2405-13 Engineering - Par3 Parking Lot	C-8	40,000	-
2405-13 Police Equipment	C-8	23,034	-
2407-13 Gilbert Place Pump Station	C-5, C-8	3,800	-
2407-13 Hartshorn Drive	C-5, C-8	14,000	-
2407-13 Knollwood Road	C-5, C-8	20,000	-
2407-13 Sr Citizen Bus	C-5, C-8	5,000	-
		<u>\$ 5,647,071</u>	<u>6,916,844</u>
		C-2	C-2

TOWNSHIP OF MILLBURN

C-4

GENERAL CAPITAL FUND

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	C		\$ 561,275
Decreased by:			
2013 Budget Appropriation for			
Payment of Bond Principal	C-6	111,674	
Canceled	C-6	<u>-</u>	
			<u>111,674</u>
BALANCE, DECEMBER 31, 2013	C		<u>\$ 449,601</u>

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Balance, December 31, 2012	2013 Authorizations	2013 BAN Paydown	Cash Receipts	Balance, December 31, 2013	Analysis of Balance			Unfunded Improvement Authorizations
							Expenditures	Bond Anticipation Notes	Encumbered	
2186-01	Road Improvements	\$ 621,028				621,028	621,028			\$ -
2297-07	Acquisition of Property	2,308,288		594,900		1,713,388		1,713,388		
2321-08	Purchase of Papermill Property	4,620,493		866,600		3,753,893		3,753,893		
2324-08	ADA Improvements	62,050				62,050	62,050			
2355-10	Riverwalk Project	493,738			375,510	118,228				118,228
2357-10	Taylor Park UST Remediation	541,912		82,500		459,412		459,412		
2366-10	Taylor Parks UST Remediations	285,000		41,000		244,000		244,000		
2367-10	Old Short Hills Road Imp (Parsonage to E)	240,621				240,621	181,050		29,522	30,049
2375-11	Knollwood Road	950,000		95,000		855,000		855,000		
2393-12	Canoe Brook Pump Stations	570,000				570,000	492,487		77,413	100
2393-12	Brook Side Drive Reconstruction	40,700				40,700			19,222	21,478
2407-13	Gilbert Place Pump Station		76,000			76,000				76,000
2407-13	Hartshorn Drive		266,000			266,000				266,000
2407-13	Knollwood Road		380,000			380,000				380,000
2407-13	Sr Citizen Bus		93,000			93,000				93,000
		<u>\$ 10,733,830</u>	<u>815,000</u>	<u>1,680,000</u>	<u>375,510</u>	<u>9,493,320</u>	<u>1,356,615</u>	<u>7,025,693</u>	<u>126,157</u>	<u>984,855</u>
		C	C-8, C-13	C-14	C-2	C		C-14	C-8	C, C-5
						0			Ref.	
							Unfunded Improvement Authorizations		C-8	\$ 1,310,050
							Less:			
							Unexpended Proceeds of BAN'S			
							Ord. # 2375-11			34,570
							Ord. # 2366-10			42,009
							Ord. # 2321-08			350
							Ord. # 2297-07			248,266
										<u>984,855</u>

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance, December 31, 2012	Paid by Budget Appropriations	Cancelled	Balance, December 31, 2013
			Date	Amount					
New Jersey Environmental Infrastructure	10/15/98	\$ 2,076,373	2014	118,180	4.50%	\$ 561,275	111,674	-	449,601
			2015	106,421	4.50%				
			2016	70,000	4.50%				
			2017	75,000	4.50%				
			2018	80,000	4.50%				
						<u>\$ 561,275</u>	<u>111,674</u>	<u>-</u>	<u>449,601</u>
Reference						C	C-4		C

TOWNSHIP OF MILLBURN

C-7

GENERAL CAPITAL FUND

**SCHEDULE OF INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	C, C-3	\$ 26
INCREASE BY DUE FROM SNOW TRUST	C., C-2	<u>134,576</u>
DECREASE BY: DUE TO CURRENT FUND	C-2	<u>26</u>
BALANCE, DECEMBER 31, 2013	C	<u>\$ 134,576</u>

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	Balance 12/31/2012		Capital Improvement Fund	Defered Charges Unfunded	Reimbursed	Disbursed	Balance, 12/31/13		
			Funded	Unfunded					Encumbered	Funded	Unfunded
2255-05	Road Improvements	8/1/05	\$ 2,580							2,580	
2293-07	Short Hills Train Station	8/27/07	29,477							29,477	
2297-07	Purchase of Property	10/17/07		906,783				658,517			248,266
2321-08	Purchase of Papermill Property	07/0708		350							350
2323-08	Fire Departmnt	7/15/08	20,484					20,484			
2323-08	General Buidling Improvments	7/15/08	499							499	
2323-08	Police Departmtn Imp. & Equipment	7/15/08	29,199							29,199	
2342-09	Engineering	9/15/09	559,400					215,091	255,660	88,649	
2342-09	Recreation Improvement	9/15/09	3,945					3,639		306	
2355-10	Riverwalk Project	5/6/10		148,228						30,000	118,228
2365-10	Public Works Equipment	12/20/10	130,752					130,752			
2365-10	Recreation Equipment	12/20/10	31,380					12,059		19,321	
2365-10	Fire Department	12/20/10	6,708					6,708			
2365-10	General Building Improvements	12/20/10	2,073					2,071		2	
2365-10	Engineering - GIS	12/20/10	30,000					25,000		5,000	
2365-10	Police Equipment	12/20/10	60,912					27,835	20,265	12,812	
2366-10	Taylor Parks UST Remediations	12/30/10		42,009							42,009
2367-10	Old Short Hills Road Imp (Parsonage to Essex)	12/30/10		59,571					29,522		30,049
2376-11	Engineering - Drainage Imp	7/2/11	35,201					11,600	1,800	21,801	
2376-11	DPW Vehicles and Equipment	7/2/11	3,081					303		2,778	
2376-11	Recreation Improvement	7/2/11	60,135					54,944	566	4,625	
2376-11	Fire Vehicles & Equipment	7/2/11	290,261						290,000	261	
2376-11	General Building Improvements	7/2/11	150,000					145,720	4,280		
2376-11	Engineering - Hobart Ave	7/2/11	33,401							33,401	
2376-11	Police Vehicles & Equipment	7/2/11	1,093							1,093	
2375-11	Knollwood Raod	7/14/11	15,741	950,000				19,196	911,974		34,570
2375-11	Great Hills and Ridgewood Road	7/14/11	78,603					37,074		41,529	
2375-11	Short Hills Train Station -ADA	7/14/11	44							44	
2399-12	Storm Damage (2386-11)	12/8/11	643,881				156,471		104,914	695,437	
2393-12	Canoe Brook Pump Stations	8/24/12		532,510				454,997	77,413		100
2393-12	Brook Side Drive Reconstruction	8/24/12	265,300	40,700				243,708	40,814		21,478
2393-12	Street Ramp Imp (ADA)	8/24/12	38,000					25,360		12,640	
2392-12	Engineering - Seal Coating	8/24/12	44,710					6,650		38,060	
2392-12	Engineering - Small Drainage	8/24/12	250,000					168,875	30,632	50,492	
2392-12	DPW Equipment	8/24/12	405,005					259,174	134,215	11,616	
2392-12	Recreation Equipmnet & Imp	8/24/12	150,000					139,086		10,914	
2392-12	Fire Department Equipment & Imp	8/24/12	295,000					85,456	203,224	6,320	
2392-12	General Building Improvement	8/24/12	59,398					56,428	2,970		
2392-12	Engineering - Hobart (Rt24- White oak)	8/24/12	110,000							110,000	
2392-12	Enginerring - Curb Repl	8/24/12	22,281							22,281	
2392-12	Police Imp & Equipment	8/24/12	105,000							4,196	
2392-12	Library Imp. & Equipment	8/24/12	64,000					49,070		14,930	
2405-13	Engineering - Sealcoating	7/1/13				150,000		135,279		14,721	
2405-13	Engineering - Small Drainage	7/1/13				120,000				120,000	
2405-13	DPW Improvement & Equipment	7/1/13				280,000		14,815		265,185	
2405-13	Recreation Improvements	7/1/13				90,000		48,794		41,206	
2405-13	Fire Dept. Equipment	7/1/13				290,000		35,385	181,725	72,889	
2405-13	Genreal Building Improvements	7/1/13				150,000		19,731	22,501	107,768	
2405-13	Engineering - Par3 Parking Lot	7/1/13				40,000				40,000	

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	Balance 12/31/2012		Capital Improvement Fund	Defered Charges Unfunded	Reimbursed	Disbursed	Encumbered	Balance, 12/31/13	
			Funded	Unfunded						Funded	Unfunded
2405-13	Police Equipment	7/1/13			135,360			112,326		23,034	
2407-13	Gilbert Place Pump Station	7/9/13			3,800	76,000				3,800	76,000
2407-13	Hartshorn Drive	7/9/13			14,000	266,000				14,000	266,000
2407-13	Knollwood Road	7/9/13			20,000	380,000				20,000	380,000
2407-13	Sr Citizen Bus	7/9/13			5,000	93,000				5,000	93,000
										\$	\$
			\$ 4,027,544	2,680,151	1,298,160	815,000	156,471	3,326,929	2,312,478	2,027,868	1,310,050
Reference			Below	Below	C-10	C-5	C-2	C-2	C, C-3	C	C,C-5
	Improvement Authorizations		\$ 3,691,167	\$ 2,593,116				Funded	\$ 1,233,532		
	Reserve for Encumbrances		313,927	109,484				Unfunded	1,078,946		
			\$ 4,005,094	\$ 2,702,600					\$ 2,312,478		

TOWNSHIP OF MILLBURN

C-9

GENERAL CAPITAL FUND

**SCHEDULE OF RESERVE FOR LITTLE LEAGUE FIELD
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012 AND 2013	C, C-3	<u>\$ 18,067</u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013**

C-10

	Ref.	
BALANCE, DECEMBER 31, 2012	C, C-3	\$ 1,822,902
Increased by:		
2013 Budget Appropriations	C-2	<u>1,200,000</u>
		3,022,902
Decreased by:		
Appropriate to Finance Improvement Authorizations	C-8	<u>1,298,160</u>
BALANCE, DECEMBER 31, 2013	C, C-3	<u>\$ 1,724,742</u>

**SCHEDULE OF RESERVE FOR PARKING LOTS
YEAR ENDED DECEMBER 31, 2013**

C-11

	Ref.	
BALANCE DECEMBER 31, 2012 AND 2013	C, C-3	<u>\$ 1,753</u>

TOWNSHIP OF MILLBURN

C-12

GENERAL CAPITAL FUND

**SCHEDULE OF RESERVE FOR PAPERMILL PLAYHOUSE PROPERTY
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	C	\$ 192,251
Increased By:		
Rent from Papermill	C-2	<u>149,749</u>
 BALANCE, DECEMBER 31, 2013	 C	 <u>\$ 342,000</u>

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013**

	Balance December 31, 2012	Authorized 2013	Cash Receipts	Balance December 31, 2013
2186-01 Road Improvements	\$ 621,028	-	-	\$ 621,028
2324-08 ADA Improvments	62,050	-	-	62,050
2355-10 Riverwalk Project	493,738	-	375,510	118,228
2367-10 Old Short Hills Road Imp (Parsonage to Essex)	240,621	-	-	240,621
2393-12 Canoe Brook Pump Stations	570,000	-	-	570,000
2393-12 Brook Side Drive Reconstruction	40,700	-	-	40,700
2407-13 Gilbert Place Pump Station	-	76,000	-	76,000
2407-13 Hartshorn Drive	-	266,000	-	266,000
2407-13 Knollwood Road	-	380,000	-	380,000
2407-13 Sr Citizen Bus	-	93,000	-	93,000
	<u>\$ 2,028,137</u>	<u>815,000</u>	<u>375,510</u>	<u>2,467,627</u>
	C	C-5	C-5, C-2	C

TOWNSHIP OF MILLBURN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement	Original Date	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2012	Notes Issued	Notes Redeemed	Balance, December 31, 2013
2297-07	Purchase of Property	1/15/2008	1/12/2012	1/10/2013	2.00%	\$ 2,308,288	-	2,308,288	-
2321-08	Purchase of Papermill Property	7/24/2008	2/10/2012	2/8/2013	2.00%	4,620,493	-	4,620,493	-
2357-10	Taylor Park UST	1/12/2012	1/12/2012	1/10/2013	2.00%	570,000	-	570,000	-
2366-10	Taylor Park UST	1/12/2012	1/12/2012	1/10/2013	2.00%	285,000	-	285,000	-
2375-11	Knollwood Rd. Improvement	1/12/2012	1/12/2012	1/10/2013	1.25%	950,000	-	950,000	-
2297-07	Purchase of Property	1/15/2008	1/11/2013	1/10/2014	1.00%	-	1,713,388	-	1,713,388
2321-08	Purchase of Papermill Property	7/24/2008	2/8/2013	2/7/2014	0.49%	-	3,753,893	-	3,753,893
2357-10	Taylor Park UST	1/12/2012	1/12/2013	1/10/2014	1.00%	-	487,500	-	487,500
2366-10	Taylor Park UST	1/12/2012	1/12/2013	1/10/2014	1.00%	-	244,000	-	244,000
2375-11	Knollwood Rd. Improvement	1/12/2012	1/12/2013	1/10/2014	1.00%	-	855,000	-	855,000
						\$ 8,733,781	7,053,781	8,733,781	7,053,781
						C	C-2	Below	C
								C-5 1,680,000	
								C-2	
							\$ 7,053,781	C-2 \$ 7,053,781	
							\$ 7,053,781	\$ 8,733,781	

TOWNSHIP OF MILLBURN

C-15

GENERAL CAPITAL FUND

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012 and 2013	C, C-3	<u>\$ 1,448</u>

TOWNSHIP OF MILLBURN

C-16

GENERAL CAPITAL FUND

**SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	C	\$ 163,812
Increased By:		
Grants awarded	C-16	280,000
		<u>443,812</u>
Decreased By:		
Cash Receipts	C-2	33,054
		<u>33,054</u>
BALANCE, DECEMBER 31, 2013	C	<u>\$ 410,758</u>

Analysis of Balance

<u>Ord. #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
2324-08	NJ DOT - Canoe Brook Road	Fed.	17,142
2273-06	NJDOT - Old Short Hills Train Station	State	(1,780)
2375-11	NJDOT - Ridgewood Road	Fed.	38,208
2393-12	NJDOT - Brookside Drvie	Fed.	74,142
2393-12	CDBG - ADA Ramp Imp	Fed.	36,100
2407-13	HARTSHORN/GREAT HILLS	Fed.	196,946
2407-13	ADA CURB CUTS	Fed.	50,000
			<u>\$ 410,758</u>

TOWNSHIP OF MILLBURN

C-17

GENERAL CAPITAL FUND

**SCHEDULE OF RESERVE FOR PRELIMINARY PLANNING EXPENSES
YEAR ENDED DECEMBER 31, 2013**

BALANCE, DECEMBER 31, 2012 and 2013	Ref. C, C-3	<u>\$ 10,597</u>
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TOWNSHIP OF MILLBURN

C-18

GENERAL CAPITAL FUND

**SCHEDULE OF RESERVE FOR GRANTS
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	C	\$ -
Increased By:		
Grants awarded	C-16	<u>280,000</u>
		280,000
BALANCE, DECEMBER 31, 2013	C	<u>\$ 280,000</u>

<u>Analysis of Balance</u>			
<u>Ord. #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
2407-13	NJ DOT - Hartshorn/Great Hills	Fed.	230,000
2407-13	CDBG - ADA Curb Cuts	Fed.	50,000
			<u>\$ 280,000</u>

TOWNSHIP OF MILLBURN

D-5

PARKING UTILITY FUND

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2013**

	Ref.	Operating	Capital
BALANCE, DECEMBER 31, 2012	D	\$ 1,558,861	\$ 4,329,201
Increased by Receipts:			
Parking Meters	D-2	283,864	-
Parking Permits	D-2	511,364	-
Prepaid Permits	D-17	201,343	-
Parking Token	D-2	35,059	-
Interfund Payable	D-16	20	-
Miscellaneous Revenue Not Anticipated	D-2	27,306	-
Premium on notes	D-4	-	44,608
BAN Proceeds	D-18	-	8,595,000
Capital Improvement Fund	D-12	-	190,000
		<u>1,058,956</u>	<u>13,158,809</u>
Decreased by Disbursements:			
2012 Appropriation Reserves	D-13	29,824	-
Improvement Authorization	D-9	-	3,862,771
BAN Rollover	D-18	-	7,500,000
Interfund Payable	D-16	-	20
Reserve for Meter Replacement	D-7	138,599	-
Accrued Interest	D-19	56,250	-
2013 Appropriations	D-3	817,119	-
		<u>1,041,792</u>	<u>11,362,791</u>
BALANCE, DECEMBER 31, 2013	D	\$ 1,576,025	\$ 1,796,018

TOWNSHIP OF MILLBURN

D-6

PARKING UTILITY CAPITAL FUND

ANALYSIS OF CASH
AS OF DECEMBER 31, 2013 AND 2012

	Ref.	2013	2012
Capital Improvement Fund	D-12	\$ 467,250	\$ 527,250
Fund Balance	D-4	71,833	27,225
Reserve for Preliminary Planning Exeptions	D-8	250	250
Reserve for encumbrances	D-9	89,310	3,646,390
Interfund to Operating Fund	D-16	-	20
Improvement Description			
Ordinance 2368-10	D-9	18,511	(450,369)
Ordinance 2385-11	D-9	1,057,907	578,435
Ordinance 2406-13	D-9	<u>90,958</u>	<u>-</u>
	D-4	<u>\$ 1,796,018</u>	<u>\$ 4,329,201</u>

TOWNSHIP OF MILLBURN

D-7

PARKING UTILITY OPERATING FUND

**SCHEDULE OF RESERVE FOR PARKING METER REPLACEMENTS
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2012	D	\$ 202,326
Increased by:		
2013 Budget Appropriation	D-3	<u>35,000</u>
		237,326
Decreased by:		
Cash Disbursements	D-5	<u>138,599</u>
BALANCE, DECEMBER 31, 2013	D	<u><u>\$ 98,727</u></u>

TOWNSHIP OF MILLBURN

D-8

PARKING UTILITY OPERATING FUND

**SCHEDULE OF RESERVE FOR PRELIMINARY PLANNING EXPENSES
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE DECEMBER 31, 2013 and 2012	D	<u>\$ 250</u>

TOWNSHIP OF MILLBURN

D-9

PARKING UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	Balance, December 31, 2012		2013 Authorizations	Disbursed	Balance, December 31, 2013		
			Funded	Unfunded			Encumbered	Funded	Unfunded
2368-10	Parking Deck Design	12/7/2010	\$ -	\$ 68,022	-	21,071	28,440	-	\$ 18,511
2385-11	Parking Deck Construction	12/28/2011	-	4,801,434	-	3,682,658	60,870	-	1,057,907
2406-13	Lot 7 Resurfacing	9/30/2013	-	-	250,000	159,042	-	90,958	-
			<u>\$ -</u>	<u>\$ 4,869,456</u>	<u>\$ 250,000</u>	<u>\$ 3,862,771</u>	<u>\$ 89,310</u>	<u>\$ 90,958</u>	<u>\$ 1,076,417</u>
Reference			D			D-5	D	D, D-12	D

TOWNSHIP OF MILLBURN

D-10

**PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	D	\$ 9,000,000
Increased by:		
Ordinance # 2406.13	D-9	<u>250,000</u>
		9,250,000
Decreased By:		
Ordinance # 2385-11	D-14	<u>7,835,000</u>
BALANCE, DECEMBER 31, 2013	D	<u><u>\$ 1,415,000</u></u>

TOWNSHIP OF MILLBURN

D-11

**PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	D	\$ 405,000
Increased by		
Ordinance # 2406-13	D-12	<u>250,000</u>
BALANCE, DECEMBER 31, 2013	D	<u><u>\$ 655,000</u></u>

TOWNSHIP OF MILLBURN

D-12

**PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	D	\$ 527,250
Increased by:		
2013 Budget Appropriations	D-5	<u>190,000</u>
		717,250
Decreased by:		
Ordinance # 2406-13	D-11	<u>250,000</u>
 BALANCE, DECEMBER 31, 2013	 D	 <u>\$ 467,250</u>

TOWNSHIP OF MILLBURN

D-13

PARKING UTILITY OPERATING FUND

**SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013**

		Balance, December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Other Expenses		92,673	\$ 92,673	\$ 29,824	\$ 62,849
		<u>\$ 92,673</u>	<u>\$ 92,673</u>	<u>\$ 29,824</u>	<u>\$ 62,849</u>
Reference		Below		D-5	D-1
Appropriation Reserve	D	\$ 55,642			
Reserve for Encumbrances	D	<u>37,031</u>			
		<u>\$ 92,673</u>			
		Above			

TOWNSHIP OF MILLBURN

D-14

**PARKING UTILITY FUNDS
FIXED ASSETS
YEAR ENDED DECEMBER 31, 2013**

	2013	2012
Movable Fixed Assets:		
Furniture and Equipment	\$ 220,500	\$ 220,500
	<u>220,500</u>	<u>220,500</u>
Land	<u>314,725</u>	<u>314,725</u>
	<u>314,725</u>	<u>314,725</u>
Building	<u>7,835,000</u>	<u>-</u>
	<u>7,835,000</u>	<u>-</u>
Investment in Parking Utility Fixed Assets	<u>\$ 8,370,225</u>	<u>\$ 535,225</u>

TOWNSHIP OF MILLBURN

D-15

**PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	D	<u>\$ 535,225</u>
BALANCE, DECEMBER 31, 2013	D	<u>\$ 535,225</u>

TOWNSHIP OF MILLBURN

D-16

**PARKING UTILITY OPERATING FUND
SCHEDULE OF DUE FROM PARKING CAPITAL
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	D	\$	20
Increased by:			
Due From Parking Capital	D-5	<u> </u>	<u>20</u>
BALANCE, DECEMBER 31, 2013	D	<u>\$</u>	<u>-</u>

TOWNSHIP OF MILLBURN

D-17

PARKING UTILITY OPERATING FUND

**PREPAID REVENUES
YEAR ENDED DECEMBER 31, 2013**

BALANCE, DECEMBER 31, 2012	Ref D	\$ 115,120
Increased by:		
2014 Permits Received	D-5	<u>201,343</u>
Decreased By		
Prepaid Permits Applied	D-2	<u>115,120</u>
BALANCE, DECEMBER 31, 2013	D	<u>\$ 201,343</u>

TOWNSHIP OF MILLBURN

D-18

GENERAL PARKING

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement	Original Date	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2012	Notes Issued	Notes Redeemed	Balance, December 31, 2013
2385-11	Construction of Parking Deck	9/12/2012	6/19/2013	6/19/2014	0.70%	\$ 7,500,000	\$ -	\$ 7,500,000	\$ -
2385-11	Construction of Parking Deck	6/19/2013	6/19/2013	6/19/2014	0.70%	\$ -	\$ 8,595,000	\$ -	\$ 8,595,000
						<u>\$ 7,500,000</u>	<u>\$ 8,595,000</u>	<u>\$ 7,500,000</u>	<u>\$ 8,595,000</u>
						D	D-5	D-5	D

TOWNSHIP OF MILLBURN

D-19

**PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
YEAR ENDED DECEMBER 31, 2013**

	Ref.	
BALANCE, DECEMBER 31, 2012	D	\$ 21,042
Increased by:		
2013 Accrued Interest on Notes	D-3	<u>75,000</u>
Decreased by:		
2013 Interest on Notes Paid	D-5	<u>56,250</u>
BALANCE, DECEMBER 31, 2013	D	<u><u>\$ 39,792</u></u>

PARKING UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2013

Description	Balance December 31, 2012	Notes Issued	Balance December 31, 2013
2368-10 Parking Deck Design	\$ 500,000	\$ 500,000	\$ -
2385-11 Parking Deck Construction	595,000	595,000	-
	<u>\$ 1,095,000</u>	<u>\$ 1,095,000</u>	<u>\$ -</u>
	D	D-18	D

TOWNSHIP OF MILLBURN

D-21

**PARKING UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES - EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	D	\$	-
Increased by:			
2013 Emergency Appropriation	D-3		<u>150,000</u>
BALANCE, DECEMBER 31, 2013	D	\$	<u>150,000</u>

TOWNSHIP OF MILLBURN

F-3

PUBLIC ASSISTANCE FUND

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2013**

	Ref.		
BALANCE, DECEMBER 31, 2012	F		\$ 12,522
Increased by:			
Cash Receipts:			
Interfunds	F-2	3,000	
Interest on Investment	F-2	16	
State Aid Payments	F-2	<u>46,900</u>	<u>49,916</u>
			62,438
Decreased by:			
Interfunds	F-2	11,000	
Cash Disbursements	F-2	<u>28,133</u>	<u>39,133</u>
BALANCE, DECEMBER 31, 2013	F		<u><u>\$ 23,305</u></u>

TOWNSHIP OF MILLBURN

F-4

PUBLIC ASSISTANCE FUND**SCHEDULE OF CHANGES IN RESERVES
YEAR ENDED DECEMBER 31, 2013**

	P.A.T.F. Account # 1	P.A.T.F. Account # 2	Fund Total
BALANCE, DECEMBER 31, 2012	\$ 7,062	\$ -2,540	\$ 4,522
Increased by revenue	4	46,912	46,916
	<u>7,066</u>	<u>44,372</u>	<u>51,438</u>
Decreased by expenditures	-	28,133	28,133
BALANCE, DECEMBER 31, 2013	<u>\$ 7,066</u>	<u>\$ 16,239</u>	<u>\$ 23,305</u>

SUPPLEMENTARY DATA

SCHEDULE OF TAX RATE INFORMATION

	2013	2011	2010
Tax Rate	\$ 1.934	\$ 1.900	\$ 1.850
Apportionment of Tax Rate:			
Municipal	\$ 0.480	\$ 0.467	\$ 0.461
County	0.510	0.495	0.472
Local School	0.944	0.938	0.917
Assessed Valuations:			
2013	\$ 8,129,525,392		
2012		\$ 8,140,504,900	
2011			\$ 8,196,988,436

SCHEDULE OF TAX LEVIES AND COLLECTION CURRENTLY

Year	Tax Levy	Currently	
		Collections	Percentage of Collection
2013	\$ 157,825,822	\$ 156,459,403	99.13 %
2012	155,201,326	153,859,605	99.14
2011	151,900,290	150,613,376	99.15
2010	148,081,226	146,803,524	99.14
2009	145,372,304	144,006,807	99.06

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

This schedule includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last five years:

December 31,	Amount of Tax Title Liens Receivable	Amount of Delinquent Taxes Receivable	Total Delinquent Taxes Receivables	Percentage of Tax Levy
2013	\$ 635	\$ 734,636	\$ 735,271	0.47 %
2012	577	968,535	969,113	0.67
2011	523	1,019,471	1,019,995	0.67
2010	468	898,991	899,459	0.61
2009	414	832,826	814,447	0.57

SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of all property acquired by liquidation of tax title liens is based upon the adjusted valuation at the date of acquisition.

Years Ended	Amount
December 31, 2012-2013	\$ 14,000

SCHEDULE OF FUND BALANCES - CURRENT FUND

Year	Balance, December 31,	Utilized in Budget of Succeeding Year	Percent Utilized
2013	\$ 7,751,978	\$ 3,800,000	49%
2012	9,438,816	4,200,000	44%
2011	10,774,825	4,300,000	40%
2010	10,560,690	4,580,158	43%
2009	11,123,168	4,580,158	41%

TOWNSHIP OF MILLBURN

ROSTER OF OFFICIALS DECEMBER 31, 2013

Name	Title	Term
<u>Committee:</u>		
Sandra H. Haimoff	Mayor	2015
W. Theodore Bourke	Deputy Mayor	2013
Robert J. Tillotson	Committeeman	2014
Thomas C. McDermott	Committeeman	2013
Sara E. Greenberg	Committeewoman	2014
 <u>Other Officials:</u>		
Timothy P. Gordon	Business Administrator	
Christopher Falcon	Township Attorney	
Christine Gatti	Township Clerk	
Jason Gabloff	Treasurer—Chief Financial Officer	
Donna Ruggiero	Tax Collector	
James G. Haggerty	Municipal Judge	
Kathleen C. Shaughnessy	Municipal Court Administrator	
Lauren Glassman	Welfare Officer	
Gregory G. Weber	Police Chief	
W. Thomas Watkinson	Engineer	
Steven Jones	Construction Official	
Louis E. Anello	Health Officer	
James M. Roberts	Fire Chief	
John Bace	Public Works Superintendent	
Robert A. Hogan	Recreation Director	
Thomas Doty	Forester	
Lisa Baratto	Tax Assessor	

TOWNSHIP OF MILLBURN

General Comments and Recommendations

Year ended December 31, 2013

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4, ET SEQ.

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost 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 after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

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

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

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

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

"Not to exceed 8% per annum on the first \$1,500 of the delinquency and 18% on any amount in excess of \$1,500."

"The Township Committee by resolution instructed the Tax Collector to permit a seven (7) day grace period in the collection of taxes before a charge of interest is made."

"Be it further resolved that an additional 6% penalty be charged for delinquencies in excess of \$10,000 remaining unpaid at the end of the calendar year in accordance with the amended provisions of N.J.S.A. 54:4-67.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 19, 2013 and was complete.

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

STATUS OF PRIOR YEAR RECOMMENDATIONS

Recommendations have been implemented for all prior year comments and have been removed from this report.

Comments

None noted.

Recommendations

None noted.

* * * * *