

TOWNSHIP OF WATERFORD
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2013



75 YEARS OF SERVICE
1939-2014

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TOWNSHIP OF WATERFORD

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Waterford
Atco, New Jersey 08004

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts 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 accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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 Waterford, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2014 on our consideration of the Township of Waterford's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Waterford's internal control over financial reporting.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2014

**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 Waterford
Atco, New Jersey 08004

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Waterford, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 19, 2014. That report indicated that the Township of Waterford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting 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 of Waterford'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 Township of Waterford's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Waterford's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2014

TOWNSHIP OF WATERFORD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Cash--Chief Financial Officer	SA-1	\$ 3,779,885.82	\$ 3,562,136.41
Cash--Collector	SA-2	141,603.80	130,424.90
Cash--Change Fund	SA-3	370.00	370.00
Due from State of New Jersey, Ch. 20, P.L. 1971	SA-4		6,549.13
		<u>3,921,859.62</u>	<u>3,699,480.44</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	643,527.70	652,123.47
Tax Title Liens Receivable	SA-6	537,268.01	517,647.35
Property Maintenance Liens Receivable	SA-6	80,337.55	80,337.55
Property Acquired for Taxes--Assessed Valuation	A	142,300.00	142,300.00
Revenue Accounts Receivable	SA-7	27,172.29	18,180.40
Due from Animal Control Fund	SB-3	2,018.38	
Due from Bank	SA-2		22,114.11
Due from General Capital Fund	SC-6	75,000.19	0.19
Due from Trust Other Fund	SB-5	117,080.76	345.16
		<u>1,624,704.88</u>	<u>1,433,048.23</u>
Deferred Charges:			
Special Emergency Appropriation (40A:4-55)	SA-15	132,745.00	166,090.00
		<u>132,745.00</u>	<u>166,090.00</u>
		<u>5,679,309.50</u>	<u>5,298,618.67</u>
Federal and State Grant Fund:			
Cash	SA-1	134,969.35	126,012.00
Federal and State Grants Receivable	SA-16	156,360.00	22,500.00
		<u>291,329.35</u>	<u>148,512.00</u>
		<u>\$ 5,970,638.85</u>	<u>\$ 5,447,130.67</u>

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 398,165.20	\$ 353,697.79
Reserve for Encumbrances	A-3;SA-8	70,972.19	43,284.14
Contracts Payable	SA-1	2,875.00	13,750.00
Accounts Payable	A-1;SA-8	8,281.64	3,602.50
Prepaid Taxes	SA-9	191,637.99	152,264.81
Reserve for Sale of Municipal Assets	SA-12	82,501.00	79,754.00
Tax Overpayments	SA-10	52,061.67	1.02
Reserve for Revision of Ordinances	SA-15	10,700.00	
Due County for Added and Omitted Taxes	SA-13	44,892.26	32,687.93
Local District School Taxes Payable	SA-14	2,150,878.43	2,087,462.59
Due to State of New Jersey, Ch. 20, P.L. 1971	SA-4	2,082.16	
Due to State of New Jersey -- State Training Fees	SA-11	1,268.00	2,497.00
Due to Bank	SA-2	6.00	
		<u>3,016,321.54</u>	<u>2,769,001.78</u>
Reserves for Receivables and Other Assets	A	1,624,704.88	1,433,048.23
Fund Balance	A-1	<u>1,038,283.08</u>	<u>1,096,568.66</u>
		<u>5,679,309.50</u>	<u>5,298,618.67</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-17	20,380.00	18,978.21
Appropriated	SA-18	120,124.96	128,588.79
Contracts Payable	SA-18	141,360.00	
Reserve for Encumbrances	SA-1;SA-18	9,464.39	945.00
		<u>291,329.35</u>	<u>148,512.00</u>
		<u>\$ 5,970,638.85</u>	<u>\$ 5,447,130.67</u>

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

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

<u>Revenue and Other Income Realized</u>	<u>2013</u>	<u>2012</u>
Fund Balance Utilized	\$ 778,000.00	\$ 545,000.00
Miscellaneous Revenues Anticipated	2,448,190.02	2,344,701.34
Receipts from Current Taxes	25,185,872.89	24,848,669.73
Receipts from Delinquent Taxes	627,364.34	641,249.75
Non-Budget Revenue	106,890.01	136,017.62
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	344,309.34	244,312.29
Cancellation of Accounts Payable	3,471.50	
Liquidation of Reserve:		
Due from Trust Other Fund		3,689.88
Due from Bank	22,114.11	
Total Income	29,516,212.21	28,763,640.61
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	3,419,200.00	3,331,242.00
Other Expenses	3,731,065.00	3,545,895.00
Deferred Charges and Statutory Expenditures--		
Municipal--Within "CAPS"	818,447.00	819,944.95
Operations--Excluded from "CAPS":		
Salaries and Wages	165,259.91	169,571.68
Other Expenses	513,545.76	334,752.47
Capital Improvements--Excluded from "CAPS"	75,000.00	10,000.00
Municipal Debt Service--Excluded from "CAPS"	707,475.74	692,549.06
Deferred Charges--Municipal--Excluded from "CAPS"	44,045.00	54,876.00
County Taxes	6,390,130.44	6,301,988.77
Due County for Added and Omitted Taxes	44,892.26	32,687.93
Local District School Tax	12,701,851.00	12,575,018.00
Other Expenditures:		
Prior Year Tax Deductions Disallowed	2,500.00	4,000.00
Refund of Prior Year Revenue	31.70	28.50
Creation of Reserve:		
Due from Animal Control Fund	2,018.38	
Due from Bank		22,114.11
Due from General Capital Fund	75,000.00	0.19
Due from Trust Other Fund	116,735.60	
Total Expenditures	28,807,197.79	27,894,668.66
Excess (Deficit) in Revenues	709,014.42	868,971.95
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	10,700.00	-
Statutory Excess to Fund Balance	719,714.42	868,971.95
<u>Fund Balance</u>		
Balance Jan. 1	1,096,568.66	772,596.71
Decreased by:	1,816,283.08	1,641,568.66
Utilized as Revenue	778,000.00	545,000.00
Balance Dec. 31	\$ 1,038,283.08	\$ 1,096,568.66

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

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2013

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 778,000.00	-	\$ 778,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,000.00		9,550.00	\$ 550.00
Other	8,000.00		4,843.00	(3,157.00)
Fees and Permits -- Other	25,500.00		40,907.22	15,407.22
Fines and Costs -- Municipal Court	235,000.00		309,764.27	74,764.27
Interest and Costs on Taxes	85,000.00		132,910.62	47,910.62
Interest on Investments and Deposits	15,000.00		10,702.11	(4,297.89)
Energy Receipts Taxes	1,070,491.00		1,070,490.72	(0.28)
Consolidated Municipal Property Tax Relief Aid	46,450.00		46,450.00	
Garden State Preservation Trust Fund	187,735.00		187,735.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	125,000.00		169,254.00	44,254.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Off-Set with Appropriations:				
Clean Communities Grant		\$ 24,024.14	24,024.14	
Safe and Secure Communities Program-P.L.1993, Chapter 20	60,000.00		60,000.00	
Alcohol Education and Rehabilitation Fund		2,902.61	2,902.61	
Recycling Tonnage Grant	16,639.33		16,639.33	
Body Armor Replacement Grant	2,338.88		2,338.88	
Drunk Driving Enforcement Grant		5,259.91	5,259.91	
Federal Emergency Management Grant		141,360.00	141,360.00	
Other Special Items:				
Reserve for Payment of Debt -- General Capital Fund	75,000.00		75,000.00	
Cable TV Franchise Fees	120,000.00		138,058.21	18,058.21
	2,081,154.21	173,546.66	2,448,190.02	193,489.15
Receipts from Delinquent Taxes	565,000.00	-	627,364.34	62,364.34
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,682,804.00	-	6,866,136.09	183,332.09
Budget Totals	10,106,958.21	173,546.66	10,719,690.45	439,185.58
Non-Budget Revenue	-	-	106,890.01	106,890.01
	\$ 10,106,958.21	\$ 173,546.66	\$ 10,826,580.46	\$ 546,075.59

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 25,185,872.89
Allocated to:		
County Taxes		6,435,022.70
School Taxes		<u>12,701,851.00</u>
Balance for Support of Municipal Budget Appropriations		6,048,999.19
Add: Appropriation "Reserve for Uncollected Taxes"		<u>817,136.90</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 6,866,136.09</u></u>
Revenue from Delinquent Taxes:		
Delinquent Tax Receipts	\$ 603,092.32	
Overpayments Applied		1.02
Tax Title Lien Receipts		<u>24,271.00</u>
		<u><u>\$ 627,364.34</u></u>
Fees and Permits--Other:		
Revenue Accounts Receivable:		
Clerk	\$ 22,390.72	
Planning Board		3,270.00
Zoning Board		4,045.00
Police Department		5,731.50
Property Maintenance		4,900.00
Tax Collector--Searches		<u>570.00</u>
		<u><u>\$ 40,907.22</u></u>
Miscellaneous Revenue not Anticipated:		
Receipts - Chief Financial Officer:		
Senior Citizens and Veterans Administrative Fee	\$ 2,510.61	
Miscellaneous Sales and Refunds		3,619.60
Cancellation of Outstanding Checks		101.00
Refund of Prior Year Expenditures		12,142.72
DMV Inspection Fees		3,549.50
Tax Title lien Premium Forfeited		8,100.00
FEMA Reimbursement		17,449.62
Rental of Cell Phone Tower		24,113.07
Police Outside Service Administration Fees		8,317.50
Sale of Recyclable Materials		<u>15,090.62</u>
		\$ 94,994.24
Receipts - Tax Collector:		
Cost of Sale Fees		9,382.39
Miscellaneous Fees		<u>495.00</u>
		9,877.39
Due from Animal Control Fund:		
Excess Animal Control Funds		<u>2,018.38</u>
		<u><u>\$ 106,890.01</u></u>

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

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
OPERATIONS--WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Administration						
Salaries and Wages	\$ 75,100.00	\$ 83,300.00	\$ 83,281.66	\$	18.34	
Other Expenses	20,750.00	20,750.00	16,350.51	175.49	4,224.00	
Postage	15,000.00	15,000.00	12,495.08		2,504.92	
Office Supplies and Equipment Maintenance	27,500.00	27,500.00	21,262.58	156.50	6,080.92	
Township Committee						
Salaries and Wages	20,400.00	20,400.00	20,370.33		29.67	
Other Expenses	3,500.00	3,500.00	2,520.33		979.67	
Municipal Clerk						
Salaries and Wages	102,900.00	107,700.00	107,626.89		73.11	
Other Expenses	17,955.00	17,955.00	11,741.21	886.48	5,327.31	
Codification of Ordinances (N.J.S.A. 40A:4-55 \$10,700.00)		10,700.00	10,700.00			
Elections						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	5,500.00	5,500.00	4,847.42	32.40	620.18	
Financial Administration						
Salaries and Wages	132,200.00	132,200.00	129,869.88		2,330.12	
Other Expenses	27,475.00	32,875.00	29,501.04	2,472.38	901.58	
Audit Services						
Other Expenses	38,000.00	38,000.00	38,000.00			
Collection of Taxes						
Salaries and Wages	89,100.00	89,100.00	86,306.70		2,793.30	
Other Expenses	15,185.00	13,285.00	8,282.65	67.00	4,935.35	
Assessment of Taxes						
Salaries and Wages	25,500.00	25,500.00	25,480.78		19.22	
Other Expenses	6,900.00	6,900.00	5,021.84		1,878.16	
Legal Services and Costs						
Other Expenses	125,000.00	131,500.00	126,722.99	1,325.74	3,451.27	
Engineering Services and Costs						
Other Expenses	44,600.00	41,100.00	30,833.53	243.75	10,022.72	
Municipal Court						
Salaries and Wages	84,000.00	86,100.00	85,964.48		135.52	
Other Expenses	10,000.00	10,900.00	9,293.61	927.50	678.89	

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
OPERATIONS--WITHIN "CAPS" (CONTD)						
GENERAL GOVERNMENT FUNCTIONS (CONTD)						
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning and Zoning Boards						
Salaries and Wages	\$ 34,000.00	\$ 34,000.00	\$ 29,797.89	\$	4,202.11	
Other Expenses	17,475.00	17,475.00	7,787.32	1,866.10	7,821.58	
Public Defender						
Other Expenses	8,000.00	5,100.00			5,100.00	
Economic Development Committee						
Other Expenses	3,000.00	3,000.00			3,000.00	
Insurance:						
Unemployment Compensation Insurance	13,800.00	13,800.00	11,820.31		1,979.69	
Other Insurance	119,000.00	119,000.00	118,490.86		509.14	
Workers Compensation Insurance	291,000.00	291,000.00	289,591.14		1,408.86	
Group Insurance for Employees	1,175,408.00	1,185,408.00	1,157,297.89		28,110.11	
Health Benefit Waiver	5,500.00	5,500.00			5,500.00	
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	1,978,100.00	1,968,000.00	1,855,698.54		112,301.46	
Other Expenses	78,657.00	72,157.00	51,685.01	5,748.14	14,723.85	
Leases -- Police Vehicles	62,400.00	58,900.00	36,398.65		22,501.35	
Fire Hydrant Services	18,000.00	18,000.00	17,700.00		300.00	
Demolition of Buildings						
Other Expenses	100.00	100.00			100.00	
Aid to Volunteer Ambulance Association						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	51,050.00	51,050.00	51,050.00			
Fire						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	126,400.00	125,500.00	76,621.55	37,835.34	11,043.11	
Emergency Responders Stipend Program	19,000.00	19,900.00	16,998.24	2,865.00	36.76	
Municipal Prosecutor						
Other Expenses	14,000.00	14,000.00	14,000.00			
Office of Emergency Management						
Other Expenses	100.00	100.00			100.00	

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS--WITHIN "CAPS" (CONTD)</u>						
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance	\$ 467,900.00	\$ 465,900.00	\$ 443,847.73	\$ 158.65	\$ 22,052.27	
Salaries and Wages	28,275.00	30,275.00	29,222.80		893.55	
Other Expenses						
Snow Removal						
Salaries and Wages	10,000.00	10,000.00	7,362.43		2,637.57	
Other Expenses	28,000.00	23,000.00	15,784.09	4,549.84	2,666.07	
Garbage and Trash Removal						
Contractual	319,200.00	297,700.00	280,161.60		17,538.40	
Recycling						
Collection--Contractual	219,600.00	219,600.00	206,905.03		12,694.97	
Public Buildings and Grounds						
Salaries and Wages	98,600.00	82,600.00	76,021.04		6,578.96	
Other Expenses	104,150.00	114,150.00	105,104.32	5,415.44	3,630.24	
Municipal Garage						
Salaries and Wages	141,200.00	141,200.00	139,362.56		1,837.44	
Other Expenses	72,700.00	76,700.00	70,513.46	3,769.73	2,416.81	
<u>HEALTH AND HUMAN SERVICES</u>						
Environmental Commission						
Other Expenses	500.00	500.00	483.90		16.10	
Dog Regulation						
Other Expenses	22,000.00	21,000.00	2,100.00		18,900.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Parks and Playgrounds						
Salaries and Wages	53,200.00	53,200.00	52,389.14		810.86	
Other Expenses	34,200.00	34,200.00	32,564.96	987.36	647.68	
Senior Citizens Activity						
Other Expenses	4,000.00	4,000.00	4,000.00			
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	1,900.00	1,900.00	1,825.61		74.39	
Safety Projects	1,000.00	1,000.00	53.16		946.84	

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<u>OPERATIONS--WITHIN "CAPS" (CONTD)</u>						
<u>State Uniform Construction Code Appropriations Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	\$ 111,600.00	\$ 114,500.00	\$ 114,469.95		\$ 30.05	
Other Expenses	6,385.00	3,485.00	920.79		2,564.21	
<u>Unclassified</u>						
Utilities:						
Electricity	62,500.00	65,500.00	64,800.89	663.10	36.01	
Street Lighting	106,600.00	105,600.00	104,470.64	114.27	1,015.09	
Telephone and Telegraph	18,900.00	18,900.00	17,362.49		1,537.51	
Water	3,500.00	3,500.00	1,901.80		1,598.20	
Natural Gas	5,900.00	7,400.00	5,775.12	711.98	912.90	
Sewerage Processing and Disposal	3,000.00	4,000.00	3,131.25		868.75	
Gasoline	118,300.00	104,300.00	97,844.23		6,455.77	
Solid Waste Disposal Fees						
Other Expenses	203,400.00	218,900.00	209,497.39		9,402.61	
Total Operations -- Within "CAPS"	7,153,565.00	7,150,265.00	6,694,287.29	70,972.19	385,005.52	-
Salaries and Wages	3,429,300.00	3,419,200.00	3,262,850.00		156,350.00	
Other Expenses	3,724,265.00	3,731,065.00	3,431,437.29	70,972.19	228,655.52	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	282,300.00	267,350.00	257,562.09		9,787.91	
Public Employees Retirement System	134,041.00	134,041.00	134,041.00			
Police and Firemen's Retirement System	402,006.00	416,956.00	416,952.59		3.41	
Defined Contribution Retirement Program	100.00	100.00			100.00	
Total Statutory Expenditures	818,447.00	818,447.00	808,555.68	-	9,891.32	-
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	818,447.00	818,447.00	808,555.68	-	9,891.32	-
Total General Appropriations for Municipal Purposes -- Within "CAPS"	7,972,012.00	7,968,712.00	7,502,842.97	70,972.19	394,896.84	-

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Insurance	\$ 35,492.00	\$ 35,492.00	\$ 35,492.00			
Employee Group Health						
Maintenance of Free Public Library						
Contribution	270,288.80	270,288.80	270,288.80			
Solid Waste Disposal Fees						
Recycling Tax	4,000.00	18,000.00	17,231.64		\$ 768.36	
<u>Public and Private Programs Off-Set by Revenues</u>						
Alcohol Education & Rehabilitation Fund						
Other Expenses (N.J.S.A. 40A:4-87 \$2,902.61)		2,902.61	2,902.61			
Drunk Driving Enforcement Grant		5,259.91	5,259.91			
Salaries and Wages (N.J.S.A. 40A:4-87 \$5,259.91)						
Clean Communities Grant		24,024.14	24,024.14			
Other Expenses (N.J.S.A. 40A:4-87 \$24,024.14)						
Safe and Secure Communities Program						
Salaries and Wages	160,000.00	160,000.00	160,000.00			
Recycling Tonnage Grant						
Other Expenses	16,639.33	16,639.33	16,639.33			
Federal Emergency Management Grant						
Other Expenses (N.J.S.A. 40A:4-87 \$141,360.00)		141,360.00	141,360.00			
Body Armor Replacement Grant						
Other Expenses	2,338.88	2,338.88	2,338.88			
Matching Funds for Grants	2,500.00	2,500.00			2,500.00	
Total Operations--Excluded from "CAPS"	491,259.01	678,805.67	675,537.31	-	3,268.36	-
Detail:						
Salaries and Wages	160,000.00	165,259.91	165,259.91			
Other Expenses	331,259.01	513,545.76	510,277.40		3,268.36	
<u>CAPITAL IMPROVEMENT--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00			

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Appropriations</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
			<u>Encumbered</u>	<u>Reserved</u>
				<u>Unexpended</u>
				<u>Balance</u>
				<u>Canceled</u>
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>				
Payment of Bond Principal	\$ 475,000.00	\$ 475,000.00	\$ 475,000.00	
Interest on Bonds	179,000.00	179,000.00	179,000.00	
Interest on Notes	8,300.00	8,300.00	8,270.46	\$ 29.54
Principal and Interest on Loans	45,205.30	45,205.30	45,205.28	0.02
Total Municipal Debt Service-- Excluded from "CAPS"	707,505.30	707,505.30	707,475.74	-
<u>DEFERRED CHARGES:</u>				
Special Emergency Authorizations - 5 Years	44,045.00	44,045.00	44,045.00	
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	1,317,809.31	1,505,355.97	1,502,058.05	-
Subtotal General Appropriations	9,289,821.31	9,474,067.97	9,004,901.02	\$ 398,165.20
→ Reserve for Uncollected Taxes	817,136.90	817,136.90	817,136.90	-
Total General Appropriations	\$ 10,106,958.21	\$ 10,291,204.87	\$ 9,822,037.92	\$ 398,165.20
Appropriation by 40A:4-87	\$ 173,546.66			
Appropriation by 40A:4-55 (Special Emergency)	10,700.00			
Adopted Budget	10,106,958.21			
	\$ 10,291,204.87			
Reserve for Uncollected Taxes			\$ 817,136.90	
Reserve for Federal and State Grants Appropriated			352,524.87	
Reserve for Revision of Codification of Ordinances			10,700.00	
Special Emergency Authorizations - 5 Years			44,045.00	
Reimbursements			(198,736.95)	
Disbursed			8,796,368.10	
			\$ 9,822,037.92	

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

TOWNSHIP OF WATERFORD
TRUST FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:			
Cash--Chief Financial Officer	SB-1	\$ 12,470.48	\$ 1,062.80
Due from Municipal Clerk	SB-1;SB-3	5,173.20	20.20
		<u>17,643.68</u>	<u>1,083.00</u>
Other Funds:			
Cash--Chief Financial Officer	SB-1	205,177.85	152,015.80
Cash--Collector	SB-2	163,452.89	175,530.81
Due from Camden County:			
Municipal Alliance	SB-1;SB-6	15,608.38	13,176.00
Community Development Block Grant Program	SB-4	31,000.00	94,691.66
Prepaid Payroll	SB-1	116,650.77	
Due from Vendors - Police Outside Services	SB-1		3,160.00
		<u>531,889.89</u>	<u>438,574.27</u>
		<u>\$ 549,533.57</u>	<u>\$ 439,657.27</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	SB-1;SB-3	\$ 2,018.38	
Reserve for Encumbrances	SB-1;SB-3	7,004.50	\$ 125.00
Reserve for Dog Fund Expenditures	SB-3	8,620.80	958.00
		<u>17,643.68</u>	<u>1,083.00</u>
Other Funds:			
Due Current Fund	SB-5	117,080.76	345.16
Due to State of NJ - VCCB	SB-6	4,299.49	2,526.05
Reserve for Recreation Contributions	SB-6	7,174.06	13,479.06
Reserve for Parking Offenses Adjudication Act	SB-6	348.00	288.00
Reserve for Celebration of Public Events	SB-6	2,835.75	2,829.87
Reserve for Payroll Deductions Payable	SB-6	37,180.21	30,467.75
Reserve for Developers' Escrow Deposits	SB-6	36,695.71	32,693.11
Reserve for Tax Title Lien Redemptions	SB-6	1,152.89	20,530.81
Reserve for Premiums Received at Tax Sale	SB-6	162,300.00	155,000.00
Reserve for Community Development Block Grant	SB-6	36,932.97	5,448.63
Reserve for Retention Basin Maintenance	SB-6	20,000.00	20,000.00
Reserve for Police Outside Services	SB-6	5,390.00	1,990.00
Reserve for Public Defender	SB-6	13,157.56	11,550.00
Reserve for Maintenance Guarantees	SB-6	6,399.05	6,399.05
Reserve for Municipal Alliance	SB-6	23,209.07	12,600.96
Reserve for Forfeited Property	SB-6	41,081.87	21,284.16
Reserve for Uniform Fire Safety Act	SB-6	50.00	50.00
Reserve for Encumbrances	SB-6	16,602.50	10,150.41
Contracts Payable	SB-6		90,941.25
		<u>531,889.89</u>	<u>438,574.27</u>
		<u>\$ 549,533.57</u>	<u>\$ 439,657.27</u>

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

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash--Chief Financial Officer	SC-1	\$ 1,149,480.75	\$ 261,173.41
Deferred Charges to Future Taxation:			
Funded	SC-3	4,855,644.18	5,367,877.16
Unfunded	SC-4	2,569,750.00	1,144,750.00
Due from NJ DOT	C	108,012.50	230,000.00
Due from Economic Development Authority	SC-1	25,000.00	50,000.00
		<u>\$ 8,707,887.43</u>	<u>\$ 7,053,800.57</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-11	\$ 4,435,000.00	\$ 4,910,000.00
Green Acres Loan	SC-13	370,644.18	407,877.16
Economic Development Authority Loan	C	50,000.00	50,000.00
Bond Anticipation Notes	SC-12	2,569,750.00	921,500.00
Improvement Authorizations:			
Funded	SC-7	32,746.82	207,519.15
Unfunded	SC-7	471,419.23	389,062.54
Contracts Payable	SC-5	631,767.62	48,409.46
Reserve for Encumbrances	SC-9	38,575.50	13,701.32
Reserve for Payment of Debt	SC-8	30,530.75	105,530.75
Due to Current Fund	SC-6	75,000.19	0.19
Capital Improvement Fund	SC-10	200.00	200.00
Fund Balance	C-1	2,253.14	
		<u>\$ 8,707,887.43</u>	<u>\$ 7,053,800.57</u>

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

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2013

Increased by:

Receipts -- Premium Received on Sale of Notes

\$ 2,253.14

Balance Dec. 31, 2013

\$ 2,253.14

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Cash--Chief Financial Officer	SD-1	\$ 410,294.44	\$ 239,084.70
Cash--Collector	SD-2	4,119.73	1,570.50
Cash--Change Fund	D	100.00	100.00
Due from Water / Sewer Utility Capital Fund	D-2;SD-1	11,000.00	11,000.00
Due from Bank	SD-2	<u> </u>	<u>180.84</u>
		<u>425,514.17</u>	<u>251,936.04</u>
Receivables with Full Reserves:			
Sewer Utility Liens Receivable	D	8,404.74	8,404.74
Consumer Accounts Receivable	SD-4	<u>49,159.67</u>	<u>42,272.28</u>
		<u>57,564.41</u>	<u>50,677.02</u>
Total Operating Fund		<u>483,078.58</u>	<u>302,613.06</u>
Capital Fund:			
Cash--Chief Financial Officer	SD-1	277,661.88	431,501.82
Fixed Capital	SD-7	11,892,888.32	11,892,888.32
Fixed Capital Authorized and Uncompleted	SD-6	<u>643,887.30</u>	<u>583,887.30</u>
Total Capital Fund		<u>12,814,437.50</u>	<u>12,908,277.44</u>
		<u>\$ 13,297,516.08</u>	<u>\$ 13,210,890.50</u>

(Continued)

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;SD-9	\$ 17,338.70	\$ 48,408.78
Reserve for Encumbrances	SD-13	19,276.87	6,060.27
Water Rent Overpayments	SD-5	158.73	160.39
Sewer Rent Overpayments	SD-5	593.04	743.30
Accrued Interest on Bonds and Notes	SD-8	38,638.17	42,850.38
Reserve for Escrow Deposits	SD-1	15,451.91	13,547.66
		<u>91,457.42</u>	<u>111,770.78</u>
Reserve for Receivables	D	57,564.41	50,677.02
Fund Balance	D-1	<u>334,056.75</u>	<u>140,165.26</u>
		<u>483,078.58</u>	<u>302,613.06</u>
Total Operating Fund			
		<u>483,078.58</u>	<u>302,613.06</u>
Capital Fund:			
Serial Bonds	SD-14	1,436,000.00	1,561,000.00
NJ Environmental Infrastructure Loan	SD-15	1,688,685.83	1,974,228.95
Improvement Authorizations Funded	SD-10	196,369.41	252,798.53
Improvement Authorizations Unfunded	SD-10	60,000.00	
Bond Anticipation Notes	SD-16	60,000.00	
Reserve for Amortization	SD-12	9,348,839.79	8,938,296.67
Deferred Reserve for Amortization	SD-11	3,250.00	3,250.00
Contracts Payable	SD-1		158,700.00
Reserve for Encumbrances	SD-1	84.91	5,390.59
Due to Water / Sewer Utility Operating Fund	D	11,000.00	11,000.00
Capital Improvement Fund	D-3	10,000.00	3,500.00
Reserve for Payment of Debt	D	112.70	112.70
Fund Balance	SD-1	94.86	
		<u>12,814,437.50</u>	<u>12,908,277.44</u>
		<u>12,814,437.50</u>	<u>12,908,277.44</u>
		<u>\$ 13,297,516.08</u>	<u>\$ 13,210,890.50</u>
		<u>\$ 13,297,516.08</u>	<u>\$ 13,210,890.50</u>

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

<u>Revenue and Other</u>	<u>2013</u>	<u>2012</u>
<u>Income Realized</u>		
Fund Balance Realized	\$ 10,000.00	
Water and Sewer Rents	1,090,467.09	\$ 1,038,632.26
Miscellaneous	133,189.53	151,065.34
Reserve for Payments of Bonds		11,000.00
Non Budget Revenue	2,364.64	4,154.04
Cancellation of Water and Sewer Overpayments	903.69	
Unexpended Balance of Appropriation Reserves	<u>48,193.65</u>	<u>10,381.72</u>
Total Income	<u>1,285,118.60</u>	<u>1,215,233.36</u>
 <u>Expenditures</u>		
Operating	496,964.00	483,525.00
Debt Service	528,403.09	533,213.37
Deferred Charges and Statutory Expenditures	55,700.00	58,375.00
Other Debits to Expenditures:		
Refund of Prior Year Revenue	<u>160.02</u>	<u> </u>
Total Expenditures	<u>1,081,227.11</u>	<u>1,075,113.37</u>
Excess in Revenue	<u>203,891.49</u>	<u>140,119.99</u>
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	203,891.49	140,119.99
 <u>Fund Balance</u>		
Balance Jan. 1	<u>140,165.26</u>	<u>45.27</u>
	344,056.75	140,165.26
Utilized as Revenue:		
Water & Sewer Operating Budget	<u>10,000.00</u>	<u>-</u>
	<u>10,000.00</u>	<u>-</u>
Balance Dec. 31	<u>\$ 334,056.75</u>	<u>\$ 140,165.26</u>

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2013

	Anticipated Budget	Realized	Excess (Deficit)
Operating Surplus Anticipated	\$ 10,000.00	\$ 10,000.00	
Water Rents	463,000.00	481,091.45	\$ 18,091.45
Sewer Rents	569,000.00	609,375.64	40,375.64
Water Connection Fees	10,000.00	71,670.00	61,670.00
Sewer Connection Fees	25,000.00	35,200.00	10,200.00
Water Miscellaneous	12,000.00	12,347.49	347.49
Sewer Miscellaneous	8,000.00	13,972.04	5,972.04
	<u>1,097,000.00</u>	<u>1,233,656.62</u>	<u>136,656.62</u>
Budget Totals	1,097,000.00	1,233,656.62	136,656.62
Non-Budget Revenue	-	2,364.64	2,364.64
	<u>\$ 1,097,000.00</u>	<u>\$ 1,236,021.26</u>	<u>\$ 139,021.26</u>

Analysis of Realized Revenues

Water Miscellaneous:

Receipts Collector:

Interest on Delinquent Rents
 Other Miscellaneous Fees

\$ 5,297.49
7,050.00
\$ 12,347.49

Sewer Miscellaneous:

Receipts Collector:

Interest on Delinquent Rents
 Other Miscellaneous Fees

\$ 13,902.04
70.00
\$ 13,972.04

Miscellaneous Revenue Not Anticipated:

Collector:

Miscellaneous

\$ 262.73

Chief Financial Officer:

Interest on Deposits
 Miscellaneous

30.48
1,418.80

\$ 1,712.01

Due from Utility Capital Fund:

Interest on Deposits

652.63

\$ 2,364.64

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
Operating:						
Salaries and Wages	\$ 125,000.00	\$ 140,000.00	\$ 137,629.28		\$ 2,370.72	
Other Expenses	371,964.00	356,964.00	324,474.18	\$ 19,135.37	13,354.45	
Total Operating	496,964.00	496,964.00	462,103.46	19,135.37	15,725.17	-
Capital Improvements:						
Capital Improvement Fund	6,500.00	6,500.00	6,500.00	-	-	-
Debt Service:						
Payment of Bond Principal	125,000.00	125,000.00	125,000.00			\$ 921.12
Interest on Bonds	59,836.00	59,836.00	58,914.88			9,978.33
Interest on Notes	10,000.00	10,000.00	21.67			5,033.46
Environmental Infrastructure Loan Principal and Interest	343,000.00	343,000.00	337,966.54			
Total Debt Service	537,836.00	537,836.00	521,903.09	-	-	15,932.91
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	44,700.00	44,700.00	44,700.00			
Unemployment Compensation Insurance	1,000.00	1,250.00	676.09		573.91	
Social Security System (O.A.S.I.)	10,000.00	9,750.00	8,710.38		1,039.62	
Total Deferred Charges and Statutory Expenditures	55,700.00	55,700.00	54,086.47	-	1,613.53	-
Total Water & Sewer Utility Appropriations	\$ 1,097,000.00	\$ 1,097,000.00	\$ 1,044,593.02	\$ 19,135.37	\$ 17,338.70	\$ 15,932.91
Disbursed Refunds			\$ 934,795.49			
Accrued Interest on Bonds and Notes			(1,562.44)			
			111,359.97			
			\$ 1,044,593.02			

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

TOWNSHIP OF WATERFORD
FIXED ASSET ACCOUNT GROUP
 Statement of General Fixed Asset Account Group
 As of December 31, 2013

	Balance Dec. 31, 2012	Additions	Deletions	Adjustments	Balance Dec. 31, 2013
General Fixed Assets:					
Land	\$ 1,921,600.00				\$ 1,921,600.00
Buildings	1,872,434.24				1,872,434.24
Machinery and Equipment	3,992,395.17	\$ 169,329.33	\$ 69,807.00	\$ 3,593.00	4,095,510.50
	<u>\$ 7,786,429.41</u>	<u>\$ 169,329.33</u>	<u>\$ 69,807.00</u>	<u>\$ 3,593.00</u>	<u>\$ 7,889,544.74</u>
Investment in General Fixed Assets:					
General Capital Fund	\$ 7,786,429.41	\$ 169,329.33	\$ 69,807.00	\$ 3,593.00	\$ 7,889,544.74

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

TOWNSHIP OF WATERFORD
Notes to Financial Statements
For the Year Ended December 31, 2013

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

Description of Financial Reporting Entity - The Township of Waterford was incorporated in 1798 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,649.

The form of Government is known as a Township pursuant to N.J.S.A. 40A:63-1 et seq. The government consists of five Committee Members who are elected at large to three year staggered terms. Under statute, the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor. The implementation of the policies of the governing body and the day-to-day operations are handled by the Director of Administration and Clerk.

Component Units - The financial statements of the component units of the Township of Waterford are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Waterford Township Free Public Library
 2204 Atco Avenue
 Waterford, New Jersey 08004

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Waterford contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Waterford accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Water/Sewer Utility Operating and Capital Funds - The Water/Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer Utility.

Budgets and Budgetary Accounting - The Township of Waterford must adopt an annual budget for its current and water/sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Waterford requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Township of Waterford School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Waterford School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2012 and decreased by the amount deferred at December 31, 2013.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

Note 2: **CASH AND CASH EQUIVALENTS (CONT'D)**

As of December 31, 2013, the Township's bank balances of \$6,320,573.03 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 81,141.84
Uninsured but Collateralized with Securities Held by Pledging Bank's Trust Department but not in the Township's Name	5,989,431.19
Insured and Collateralized with Securities Held by Pledging Financial Institutions	250,000.00
Total	\$ 6,320,573.03

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$5.453</u>	<u>\$5.406</u>	<u>\$5.198</u>	<u>\$5.111</u>	<u>\$4.925</u>
Apportionment of Tax Rate:					
Municipal	\$1.356	\$1.332	\$1.292	\$1.355	\$1.245
Municipal Library	.057	.061	.063		
County	1.318	1.303	1.243	1.205	1.088
County Open Space Preservation Trust Fund	.035	.038	.039	.000	.040
Local School	2.687	2.672	2.561	2.551	2.552

Assessed Valuation

2013	\$472,722,775.00
2012	470,608,051.00
2011	471,810,609.00
2010	473,777,254.00
2009	472,982,984.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$25,958,506.17	\$25,185,872.89	97.02%
2012	25,572,869.95	24,848,669.73	97.17%
2011	24,571,819.73	23,836,292.06	97.01%
2010	24,266,276.62	23,634,338.80	97.40%
2009	23,408,529.73	22,669,917.69	96.85%

Note 3: **PROPERTY TAXES (CONT'D)****Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$537,268.01	\$643,527.70	\$1,180,795.71	4.55%
2012	517,647.35	652,123.47	1,169,770.82	4.57%
2011	461,833.01	648,301.57	1,110,134.58	4.52%
2010	407,974.45	593,438.21	1,001,412.66	4.13%
2009	377,171.00	653,248.74	1,030,419.74	4.40%

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

<u>Year</u>	<u>Number</u>
2013	104
2012	102
2011	48
2010	29
2009	35

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2013	\$142,300.00
2012	142,300.00
2011	142,300.00
2010	142,300.00
2009	148,800.00

Note 5: **WATER/SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water/sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2013	\$42,272.28	\$8,404.74	\$1,098,815.51	\$1,149,492.53	\$1,090,467.09
2012	34,827.07	8,404.74	1,046,691.73	1,089,923.54	1,038,632.26
2011	33,219.61	7,617.22	949,665.60	990,502.43	946,383.48
2010	26,734.88	6,829.70	969,326.08	1,002,890.66	962,051.51
2009	21,069.69	6,132.18	829,551.10	856,752.97	823,110.92

Note 6: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2013	\$1,038,283.08	\$773,850.00	74.53%
2012	1,096,568.66	778,000.00	70.95%
2011	772,696.71	545,000.00	70.53%
2010	1,099,574.32	872,000.00	79.30%
2009	958,643.79	777,000.00	81.05%
<u>Water/Sewer Utility Operating Fund</u>			
2013	\$334,056.75	\$108,909.00	32.60%
2012	140,165.26	10,000.00	07.13%
2011	45.27	---	---
2010	84,045.27	84,000.00	99.95%
2009	23,052.15	23,000.00	99.77%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$194,099.33	---
Trust-- Other Funds	---	\$119,099.14
General Capital Fund	---	75,000.19
Water/Sewer Utility Operating Fund	11,000.00	---
Water/Sewer Utility Capital Fund	---	11,000.00
	<u>\$205,099.33</u>	<u>\$205,099.33</u>

The inter-fund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

The Township of Waterford contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Township</u>
2013	\$59,790.00	\$118,951.00	\$178,741.00	---	---	\$178,741.00
2012	69,125.00	116,065.00	185,190.00	---	---	185,190.00
2011	80,209.00	106,777.00	186,986.00	---	---	186,986.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 8: **PENSION PLANS (CONT'D)**

Police and Firemen's Retirement System (Cont'd) The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded By State</u>	<u>Paid by Township</u>
2013	\$182,109.00	\$219,897.00	\$402,006.00	---	---	\$402,006.00
2012	199,941.00	208,765.00	408,706.00	---	---	408,706.00
2011	290,974.00	216,357.00	507,331.00	---	---	507,331.00

Note 9: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

Plan Description - The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under 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. In 2001, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 2001-140. The Township assumes the entire cost of group health insurance for all employees who have retired after twenty-five years of service with the Township.

The State Health Benefits 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. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

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 SHBP for the years ended December 31, 2013, 2012, and 2011, were \$436,933.42, \$356,070.83 and \$306,162.18, respectively, which equaled the required contributions for each year. There were approximately 24, 20, and 19 retired participants eligible at December 31, 2013, 2012, and 2011, respectively.

Note 9: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)

In addition to the benefits described above, the Township provides post-employment dental and vision benefits to a previously retired police chief as required by his individual contract.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2013, the cost of this benefit resulted in the payment of \$1,818.60 in related health care premiums.

Note 10: COMPENSATED ABSENCES**Police Officers**

Vacation Time - All full-time police officers are entitled to vacation time varying from 120 working hours per year in the first year of employment to 360 working hours per year after completing 20 years of service plus 12 hours for each year over 20 years. Vacation time can be carried forward for a period of one year only.

Sick time - All police officers are entitled to 120 paid sick hours per year. Sick hours not taken may accrue and be carried forward for an amount not to exceed 720 hours. Hours earned and not taken which exceed the maximum are paid currently.

Compensatory time - All police officers are entitled to accumulate compensatory time in lieu of overtime in an amount not to exceed 200 hours.

Other Personnel

Vacation time - Full-time Township employees with at least one year of service are entitled to 11 to 31 vacation days per year depending on length of service. Unused vacation days not used during the year may be accumulated and carried forward for one year. Vacation days not used in the following year are not accumulated. Employees whose employment has terminated with the Township are entitled to be paid for unused vacation time from the current year and one-year prior.

Sick time - Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave is paid to the employee from a budget appropriation at year-end or in January of the following year.

Compensatory time - Employees have the option of taking compensatory time in lieu of cash payments for overtime. The employee may carry up to 40 hours of compensatory time to the following year. Compensatory time over 40 hours at December 31 are paid to the employee the following January.

Non-permanent or seasonal employees are not entitled to compensatory absences.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2013, accrued benefits for compensated absences are valued at \$927,985.58.

Note 11: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: **LEASE OBLIGATIONS**

At December 31, 2013, the Township had lease agreements in effect for the following:

- Capital:
 - Three (3) Dodge Chargers
 - Two (2) Ford Crown Victorias
 - One (1) Ford Explorer

- Operating:
 - Seven (7) Ricoh Copiers

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Vehicles	\$97,859.95	\$45,058.22

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$49,777.12
2015	30,849.48
2016	23,137.11

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$15,365.88
2015	15,365.88
2016	7,682.94

Rental payments under operating leases for the year 2013 were \$15,365.88.

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$7,425,394.18	\$6,289,377.16	\$5,854,376.51
Water/Sewer Utility:			
Bonds, Loans and Notes	3,184,685.83	3,535,228.95	3,947,441.14
Total Issued	10,610,080.01	9,824,606.11	9,801,817.65
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	---	223,250.00	922,331.00
Water/Sewer Utility:			
Bonds and Notes	---	---	---
Total Authorized but Not Issued	---	223,250.00	922,331.00
Total Issued and Authorized but Not Issued	10,610,080.01	10,047,856.11	10,724,148.65
Deductions:			
Funds Temporarily Held To Pay Notes	30,530.75	105,530.75	205,530.75
Self-liquidating Debt	3,184,685.83	3,535,228.95	3,874,699.34
Total Deductions	3,215,216.58	3,640,759.70	4,080,230.09
Net Debt	\$7,394,863.43	\$6,407,096.41	\$6,643,918.56

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .91%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$295,000.00	\$295,000.00	---
Water/Sewer Utility	3,184,685.83	3,184,685.83	---
General	7,425,394.18	30,530.75	7,394,863.43
	\$10,905,080.01	\$3,510,216.58	\$7,394,863.43

Net Debt \$7,394,863.43 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$815,909,062.33 equals .91%.

Note 13: **CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A.40A:2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$28,556,817.18
Net Debt	<u>7,394,863.43</u>
Remaining Borrowing Power	<u>\$21,161,953.75</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$1,236,021.26
Deductions:	
Operating and Maintenance Cost	\$552,664.00
Debt Service per Water/Sewer Fund	<u>521,903.09</u>
Total Deductions	<u>1,074,567.09</u>
Excess in Revenue	<u>\$161,454.17</u>

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

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Water/Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$500,000.00	\$159,187.50	\$135,000.00	\$55,578.13	\$849,765.63
2015	510,000.00	138,662.50	150,000.00	49,937.50	848,600.00
2016	535,000.00	117,275.00	165,000.00	43,621.88	860,896.88
2017	500,000.00	101,975.00	170,000.00	36,618.76	808,593.76
2018	500,000.00	84,725.00	175,000.00	29,140.63	788,865.63
2019-23	1,890,000.00	162,275.00	535,000.00	69,731.25	2,657,006.25
2024			106,000.00	3,975.00	109,975.00

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Water/Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$37,981.36	\$7,223.92	\$296,860.39	\$52,573.91	\$394,639.58
2015	38,744.78	6,460.50	232,179.01	44,660.51	322,044.80
2016	39,523.56	5,681.73	189,319.92	41,306.46	275,831.67
2017	40,317.98	4,887.30	194,627.36	37,772.31	277,604.95
2018	41,128.38	4,076.92	201,790.31	31,937.05	278,932.66
2019-22	172,948.12	7,873.00	573,908.84	56,485.51	811,215.47

Note 14: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$132,745.00	\$46,185.00

The appropriations in the 2014 Budget as adopted are not less than that required by the statutes.

Note 15: **SCHOOL TAXES**

Waterford Township Local School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2013</u>	<u>2012</u>
Balance of Tax	\$6,350,878.43	\$6,287,462.59
Deferred	4,200,000.00	4,200,000.00
	<u>\$2,150,878.43</u>	<u>\$2,087,462.59</u>

Note 16: **JOINT INSURANCE POOL**

The Township of Waterford is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

- Public Employee Dishonesty
- Workers' Compensation
- Employer's Liability
- Public Officials Liability
- Employment Practices Liability
- Property - Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Crime and Excess Crime

Note 16: **JOINT INSURANCE POOL (CONT'D)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
 P.O. Box 488
 Marlton, New Jersey 08053

Note 17: **LITIGATION**

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Township of Waterford authorized a Special Emergency Appropriation in the amount of \$400,000.00 for the Revaluation of Real Property. The Special Emergency Appropriation will be raised in the Current Fund Budget over a five year period.

Subsequent to December 31, the Township of Waterford authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Water & Sewer Utility Capital: Bonds and Notes:		
Water Tower Improvements	June 11, 2014	<u>\$750,000.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2013

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2012	\$ 3,562,136.41	\$ 126,012.00
Increased by Receipts:		
Received from Collector	\$ 25,977,679.81	
Revenue Accounts Receivable	542,517.65	
Due from State of New Jersey, Ch. 20, P.L. 1971	125,530.69	
Miscellaneous Revenue not Anticipated	94,994.24	
Energy Receipts Tax	1,070,490.72	
Consolidated Municipal Property Tax Relief Aid	46,450.00	
Garden State Preservation Trust Fund	187,735.00	
Cable TV Franchise Fees	138,058.21	
Reserve for Sale of Municipal Assets	2,747.00	
2013 Appropriation Refunds	198,736.95	
Construction Code--State Training Fees	9,648.00	
Due Current Fund		\$ 100,000.00
Due Trust Other Fund -- Collector	175.74	
Due Trust Other Fund -- Chief Financial Officer	286.30	
Due Animal Control Fund	14.97	
Due General Capital Fund	774.82	
Federal and State Grants Receivable		120,066.66
Contra	86.99	
	<u>28,395,927.09</u>	<u>220,066.66</u>
	31,958,063.50	346,078.66
Decreased by Disbursements:		
2013 Appropriations	8,796,368.10	
2012 Appropriation Reserves	44,521.95	
County Taxes Payable	6,390,130.44	
Due County for Added and Omitted Taxes	32,687.93	
Local School Taxes Payable	12,638,435.16	
Tax Overpayments	37,512.64	
Construction Code--State Training Fees	10,877.00	
Due Federal and State Grant Fund	100,000.00	
Operations - Refund of Prior Year Revenue	31.70	
Federal and State Grants--Appropriated		210,729.31
Grant Fund Encumbrances		380.00
Contracts Payable	10,875.00	
Due Trust Other Fund	116,650.77	
Contra	86.99	
	<u>28,178,177.68</u>	<u>211,109.31</u>
Balance Dec. 31, 2013	<u>\$ 3,779,885.82</u>	<u>\$ 134,969.35</u>

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	130,424.90
Increased by Receipts:			
Taxes Receivable	\$ 25,517,301.00		
Tax Title Liens	24,271.00		
Interest and Cost on Taxes	132,910.62		
2014 Prepaid Taxes	191,637.99		
Tax Overpayments	89,574.31		
Revenue Accounts Receivable	1,166.29		
Contra	4,705.11		
Due Bank	27,629.99		
Due CCMUA	44,078.28		
Miscellaneous Revenue not Anticipated	<u>9,877.39</u>		
			<u>26,043,151.98</u>
			26,173,576.88
Decreased by Disbursements:			
Payments to Chief Financial Officer	25,977,679.81		
Due CCMUA	44,078.28		
Due Bank	5,509.88		
Contra	<u>4,705.11</u>		
			<u>26,031,973.08</u>
Balance Dec. 31, 2013		\$	<u><u>141,603.80</u></u>

TOWNSHIP OF WATERFORD
 CURRENT FUND
 Schedule of Change Funds
 For the Year Ended December 31, 2013

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 100.00
Municipal Clerk	50.00
Police Department	20.00
Municipal Court	<u>200.00</u>
	<u><u>\$ 370.00</u></u>

CURRENT FUND
 Statement of Due From (To) State of New Jersey
 CH. 20, P.L. 1971
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012 (Due From)				\$ 6,549.13
Increased by:				
2013 Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 125,500.00			
2013 Senior Citizens' and Veterans' Deductions Allowed by Collector	<u>3,500.00</u>			
			\$ 129,000.00	
Less:				
2013 Senior Citizens' and Veterans' Deductions Disallowed by Collector			9,600.60	
Operations -- Prior Years Senior Citizens' and Veterans' Deductions Disallowed by Collector			<u>2,500.00</u>	
				<u>116,899.40</u>
				123,448.53
Decreased by:				
Collections				<u>125,530.69</u>
Balance Dec. 31, 2013 (Due To)				<u><u>\$ 2,082.16</u></u>

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2013

Year	Balance Dec. 31, 2012	2013 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2013
				2013	2012					
2009	\$ 854.13			\$ 854.13						678.58
2010	1,521.82			843.24						4,076.85
2011	4,076.85									16,586.72
2012	645,670.67		\$ 2,500.00	601,394.95		\$	29,616.11	\$ 1.02	\$ 571.87	21,342.15
	652,123.47	-	2,500.00	603,092.32	-	-	29,616.11	1.02	571.87	
2013	\$ 652,123.47	\$ 25,958,506.17	2,365.90	24,914,208.68	\$ 152,264.81	\$ 119,399.40	109,630.44		43,183.19	622,185.55
	\$ 652,123.47	\$ 25,958,506.17	4,865.90	25,517,301.00	\$ 152,264.81	\$ 119,399.40	139,246.55	\$ 1.02	\$ 43,755.06	\$ 643,527.70

Tax Yield
 Analysis of 2013 Property Tax Levy

General Purpose Tax	\$ 25,777,575.32
Added / Omitted Taxes	<u>180,930.85</u>
	<u>\$ 25,958,506.17</u>

Tax Levy

Local District School Tax	\$ 12,701,851.00
County Taxes:	
County Tax	\$ 6,227,047.27
Open Space Tax	163,083.17
County for Added and Omitted Taxes	<u>44,892.26</u>

Total County Taxes	6,435,022.70
Local Tax for Municipal Purposes	6,412,515.20
Minimum Tax for Library Purposes	270,288.80
Add: Additional Tax Levied	<u>138,828.47</u>

Local Tax for Municipal Purposes Levied	<u>6,821,632.47</u>
	<u>\$ 25,958,506.17</u>

TOWNSHIP OF WATERFORD

CURRENT FUND

Statement of Tax Title Liens Receivable and Property Maintenance Liens Receivable
For the Year Ended December 31, 2013

	Tax <u>Title Liens</u>	Property Maintenance <u>Liens</u>	<u>Total</u>
Balance Dec. 31, 2012	\$ 517,647.35	\$ 80,337.55	\$ 597,984.90
Increased by:			
Transfers from Taxes Receivable	43,755.06		43,755.06
Interest and Costs on Taxes	136.60		136.60
	<u>43,891.66</u>	<u>-</u>	<u>43,891.66</u>
	561,539.01	80,337.55	641,876.56
Decreased by:			
Receipts -- Collector	<u>24,271.00</u>	<u>-</u>	<u>24,271.00</u>
Balance Dec. 31, 2013	<u>\$ 537,268.01</u>	<u>\$ 80,337.55</u>	<u>\$ 617,605.56</u>

TOWNSHIP OF WATERFORD
CURRENT FUND

Statement of Revenue Account Receivable
For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Accrued in 2013	Chief Financial Officer	Collected by Tax Collector	Due from General Capital Fund	Due from Animal Control Fund	Due from Trust Other Fund	Balance Dec. 31, 2013
Clerk:								
Licenses:								
Alcoholic Beverages		\$ 9,550.00	\$ 9,550.00					
Other		4,843.00	4,843.00					
Fees and Permits -- Other:								
Clerk - Other	\$ 487.21	29,712.62	22,390.72					\$ 7,809.11
Planning Board		3,270.00	3,270.00					
Zoning Board		4,045.00	4,045.00					
Police Department		5,731.50	5,731.50					
Property Maintenance		4,900.00	4,900.00					
Tax Search Officer		570.00		\$ 570.00				
Uniform Construction Code Fees		169,254.00	169,254.00					
Municipal Court Fines and Costs	17,693.19	311,434.26	309,764.27					19,363.18
Interest on Investments:								
Current Fund		9,227.92	8,631.63	596.29				
General Capital Fund		774.82			\$ 774.82			
Animal Control Fund		14.97				\$ 14.97		
Trust Other Fund		546.87						546.87
Township Clerk		8.83	8.83					
Municipal Court		128.70	128.70					
	\$ 18,180.40	\$ 554,012.49	\$ 542,517.65	\$ 1,166.29	\$ 774.82	\$ 14.97	\$ 546.87	\$ 27,172.29

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012		Balance After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages		\$ 1,555.52	\$ 1,555.52		\$ 1,555.52
Other Expenses	\$ 29.95	774.00	803.95	\$ 729.95	74.00
Postage		5,945.31	5,945.31		5,945.31
Office Supplies and Equipment Maintenance		29.22	29.22		29.22
Township Committee					
Salaries and Wages		131.23	131.23		131.23
Other Expenses	427.84	1,516.68	1,944.52	427.84	1,516.68
Municipal Clerk					
Salaries and Wages		4,728.05	4,728.05		4,728.05
Other Expenses	2,699.34	1,555.72	4,255.06	2,699.34	1,555.72
Elections					
Salaries and Wages		500.00	500.00		500.00
Other Expenses		1,124.98	1,124.98		1,124.98
Financial Administration					
Salaries and Wages		10.28	10.28		10.28
Other Expenses	389.88	681.63	1,071.51	389.88	681.63
Collection of Taxes					
Salaries and Wages		9.89	9.89		9.89
Other Expenses	180.90	2,638.42	2,819.32	180.90	2,638.42
Assessment of Taxes					
Salaries and Wages		817.24	817.24		817.24
Other Expenses	29.95	2,399.70	2,429.65	29.95	2,399.70
Legal Services and Costs					
Other Expenses	4,198.35	3,075.76	7,274.11	6,088.35	1,185.76
Engineering Services and Costs					
Other Expenses		8,037.50	8,037.50		8,037.50
Municipal Court					
Salaries and Wages		1,144.31	1,144.31		1,144.31
Other Expenses	804.90	1,077.86	1,882.76	942.40	940.36
Land Use Administration					
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning & Zoning Boards					
Salaries and Wages		247.09	247.09		247.09
Other Expenses	1,829.95	1,102.78	2,932.73	1,829.95	1,102.78
Public Defender					
Other Expenses		8,000.00	8,000.00		8,000.00
Economic Development Committee					
Other Expenses		8,900.00	8,900.00		8,900.00
INSURANCE					
Unemployment Compensation Insurance		449.81	449.81	449.81	
Other Insurance		6,330.00	6,330.00		6,330.00
Workers Compensation Insurance		8,861.00	8,861.00		8,861.00
Group Insurance for Employees		1,172.19	1,172.19		1,172.19
Health Benefit Waiver		175.51	175.51		175.51
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		15,621.16	15,621.16		15,621.16
Other Expenses	8,143.51	34,673.59	42,817.10	8,652.79	34,164.31
Leases -- Police Vehicles		1,567.68	1,567.68		1,567.68
Fire Hydrant Services		300.00	300.00		300.00
Aid to Volunteer Ambulance Association					
Other Expenses	3,205.33	8,006.04	11,211.37	3,214.43	7,996.94
Fire					
Other Expenses	8,069.28	20,109.29	28,178.57	12,285.27	15,893.30
Emergency Responders Stipend Program		1,420.01	1,420.01		1,420.01
PUBLIC WORKS FUNCTIONS					
Office of Emergency Management					
Other Expenses		100.00	100.00		100.00
Road Repairs and Maintenance					
Salaries and Wages		8,946.55	8,946.55		8,946.55
Other Expenses	471.17	11,592.87	12,064.04	607.56	11,456.48

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012		Balance After Modification		Balance Lapsed
	Encumbered	Reserved	Decreased	Decreased	Lapsed
PUBLIC WORKS FUNCTIONS (CONT'D)					
Snow Removal					
Salaries and Wages		\$ 1,918.95	\$ 1,918.95		\$ 1,918.95
Other Expenses		3,407.50	3,407.50		3,407.50
Garbage and Trash Removal					
Contractual		26,090.73	26,090.73		26,090.73
Recycling					
Collection - Contractual		30,445.05	30,445.05		30,445.05
Public Buildings and Grounds					
Salaries and Wages		8,053.62	8,053.62		8,053.62
Other Expenses	\$ 783.59	11,478.39	12,261.98	\$ 801.93	11,460.05
Municipal Garage					
Salaries and Wages		88.41	88.41		88.41
Other Expenses	7,805.39	5,010.09	12,815.48	7,927.43	4,888.05
HEALTH AND HUMAN SERVICES					
Environmental Commission					
Other Expenses		160.00	160.00		160.00
Dog Regulation					
Other Expenses	1,403.00	6,759.55	8,162.55	2,603.00	5,559.55
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Salaries and Wages		2,055.09	2,055.09		2,055.09
Other Expenses	425.00	434.58	859.58	425.00	434.58
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		20.87	20.87		20.87
Safety Projects	600.33	953.17	1,553.50	600.33	953.17
<u>State Uniform Construction Code Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		55.17	55.17		55.17
Other Expenses	59.90	1,598.18	1,658.08	59.90	1,598.18
<u>Unclassified</u>					
<u>Utilities:</u>					
Electricity	921.01	3,002.24	3,923.25	921.01	3,002.24
Street Lighting	151.05	6,475.94	6,626.99	151.05	6,475.94
Telephone and Telegraph		177.21	177.21		177.21
Water		47.54	47.54		47.54
Natural Gas		2,941.99	2,941.99		2,941.99
Sewerage Processing and Disposal		430.36	430.36		430.36
Gasoline		11,061.85	11,061.85		11,061.85
Solid Waste Disposal Fees					
Other Expenses	654.52	34,669.68	35,324.20	654.52	34,669.68
DEFERRED CHARGES					
AND STATUTORY EXPENDITURES					
<u>Statutory Expenditures:</u>					
Social Security System (O.A.S.I.)		6,229.79	6,229.79		6,229.79
OPERATIONS EXCLUDED FROM "CAPS"					
Solid Waste Disposal Fees					
Recycling Tax		12,302.93	12,302.93		12,302.93
Interlocal Service Agreement					
Matching Funds for Grants		2,500.00	2,500.00		2,500.00
Maintenance of Free Public Library					
Contribution		0.04	0.04		0.04
	\$ 43,284.14	\$ 353,697.79	\$ 396,981.93	\$ 52,672.59	\$ 344,309.34

Disbursed				\$ 44,521.95
Transferred to Accounts Payable				8,150.64
				\$ 52,672.59

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012 (2013 Taxes)	\$	152,264.81
Increased by:		
Receipts -- Collector -- 2014 Taxes		191,637.99
		343,902.80
Decreased by:		
Application to 2013 Taxes Receivable		152,264.81
Balance Dec. 31, 2013 (2014 Taxes)	\$	191,637.99

CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	1.02
Increased by:		
Receipts -- Collector		89,574.31
		89,575.33
Decreased by:		
Refunds - Chief Financial Officer	\$	37,512.64
Application to Taxes Receivable		1.02
		37,513.66
Balance Dec. 31, 2013	\$	52,061.67

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Due to State of New Jersey
Uniform Construction Code--State Training Fees
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 2,497.00
Increased by:	
Collections	<u>9,648.00</u>
	12,145.00
Decreased by:	
Payments	<u>10,877.00</u>
Balance Dec. 31, 2013	<u><u>\$ 1,268.00</u></u>

CURRENT FUND
Statement of Reserve for Sale of Municipal Assets
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 79,754.00
Increased by:	
Collections	<u>2,747.00</u>
Balance Dec. 31, 2013	<u><u>\$ 82,501.00</u></u>

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	32,687.93
Increased by:		
County Share of Added / Omitted Taxes		44,892.26
		77,580.19
Decreased by:		
Payments		32,687.93
Balance Dec. 31, 2013	\$	44,892.26

CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2013

Balance Dec. 31, 2012:		
School Tax Payable	\$	2,087,462.59
School Tax Deferred		4,200,000.00
	\$	6,287,462.59
Increased by:		
Levy--School Year July 1, 2013 to June 30, 2014		12,701,851.00
		18,989,313.59
Decreased by:		
Payments		12,638,435.16
Balance Dec. 31, 2013:		
School Tax Payable	2,150,878.43	
School Tax Deferred		4,200,000.00
		\$ 6,350,878.43
2013 Liability for Local District School Tax:		
Tax Paid	\$	12,638,435.16
Tax Payable Dec. 31, 2013		2,150,878.43
		14,789,313.59
Less: Tax Payable Dec. 31, 2012		2,087,462.59
Amount Charged to 2013 Operations	\$	12,701,851.00

TOWNSHIP OF WATERFORD
CURRENT FUND

Statement of Deferred Charges
 N.J.S.40A:4-55 -- Special Emergencies
 For the Year Ended December 31, 2013

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2012</u>	<u>Added in 2013</u>	<u>Reduced in 2013</u>	<u>Balance Dec. 31, 2013</u>
11-11-09	Preparation of Master Plan	\$ 25,225.00	\$ 5,045.00	\$ 10,090.00		\$ 5,045.00	\$ 5,045.00
12-14-11	Preparation of Tax Map	195,000.00	39,000.00	156,000.00		39,000.00	117,000.00
11-13-13	Codification of Ordinances	10,700.00	2,140.00		\$ 10,700.00		10,700.00
				<u>\$ 166,090.00</u>	<u>\$ 10,700.00</u>	<u>\$ 44,045.00</u>	<u>\$ 132,745.00</u>

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For Federal and State Grants--Receivable
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Federal:				
Emergency Management	-	\$ 141,360.00	-	\$ 141,360.00
State:				
Clean Communities Grant		24,024.14	\$ 24,024.14	
Alcohol Education and Rehabilitation		2,902.61	2,902.61	
Drunk Driving Enforcement Grant		5,259.91	5,259.91	
Safe and Secure Communities Program	\$ 22,500.00	60,000.00	67,500.00	15,000.00
Recycling Tonnage Grant		17,482.53	17,482.53	
Body Armor Replacement Grant		2,897.47	2,897.47	
Total State Grants	<u>22,500.00</u>	<u>112,566.66</u>	<u>120,066.66</u>	<u>15,000.00</u>
Total All Grants	<u>\$ 22,500.00</u>	<u>\$ 253,926.66</u>	<u>\$ 120,066.66</u>	<u>\$ 156,360.00</u>

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For State Grants--Unappropriated
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2013 Budget</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Federal:				
Emergency Management	-	\$ 141,360.00	\$ 141,360.00	-
State:				
Clean Communities Grant		24,024.14	24,024.14	
Alcohol Education and Rehabilitation Fund		2,902.61	2,902.61	
Drunk Driving Enforcement Grant		5,259.91	5,259.91	
Safe and Secure Communities Program		60,000.00	60,000.00	
Recycling Tonnage Grant	\$ 16,639.33	17,482.53	16,639.33	\$ 17,482.53
Body Armor Replacement Fund	2,338.88	2,897.47	2,338.88	2,897.47
Total State Grants	18,978.21	112,566.66	111,164.87	20,380.00
Total All Grants	\$ 18,978.21	\$ 253,926.66	\$ 252,524.87	\$ 20,380.00

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants--Appropriated
For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012</u>	<u>Transferred from 2013 Budget Appropriation</u>	<u>Decreased</u>	<u>Encumbrances Canceled</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:					
Emergency Management		\$ 141,360.00	\$ 141,360.00		
Storm Water Regulation	\$ 7,940.57		5,000.00		\$ 2,940.57
Total Federal Grants	<u>7,940.57</u>	<u>141,360.00</u>	<u>146,360.00</u>	<u>-</u>	<u>2,940.57</u>
State Grants:					
Clean Communities Grant	25,220.81	24,024.14	24,806.34		24,438.61
Drunk Driving Enforcement Grant	16,855.09	5,259.91	784.66	\$ 225.00	21,555.34
Alcohol Education and Rehabilitation	15,848.94	2,902.61	6,075.00		12,676.55
Recycling Tonnage Grant	20,431.77	16,639.33	180.00		36,891.10
Safe and Secure Communities Program	4,786.00	160,000.00	164,786.00		
Tree Planting Grant	4,875.91				4,875.91
Body Armor Replacement	2,374.56	2,338.88			4,713.44
Total State Grants	<u>90,393.08</u>	<u>211,164.87</u>	<u>196,632.00</u>	<u>225.00</u>	<u>105,150.95</u>
Local Grants:					
County Recycling Rebate Grant	12,895.14		7,207.25		5,687.89
Comcast Technology Grant	17,360.00		11,014.45		6,345.55
Total Local Grants	<u>30,255.14</u>	<u>-</u>	<u>18,221.70</u>	<u>-</u>	<u>12,033.44</u>
Total All Grants	<u>\$ 128,588.79</u>	<u>\$ 352,524.87</u>	<u>\$ 361,213.70</u>	<u>\$ 225.00</u>	<u>\$ 120,124.96</u>
Disbursed			\$ 210,729.31		
Contracts Payable			141,360.00		
Reserve for Encumbrances			<u>9,124.39</u>		
			<u>\$ 361,213.70</u>		

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WATERFORD
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2013

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2012	\$ 1,062.80	\$ 152,015.80
Increased by Receipts:		
Reserve for Animal Control Fund Expenditures	\$ 27,719.00	
Due Current Fund	14.97	\$ 117,021.90
Due County of Camden -- Municipal Alliance		10,743.62
Due County of Camden -- CDBG		89,791.66
Due Vendors -- Police Outside Services		3,160.00
Reserve for Parking Offenses Adjudication Act		60.00
Reserve for Celebration of Public Events		5.88
Reserve for Payroll Deductions Payable		1,598,052.87
Reserve for Net Payroll		2,223,446.01
Reserve for Recreation Contributions		8,950.00
Reserve for Developers' Escrow Deposits		46,239.85
Reserve for Police Outside Services		37,585.00
Reserve for Public Defender		11,241.00
Reserve for Municipal Alliance		1,010.71
Reserve for Forfeited Property		20,567.71
	<u>27,733.97</u>	<u>4,167,876.21</u>
	28,796.77	4,319,892.01
Decreased by Disbursements:		
Due Current Fund	14.97	286.30
Prepaid Payroll		116,650.77
Reserve for Encumbrances	125.00	
Expenditures Under R.S.4:19-15.11	16,186.32	
Reserve for Payroll Deductions Payable		1,591,340.41
Reserve for Net Payroll		2,223,446.01
Reserve for Recreation Contributions		17,073.53
Reserve for Developers' Escrow Deposits		31,608.44
Reserve for Community Development Block Grant		85,556.91
Reserve for Police Outside Services		34,185.00
Reserve for Public Defender		8,000.00
Reserve for Municipal Alliance		5,796.79
Reserve for Forfeited Property		770.00
	<u>16,326.29</u>	<u>4,114,714.16</u>
Balance Dec. 31, 2013	<u>\$ 12,470.48</u>	<u>\$ 205,177.85</u>

TOWNSHIP OF WATERFORD
TRUST FUNDS
 Statement of Trust Cash
 Per N.J.S.40A:5-5--Collector
 For the Year Ended December 31, 2013

		<u>Other Funds</u>
Balance Dec. 31, 2012		\$ 175,530.81
Increased by Receipts:		
Due Current Fund	\$ 175.74	
Contra	57,666.08	
Reserve for Tax Title Lien Redemptions	293,508.76	
Reserve for Premiums Received at Tax Sale	<u>140,000.00</u>	
		<u>491,350.58</u>
		666,881.39
Decreased by Disbursements:		
Due Current Fund	175.74	
Contra	57,666.08	
Reserve for Tax Title Lien Redemptions	312,886.68	
Reserve for Premiums Received at Tax Sale	<u>132,700.00</u>	
		<u>503,428.50</u>
Balance Dec. 31, 2013		<u><u>\$ 163,452.89</u></u>

ANIMAL CONTROL TRUST FUND
 Statement of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 958.00
Increased by:		
Due from Municipal Clerk		<u>32,872.00</u>
		33,830.00
Decreased by:		
Expenditures Under R.S.4:19-15.11:		
Disbursements	\$ 16,186.32	
Reserve for Encumbrances	7,004.50	
Statutory Excess Due Current Fund	<u>2,018.38</u>	
		<u>25,209.20</u>
Balance Dec. 31, 2013		<u><u>\$ 8,620.80</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 1,992.80
2012	<u>6,628.00</u>
	<u><u>\$ 8,620.80</u></u>

TOWNSHIP OF WATERFORD
 TRUST OTHER FUNDS
 Schedule of Due From Camden County
 Community Development Block Grant Program
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	94,691.66
Increased by:			
Entitlement -- Year 35			26,100.00
			120,791.66
Decreased by:			
Receipts			89,791.66
Balance Dec. 31, 2013		\$	31,000.00
<u>Analysis of Balance Dec. 31, 2013</u>			<u>Amount</u>
Year 34		\$	4,900.00
Year 35			26,100.00
		\$	31,000.00

TRUST OTHER FUNDS
 Statement of Due To Current Fund
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	345.16
Increased by:			
Chief Financial Officer Receipts:			
Interest Earned -- Current Budget Revenue	\$		371.13
Interfund Loans			116,650.77
Collector Receipts:			
Interest Earned -- Current Budget Revenue			175.74
			117,197.64
Decreased by:			117,542.80
Disbursements:			
Interfund Loans Returned -- Chief Financial Officer		286.30	
Interfund Loans Returned -- Collector		175.74	
			462.04
Balance Dec. 31, 2013		\$	117,080.76

TOWNSHIP OF WATERFORD
TRUST -- OTHER FUND
 Statement of Trust Other Reserves
 For the Year Ended December 31, 2013

Reserve	Balance Dec. 31, 2012	Increased			Decreased			Balance Dec. 31, 2013
		Receipts	Due from Vendors	Entitlements	Contracts Payable and Encumbrance Adjustments	Disbursements	Due to State of NJ - VCCB	
Reserve for Recreation Contributions	\$ 13,479.06	\$ 8,950.00			\$ 1,818.53	\$ 17,073.53		\$ 7,174.06
Reserve for Parking Offenses Adjudication Act	288.00	60.00						348.00
Reserve for Celebration of Public Events	2,829.87	5.88						2,835.75
Reserve for Payroll Deductions Payable	30,467.75	1,598,052.87				1,591,340.41		37,180.21
Reserve for Net Payroll		2,223,446.01				2,223,446.01		
Reserve for Developers' Escrow Deposits	32,693.11	46,239.85			4,978.69	31,608.44	\$ 15,607.50	36,695.71
Reserve for Tax Title Lien Redemptions	20,530.81	293,508.76				312,886.68		1,152.89
Reserve for Premiums Received at Tax Sale	155,000.00	140,000.00	\$ 26,100.00			132,700.00		162,300.00
Reserve for Community Development Block Grant	5,448.63					85,556.91		36,932.97
Reserve for Retention Basin Maintenance	20,000.00							20,000.00
Reserve for Police Outside Services	1,990.00	37,585.00				34,185.00		5,390.00
Reserve for Public Defender	11,550.00	11,241.00				8,000.00	\$ 1,773.44	13,157.56
Reserve for Maintenance Guarantees	6,399.05							6,399.05
Reserve for Municipal Alliance	12,600.96							23,209.07
Reserve for Forfeited Property	21,284.16	1,010.71		13,176.00		5,796.79	995.00	41,081.87
Reserve for Uniform Fire Safety Act	50.00	20,567.71				770.00		50.00
Reserve for Historic Commission								
Reserve for Encumbrances	10,150.41						(16,602.50)	16,602.50
Contracts Payable	90,941.25				(10,150.41)			
					(90,941.25)			
	<u>\$ 435,703.06</u>	<u>\$ 4,380,667.79</u>	<u>\$ -</u>	<u>\$ 39,276.00</u>	<u>\$ -</u>	<u>\$ 4,443,363.77</u>	<u>\$ 1,773.44</u>	<u>\$ 410,509.64</u>

Chief Financial Officer
 Collector

\$ 3,947,159.03
445,586.68
 \$ 3,997,777.09

\$ 4,380,667.79
4,443,363.77
 \$ 4,443,363.77

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 261,173.41
Increased by Receipts:		
Due Current Fund	\$ 774.82	
Capital Improvement Fund	75,000.00	
Fund Balance -- Premium Received	2,253.14	
Bond Anticipation Notes	2,569,750.00	
Due from Economic Development Authority	25,000.00	
Due from NJDOT	121,987.50	
Contra	<u>8,270.46</u>	
		<u>2,803,035.92</u>
		3,064,209.33
Decreased by Disbursements:		
Improvement Authorizations	923,563.22	
Reserve for Encumbrances	13,125.82	
Contracts Payable	47,494.26	
Due Current Fund	774.82	
Bond Anticipation Notes	921,500.00	
Contra	<u>8,270.46</u>	
		<u>1,914,728.58</u>
Balance Dec. 31, 2013		<u><u>\$ 1,149,480.75</u></u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 5,367,877.16
Decreased by:		
2013 Budget Appropriation:		
Serial Bonds	\$ 475,000.00	
Green Acres Loan	<u>37,232.98</u>	
		<u>512,232.98</u>
Balance Dec. 31, 2013		<u>\$ 4,855,644.18</u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Ordinance	2012		2013		Analysis of Balance Dec. 31, 2013	
			Balance Dec. 31, 2012	Authorizations	Balance Dec. 31, 2013	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
11-4.1	Purchase of Public Works Equipment	6-22-11	\$ 66,500.00		\$ 66,500.00	\$ 66,500.00		
11-4.2	Purchase of Police Vehicles and Equipment	6-22-11	114,000.00		114,000.00	114,000.00		
11-4.3	Road Overlay, Drainage and Stormwater Projects	6-22-11	133,000.00		133,000.00	133,000.00		
11-4.4	Municipal Building Renovations	6-22-11	313,500.00		313,500.00	313,500.00		
11-4.5	Purchase of Office Equipment	6-22-11	99,750.00		99,750.00	99,750.00		
11-4.6	Purchase of Fire Department Equipment	6-22-11	99,750.00		99,750.00	99,750.00		
11-20	Construction of Emergency Services Facility	11-21-11	95,000.00		95,000.00	95,000.00		
12-12	Drainage and Resurfacing Improvements	9-12-12	66,500.00		66,500.00	66,500.00		
12-20	Renovation of Public Works Garage	12-19-12	156,750.00		156,750.00	156,750.00		
13-11.1; 13-14.1	Acquisition of Public Works Building	6-12-13		\$ 66,500.00	66,500.00	66,500.00		
13-11.2; 13-14.2	Various Improvements to the Public Works Building	6-12-13		427,500.00	427,500.00	427,500.00		
13-11.3; 13-14.3	Purchase of Office Equipment	6-12-13		23,750.00	23,750.00	23,750.00		
13-11.4; 13-14.4	Acquisition of Fire Department Equipment	6-12-13		9,500.00	9,500.00	9,500.00		
13-11.5; 13-14.5	Acquisition of Police Department Equipment	6-12-13		47,500.00	47,500.00	47,500.00		
13-11.6; 13-14.6	Various Improvements to Recreational Facilities	6-12-13		71,250.00	71,250.00	71,250.00		
13-11.7; 13-14.7	Reconstruction and Resurfacing of Various Roads	6-12-13		665,000.00	665,000.00	665,000.00		
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	6-12-13		66,500.00	66,500.00	66,500.00		
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	6-12-13		47,500.00	47,500.00	47,500.00		
			<u>\$ 1,144,750.00</u>	<u>\$ 1,425,000.00</u>	<u>\$ 2,569,750.00</u>	<u>\$ 2,569,750.00</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 48,409.46
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		630,852.42
		679,261.88
Decreased by:		
Disbursements		47,494.26
Balance Dec. 31, 2013		\$ 631,767.62

Schedule of Contracts Payable Dec. 31, 2013

<u>Vendor:</u>	<u>Ordinance Number</u>	<u>Amount</u>
CME Associates	12-12	\$ 915.20
Dimeglio Construction Co. Inc.	12-20	75,573.00
Old Dominion Brush Co.	13-11.1; 13-14.1	40,491.00
Ranco Construction	13-11.2; 13-14.2	391,581.70
Amechi Corporation	13-11.6; 13-14.6	45,727.00
Asphalt Paving Systems, Inc.	13-11.7; 13-14.7	77,479.72
		\$ 631,767.62

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 0.19
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 774.82	
Realized as Current Fund Budget Revenue Reserve for Payment of Debt	75,000.00	
		75,774.82
		75,775.01
Decreased by:		
Disbursed:		
Interest Earnings		774.82
Balance Dec. 31, 2013		\$ 75,000.19

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2012		2013 Authorizations		Balance Dec. 31, 2013	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Funded	Unfunded
05-12.3; 07-1.3	Construction of Public Works Building	7-13-05	\$ 200,000.00	\$ 6,177.92				\$ 3,897.92	
05-17	Installation of Lighting at Burnt Mill Complex	9-28-05	100,000.00	17,501.37				17,501.37	
09-14.2	Road Overlay Program	12-16-09	150,000.00		\$ 382.67			382.67	
09-14.3	Drainage and Stormwater Management	12-16-09	100,000.00	182.00				182.00	
09-14.4	Municipal Building Improvements	12-16-09	106,000.00	1,032.86				1,032.86	
11-4.1	Purchase of Public Works Equipment	6-22-11	70,000.00		2,585.23				\$ 622.23
11-4.2	Purchase of Police Vehicles and Equipment	6-22-11	120,000.00		6,781.86				95,726.56
11-4.3	Road Overlay, Drainage and Stormwater Projects	6-22-11	140,000.00		97,151.56				8,705.56
11-4.4	Municipal Building Renovations	6-22-11	330,000.00		14,508.17				10,404.67
11-4.5	Purchase of Office Equipment	6-22-11	105,000.00		28,299.18				16,103.86
11-11	WHP Corridor Redevelopment Project	8-24-11	50,000.00		16,103.86				0.01
11-20	Construction of Emergency Services Facility	11-21-11	100,000.00		0.01				60,187.12
12-12	Drainage and Resurfacing Improvements	9-12-12	300,000.00	174,375.00	66,500.00				13,427.00
12-20	Renovation of Public Works Garage	12-19-12	165,000.00	8,250.00					14,014.00
13-11.1; 13-14.1	Acquisition of Public Works Equipment	6-12-13	70,000.00		156,750.00				58,418.30
13-11.2; 13-14.2	Various Improvements to the Public Works Building	6-12-13	450,000.00			\$ 3,500.00	\$ 66,500.00		23,750.00
13-11.3; 13-14.3	Purchase of Office Equipment	6-12-13	25,000.00			22,500.00	427,500.00		
13-11.4; 13-14.4	Acquisition of Fire Department Equipment	6-12-13	10,000.00			1,250.00	23,750.00		
13-11.5; 13-14.5	Acquisition of Police Department Equipment	6-12-13	50,000.00			500.00	9,500.00		
13-11.6; 13-14.6	Various Improvements to Recreational Facilities	6-12-13	75,000.00			2,500.00	47,500.00		47,500.00
13-11.7; 13-14.7	Reconstruction and Resurfacing of Various Roads	6-12-13	700,000.00			3,750.00	71,250.00		2,259.92
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	6-12-13	70,000.00			35,000.00	665,000.00		6,300.00
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	6-12-13	50,000.00			3,500.00	66,500.00		66,500.00
						2,500.00	47,500.00		47,500.00
						\$ 207,519.15	\$ 1,425,000.00	\$ 1,592,415.64	\$ 471,419.23

Reserve for Encumbrances \$ 38,000.00
 Disbursed 923,563.22
 Contracts Payable 630,852.42

\$ 1,592,415.64

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 105,530.75
Decreased by:	
Realized as Current Fund Budget Revenue	75,000.00
Balance Dec. 31, 2013	\$ 30,530.75

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Reserve For Encumbrances
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 13,701.32
Increased by:	
Charges to Improvement Authorizations	38,000.00
	51,701.32
Decreased by:	
Disbursements	13,125.82
Balance Dec. 31, 2013	\$ 38,575.50

Exhibit SC-10

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 200.00
Increased by:	
Receipt from Current Fund - Budget Appropriations	75,000.00
	75,200.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	75,000.00
Balance Dec. 31, 2013	\$ 200.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
General Bonds of 2001	4-1-01	\$ 3,200,000.00	3-15-2014-15 \$ 275,000.00 3-15-2016 300,000.00	4.500% 4.500%	\$ 1,100,000.00		\$ 250,000.00	\$ 850,000.00
General Bonds of 2005	9-15-05	2,480,000.00	9-15-2014-15 200,000.00 9-15-2016-18 200,000.00 9-15-2019 230,000.00	3.700% 3.750% 3.750%	1,430,000.00		200,000.00	1,230,000.00
General Bonds of 2010	6-10-10	2,430,000.00	7-15-2014 25,000.00 7-15-2015-16 35,000.00 7-15-2017 300,000.00 7-15-2018-19 300,000.00 7-15-2020-21 450,000.00 7-15-2022 460,000.00	3.000% 3.000% 3.250% 3.500% 3.500%	2,380,000.00		25,000.00	2,355,000.00
					\$ 4,910,000.00	-	\$ 475,000.00	\$ 4,435,000.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance	
						Dec. 31, 2012	Dec. 31, 2013
11-4.1	Purchase of Public Works Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%	\$ 66,500.00	\$ 66,500.00
11-4.2	Purchase of Police Vehicles and Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%	114,000.00	114,000.00
11-4.3	Road Overlay, Drainage and Stormwater Projects	3/28/2012	3/28/2012	3/27/2013	0.90%	133,000.00	133,000.00
11-4.4	Municipal Building Renovations	3/28/2012	3/28/2012	3/27/2013	0.90%	313,500.00	313,500.00
11-4.5	Purchase of Office Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%	99,750.00	99,750.00
11-4.6	Purchase of Fire Department Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%	99,750.00	99,750.00
11-20	Construction of Emergency Services Facility	3/28/2012	3/28/2012	3/27/2013	0.90%	95,000.00	95,000.00
11-4.1	Purchase of Public Works Equipment	3/26/2013	3/26/2013	3/25/2014	0.85%	\$ 66,500.00	\$ 66,500.00
11-4.2	Purchase of Police Vehicles and Equipment	3/26/2013	3/26/2013	3/25/2014	0.85%	114,000.00	114,000.00
11-4.3	Road Overlay, Drainage and Stormwater Projects	3/26/2013	3/26/2013	3/25/2014	0.85%	133,000.00	133,000.00
11-4.4	Municipal Building Renovations	3/26/2013	3/26/2013	3/25/2014	0.85%	313,500.00	313,500.00
11-4.5	Purchase of Office Equipment	3/26/2013	3/26/2013	3/25/2014	0.85%	99,750.00	99,750.00
11-4.6	Purchase of Fire Department Equipment	3/26/2013	3/26/2013	3/25/2014	0.85%	99,750.00	99,750.00
11-20	Construction of Emergency Services Facility	3/26/2013	3/26/2013	3/25/2014	0.85%	95,000.00	95,000.00
12-12	Drainage and Resurfacing Improvements	3/26/2013	3/26/2013	3/25/2014	0.85%	66,500.00	66,500.00
12-20	Renovation of Public Works Garage	3/26/2013	3/26/2013	3/25/2014	0.85%	156,750.00	156,750.00
13-11.1; 13-14.1	Acquisition of Public Works Equipment	12/19/2013	12/19/2013	12/18/2014	1.00%	66,500.00	66,500.00
13-11.2; 13-14.2	Various Improvements to the Public Works Building	12/19/2013	12/19/2013	12/18/2014	1.00%	427,500.00	427,500.00
13-11.3; 13-14.3	Purchase of Office Equipment	12/19/2013	12/19/2013	12/18/2014	1.00%	23,750.00	23,750.00
13-11.4; 13-14.4	Acquisition of Fire Department Equipment	12/19/2013	12/19/2013	12/18/2014	1.00%	9,500.00	9,500.00
13-11.5; 13-14.5	Acquisition of Police Department Equipment	12/19/2013	12/19/2013	12/18/2014	1.00%	47,500.00	47,500.00
13-11.6; 13-14.6	Various Improvements to Recreational Facilities	12/19/2013	12/19/2013	12/18/2014	1.00%	71,250.00	71,250.00
13-11.7; 13-14.7	Reconstruction and Resurfacing of Various Roads	12/19/2013	12/19/2013	12/18/2014	1.00%	665,000.00	665,000.00
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	12/19/2013	12/19/2013	12/18/2014	1.00%	66,500.00	66,500.00
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	12/19/2013	12/19/2013	12/18/2014	1.00%	47,500.00	47,500.00
Renewals Issued for Cash						\$ 921,500.00	\$ 2,569,750.00
						\$ 921,500.00	\$ 921,500.00
						\$ 1,648,250.00	\$ 921,500.00
						\$ 2,569,750.00	\$ 921,500.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Green Acres Loan
 For the Year Ended December 31, 2013

Purpose	Date of Issue	Loan Amount	Payment Schedule Date	Payment Schedule Amount	Interest Rate	Balance Dec. 31, 2012	Increased	Paid by Budget Appropriation	Balance Dec. 31, 2013
Burnt Mill Road	12-24-08	\$ 532,509.38	3-24-2014	\$ 18,896.20	2.000%				
			9-24-2014	19,085.16	2.000%				
			3-24-2015	19,276.01	2.000%				
			9-24-2015	19,468.77	2.000%				
			3-24-2016	19,663.46	2.000%				
			9-24-2016	19,860.10	2.000%				
			3-24-2017	20,058.70	2.000%				
			9-24-2017	20,259.28	2.000%				
			3-24-2018	20,461.88	2.000%				
			9-24-2018	20,666.50	2.000%				
			3-24-2019	20,873.16	2.000%				
			9-24-2019	21,081.89	2.000%				
			3-24-2020	21,292.71	2.000%				
			9-24-2020	21,505.64	2.000%				
			3-24-2021	21,720.69	2.000%				
			9-24-2021	21,937.90	2.000%				
			3-24-2022	22,157.28	2.000%				
			9-24-2022	22,378.85	2.000%				
						\$ 407,877.16		\$ 37,232.98	\$ 370,644.18
						\$ 407,877.16	-	\$ 37,232.98	\$ 370,644.18

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
General Improvements:						
12-12	Drainage and Resurfacing Improvements	9-12-12	\$ 66,500.00		\$ 66,500.00	
12-20	Renovation of Public Works Garage	12-19-12	156,750.00		156,750.00	
13-11.1; 13-14.1	Acquisition of Public Works Equipment	6-12-13		\$ 66,500.00	66,500.00	
13-11.2; 13-14.2	Various Improvements to the Public Works Building	6-12-13		427,500.00	427,500.00	
13-11.3; 13-14.3	Purchase of Office Equipment	6-12-13		23,750.00	23,750.00	
13-11.4; 13-14.4	Acquisition of Fire Department Equipment	6-12-13		9,500.00	9,500.00	
13-11.5; 13-14.5	Acquisition of Police Department Equipment	6-12-13		47,500.00	47,500.00	
13-11.6; 13-14.6	Various Improvements to Recreational Facilities	6-12-13		71,250.00	71,250.00	
13-11.7; 13-14.7	Reconstruction and Resurfacing of Various Roads	6-12-13		665,000.00	665,000.00	
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	6-12-13		66,500.00	66,500.00	
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	6-12-13		47,500.00	47,500.00	
			<u>\$ 223,250.00</u>	<u>\$ 1,425,000.00</u>	<u>\$ 1,648,250.00</u>	<u>-</u>

SUPPLEMENTAL EXHIBITS
WATER / SEWER UTILITY FUND

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUNDS
 Statement of Sewer Utility Cash
 Per N.J.S.40A:5-5--Chief Financial Officer
 For the Year Ended December 31, 2013

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2012	\$ 239,084.70	\$ 431,501.82
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 1,449.28	
Received from Utility Collector	1,222,302.73	
Refund of 2013 Budget Appropriations	1,562.44	
Capital Improvement Fund		\$ 6,500.00
Reserve for Escrow Deposits	1,904.25	
Fund Balance -- Premium Received		94.86
Bond Anticipation Notes		60,000.00
Due Water / Sewer Utility Capital Fund	652.63	
Due Water / Sewer Utility Operating Fund		652.63
Contra	<u>446.73</u>	
	<u>1,228,318.06</u>	<u>67,247.49</u>
	1,467,402.76	498,749.31
Decreased by Disbursements:		
2013 Budget Appropriations	934,795.49	
2012 Appropriation Reserves	6,133.90	
Accrued Interest on Bonds and Loans	115,572.18	
Refund of Prior Year Revenue	160.02	
Due Water / Sewer Utility Operating Fund		652.63
Improvement Authorizations		56,429.12
Reserve for Encumbrances		5,305.68
Contracts Payable		158,700.00
Contra	<u>446.73</u>	
	<u>1,057,108.32</u>	<u>221,087.43</u>
Balance Dec. 31, 2013	<u>\$ 410,294.44</u>	<u>\$ 277,661.88</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
 Statement of Sewer Utility Cash
 Per N.J.S.40A:5-5--Collector
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	1,570.50
Receipts:			
Water Rents Receivable	\$ 480,941.64		
Sewer Rents Receivable	609,375.64		
Water Overpayments	308.54		
Sewer Overpayments	593.04		
Water Connection Fees	71,670.00		
Sewer Connection Fees	35,200.00		
Water Miscellaneous Revenue	12,347.49		
Sewer Miscellaneous Revenue	13,972.04		
Miscellaneous Revenue Not Anticipated	262.73		
Due From Bank	236.23		
			1,224,907.35
			1,226,477.85
Decreased by Disbursements:			
Payments to Chief Financial Officer	1,222,302.73		
Due From Bank	55.39		
			1,222,358.12
Balance Dec. 31, 2013		\$	4,119.73

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Sewer Utility Capital Cash and Investments
 For the Year Ended December 31, 2013

	Balance		Receipts			Disbursements			Balance (Overdraft) Dec. 31, 2013
	Dec. 31, 2012	(Overdraft)	Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous		
Improvement Authorizations:									
06-7; 06-11.3 Sewer System Upgrades	\$ 83,049.16								\$ 83,049.16
06-7; 06-11.4 Utility Department Equipment	66,928.47					\$ 47,915.35			19,013.12
07-13.2 Sewer System Improvements	39,239.73								39,239.73
07-13.3 Utility Department Equipment	13,005.84								13,005.84
08-9 Sewer System Improvements	26,987.49					79.82			26,907.67
09-14 Water System Improvements	23,587.84					8,433.95			15,153.89
13-11.11; 13-14 Utility Department Equipment			\$ 60,000.00						60,000.00
Fund Balance				\$ 94.86					94.86
Capital Improvement Fund	3,500.00		\$ 6,500.00						10,000.00
Due Water / Sewer Utility Operating Fund	11,000.00				652.63		\$ 652.63		11,000.00
Reserve for Payment of Debt	112.70								112.70
Contracts Payable	158,700.00							158,700.00	
Reserve for Encumbrances	5,390.59							5,305.68	
	<u>\$ 431,501.82</u>		<u>\$ 6,500.00</u>	<u>\$ 60,000.00</u>	<u>\$ 747.49</u>	<u>\$ 56,429.12</u>	<u>\$ 164,658.31</u>		<u>\$ 277,661.88</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2012	\$ 5,693.22	\$ 36,579.06	\$ 42,272.28
Increased by:			
Rents Levied	<u>481,665.00</u>	<u>617,150.51</u>	<u>1,098,815.51</u>
	487,358.22	653,729.57	1,141,087.79
Decreased by:			
Collections	480,941.64	609,375.64	1,090,317.28
Canceled		1,461.03	1,461.03
Overpayments Applied	<u>149.81</u>	<u></u>	<u>149.81</u>
	<u>481,091.45</u>	<u>610,836.67</u>	<u>1,091,928.12</u>
Balance Dec. 31, 2013	<u><u>\$ 6,266.77</u></u>	<u><u>\$ 42,892.90</u></u>	<u><u>\$ 49,159.67</u></u>

Exhibit SD-5

WATER & SEWER UTILITY OPERATING FUND
Statement of Water & Sewer Overpayments
For the Year Ended December 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2012	\$ 160.39	\$ 743.30	\$ 903.69
Increased by:			
Receipts	<u>308.54</u>	<u>593.04</u>	<u>901.58</u>
	468.93	1,336.34	1,805.27
Decreased by:			
Canceled	160.39	743.30	903.69
Overpayments Applied	<u>149.81</u>	<u></u>	<u>149.81</u>
	<u>310.20</u>	<u>743.30</u>	<u>1,053.50</u>
Balance Dec. 31, 2013	<u><u>\$ 158.73</u></u>	<u><u>\$ 593.04</u></u>	<u><u>\$ 751.77</u></u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012	2013 Authorizations			Improvement Authorization Canceled	Balance Dec. 31, 2013
					Deferred Charges to Future Revenue	Costs to Fixed Capital			
06-7; 06-11.3	Sewer System Upgrades	8-23-06	\$ 100,000.00	\$ 100,000.00				\$ 100,000.00	
06-7; 06-11.4	Utility Department Equipments	8-23-06	295,000.00	283,887.30				283,887.30	
07-13.2	Sewer System Improvements	7-11-07	40,000.00	40,000.00				40,000.00	
07-13.3	Utility Department Equipments	7-11-07	25,000.00	25,000.00				25,000.00	
08-9	Sewer System Improvements	8-27-08	50,000.00	50,000.00				50,000.00	
09-14	Water System Improvements	12-16-09	85,000.00	85,000.00				85,000.00	
13-11.11; 13-14	Utility Department Equipment	6/12/13	60,000.00		\$ 60,000.00			60,000.00	
				\$ 583,887.30	\$ 60,000.00			\$ 643,887.30	

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2013

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Sewer Utility:			
Land	\$ 37,859.79		\$ 37,859.79
Buildings	50,751.30		50,751.30
Collection System	1,534,588.17		1,534,588.17
Pump Stations	2,235,117.84		2,235,117.84
Sewer Mains	213,575.42		213,575.42
Tractor	6,629.18		6,629.18
Trash Pump	5,280.00		5,280.00
Submersible Pumps	28,095.00		28,095.00
Storage Tank	14,402.00		14,402.00
Vehicles	61,838.35		61,838.35
Jet Truck	8,000.00		8,000.00
Office Equipment	19,523.62		19,523.62
	<u>4,215,660.67</u>	<u>-</u>	<u>4,215,660.67</u>
Water Utility:			
Land	6,681.14		6,681.14
Buildings	8,956.11		8,956.11
Water Mains	4,355,803.75		4,355,803.75
Treatment Plants	1,584,266.79		1,584,266.79
Water Tank	1,661,878.57		1,661,878.57
Tractor	1,169.86		1,169.86
Vehicles	10,912.65		10,912.65
Office Equipment	47,558.78		47,558.78
	<u>7,677,227.65</u>	<u>-</u>	<u>7,677,227.65</u>
Total Fixed Capital	<u>\$ 11,892,888.32</u>	<u>-</u>	<u>\$ 11,892,888.32</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Notes and Analysis of Balance
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 42,850.38
Increased by:	
Charges to Budget Appropriations	111,359.97
	154,210.35
Decreased by:	
Interest Paid:	
Utility Operating Fund	115,572.18
Balance Dec. 31, 2013	\$ 38,638.17

Analysis of Accrued Interest Dec. 31, 2013

<u>Principal Outstanding</u> <u>Dec. 31, 2013</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 830,000.00	Various	11/1/13	12/31/13	61 Days	\$ 6,262.03
606,000.00	Various	7/15/13	12/31/13	170 Days	10,011.11
					16,273.14
Environmental Infrastructure Loans:					
745,957.08	Various	8/1/13	12/31/13	153 Days	15,814.97
310,203.04	Various	8/1/13	12/31/13	153 Days	6,528.39
					22,343.36
Bond Anticipation Notes:					
60,000.00	1.000%	12/19/13	12/31/13	13 Days	21.67
					21.67
					\$ 38,638.17

WATER & SEWER UTILITY OPERATING FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012					Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Total</u>	<u>Disbursed</u>		<u>Lapsed</u>
Operating:						
Salaries and Wages		\$ 1,089.72	\$ 1,089.72			\$ 1,089.72
Other Expenses	\$ 5,918.77	43,673.83	49,592.60	\$ 5,970.58		43,622.02
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		2.73	2.73			2.73
Unemployment Compensation		388.32	388.32	163.32		225.00
Social Security System (O.A.S.I.)		3,254.18	3,254.18			3,254.18
	\$ 5,918.77	\$ 48,408.78	\$ 54,327.55	\$ 6,133.90		\$ 48,193.65

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance Amount	2013 Authorizations		Deferred Charges to Future Revenue	Disbursed	Improvement Authorizations Canceled	Balance	
				Dec. 31, 2012					Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
06-7; 06-11.2	Water Plant Upgrades	8/23/06	\$ 20,000.00							
06-7; 06-11.3	Sewer System Upgrades	8/23/06	100,000.00							
06-7; 06-11.4	Utility Department Equipment	8/23/06	295,000.00			\$ 47,915.35				\$ 83,049.16
07-13.2	Sewer System Improvements	7/11/07	40,000.00							19,013.12
07-13.3	Utility Department Equipment	7/11/07	25,000.00							39,239.73
08-9	Sewer System Improvements	8/27/08	50,000.00				79.82			13,005.84
09-14	Water System Improvements	12/16/09	85,000.00				8,433.95			26,907.67
13-11.11; 13-14	Utility Department Equipment	6/12/13	60,000.00							15,153.89
						\$ 60,000.00				\$ 60,000.00
						\$ 60,000.00	\$ 56,429.12			\$ 196,369.41
										\$ 60,000.00

WATER & SEWER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Ordinance	Balance		Fixed Capital Authorized	Transferred to Reserve for Amortization	Balance Dec. 31, 2013
			Dec. 31, 2012	Dec. 31, 2013			
07-13.2	Sewer System Improvements	7/11/07	\$ 2,000.00				\$ 2,000.00
07-13.3	Utility Department Equipment	7/11/07	1,250.00				1,250.00
			\$ 3,250.00				\$ 3,250.00

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 8,938,296.67
Increased by:		
Serial Bonds Paid by Operating Budget	\$ 125,000.00	
Loans Paid by Operating Budget	<u>285,543.12</u>	
		<u>410,543.12</u>
Balance Dec. 31, 2013		<u><u>\$ 9,348,839.79</u></u>

Exhibit SD-13

WATER & SEWER UTILITY OPERATING FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 6,060.27
Increased by:		
Transferred from 2013 Budget Appropriations		<u>19,135.37</u>
		25,195.64
Decreased by:		
Transferred to Appropriation Reserves		<u>5,918.77</u>
Balance Dec. 31, 2013		<u><u>\$ 19,276.87</u></u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Sewer Serial Bonds
 For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>					
2004 Refunding Bonds	5-15-04	\$ 1,765,000.00	5-1-2014	\$ 125,000.00	4.125%				
			5-1-2015	130,000.00	4.25%				
			5-1-2016	135,000.00	4.375%				
			5-1-2017	140,000.00	4.50%				
			5-1-2018	145,000.00	4.625%				
			5-1-2019	155,000.00	4.75%	\$ 945,000.00		\$ 115,000.00	\$ 830,000.00
2010 Serial Bonds	6-10-10	636,000.00	7-15-2014	10,000.00	3.00%				
			7-15-2015	20,000.00	3.00%				
			7-15-2016	30,000.00	3.00%				
			7-15-2017	30,000.00	3.25%				
			7-15-2018	30,000.00	3.50%				
			7-15-2019	30,000.00	3.50%				
			7-15-2020	75,000.00	3.50%				
			7-15-2021	75,000.00	3.50%				
			7-15-2022	100,000.00	3.50%				
			7-15-2023	100,000.00	3.60%				
			7-15-2024	106,000.00	3.75%	616,000.00		10,000.00	606,000.00
						\$ 1,561,000.00		\$ 125,000.00	\$ 1,436,000.00
								\$ -	

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Environmental Infrastructure Loans
 For the Year Ended December 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2013
			Outstanding Dec. 31, 2013	Amount					
2001A Fund Loan	11-8-01	\$ 1,342,670.00	2-1-2014	\$ 12,406.42	N/A				
			8-1-2014	64,049.45	N/A				
			2-1-2015	11,115.35	N/A				
			8-1-2015	65,986.06	N/A				
			2-1-2016	9,743.58	N/A				
			8-1-2016	67,841.98	N/A				
			2-1-2017	8,291.12	N/A				
			8-1-2017	69,617.21	N/A				
			2-1-2018	6,757.97	N/A				
			8-1-2018	71,311.75	N/A				
2001A Trust Loan	11-8-01	1,440,000.00	2-1-2019	5,144.12	N/A				
			8-1-2019	72,925.59	N/A				
			2-1-2020	3,449.59	N/A				
			8-1-2020	49,892.01	N/A	\$ 594,423.23		\$ 75,891.03	\$ 518,532.20
			8-1-2014	80,000.00	5.00%				
			8-1-2015	80,815.98	5.00%				
			8-1-2016	85,580.03	5.00%				
			8-1-2017	90,328.51	5.00%				
			8-1-2018	95,072.65	5.00%				
			8-1-2019	99,905.32	5.00%				
2002A Trust Loan	11-7-02	1,370,000.00	8-1-2020	104,703.57	4.75%				
			8-1-2021	109,551.02	4.75%	820,957.08		75,000.00	745,957.08
			8-1-2014	75,000.00	5.25%				
			8-1-2015	25,672.63	5.00%				
			8-1-2016	26,154.33	5.00%				
			8-1-2017	26,390.52	5.00%				
			8-1-2018	28,647.94	5.00%				
			8-1-2019	30,892.73	5.00%				
			8-1-2020	33,391.26	5.00%				
			8-1-2021	30,884.04	5.00%				
2002A Fund Loan	11-7-02	736,096.00	8-1-2022	33,169.59	4.75%	380,203.04		70,000.00	310,203.04
			2-1-2014	11,407.10	N/A				
			8-1-2014	53,997.42	N/A				
			2-1-2015	10,289.11	N/A				
		8-1-2015	38,299.88	N/A	178,645.60		64,652.09	113,993.51	
					\$ 1,974,228.95		\$ 285,543.12	\$ 1,688,685.83	

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Issued For Cash	Decreased	Balance Dec. 31, 2013
13-11.11; 13-14	Utility Department Equipment	12/19/2013	12/19/2013	12/18/2014	1.00%	-	\$ 60,000.00	-	\$ 60,000.00

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
13-11.11; 13-14	Utility Department Equipment	6-12-13	-	\$ 60,000.00	\$ 60,000.00	-

TOWNSHIP OF WATERFORD
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF WATERFORD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

TOWNSHIP OF WATERFORD
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None.

TOWNSHIP OF WATERFORD
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Robert Critelli Jr.	Mayor and Director of Administration	\$1,000,000.00(A)
William Hurley	Deputy Mayor	1,000,000.00(A)
Robert Koons	Committeeman	1,000,000.00(A)
Maryann Merlino	Committeewoman	1,000,000.00(A)
William Richardson	Committeeman	1,000,000.00(A)
Virginia Chandler	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics (through November)	1,000,000.00(A)
Debra Shaw-Blemings	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics (from December)	1,000,000.00(A)
Stephen Miller	Certified Municipal Finance Officer	1,000,000.00(A)
Anita Wilson	Tax Collector and Search Clerk	1,000,000.00(A)
Susan Danson	Treasurer and Purchasing Agent	1,000,000.00(B)
John Holroyd, Jr.	Electrical, Fire, and Plumbing Sub Code Official	1,000,000.00(A)
Edward Toussaint	Construction and Building Sub Code Official	1,000,000.00(A)
Krisden McCrink	Judge of Municipal Court	1,000,000.00(A)
Heather Campbell	Court Administrator	1,000,000.00(A)
Kelly Foster	Special Deputy Court Administrator	1,000,000.00(A)
John Knoll	Police Chief and Gun Permit Clerk	1,000,000.00(A)
Theresa Stagliano	Assessor	1,000,000.00(A)
Adams, Rehmann & Heggan	Engineer	
David Patterson	Attorney	

- (A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a \$1,000.00 per loss deductible through the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.
- (B) Employee was bonded through Selective Insurance Company of America for the first \$50,000.00 of any loss. Any loss in excess of \$50,000.00 is covered by the Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, through the Atlantic County Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

