

**REPORT OF AUDIT**  
**BOROUGH OF ALLENDALE**  
**COUNTY OF BERGEN**  
**DECEMBER 31, 2012**

# BOROUGH OF ALLENDALE

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**BOROUGH OF ALLENDALE**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2012**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Borough Council  
Borough of Allendale  
Allendale, New Jersey 07401

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

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

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

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

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

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



The Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

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

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

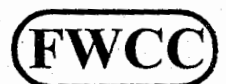
The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.





***Other Matters***

*Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2013 on our consideration of the Borough of Allendale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Allendale's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



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

May 8, 2013



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Cash	A-4	4,084,559.94	3,578,641.51
Change Fund	A-5	400.00	400.00
		<u>4,084,959.94</u>	<u>3,579,041.51</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	276,738.33	276,157.80
Property Acquired for Taxes - Assessed Valuation	A-9	4,900.00	4,900.00
Tax Title Liens	A-10	63,680.58	60,962.84
Revenue Accounts Receivable	A-11	128,750.11	127,296.42
Interfund Receivables:			
Other Trust Fund	A-12	766.89	1,215.77
General Capital Fund	A-12	95.16	2,793.33
Animal Control Trust Fund	A-12	2,160.23	4,295.70
		<u>477,091.30</u>	<u>477,621.86</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	105,000.00	140,000.00
		<u>105,000.00</u>	<u>140,000.00</u>
		<u>4,667,051.24</u>	<u>4,196,663.37</u>
Federal and State Grant Fund:			
Grants Receivable	A-22	33,150.00	4,317.00
Interfund - Current Fund	A-25	49,510.47	42,920.05
		<u>82,660.47</u>	<u>47,237.05</u>
		<u>4,749,711.71</u>	<u>4,243,900.42</u>

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

## Borough of Allendale, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	1,097,622.36	928,843.65
Due to State of New Jersey: Ch. 73, P.L. Senior Citizens and Veterans Deduction	A-7	3,124.51	3,847.80
Interfunds Payable:			
Federal and State Grant Fund	A-12	49,510.47	42,920.05
Encumbrances Payable	A-15	107,785.41	167,974.67
Accounts Payable	A-16	38,818.62	38,818.62
Prepaid Taxes	A-17	212,319.48	312,836.12
County Taxes Payable	A-20		3,920.25
Tax Overpayments	A-21	98,652.28	84,510.84
Due to State of New Jersey - DCA	A-21	1,938.00	2,968.00
Due to State of New Jersey - Marriage	A-21		50.00
Due to State of New Jersey - Sales Tax	A-21	105.35	82.69
Reserve for:			
Tax Appeals	A-21	122,023.73	122,289.96
Revaluation	A-21	13,530.00	95,674.50
		<u>1,745,430.21</u>	<u>1,804,737.15</u>
Reserve for Receivables	Contra	477,091.30	477,621.86
Fund Balance	A-1	<u>2,444,529.73</u>	<u>1,914,304.36</u>
		<u>4,667,051.24</u>	<u>4,196,663.37</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	62,414.06	34,837.16
Unappropriated Reserves for Grants	A-24	13,288.56	5,442.04
Interfund - Other Trust	A-25	6,957.85	6,957.85
		<u>82,660.47</u>	<u>47,237.05</u>
		<u>4,749,711.71</u>	<u>4,243,900.42</u>

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

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<b>Revenues and Other Income:</b>			
Fund Balance Utilized	A-2	690,000.00	785,000.00
Miscellaneous Revenue Anticipated	A-2	2,667,336.97	2,437,927.76
Receipts from Delinquent Taxes	A-2	275,725.26	193,800.60
Receipts from Current Taxes	A-2	35,353,493.31	34,750,583.24
Non-Budget Revenue	A-2	211,415.47	576,839.57
<b>Other Credits to Income:</b>			
Statutory Excess in Animal Control Trust	A-12	2,160.23	3,070.00
Interfunds Returned	A-12	8,304.80	2,650.98
Unexpended Balance of Appropriation Reserves	A-13	665,604.82	415,934.72
Tax Overpayments Canceled	A-21	0.42	12.46
<b>Total Revenues and Other Income</b>		<u>39,874,041.28</u>	<u>39,165,819.33</u>
<b>Expenditures:</b>			
<b>Budget and Emergency Appropriations:</b>			
<b>Operations:</b>			
Salaries and Wages	A-3	3,787,659.50	3,722,351.00
Other Expenses	A-3	5,916,738.23	6,005,770.15
Capital Improvement Fund	A-3	121,000.00	38,600.00
Municipal Debt Service	A-3	1,155,736.50	1,134,365.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,177,911.49	941,007.45
Interfund Advances	A-12	3,022.28	8,304.80
Municipal Open Space Tax	A-12	77,069.38	65,834.84
Local District School Tax	A-18	14,555,834.51	14,092,157.29
Regional High School Tax	A-19	8,283,875.23	8,324,802.60
County Taxes including Added Taxes	A-20	3,574,968.79	3,628,622.97
<b>Total Expenditures</b>		<u>38,653,815.91</u>	<u>37,961,816.10</u>

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Excess (Deficit) Revenue Over Expenditures		1,220,225.37	1,204,003.23
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		_____	_____
Statutory Excess to Fund Balance		1,220,225.37	1,204,003.23
Fund Balance, January 1,	A	<u>1,914,304.36</u>	<u>1,495,301.13</u>
		3,134,529.73	2,699,304.36
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>690,000.00</u>	<u>785,000.00</u>
Fund Balance, December 31,	A	<u><u>2,444,529.73</u></u>	<u><u>1,914,304.36</u></u>

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

## Borough of Allendale, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	690,000.00	690,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	14,400.00	15,000.00	600.00
Fees and Permits	A-2	53,000.00	47,612.13	(5,387.87)
Fines and Costs:				
Municipal Court	A-11	43,000.00	37,644.10	(5,355.90)
Interest and Costs on Taxes	A-4	60,000.00	79,617.63	19,617.63
Interest on Investments and Deposits	A-11	800.00	2,229.77	1,429.77
Dues & Fees - Crestwood Lake	A-11	325,000.00	333,579.00	8,579.00
Ramsey Sewer Charges	A-11	165,000.00	154,933.88	(10,066.12)
Allendale Elementary School Contribution to Sewer Use	A-11	19,000.00	18,826.15	(173.85)
Northern Highlands Reg. H.S. Contribution to Sewer Use	A-11	32,000.00	31,247.68	(752.32)
Saddle River Sewer Payment	A-11	50,000.00	52,276.55	2,276.55
Garbage Collection	A-11	2,000.00	1,952.00	(48.00)
Energy Receipts Tax	A-11	1,068,869.00	1,068,869.00	
Uniform Construction Code Fees	A-11	200,000.00	184,545.00	(15,455.00)
Public and Private Revenues:				
Clean Communities Program	A-21	10,500.19	10,500.19	
Community Development Block Grant	A-21	33,150.00	33,150.00	
Body Armor Replacement Fund	A-21	1,608.10	1,608.10	
Drunk Driving Enforcement Fund	A-21	3,833.94	3,833.94	
Other Special Items:				
Allendale Library Surplus	A-11	330,999.00	330,999.00	
Cable T.V.	A-11	80,000.00	87,505.34	7,505.34
Interlocal - Boro of Midland Park Construction Off.	A-11	31,947.00	37,271.57	5,324.57
Interlocal - Boro of Midland Park Electric Inspect.	A-11	14,402.00	8,401.12	(6,000.88)
Cellular Tower Lease	A-11	110,000.00	115,439.40	5,439.40
Uniform Fire Safety Act	A-11	7,000.00	10,295.42	3,295.42
Total Miscellaneous Revenues	A-1	2,656,509.23	2,667,336.97	10,827.74
Receipts from Delinquent Taxes	A-1/A-2	200,000.00	275,725.26	75,725.26
Subtotal General Revenues		3,546,509.23	3,633,062.23	86,553.00
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2/A-8	9,062,536.49	9,311,745.40	249,208.91
Budget Totals		12,609,045.72	12,944,807.63	335,761.91
Non-Budget Revenue	A-1/A-2		211,415.47	211,415.47
		12,609,045.72	13,156,223.10	547,177.38
	A-3			
Adopted Budget	A-3	12,575,895.72		
Appropriated by N.J.S. 40A:4-87	A-3	33,150.00		
		12,609,045.72		

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

## Borough of Allendale, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	35,353,493.31
Allocated to School and County Taxes	A-8	<u>26,491,747.91</u>
Balance for Support of Municipal Budget Appropriations		8,861,745.40
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>450,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>9,311,745.40</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	<u>275,725.26</u>
Fees and Permits - Other:		
Clerk	A-11	12,870.00
Parking	A-11	25,254.68
Tax Searches	A-11	0.45
Planning Board	A-11	250.00
Board of Adjustment	A-11	1,750.00
Board of Health	A-11	<u>7,487.00</u>
	A-2	<u>47,612.13</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Sewer Connections		62,113.48
Senior Citizens Ground Lease		7,500.00
Police Administration Fees		27,471.45
Senior Citizens & Vets Admin Fee		925.53
Pilot Payment		7,000.00
Police Department Fees		6,285.70
Duplicate Tax Bills		158.00
DMV Inspections		1,338.25
Maps & Codes		131.14
Address Lists		330.00
Raffles		540.00
Library Reimbursement of Expenses		6,938.13
Water Dept. Reimbursement of Expenses		600.08
Insurance Dividend		8,145.32
Miscellaneous Refunds & Reimbursements		13,923.21
FEMA		59,940.22
Alarm Registration		7,890.00
Interest and Costs on Assessments		<u>184.96</u>
	A-2, A-4	<u>211,415.47</u>

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

Borough of Allendale, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		33,000.00	33,000.00	27,791.58	5,208.42	
Other Expenses		47,550.00	47,550.00	38,115.59	9,434.41	
Mayor and Council						
Other Expenses		4,050.00	4,050.00	2,778.89	1,271.11	
Borough Clerk						
Salaries and Wages		93,875.00	93,876.00	93,875.08	0.92	
Other Expenses		18,800.00	18,800.00	12,544.32	6,255.68	
Financial Administration						
Salaries and Wages		131,617.00	131,617.00	129,761.90	1,855.10	
Other Expenses		36,100.00	36,100.00	35,532.09	567.91	
Annual Audit		29,000.00	29,000.00	20,652.50	8,347.50	
Collection of Taxes						
Salaries and Wages		55,646.00	55,646.00	50,010.55	5,635.45	
Other Expenses		11,600.00	11,600.00	10,507.82	1,092.18	
Assessment of Taxes						
Salaries and Wages		41,097.00	41,097.00	41,096.90	0.10	
Other Expenses		24,100.00	24,100.00	5,554.09	18,545.91	
Legal Services and Costs						
Other Expenses		150,000.00	150,000.00	113,020.33	36,979.67	
Engineering Services and Costs						
Other Expenses		90,000.00	90,000.00	88,854.94	1,145.06	
Planning Board						
Salaries and Wages		16,000.00	16,000.00	10,457.20	5,542.80	
Other Expenses		55,700.00	55,700.00	25,680.06	30,019.94	



## Borough of Allendale, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>Insurance:</b>						
Other Insurance - Premiums		160,000.00	160,000.00	119,735.71	40,264.29	
Workers' Compensation Insurance		160,000.00	160,000.00	95,867.18	64,132.82	
Employee Group Insurance		922,275.00	878,173.00	796,350.99	81,822.01	
Unemployment Insurance		40,000.00	40,000.00	40,000.00		
<b>Public Safety:</b>						
<b>Police</b>						
Salaries and Wages		2,138,652.00	2,209,652.00	2,209,334.32	317.68	
Other Expenses		141,000.00	114,000.00	113,151.57	848.43	
<b>Emergency Management Services</b>						
Salaries and Wages		2,000.00	2,000.00		2,000.00	
Other Expenses		2,500.00	2,500.00	755.00	1,745.00	
First Aid Squad Contribution		28,000.00	28,000.00	28,000.00		
<b>Fire</b>						
Other Expenses		77,050.00	77,050.00	73,710.96	3,339.04	
<b>Uniform Fire Safety Act (Ch. 383, P.L. 1983)</b>						
<b>Fire Official</b>						
Salaries and Wages		11,300.00	11,300.00	7,169.32	4,130.68	
Other Expenses		2,000.00	2,000.00	1,428.01	571.99	
<b>Municipal Prosecutor</b>						
Salaries and Wages		4,812.00	4,813.00	4,812.08	0.92	
<b>Municipal Court</b>						
Salaries and Wages		13,081.00	13,081.00	12,921.42	159.58	
Other Expenses		2,600.00	2,600.00	567.76	2,032.24	
<b>Public Defender</b>						
Other Expenses		2,000.00	2,000.00	1,725.00	275.00	

Borough of Allendale, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Public Works:						
Road Repairs and Maintenance						
Salaries and Wages		823,794.00	823,794.00	684,970.75	138,823.25	
Other Expenses		91,000.00	91,000.00	65,608.56	25,391.44	
Snow Removal						
Other Expenses		70,000.00	70,000.00	28,990.97	41,009.03	
Shade Tree Commission						
Other Expenses		40,000.00	40,000.00	21,157.00	18,843.00	
Sewer System						
Salaries and Wages		9,517.00	9,517.00	1,623.92	7,893.08	
Other Expenses		22,050.00	22,050.00	14,401.32	7,648.68	
Garbage and Trash Removal						
Other Expenses		407,000.00	407,000.00	299,777.42	107,222.58	
Recycling						
Other Expenses		33,500.00	33,500.00	19,949.12	13,550.88	
Public Buildings and Grounds						
Other Expenses		73,000.00	73,000.00	57,577.46	15,422.54	
Health and Welfare:						
Board of Health						
Salaries and Wages		43,510.00	43,510.00	40,999.92	2,510.08	
Other Expenses		36,781.00	36,781.00	35,366.31	1,414.69	
Senior Citizens						
Other Expenses		5,000.00	5,000.00	2,907.50	2,092.50	
Animal Control						
Other Expenses		10,000.00	10,000.00	8,000.00	2,000.00	

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## Borough of Allendale, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Aid to Health Care Facilities (N.J.S.A. 44:5-2)						
Other Expenses		6,000.00	6,000.00	6,000.00		
Municipal Alliance						
Other Expenses		5,000.00	5,000.00	1,010.00	3,990.00	
Parks and Recreation						
Parks and Playgrounds						
Other Expenses		29,000.00	29,000.00	25,173.43	3,826.57	
Crestwood Lake Public Swimming and Recreation Facility						
Salaries and Wages		128,027.00	128,027.00	128,027.00		
Other Expenses		118,500.00	118,500.00	76,275.58	42,224.42	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages - Construction Official		86,349.00	86,349.00	80,762.52	5,586.48	
Other Expenses		5,500.00	5,500.00	4,950.62	549.38	
Plumbing Inspector						
Salaries and Wages		3,294.00	3,394.00	3,385.54	8.46	
Electrical Inspector						
Salaries and Wages		12,105.50	12,105.50	6,983.45	5,122.05	
Fire Subcode Official						
Salaries and Wages		1,317.00	1,317.00	1,286.67	30.33	
Zoning Officer/Property Maint.						
Salaries and Wages		13,517.00	13,517.00	11,706.33	1,810.67	
Unclassified:						
Salary and Wage Adjustment		20,000.00	20,000.00	7,346.67	12,653.33	
Radio Equipment Maintenance - All Departments		6,000.00	6,000.00	5,940.00	60.00	
Gasoline		113,250.00	113,250.00	86,591.67	26,658.33	

**Borough of Allendale, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2012**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Utilities		364,000.00	364,000.00	257,888.71	106,111.29	
Contingent		30,000.00	30,000.00		30,000.00	
Total Operations within "CAPS"		<u>7,152,416.50</u>	<u>7,152,416.50</u>	<u>6,196,421.60</u>	<u>955,994.90</u>	
Detail:						
Salaries and Wages	A-1	3,682,510.50	3,753,612.50	3,554,323.12	199,289.38	
Other Expenses	A-1	3,469,906.00	3,398,804.00	2,642,098.48	756,705.52	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		160,337.49	160,337.49	160,337.48	0.01	
Police and Firemen's Retirement System		402,574.00	402,574.00	402,574.00		
Social Security System (O.A.S.I.)		280,000.00	280,000.00	238,944.00	41,056.00	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>842,911.49</u>	<u>842,911.49</u>	<u>801,855.48</u>	<u>41,056.01</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>7,995,327.99</u>	<u>7,995,327.99</u>	<u>6,998,277.08</u>	<u>997,050.91</u>	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)		573,781.00	573,781.00	573,781.00		
Reserve for Tax Appeals		100,000.00	100,000.00	100,000.00		
Northwest Bergen County Sewerage Authority Share of Costs Share of Costs		1,736,759.00	1,736,759.00	1,736,759.00		

**Borough of Allendale, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2012**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Borough of Waldwick - Well-Baby						
Other Expenses		1,000.00	1,000.00	170.00	830.00	
Borough of Hohokus - Municipal Court						
Other Expenses		40,000.00	40,000.00	23,632.30	16,367.70	
Borough of Midland Park - Construction Official						
Salaries and Wages		21,941.00	21,941.00	21,941.00		
Other Expenses		10,006.00	10,006.00		10,006.00	
Borough of Midland Park - Electric Inspector						
Salaries and Wages		12,106.00	12,106.00	12,106.00		
Other Expenses		2,296.00	2,296.00		2,296.00	
Borough of Mahwah - 911 Dispatching						
Other Expenses		5,000.00	5,000.00	4,228.25	771.75	
Public and Private Programs Offset by Revenues						
Clean Communities Program		10,500.19	10,500.19	10,500.19		
Community Development Block Grant		33,150.00	33,150.00	33,150.00		
Drunk Driving Enforcement Fund		3,833.94	3,833.94	3,833.94		
Body Armor Replacement Fund		1,608.10	1,608.10	1,608.10		
Total Operations - Excluded from "CAPS"		<u>2,551,981.23</u>	<u>2,551,981.23</u>	<u>2,521,709.78</u>	<u>30,271.45</u>	
Detail:						
Salaries & Wages	A-1	34,047.00	34,047.00	34,047.00		
Other Expenses	A-1	<u>2,517,934.23</u>	<u>2,517,934.23</u>	<u>2,487,662.78</u>	<u>30,271.45</u>	

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**Borough of Allendale, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2012**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Capital Improvements:						
Capital Improvement Fund		36,000.00	36,000.00	36,000.00		
Crestwood Lake Capital Improvements		<u>85,000.00</u>	<u>85,000.00</u>	<u>14,700.00</u>	70,300.00	
Total Capital Improvements Excluded from "CAPS"	A-1	<u>121,000.00</u>	<u>121,000.00</u>	<u>50,700.00</u>	70,300.00	
Municipal Debt Service:						
Payment of Bond Principal		785,000.00	785,000.00	785,000.00		
Interest on Bonds		348,452.50	348,452.50	348,452.50		
Interest on Notes		<u>22,284.00</u>	<u>22,284.00</u>	<u>22,284.00</u>		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>1,155,736.50</u>	<u>1,155,736.50</u>	<u>1,155,736.50</u>		
Deferred Charges:						
Special Emergency Authorizations - 5 Years		35,000.00	35,000.00	35,000.00		
Deferred Charges to Future Taxation:						
Refunding Bond Ord. Tax Appeals		<u>300,000.00</u>	<u>300,000.00</u>	<u>300,000.00</u>		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>335,000.00</u>	<u>335,000.00</u>	<u>335,000.00</u>		
 Total General Appropriations for Municipal Purposes Excluded from "CAPS"		 <u>4,163,717.73</u>	 <u>4,163,717.73</u>	 <u>4,063,146.28</u>	 100,571.45	

**Borough of Allendale, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Subtotal General Appropriations		12,159,045.72	12,159,045.72	11,061,423.36	1,097,622.36	<u>                    </u>
Reserve for Uncollected Taxes		450,000.00	450,000.00	450,000.00		<u>                    </u>
Total General Appropriations		<u>12,609,045.72</u>	<u>12,609,045.72</u>	<u>11,511,423.36</u>	<u>1,097,622.36</u>	<u>                    </u>
					A	
Adopted Budget	A-2		12,575,895.72			
Appropriated by N.J.S. 40A:4-87	A-2		33,150.00			
			<u>12,609,045.72</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			450,000.00		
Cash Disbursed	A-4			10,769,545.72		
Deferred Charges						
Special Emergency Authorization	A-13			35,000.00		
Encumbrances Payable	A-15			107,785.41		
Reserve for Tax Appeals	A-21			100,000.00		
Reserve for Federal and State Grants	A-23			49,092.23		
				<u>11,511,423.36</u>		

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

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Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Assessment Trust Fund			
Cash	B-1	13,600.00	
Assessments Receivable	B-2	13,600.00	27,200.00
		<u>27,200.00</u>	<u>27,200.00</u>
Animal Control Trust Fund:			
Cash	B-1	7,312.83	10,037.70
		<u>7,312.83</u>	<u>10,037.70</u>
Other Trust Funds:			
Cash	B-1	781,159.23	1,065,936.42
Interfund - Federal and State Grant Fund	B-6	6,957.85	6,957.85
		<u>788,117.08</u>	<u>1,072,894.27</u>
Payroll Fund			
Cash	B-12	31,417.44	34,518.82
		<u>31,417.44</u>	<u>34,518.82</u>
		<u>854,047.35</u>	<u>1,144,650.79</u>

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



Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Assessment Trust Fund			
Interfund - General Capital Fund	B-7	20,700.00	20,700.00
Reserve for Assessment & Liens	B-11	<u>6,500.00</u>	<u>6,500.00</u>
		<u>27,200.00</u>	<u>27,200.00</u>
Animal Control Trust Fund:			
Reserve for Dog Fund Expenditures	B-3	4,760.00	5,537.00
Due to State Department of Health	B-4	3.00	
Prepaid Licenses	B-5	389.60	205.00
Interfund - Current Fund	B-8	<u>2,160.23</u>	<u>4,295.70</u>
		<u>7,312.83</u>	<u>10,037.70</u>
Other Trust Fund:			
Interfund - General Capital Fund	B-6	13,039.20	
Interfund - Current Fund	B-8	766.89	1,215.77
Reserve for Open Space	B-9	64,790.63	69,760.45
Various Reserves	B-10	<u>709,520.36</u>	<u>1,001,918.05</u>
		<u>788,117.08</u>	<u>1,072,894.27</u>
Payroll Fund			
Payroll Deductions Payable	B-12	<u>31,417.44</u>	<u>34,518.82</u>
		<u>31,417.44</u>	<u>34,518.82</u>
		<u><u>854,047.35</u></u>	<u><u>1,144,650.79</u></u>

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

Borough of Allendale , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	C-2/C-3	142,380.63	858,161.77
Various Receivables	C-4	244,329.12	419,527.91
Deferred Charges to Future Taxation:			
Funded	C-5	9,635,000.00	10,405,000.00
Unfunded	C-6	4,352,314.44	3,402,314.44
Interfund - Other Trust Fund	C-12	13,039.20	
Interfund - Water Capital Fund	C-12	195,848.06	
Interfund - Assessment Trust Fund	C-12	20,700.00	20,700.00
		<u>14,603,611.45</u>	<u>15,105,704.12</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-7	9,635,000.00	10,405,000.00
Bond Anticipation Notes	C-8	3,646,600.00	3,001,600.00
Improvement Authorizations:			
Funded	C-9	404,889.83	731,583.17
Unfunded	C-9	747,902.59	787,505.83
Capital Improvement Fund	C-10	3,111.98	3,111.98
Reserve for:			
Bond Issue Costs	C-11	15,157.13	
Debt Service	C-11	71,062.28	56,062.28
Interfund - Current Fund	C-12	95.16	2,793.33
Interfund - Water Capital Fund	C-12		251.29
Fund Balance	C-1	79,792.48	117,796.24
		<u>14,603,611.45</u>	<u>15,105,704.12</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2012 of \$705,714.44 per Exhibit C-13.

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

Borough of Allendale, N.J.

Statement of Fund Balance - Regulatory Basis

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	C	117,796.24
Increased by:		
Additional Refunding Proceeds		4,631.01
Premium on Sale of Bond Anticipation Notes		<u>7,365.23</u>
	C-2	<u>11,996.24</u>
		129,792.48
Decreased by:		
Appropriated to Finance Improvement Auth.	C-9	<u>50,000.00</u>
Balance - December 31, 2012	C/C-3	<u><u>79,792.48</u></u>

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

## Borough of Allendale, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31,

	<u>Ref</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	573,563.34	523,260.08
Change Fund	D-6	120.00	120.00
		573,683.34	523,380.08
Receivables with Full Reserves:			
Consumers Account Receivable	D-9	51,935.12	434,213.17
		51,935.12	434,213.17
Deferred Charges:			
Operating Deficit	D-12		45,075.94
			45,075.94
Total Operating Fund		625,618.46	1,002,669.19
Capital Fund:			
Cash	D-5/D-8	720,410.16	317,320.13
Fixed Capital	D-10	7,177,308.84	7,100,308.84
Fixed Capital Authorized and Uncompleted	D-11	1,288,625.90	1,215,625.90
Interfund - General Capital Fund	D-23		251.29
Interfund - Water Operating	D-26	117,670.58	208,688.45
Total Capital Fund		9,304,015.48	8,842,194.61
Total Assets		9,929,633.94	9,844,863.80

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

## Borough of Allendale, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31,

	<u>Ref</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4/D-13	115,437.19	77,200.03
Encumbrances Payable	D-14	64,333.89	37,012.91
Accrued Interest on Bonds	D-15	21,325.80	67,854.06
Accrued Interest on Notes	D-16	1,882.01	
Interfund - Water Capital	D-17	117,670.58	208,688.45
Water Rent Overpayments	D-18	4,681.26	1,247.33
Reserve for:			
Meter Deposits	D-18	15,350.00	15,350.00
Valve Replacement	D-18	512.75	512.75
		<u>341,193.48</u>	<u>407,865.53</u>
Reserve for Receivables	Contra	51,935.12	434,213.17
Fund Balance	D-1	<u>232,489.86</u>	<u>160,590.49</u>
Total Operating Fund		<u>625,618.46</u>	<u>1,002,669.19</u>
Capital Fund:			
Bond Anticipation Notes	D-19	239,200.00	196,200.00
Water Serial Bonds Payable	D-20	3,801,000.00	4,036,000.00
Improvement Authorizations:			
Funded	D-21	349,041.88	260,533.00
Unfunded	D-21	154,393.62	138,281.63
Capital Improvement Fund	D-22	3.13	3.13
Interfund - General Capital Fund	D-23	195,848.06	
Reserve for Amortization	D-24	3,654,166.74	3,415,466.74
Reserve for Deferred Amortization	D-25	768,410.00	665,110.00
Reserve for Capital Infrastructure	D-27	140,927.92	129,927.92
Fund Balance	D-2	<u>1,024.13</u>	<u>672.19</u>
Total Capital Fund		<u>9,304,015.48</u>	<u>8,842,194.61</u>
Total Liabilities, Reserves and Fund Balances		<u>9,929,633.94</u>	<u>9,844,863.80</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There was Authorized but not Issued Debt at December 31, 2012 of \$3,158.00 per Exhibit D-28.

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

## Borough of Allendale, N.J.

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

## Water Utility Operating Fund

Year Ended December 31,

	Ref.	2012	2011
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	100,000.00	115,682.00
Rents	D-3	1,334,248.00	1,334,248.22
Miscellaneous	D-3	84,929.71	66,698.36
Additional Rents	D-3	288,156.68	
Facilities Charge	D-3	117,718.84	119,466.22
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-13	<u>40,053.08</u>	<u>22,771.26</u>
Total Income		<u>1,965,106.31</u>	<u>1,658,866.06</u>
Expenditures:			
Operating	D-4	1,236,990.00	1,171,611.00
Capital Improvements	D-4	118,000.00	107,000.00
Debt Service	D-4	340,859.00	368,381.00
Deferred Charges and Statutory Expenditures	D-4	<u>97,357.94</u>	<u>56,950.00</u>
Total Expenditures		<u>1,793,206.94</u>	<u>1,703,942.00</u>
Excess / (Deficit) in Revenue		171,899.37	(45,075.94)
Deficit in Revenue			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years			
Operating Deficit to be Raised in Budget of Succeeding Year	D		<u>45,075.94</u>
Statutory Excess to Surplus		171,899.37	0.00
Fund Balance - January 1,	D	<u>160,590.49</u>	<u>276,272.49</u>
		332,489.86	276,272.49
Decreased by:			
Utilized as Anticipated Revenue		<u>100,000.00</u>	<u>115,682.00</u>
Fund Balance - December 31,	D	<u><u>232,489.86</u></u>	<u><u>160,590.49</u></u>

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

## Borough of Allendale, N.J.

## Statement of Fund Balance - Regulatory Basis

## Water Utility Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	D	672.19
Increased by:		
Additional Refunding Proceeds	D-5	<u>351.94</u>
Balance - December 31, 2012	D/D-8	<u><u>1,024.13</u></u>

## Statement of Revenues - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	100,000.00	100,000.00	
Rents	D-1/D-9	1,334,248.00	1,334,248.00	
Facilities Charge	D-1/D-9	118,000.00	117,718.84	(281.16)
Miscellaneous	D-1	49,882.00	84,929.71	35,047.71
Additional Water Rents	D-1/D-9	<u>191,077.00</u>	<u>288,156.68</u>	<u>97,079.68</u>
Budget Totals	D-4	<u><u>1,793,207.00</u></u>	<u><u>1,925,053.23</u></u>	<u><u>131,846.23</u></u>

Analysis Realized Revenues

## Miscellaneous:

Interest on Investments	D-5	466.60
Installations/Miscellaneous	D-9	<u>84,463.11</u>
		<u><u>84,929.71</u></u>

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

Borough of Allendale, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2012

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	Budget After Modification	Paid or Charged	Reserved	
<b>Operating:</b>						
Salaries and Wages		341,490.00	341,490.00	306,477.33	35,012.67	
Other Expenses		495,500.00	495,500.00	441,671.15	53,828.85	
Purchase of Water		400,000.00	400,000.00	374,319.92	25,680.08	
<b>Total Operating</b>	D-1	<u>1,236,990.00</u>	<u>1,236,990.00</u>	<u>1,122,468.40</u>	<u>114,521.60</u>	
<b>Capital Improvements:</b>						
Capital Infrastructure		118,000.00	118,000.00	118,000.00		
<b>Total Capital Improvements</b>	D-1	<u>118,000.00</u>	<u>118,000.00</u>	<u>118,000.00</u>		
<b>Debt Service:</b>						
Payment of Bond Principal		235,000.00	235,000.00	235,000.00		
Interest on Bonds		101,034.00	101,034.00	101,034.00		
Interest on Notes		4,825.00	4,825.00	4,825.00		
<b>Total Debt Service</b>	D-1	<u>340,859.00</u>	<u>340,859.00</u>	<u>340,859.00</u>		
<b>Deferred Charges and Statutory Expenditures:</b>						
Deferred Charges						
Prior Year Deficit		45,076.00	45,076.00	45,075.94		0.06
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		28,282.00	28,282.00	28,282.00		
Social Security System (O.A.S.I.)		24,000.00	24,000.00	23,084.41	915.59	
<b>Total Deferred Charges and Statutory Expenditures</b>	D-1	<u>97,358.00</u>	<u>97,358.00</u>	<u>96,442.35</u>	<u>915.59</u>	<u>0.06</u>
		<u>1,793,207.00</u>	<u>1,793,207.00</u>	<u>1,677,769.75</u>	<u>115,437.19</u>	<u>0.06</u>
			D-3		D	D-1
Cash Disbursed	D-5			1,462,500.92		
Deferred Charges						
Prior Year Deficit	D-12			45,075.94		
Encumbrances	D-14			64,333.89		
Interest on Bonds	D-15			101,034.00		
Interest on Notes	D-16			4,825.00		
				<u>1,677,769.75</u>		

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



Borough of Allendale, N.J.

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash - Public Assistance	E-1	<u>3,109.95</u>	<u>3,555.00</u>
		<u>3,109.95</u>	<u>3,555.00</u>
<u>Liabilities</u>			
Reserve for Public Assistance		<u>3,109.95</u>	<u>3,555.00</u>
		<u>3,109.95</u>	<u>3,555.00</u>

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

**Exhibit F**

**Borough of Allendale, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Bond and Interest Fund**

**December 31,**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	F-1	<u>795.00</u>	<u>795.00</u>
<u>Liabilities</u>			
Bond and Interest Payable	F-2	<u>795.00</u>	<u>795.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Allendale, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2012</u>	<u>2011</u>
<u>General Fixed Assets:</u>		
Land	26,187,001.96	26,187,001.96
Buildings	5,679,748.30	5,642,246.30
Improvements Other Than Buildings	343,352.90	238,787.90
Machinery and Equipment	<u>7,482,102.93</u>	<u>7,346,427.65</u>
	<u>39,692,206.09</u>	<u>39,414,463.81</u>
Investment in Fixed Assets	<u>39,692,206.09</u>	<u>39,414,463.81</u>

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

**BOROUGH OF ALLENDALE, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

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

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

A. Reporting Entity

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
(continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

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

The Borough has the following funds and account groups:

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

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

Assessment Trust Fund - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole, or a part of, which costs are levied against the property receiving the benefit.

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

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

Payroll Fund - Receipts and disbursements of payroll withholdings that the Borough collects on behalf of various agencies as their agents.

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

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective January 1, 2002, the Borough transferred administration of the General Assistance Program to the Bergen County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the general assistance program.

Bond and Interest Fund - Receipts and disbursements of funds for payment of interest and principal on outstanding debt.

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

**Basis of Accounting**

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

General Capital Fund  
Public Assistance Fund

Trust Fund  
Water Capital Fund

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, the Borough Council increased the original budget by \$33,150.00 for additional aid allotted the Borough. In addition, several budget transfers were approved by the governing body.

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

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

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



**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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

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

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

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

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

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

General Fixed Assets - The Borough of Allendale has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services which differs in certain respects from generally accepted accounting principles.

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

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

No depreciation has been provided for in the financial statements.

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

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

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

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

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
(continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

C. Basic Financial Statements

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$-0- of the Borough's bank balance of \$6,648,911.33 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

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

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$10,405,000.00	\$1,275,000.00	\$2,045,000.00	\$9,635,000.00	\$840,000.00
Water Utility	<u>4,036,000.00</u>	<u>2,620,000.00</u>	<u>2,855,000.00</u>	<u>3,801,000.00</u>	<u>295,000.00</u>
	<u>\$14,441,000.00</u>	<u>\$3,895,000.00</u>	<u>\$4,900,000.00</u>	<u>\$13,436,000.00</u>	<u>\$1,135,000.00</u>

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

The Borough's debt is summarized as follows:

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General Bonds and Notes	\$13,281,600.00	\$13,406,600.00	\$13,376,000.00
Water Utility - Bonds and Notes	<u>4,040,200.00</u>	<u>4,232,200.00</u>	<u>4,241,000.00</u>
Total Issued	17,321,800.00	17,638,800.00	17,617,000.00
Less: Funds Temporarily Held to Pay			
Bonds and Notes:			
Cash on Hand	<u>71,062.28</u>	<u>56,062.28</u>	<u>56,062.28</u>
Net Debt Issued	<u>17,250,737.72</u>	<u>17,582,737.72</u>	<u>17,560,937.72</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	705,714.44	400,714.44	1,114,714.44
Water Utility - Bonds and Notes	<u>3,158.00</u>	<u>3,158.00</u>	<u>117,358.00</u>
Total Authorized But Not Issued	<u>708,872.44</u>	<u>403,872.44</u>	<u>1,232,072.44</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$17,959,610.16</u>	<u>\$17,986,610.16</u>	<u>\$18,793,010.16</u>

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .815%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$7,140,000.00	\$7,140,000.00	\$0.00
Regional School District Debt	3,757,493.72	3,757,493.72	0.00
Water Utility Debt	4,043,358.00	4,043,358.00	0.00
General Debt	<u>13,987,314.44</u>	<u>71,062.28</u>	<u>13,916,252.16</u>
	<u>\$28,928,166.16</u>	<u>\$15,011,914.00</u>	<u>\$13,916,252.16</u>

Net Debt \$13,916,252.16 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,707,031,834.00 equals .815%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$59,746,114.19
Net Debt	<u>13,916,252.16</u>
Remaining Borrowing Power	<u>\$45,829,862.03</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY**  
**PER N.J.S.A. 40A:2-45**

Cash receipts from fees, rents or other charges for year	\$1,925,053.23
Deductions:	
Operating and Maintenance Cost	\$1,289,272.00
Debt Service per Water Account	<u>340,859.00</u>
Total Deductions	<u>1,630,131.00</u>
Excess in Revenue	<u>\$294,922.23</u>

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long term debt consisted of the following at December 31, 2012:

	<u>Debt Outstanding</u>
<b>Paid by Current Fund:</b>	
General Serial Bonds - General Improvement Refunding Bonds of 2012 with interest rates of 2.00% to 3.00% issued October 25, 2012, due through July 15, 2016	\$1,275,000.00
General Serial Bonds - General Improvement Bonds of 2010 with interest rates of 3.00% to 3.15% issued February 15, 2010, due through February 15, 2022	4,035,000.00
General Serial Bonds - General Improvement Bonds of 2005 with interest rates of 3.75% to 3.85% issued June 1, 2005, due through July 1, 2020	4,000,000.00
General Serial Bonds - General Improvement Bonds of 2003 with interest rates of 2.50% to 3.25% issued June 15, 2002, due through July 15, 2016	<u>325,000.00</u>
	<u>9,635,000.00</u>
<b>Paid by Water Utility Operating Fund:</b>	
Water Serial Bonds - Water Utility Refunding Bonds of 2012 with interest rates of 2.00% to 4.00% issued October 25, 2012, due through July 15, 2023	2,620,000.00
Water Serial Bonds - Water Utility Bonds of 2010 with interest rates of 3.00% to 3.6% issued February 15, 2010, due through February 15, 2026	931,000.00
Water Serial Bonds - Water Utility Bonds of 2003 with interest rates of 3.00% to 4.00% issued June 15, 2003, due through July 15, 2023	<u>250,000.00</u>
	<u>3,801,000.00</u>
	<u>\$13,436,000.00</u>

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

In addition to the above, the Borough had authorized but not issued debt as follows:

Water Capital	<u>\$3,158.00</u>
General Capital	<u>\$705,714.44</u>

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

General			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$840,000.00	\$299,783.76	\$1,139,783.76
2014	855,000.00	281,890.00	1,136,890.00
2015	875,000.00	254,740.00	1,129,740.00
2016	905,000.00	230,052.50	1,135,052.50
2017	950,000.00	204,827.50	1,154,827.50
2018-2022	<u>5,210,000.00</u>	<u>462,973.75</u>	<u>5,672,973.75</u>
	<u>\$9,635,000.00</u>	<u>\$1,734,267.51</u>	<u>\$11,369,267.51</u>
Water Utility			
Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$295,000.00	\$80,099.75	\$375,099.75
2014	300,000.00	91,599.75	391,599.75
2015	320,000.00	82,599.75	402,599.75
2016	320,000.00	76,099.75	396,099.75
2017	340,000.00	69,599.75	409,599.75
2018-2022	1,275,000.00	232,491.25	1,507,491.25
2023-2026	<u>951,000.00</u>	<u>66,209.13</u>	<u>1,017,209.13</u>
	<u>\$3,801,000.00</u>	<u>\$698,699.13</u>	<u>\$4,499,699.13</u>

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES**

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

On December 31, 2012, the Borough had \$3,646,600.00 in outstanding general capital bond anticipation notes, \$1,447,000.00 maturing on February 1, 2013 at an interest rate of 1.50% and \$2,199,600.00 maturing on May 10, 2013 at an interest rate of .68%. The Borough also had \$239,200.00 in water capital bond anticipation notes maturing on May 10, 2013 at an interest rate of .68%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2012.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Janney Montgomery Scott	\$	\$1,447,000.00	\$	\$1,447,000.00
Valley National Bank	1,516,000.00		1,516,000.00	0.00
TD Securities	0.00	2,438,800.00		2,438,800.00
Jefferies & Co.	<u>1,681,800.00</u>		<u>1,681,800.00</u>	<u>0.00</u>
	<u>\$3,197,800.00</u>	<u>\$3,885,800.00</u>	<u>\$3,197,800.00</u>	<u>\$3,885,800.00</u>

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

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

	Balance December 31, <u>2012</u>	2013 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Special Emergency	<u>\$105,000.00</u>	<u>\$35,000.00</u>	<u>\$70,000.00</u>



**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 6. LOCAL AND REGIONAL HIGH SCHOOL TAXES**

Local and regional high school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2012.

**NOTE 7. PENSION PLANS**

Description of Systems:

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

*Public Employees' Retirement System (PERS)*

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

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

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

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

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

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Contribution Requirements

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

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2012	\$218,171.00	\$402,574.00
December 31, 2011	232,125.00	442,649.00
December 31, 2010	200,498.00	370,303.00

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

**Defined Contribution Retirement Program**

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

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

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

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

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

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

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

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

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
(continued)

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits to employees hired prior to June 1, 2012 in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

**Plan Description**

The Borough of Allendale contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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.

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. 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 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 <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>

**Plan Coverage**

Any employee who retires after twenty-five (25) years or more of service within a state administered pension system who was hired prior to June 1, 2012 shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough.

**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.

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)**

**Funding Policy, (continued)**

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of on a monthly basis. The rates charges by the system for the year ended December 31, 2012 were as follows:

The Borough of Allendale's contributions to SHBP for post-retirement benefits for the year ended December 31, 2012 was \$230,018.23 which equaled the required contributions for the year.

**NOTE 9. FUND BALANCES**

Fund balances as of December 31, 2012 and 2011 that have been anticipated as revenue in the 2013 and 2012 budgets were as follows:

	<u>2013</u>	<u>2012</u>
Current Fund	\$1,085,000.00	\$690,000.00
Water Operating Fund	80,000.00	100,000.00

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2012.

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
Land	\$26,187,001.96	\$	\$	\$26,187,001.96
Land Improvements	238,787.90	104,565.00		343,352.90
Buildings	5,642,246.30	37,502.00		5,679,748.30
Machinery and Equipment	<u>7,346,427.65</u>	<u>213,371.00</u>	<u>77,695.72</u>	<u>7,482,102.93</u>
	<u>\$39,414,463.81</u>	<u>\$355,438.00</u>	<u>\$77,695.72</u>	<u>\$39,692,206.09</u>

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 11. ACCRUED SICK AND VACATION BENEFITS**

The Borough does not permit employees to accrue unused sick and vacation time.

**NOTE 12. TAXES COLLECTED IN ADVANCE**

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

	Balance Dec 31, 2012	Balance Dec 31, 2011
Prepaid Taxes	<u>\$212,319.48</u>	<u>\$312,836.12</u>
Cash Liability for Taxes Collected in Advance	<u>\$212,319.48</u>	<u>\$312,836.12</u>

**NOTE 13. DUE TO/FROM OTHER FUNDS**

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

\$95.16	Due to Current Fund from General Capital Fund for interest earned.
2,160.23	Due to Current Fund from Animal Control Trust Fund for statutory excess.
766.89	Due to Current Fund from Other Trust Fund for interest earned and Other Trust Fund expenditures paid by Current Fund.
49,510.47	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
20,700.00	Due to General Capital Fund from Assessment Trust Fund for Assessment Trust Fund expenditures paid by General Capital Fund.
13,039.20	Due to General Capital Fund from Other Trust Fund for Other Trust Fund expenditures paid by General Capital Fund.
195,848.06	Due to General Capital Fund from Water Capital Fund for Water Capital Fund expenditures paid by General Capital Fund.
6,957.85	Due to Other Trust Fund from Federal and State Grant Fund for grant expenditures paid by Other Trust Fund.
<u>117,670.58</u>	Due to Water Capital Fund from Water Operating Fund for budget appropriation not turned over.
<u>\$406,748.44</u>	

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

**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(continued)**

**NOTE 14. LEASES**

The Borough has not entered into any long-term agreements for any equipment purchases.

**NOTE 15. RISK MANAGEMENT**

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

The Borough of Allendale is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Allendale is a member of the Bergen County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage up to \$100,000 for member municipalities. The Borough of Allendale pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be issued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of Allendale is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$100,000 for general liability, automobile liability and workers' compensation. The MEL also provides insurance coverage for the following: employment practices liability, non-owned aircraft, public officials liability, directors and officers liability and Faithful Performance and Employee Dishonesty Blanket Bond (\$1,000,000 limit).

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.



**BOROUGH OF ALLENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**  
(continued)

**NOTE 15. RISK MANAGEMENT, (continued)**

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Public Entity Risk Management Administration, Inc.

The Borough of Allendale continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Borough Counsel that the Borough is involved in several legal suits that are either covered by insurance or not material to the financial statements.

**NOTE 17. RELATED PARTY TRANSACTIONS**

The Borough authorized a transfer of \$150,000.00 from the Borough's Affordable Housing Trust Fund to Allendale Housing Inc. for the purpose of funding the completion of the Crescent Commons Project for affordable housing.

The Mayor, Vince Barra, is president of Allendale Housing, Inc., a duly incorporated nonprofit corporation organized to provide affordable housing.

N.J.S.A. 40A:12-21(i) authorizes a private sale for consideration to any duly incorporated nonprofit housing corporation for the purpose of constructing housing for low or moderate income persons or families.

**NOTE 18. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through May 8, 2013, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**SUPPLEMENTARY DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>2.311</u>	<u>2.672</u>	<u>2.642</u>

Apportionment of Tax Rate:

Municipal	.552	.642	.686
County	.233	.277	.274
Local School	.946	1.071	1.052
Regional High School	.539	.633	.625
Municipal Open Space	.004	.005	.005
Library	.037	.044	

Assessed Valuations

2012	\$1,538,806,623.00		
2011		\$1,315,286,224.00	
2010			\$1,312,958,724.00

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2012	\$35,633,196.66	\$35,353,493.31	99.22%
2011	35,182,263.33	34,750,583.24	98.77
2010	34,791,107.08	34,504,736.36	99.18

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$63,680.58	\$276,738.33	\$340,418.91	.96%
2011	60,962.84	276,157.80	337,120.64	.96
2010	58,862.65	216,895.68	275,758.33	.79

**PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION**

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

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

<u>Year</u>	<u>Amount</u>
2012	\$4,900.00
2011	4,900.00
2010	300,600.00

**COMPARISON OF WATER LEVIES**

<u>Year</u>	<u>Water Charges</u>	<u>Collections*</u>
2012	\$1,244,582.20	\$1,622,404.68
2011	1,429,348.84	1,334,248.22
2010	1,535,689.49	1,559,351.95

\* Includes collections of prior year charges.

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2012	\$2,444,529.73	\$1,085,000.00
	2011	1,914,304.36	690,000.00
	2010	1,495,301.13	785,000.00
	2009	1,347,883.80	900,000.00
Water Utility Operating Fund	2012	\$232,489.86	\$80,000.00
	2011	160,590.49	100,000.00
	2010	276,272.49	115,682.00
	2009	149,274.21	100,000.00

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
Vince Barra	Mayor	
James Strauch	Councilman (President)	
Ari Bernstein	Councilman	
Susan LaMonica	Councilwoman	
Jacqueline McSwiggan	Councilwoman	
Elizabeth White	Councilwoman	
Amy Wilczynski	Councilwoman	
M. Alissa Mayer	Chief Finance Officer, Water Collector from 08/07/12	
Harold Laufeld	Tax Collector	
Gwen McCarthy	Borough Clerk/Administrative Officer	
Keith Cauwenberghs	Director of Operations to 09/28/12	
David Bole	Attorney	
John Yakimik	Engineer	
Harry D. Norton, Jr.	Magistrate	
Rosemarie Novelli	Court Administrator	
Mark Tompeck	Sewer Engineer Water Engineer	
Dominick P. Preziosi, Jr.	Public Defender	
Richard M. Rosa	Municipal Prosecutor	
Jennifer Sidoti	Water Utility Clerk to 08/06/12	
Jeff Picinich	Water Superintendent	
Angela M. Mattiace	Assessor	
George Scherb	Police Chief	
Carol Connell Cannon	Library Director	
Ferraioli, Wielkotz, Cerullo & Cuva, P.A.	Auditor	

\*Employees and officials were covered under the Bergen County Municipal Joint Insurance Fund.

## Borough of Allendale

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

<u>Federal Grantor Department</u>	<u>Program Title</u>	<u>Federal Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Homeland Security	Public Assistance Grant Program	97.036	59,940.22		59,940.22	59,940.22		59,940.22
Department of Housing and Urban Development	Community Development Block Grant	14.218	33,150.00					
Department of Transportation (1)	Safe Routes to Schools	20.205	250,000.00	(41,778.04)	7,456.62	28,911.67	(63,233.09)	70,689.71
				<u>(41,778.04)</u>	<u>67,396.84</u>	<u>88,851.89</u>	<u>(63,233.09)</u>	<u>130,629.93</u>

(1) Accounted for in General Capital Fund

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

## Borough of Allendale

## Schedule of Expenditures of State Awards

## For the Year Ended December 31, 2012

<u>State Grantor Department</u>	<u>Program Title</u>	<u>State Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection and Energy	Clean Communities Grant	4900-765-042-4900	10,290.37 10,469.21	7,282.56	10,290.37	5,972.03	10,290.37 1,310.53	9,158.68
	Recycling Grant	4900-752-042-4900	11,737.77 25,312.84	10,833.91	11,737.77	10,704.84	11,737.77 129.07	25,183.77
	Green Communities	4870-100-042-6110	2,000.00	2,000.00			2,000.00	
	(2) Green Acres		400,000.00	8,718.51			8,718.51	391,281.49
NJ Division of Criminal Justice	Body Armor Replacement Fund	1020-718-066	1,550.79		1,550.79		1,550.79	
			1,607.70	1,607.70		1,607.70		
			2,445.71	2,445.71		2,445.71		
			1,369.23	1,369.23		1,369.23		
			1,479.26	399.43		399.43	1,079.83	
Department of Community Affairs	SLA HEOP Grant		2,405.72	2,405.72			2,405.72	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400	3,833.94	3,833.94			3,833.94	
			12,684.90	6,373.67		3,528.64	2,845.03	9,839.87
	Alcohol Ed. Rehab.	9735-760-098-6020	64.67 1,302.31	64.67 562.66			64.67 562.66	739.65

Borough of Allendale

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

<u>State Grantor Department</u>	<u>Program Title</u>	<u>State Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Transportation	(2) N.J. Transportation (2) Trust Fund	4800-786-3206010	200,000.00		65,856.40	65,856.40		198,214.26
Bergen County	(1) Municipal Drug Alliance		7,467.00	(3,217.00)	4,317.00	1,100.00		7,467.00
(1) Pass-Thru Grant - County of Bergen								
(2) Accounted for in General Capital Fund								
				<u>44,680.71</u>	<u>93,752.33</u>	<u>87,161.91</u>	<u>51,271.13</u>	<u>642,964.55</u>

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04.

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**Borough of Allendale, N.J.**

**Schedule of Cash - Collector-Treasurer**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2011	A		3,578,641.51
Increased by Receipts:			
Interest and Costs on Taxes	A-2	79,617.63	
Miscellaneous Revenue Not Anticipated	A-2	211,415.47	
Petty Cash	A-6	950.00	
Due From State - Senior Citizen and Veteran Deductions	A-7	46,276.71	
Taxes Receivable	A-8	35,269,382.45	
Revenue Accounts Receivable	A-11	2,538,627.11	
Interfunds	A-12	57,815.27	
Prepaid Taxes	A-17	212,319.48	
Various Cash Liabilities and Reserves	A-20	<u>259,036.77</u>	
			<u>38,675,440.89</u>
			42,254,082.40
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	10,769,545.72	
Petty Cash	A-6	950.00	
Interfunds	A-12	120,851.48	
Appropriation Reserves	A-14	431,213.50	
Local District School Taxes	A-18	14,555,834.51	
Regional High School Taxes	A-19	8,283,875.23	
County Taxes Payable	A-20	3,578,889.04	
Various Cash Liabilities and Reserves	A-21	<u>428,362.98</u>	
			<u>38,169,522.46</u>
Balance - December 31, 2012	A		<u><u>4,084,559.94</u></u>

**Exhibit A-5**

**Borough of Allendale, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	<u>400.00</u>
Balance - December 31, 2012	A	<u>400.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		150.00
Board of Health		50.00
Clerk		100.00
Municipal Court		<u>100.00</u>
		<u>400.00</u>

**Exhibit A-6**

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u>950.00</u>
Decreased by:		
Returned to Treasurer	A-4	<u>950.00</u>

**Borough of Allendale, N.J.**

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

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	3,847.80
Increased by:		
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		500.00
Decreased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billings		47,000.00
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector		<u>500.00</u>
	A-8	<u>47,000.00</u>
		43,152.20
Increased by:		
Cash Receipts	A-4	<u>46,276.71</u>
Balance - December 31, 2012	A	<u><u>3,124.51</u></u>

Borough of Allendale, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2012

Year	Balance, Dec. 31, 2011	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2012
				2011	2012				
2011	276,157.80				275,975.26	(250.00)		432.54	
	<u>276,157.80</u>				<u>275,975.26</u>	<u>(250.00)</u>		<u>432.54</u>	
2012		<u>35,561,822.31</u>	<u>71,374.35</u>	<u>312,836.12</u>	<u>34,993,407.19</u>	<u>47,250.00</u>	<u>2,717.74</u>	<u>247.28</u>	<u>276,738.33</u>
	<u>276,157.80</u>	<u>35,561,822.31</u>	<u>71,374.35</u>	<u>312,836.12</u>	<u>35,269,382.45</u>	<u>47,000.00</u>	<u>2,717.74</u>	<u>679.82</u>	<u>276,738.33</u>
	A			A-2/A-16	A-2/A-4	A-2/A-7	A-10		A

Analysis of Tax Levy

Tax yield:

General Purpose Tax  
 Added Tax (R.S. 54:4-63.1 et seq.)

Ref.

35,561,822.31  
71,374.35

35,633,196.66

Tax Levy:

Municipal Open Space Tax  
 Added Municipal Open Space Tax

76,940.00  
129.38

A-12

77,069.38

Local District School Tax

A-18

14,555,834.51

Regional High School Tax

A-19

8,283,875.23

County Tax

A-20

3,567,654.94

Added County Taxes

A-20

7,313.85

3,574,968.79

A-2

26,491,747.91

Local Tax for Municipal Purposes

9,062,536.49

Additional Taxes

78,912.26

9,141,448.75

35,633,196.66

**Borough of Allendale, N.J.**

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> A	<u>4,900.00</u>
Balance - December 31, 2012	A	<u>4,900.00</u>

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> A	60,962.84
Increased by:		
Transfers from Taxes Receivable	A-8	<u>2,717.74</u>
Balance - December 31, 2012	A	<u>63,680.58</u>

## Borough of Allendale, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2012

	Ref.	Balance Dec. 31, 2011	Accrued	Collected	Balance Dec. 31, 2012
Clerk:					
Licenses:					
Alcoholic beverages	A-2		15,000.00	15,000.00	
Fees and Permits	A-2		12,870.00	12,870.00	
Tax Searches	A-2		0.45	0.45	
Planning Board					
Fees and Permits	A-2		250.00	250.00	
Board of Adjustment					
Fees and Permits	A-2		1,750.00	1,750.00	
Board of Health:					
Fees and Permits	A-2	3,806.00	7,793.00	7,487.00	4,112.00
Parking					
Fees and Permits	A-2		25,254.68	25,254.68	
Municipal Court :					
Fines and Costs	A-2	2,921.80	38,481.46	37,644.10	3,759.16
Uniform Construction Code:					
Fees and Permits - Building	A-2		184,545.00	184,545.00	
Garbage Collection	A-2		1,952.00	1,952.00	
Energy Receipts Taxes	A-2		1,068,869.00	1,068,869.00	
Interest on Investments and Deposits	A-2		2,229.77	2,229.77	
Interlocal Services Act (Ch. 208,P.L. 1973)					
Borough of Midland Park Construction Official	A-2		37,271.57	37,271.57	
Borough of Midland Park Electric Insp.	A-2		8,401.12	8,401.12	
Allendale Library Surplus	A-2		330,999.00	330,999.00	
Cable T.V.	A-2	87,505.34	88,466.87	87,505.34	88,466.87
Cellular Tower Lease	A-2	4,165.81	115,914.58	115,439.40	4,640.99
Uniform Fire Safety Code	A-2		10,295.42	10,295.42	
Dues & Fees - Crestwood Lake	A-2		333,579.00	333,579.00	
Ramsey Sewer Charges	A-2		154,933.88	154,933.88	
Saddle River Sewer Payment	A-2	28,897.47	51,150.17	52,276.55	27,771.09
Allendale El. School Contribution to Sewer Use	A-2		18,826.15	18,826.15	
North. High. Reg. HS Contribution to Sewer Use	A-2		31,247.68	31,247.68	
		<u>127,296.42</u>	<u>2,540,080.80</u>	<u>2,538,627.11</u>	<u>128,750.11</u>
		A		A-4	A

Borough of Allendale, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2012

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To)</u> <u>Balance</u>			<u>Due From/(To)</u> <u>Balance</u>
		<u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2012</u>
Other Trust Fund	A	1,215.77	77,836.27	78,285.15	766.89
General Capital Fund	A	2,793.33	95.16	2,793.33	95.16
Federal and State Grant Fund	A	(42,920.05)	49,510.47	42,920.05	(49,510.47)
Animal Control Trust Fund	A	4,295.70	2,160.23	4,295.70	2,160.23
		<u>(34,615.25)</u>	<u>129,602.13</u>	<u>128,294.23</u>	<u>(46,488.19)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	8,304.80			3,022.28
Due From Current Fund	A	<u>(42,920.05)</u>			<u>(49,510.47)</u>
		<u>(34,615.25)</u>			<u>(46,488.19)</u>
Municipal Open Space Tax	A-1			77,069.38	
Statutory Excess in Animal Trust	A-1		2,160.23		
Disbursed	A-4		77,931.43	42,920.05	
Received	A-4		<u>49,510.47</u>	<u>8,304.80</u>	
			<u>129,602.13</u>	<u>128,294.23</u>	

Borough of Allendale, N.J.

Schedule of Deferred Charges - Special Emergency Authorization

Current Fund

Year Ended December 31, 2012

<u>Purpose</u>	Balance, Dec. 31, 2011	Reduced in 2012	Balance, Dec. 31, 2012
Revaluation of Real Property	140,000.00	35,000.00	105,000.00
	<u>140,000.00</u>	<u>35,000.00</u>	<u>105,000.00</u>
	A	A-3	A



## Borough of Allendale, N.J.

## Schedule of Appropriation Reserves

## Current Fund

## Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
Administrative and Executive	4,539.50	4,539.50	1,125.00	3,414.50
Borough Clerk	1,515.92	1,515.92	1,415.91	100.01
Financial Administration	4,533.58	4,533.58	914.38	3,619.20
Collection of Taxes	7,188.86	7,188.86		7,188.86
Assessment of Taxes	0.02	0.02		0.02
Planning Board	2,819.60	2,819.60	558.80	2,260.80
Police	25,166.50	25,166.50	22,983.95	2,182.55
Emergency Management Services	2,000.00	2,000.00		2,000.00
Uniform Fire Safety Act - Fire Official	3,142.32	3,142.32	1,447.51	1,694.81
Municipal Prosecutor	0.10	0.10		0.10
Municipal Court	108.32	108.32	30.24	78.08
Road Repairs and Maintenance	91,891.66	91,891.66	7,217.21	84,674.45
Sewer System	8,550.19	8,550.19	119.64	8,430.55
Board of Health	3,141.08	3,141.08	236.54	2,904.54
Crestwood Lake Swimming & Rec. Facility	977.39	977.39		977.39
Construction Code Official	4,540.96	4,540.96	1,866.23	2,674.73
Plumbing Inspector	51.09	51.09		51.09
Electric Inspector	776.78	776.78		776.78
Fire Subcode Official	40.11	40.11		40.11
Zoning Officer/Property Maintenance	665.10	665.10	187.08	478.02
Salary and Wage Adjustment	33,100.00	33,100.00		33,100.00
<b>Total Salaries and Wages Within "CAPS"</b>	<b>194,749.08</b>	<b>194,749.08</b>	<b>38,102.49</b>	<b>156,646.59</b>
<b>Other Expenses Within "CAPS":</b>				
Administrative and Executive	6,562.51	6,076.51	2,646.22	3,430.29
Mayor and Council	647.41	1,317.54	804.25	513.29
Borough Clerk	584.89	595.27	10.38	584.89
Financial Administration	3,793.37	5,596.36	5,595.41	0.95
Annual Audit	2,280.00	2,280.00	2,280.00	
Collection of Taxes	3,950.78	3,950.78	1,552.22	2,398.56
Assessment of Taxes	13,882.88	16,349.86	2,466.98	13,882.88
Legal Services and Costs	27,156.45	27,156.45	17,285.89	9,870.56
Engineering	15,445.83	34,829.53	30,247.30	4,582.23
Planning Board	25,029.71	25,337.71	2,280.55	23,057.16

## Borough of Allendale, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Insurance				
Other Insurance Premiums	50,344.40	50,344.40	48,004.90	2,339.50
Workers' Compensation Insurance	56,528.06	56,528.06	26,970.33	29,557.73
Group Insurance Plan for Employees	120,860.67	122,018.67	1,061.50	120,957.17
Police	24,996.01	84,075.90	61,846.86	22,229.04
Emergency Management Services	2,887.85	2,887.85		2,887.85
Fire	1,206.63	5,373.82	5,221.25	152.57
Uniform Fire Safety Act - Fire Official	296.72	999.67	935.27	64.40
Municipal Court	1,750.00	1,750.00	205.00	1,545.00
Public Defender	950.00	1,350.00	400.00	950.00
Road Repairs and Maintenance	22,061.00	30,502.81	21,767.68	8,735.13
Shade Tree	8,508.48	8,658.48	1,259.25	7,399.23
Snow Removal	22,698.09	31,713.05	17,907.15	13,805.90
Sewer System	18,654.10	18,654.10	400.00	18,254.10
Garbage and Trash Removal	33,600.62	69,902.10	65,886.09	4,016.01
Recycling	3,312.57	7,510.85	6,698.28	812.57
Public Buildings and Grounds	18,616.75	24,666.03	7,685.68	16,980.35
Board of Health	1,336.19	1,336.19	34.24	1,301.95
Senior Citizens	70.75	70.75		70.75
Animal Control	170.00	965.00	795.00	170.00
Parks and Playgrounds	8,348.94	8,755.23	3,137.66	5,617.57
Crestwood Lake Swimming & Rec. Facility	2,435.86	2,455.84	55.98	2,399.86
Construction Official	140.28	140.28		140.28
Gasoline and Oil	4,661.93	14,290.31	9,628.38	4,661.93
Utilities	99,487.28	101,787.28	36,770.77	65,016.51
Radio Equipment Maintenance	903.80	1,893.80	990.00	903.80
Contingent	30,000.00	30,000.00		30,000.00
Total Other expenses Within "CAPS"	<u>634,160.81</u>	<u>802,120.48</u>	<u>382,830.47</u>	<u>419,290.01</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security ( O.A.S.I. )	<u>61,196.76</u>	<u>61,196.76</u>	<u>2,914.85</u>	<u>58,281.91</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>61,196.76</u>	<u>61,196.76</u>	<u>2,914.85</u>	<u>58,281.91</u>
Total Reserves Within "CAPS"	<u>890,106.65</u>	<u>1,058,066.32</u>	<u>423,847.81</u>	<u>634,218.51</u>

Borough of Allendale, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries & Wages Excluded From "CAPS":				
Borough of Midland Park - Electric Inspector	46.30	46.30		46.30
<b>Total Salary &amp; Wages Excluded From "CAPS"</b>	<u>46.30</u>	<u>46.30</u>		<u>46.30</u>
Other Expenses Excluded From "CAPS":				
Northwest Bergen County Sewerage Auth.	108.00	108.00		108.00
Borough of Waldwick - Well Baby	690.00	705.00	15.00	690.00
Borough of Mahwah - 911 Dispatching	710.65	710.65		710.65
Borough of Hohokus - Municipal Court	18,482.05	18,482.05	7,350.69	11,131.36
Borough of Midland Park - Construction Official	17,000.00	17,000.00		17,000.00
Borough of Midland Park - Electric Inspector	1,700.00	1,700.00		1,700.00
<b>Total Other Expenses Excluded from "CAPS"</b>	<u>38,690.70</u>	<u>38,705.70</u>	<u>7,365.69</u>	<u>31,340.01</u>
<b>Total Reserves Excluded from "CAPS"</b>	<u>38,737.00</u>	<u>38,752.00</u>	<u>7,365.69</u>	<u>31,386.31</u>
<b>Total Reserves</b>	<u>928,843.65</u>	<u>1,096,818.32</u>	<u>431,213.50</u>	<u>665,604.82</u>
	A		A-4	A-1
	Ref.			
Appropriation Reserves	above	928,843.65		
Transfer from Reserve for Encumbrances	A-15	<u>167,974.67</u>		
		<u>1,096,818.32</u>		

**Borough of Allendale, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	167,974.67
Increased by:		
Transfer from Current Appropriations	A-3	<u>107,785.41</u>
		275,760.08
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>167,974.67</u>
Balance - December 31, 2012	A	<u><u>107,785.41</u></u>

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	<u><u>38,818.62</u></u>
Balance - December 31, 2012	A	<u><u>38,818.62</u></u>

**Borough of Allendale, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	312,836.12
Increased by:		
Receipts - Prepaid 2013 Taxes	A-4	<u>212,319.48</u>
		525,155.60
Decreased by:		
Applied to 2012 Taxes	A-8	<u>312,836.12</u>
Balance - December 31, 2012	A	<u><u>212,319.48</u></u>

**Borough of Allendale, N.J.**  
**Schedule of Local District School Tax**  
**Current Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year , 2012	A-1/A-8	<u>14,555,834.51</u>
Decreased by:		
Payments	A-4	<u>14,555,834.51</u>

**Schedule of Regional High School Tax**  
**Current Fund**  
**Year Ended December 31, 2012**

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year , 2012	A-1/A-8	<u>8,283,875.23</u>
Decreased by:		
Payments	A-4	<u>8,283,875.23</u>

**Borough of Allendale, N.J.**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		3,920.25
Increased by:			
Levy	A-1/A-8	3,567,654.94	
Added and Omitted Taxes	A-1/A-8	<u>7,313.85</u>	
			<u>3,574,968.79</u>
			3,578,889.04
Decreased by:			
Payments	A-4		<u>3,578,889.04</u>
Balance - December 31, 2012	A		<u><u>                    </u></u>

Borough of Allendale, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2012

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2012</u>
<u>Liabilities:</u>				
Tax Overpayments	84,510.84	219,875.30	205,733.86	98,652.28
Outside Liens		24,797.49	24,797.49	
Due to State of NJ - DCA	2,968.00	12,479.00	13,509.00	1,938.00
Due to State of NJ - Marriage	50.00	250.00	300.00	
Due to State of NJ - Sales Tax	82.69	1,634.98	1,612.32	105.35
<u>Reserves</u>				
Tax Appeals	122,289.96	100,000.00	100,266.23	122,023.73
Revaluation	95,674.50		82,144.50	13,530.00
	<u>305,575.99</u>	<u>359,036.77</u>	<u>428,363.40</u>	<u>236,249.36</u>
	A			A
	<u>Ref.</u>			
Tax Overpayments Canceled	A-1		0.42	
2012 Budget Appropriation	A-3	100,000.00		
Receipts	A-4	259,036.77		
Disbursed	A-4		428,362.98	
		<u>359,036.77</u>	<u>428,363.40</u>	



Borough of Allendale, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	Balance, Dec. 31, 2011	Budget Revenue	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, 2012
Federal Grants:					
Community Development Block Grant		33,150.00			33,150.00
		<u>33,150.00</u>			<u>33,150.00</u>
State Grants:					
Clean Communities Grant		10,500.19	10,290.37	209.82	
Municipal Alliance on Alcoholism and Drug Abuse	4,317.00		4,317.00		
Body Armor Replacement Fund		1,608.10	1,608.10		
Drunk Driving Enforcement Fund		3,833.94	3,833.94		
	<u>4,317.00</u>	<u>15,942.23</u>	<u>20,049.41</u>	<u>209.82</u>	
	<u>4,317.00</u>	<u>49,092.23</u>	<u>20,049.41</u>	<u>209.82</u>	<u>33,150.00</u>
	A	A-2		A-23	A
Transferred from Unappropriated Reserves	Ref. A-24		5,442.04		
Interfund - Other Trust Fund	A-25				
Interfund - Current Fund	A-25		<u>14,607.37</u>		
			<u>20,049.41</u>		

Borough of Allendale, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	Balance, Dec. 31, 2011	Transfer From 2012 Budget	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2012
Federal Grants					
Community Development Block Grant	_____	33,150.00	_____	_____	33,150.00
	_____	33,150.00	_____	_____	33,150.00
State Grants:					
Drunk Driving Enforcement Fund	6,373.67	3,833.94	3,528.64		6,678.97
Recycling Grant	10,833.91		10,704.84		129.07
NJ SLA HEOP Grant	2,405.72				2,405.72
Alcohol Rehabilitation Grant	627.33				627.33
Clean Communities Grant	7,282.56	10,500.19	5,972.03	209.82	11,600.90
Municipal Alliance on Alcoholism and Drug Abuse	1,100.00		1,100.00		
Body Armor Replacement Fund	4,213.97	1,608.10			5,822.07
Green Communities Challenge Grant	2,000.00				2,000.00
	34,837.16	15,942.23	21,305.51	209.82	29,264.06
	34,837.16	49,092.23	21,305.51	209.82	62,414.06
	A	A-3	A-25	A-22	A

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**Borough of Allendale, N.J.**

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2012**

<u>Grant</u>	Balance, Dec. 31, <u>2011</u>	Transfer To 2012 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2012</u>
State Grants:				
Body Armor Replacement Fund	1,608.10	1,608.10	1,550.79	1,550.79
Recycling Tonnage Grant			11,737.77	11,737.77
Drunk Driving Enforcement Fund	3,833.94	3,833.94		
	<u>5,442.04</u>	<u>5,442.04</u>	<u>13,288.56</u>	<u>13,288.56</u>
	A	A-22	A-25	A

**Borough of Allendale, N.J.**

**Schedule of Interfunds**

**Federal and State Grant Fund**

**Year Ended December 31, 2012**

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To)</u> <u>Balance</u>			<u>Due From/(To)</u> <u>Balance</u>	
		<u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2012</u>	
Other Trust	A	(6,957.85)			(6,957.85)	
Current Fund	A	<u>42,920.05</u>	<u>27,895.93</u>	<u>21,305.51</u>	<u>49,510.47</u>	
		<u>35,962.20</u>	<u>27,895.93</u>	<u>21,305.51</u>	<u>42,552.62</u>	
	<u>Ref.</u>					
Federal and State Grants Receivable	A-22		14,607.37			
Reserve for Federal and State Grants	A-23			21,305.51		
Unappropriated Reserves for Grants	A-24		13,288.56			
			<u>27,895.93</u>	<u>21,305.51</u>		

## Borough of Allendale, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2011	B	<u>                    </u>	<u>10,037.70</u>	<u>1,065,936.42</u>
Increased by Receipts:				
Assessment Receivable	B-2	13,600.00		
Dog License Fees - Borough Share	B-3		2,555.00	
Late Fees Collected	B-3		901.00	
Cat License Fees	B-3		337.00	
Dog License Fees - State Share	B-4		480.00	
Prepaid Licenses	B-5		389.60	
Interfunds	B-6			13,039.20
Interfunds - Current Fund	B-8			834.78
Open Space Trust	B-9			77,069.38
Other Trust Funds	B-10			425,420.34
		<u>13,600.00</u>	<u>4,662.60</u>	<u>516,363.70</u>
Total Receipts		<u>13,600.00</u>	<u>14,700.30</u>	<u>1,582,300.12</u>
Decreased by Disbursements:				
Reserve for Dog Expenditures	B-3		2,578.77	
State Share - Dog Licenses	B-4		513.00	
Interfunds - Current Fund	B-8		4,295.70	1,283.66
Open Space Trust	B-9			82,039.20
Other Trust Funds	B-10			717,818.03
			<u>7,387.47</u>	<u>801,140.89</u>
Total Disbursements			<u>7,387.47</u>	<u>801,140.89</u>
Balance - December 31, 2012	B	<u>13,600.00</u>	<u>7,312.83</u>	<u>781,159.23</u>

Borough of Allendale, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Confir- mation	Balance Dec. 31, 2011	Collected	Balance Dec. 31, 2012	Balance Pledged to	
						Reserve	Interfund General Capital
03-07	Improvement to DeMercurio Drive	10/14/2004	27,200.00	13,600.00	13,600.00	6,500.00	7,100.00
			<u>27,200.00</u>	<u>13,600.00</u>	<u>13,600.00</u>	<u>6,500.00</u>	<u>7,100.00</u>
			B	B-1	B		

Borough of Allendale, N.J.

Reserve for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		5,537.00
Increased by:			
Dog License Fees	B-1	2,555.00	
2012 Prepaid Dog Licenses	B-5	140.00	
Late Fees & Replacement Tags	B-1	901.00	
Cat License Fees	B-1	337.00	
2012 Prepaid Cat Licenses	B-5	<u>29.00</u>	
			<u>3,962.00</u>
			9,499.00
Decreased by:			
Expenditures R.S. 4:19-1511	B-1	2,578.77	
Statutory Excess Due to Current	B-8	<u>2,160.23</u>	
			<u>4,739.00</u>
Balance - December 31, 2012	B		<u><u>4,760.00</u></u>

License Fees Collected

<u>Year</u>	
2011	1,939.00
2010	<u>2,821.00</u>
	<u><u>4,760.00</u></u>

Borough of Allendale, N.J.

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>		
Increased by:			
State Fees Collected	B-1	480.00	
2012 Prepaid Dog Licenses	B-5	<u>36.00</u>	
			516.00
Decreased by:			
Paid to State	B-1		<u>513.00</u>
Balance - December 31, 2012	B		<u><u>3.00</u></u>

Prepaid Licenses

Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		205.00
Increased by:			
Cash Receipts	B-1		<u>389.60</u>
			594.60
Decreased by:			
Applied to Reserves - Dog Licenses	B-3	140.00	
Applied to Reserves - Cat Licenses	B-3	29.00	
Applied to Due to State of NJ	B-4	<u>36.00</u>	
			<u>205.00</u>
Balance - December 31, 2012	B		<u><u>389.60</u></u>



**Borough of Allendale, N.J.**

**Schedule of Interfund - Other Trust Fund**

**Trust Funds**

**Year Ended December 31, 2012**

	Due from/(to) Balance <u>Dec. 31, 2011</u>	<u>Increased by</u>	Due from/(to) Balance <u>Dec. 31, 2012</u>
Federal and State Grant Fund	6,957.85		6,957.85
General Capital Fund		13,039.20	(13,039.20)
	<u>6,957.85</u>	<u>13,039.20</u>	<u>(6,081.35)</u>
	B		B
Cash Receipts - Other Trust Fund	<u>Ref.</u> B-1	<u>13,039.20</u>	

**Borough of Allendale, N.J.**

**Schedule of Due to General Capital Fund**

**Assessment Trust Funds**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	B	<u>20,700.00</u>
Balance - December 31, 2012	B	<u>20,700.00</u>

**Borough of Allendale, N.J.**

**Schedule of Interfund - Current Fund**

**Trust Funds**

**Year Ended December 31, 2012**

	Due from/(to) Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2012</u>
Animal Control Trust Fund	(4,295.70)	2,160.23	4,295.70	(2,160.23)
Other Trust Fund	(1,215.77)	834.78	1,283.66	(766.89)
	<u>(5,511.47)</u>	<u>2,995.01</u>	<u>5,579.36</u>	<u>(2,927.12)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Other Trust Fund	B-1	834.78		
Statutory Excess in Animal Control Trust	B-3	2,160.23		
Cash Disbursements-Animal Control Trust	B-1		4,295.70	
Cash Disbursements-Other Trust Fund	B-1		1,283.66	
		<u>2,995.01</u>	<u>5,579.36</u>	

Borough of Allendale, N.J.

Reserve for Open Space Trust

Trust Funds

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	69,760.45
Increased by:		
2012 Tax Levy		76,940.00
2012 Added Taxes		<u>129.38</u>
	B-1	<u>77,069.38</u>
		146,829.83
Decreased by:		
Cash Disbursements	B-1	<u>82,039.20</u>
Balance - December 31, 2012	B	<u><u>64,790.63</u></u>

**Borough of Allendale, N.J.**

**Schedule of Other Trust Funds**

**Trust Funds**

**Year Ended December 31, 2012**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Reserve for:				
Developers Escrow	377,098.39	83.98	252,000.00	125,182.37
Municipal Court - P.O.A.A.	2,538.10	86.00		2,624.10
Recycling	105,317.15	37,960.32	61,357.75	81,919.72
Escrow Deposits	169,030.53	96,030.08	139,254.16	125,806.45
Housing Trust	196,354.02	120,844.20	191,616.32	125,581.90
Municipal Alliance Donations	5,236.01		760.00	4,476.01
Police Bequests	6,355.80		4,020.00	2,335.80
Rental Deposits	3,116.68	3,000.00	1,000.00	5,116.68
ATT Tower	11,205.34			11,205.34
Improvement and Beautification	10,049.77	25,423.25	5,047.00	30,426.02
Reserve for Unemployment	813.72	45,896.73	29,675.07	17,035.38
9/11 Memorial	30,942.21	723.78	2,000.00	29,665.99
Police Donations	3,287.99	1,580.00	1,305.34	3,562.65
Crestwood Donation	530.00		530.00	
Orchard Commons Donation	7,966.34		2,248.00	5,718.34
Tax Sale Premiums	72,000.00	93,000.00	26,500.00	138,500.00
CERT Donations	76.00			76.00
Flex Spending		792.00	504.39	287.61
	<u>1,001,918.05</u>	<u>425,420.34</u>	<u>717,818.03</u>	<u>709,520.36</u>
	B	B-1	B-1	B

Borough of Allendale, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2012

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2012</u>
<u>Assessments Receivable</u>			
03-07	Improvement to DeMercurio Dr	6,500.00	6,500.00
		<hr/>	<hr/>
		6,500.00	6,500.00
		<hr/> <hr/>	<hr/> <hr/>
		B	B

Borough of Allendale, N.J.

Statement of Cash Reconciliation

Payroll Fund

Year Ended December 31, 2012

Ref.

Balance on Deposit per Statement of:		
Bank of America		46,694.14
Less: Outstanding Checks per		
List on File		15,276.70
		<hr/>
Balance - December 31, 2012	B	<u>31,417.44</u>
 <u>Analysis of Balance - December 31, 2012</u>		
P.F.R.S.		14,644.75
P.E.R.S.		14,417.02
Vision		10.99
Health Benefits		1,676.90
AFLAC		667.78
		<hr/>
Payroll Deductions Payable	B	<u>31,417.44</u>

Borough of Allendale , N.J.

Schedule of General Capital Cash

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	C		858,161.77
Increased by Receipts:			
General Capital Fund Balance	C-1	11,996.24	
Various Receivables	C-4	159,131.42	
Deferred Charges Unfunded	C-6	369,000.00	
Bond Anticipation Notes	C-8	3,646,600.00	
Capital Improvement Fund	C-10	36,000.00	
Interfunds	C-12	<u>447.10</u>	
			<u>4,293,174.76</u>
			5,151,336.53
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	3,001,600.00	
Improvement Authorizations	C-9	1,755,229.21	
Various Reserves	C-11	39,842.87	
Interfunds	C-12	<u>212,283.82</u>	
			<u>5,008,955.90</u>
Balance - December 31, 2012	C		<u><u>142,380.63</u></u>



Borough of Allendale , N.J.

Analysis of General Capital Cash

Year Ended December 31, 2012

	<u>Ref.</u>	
Fund Balance	C-1	79,792.48
Various Receivables	C-4	(244,329.12)
Capital Improvement Fund	C-10	3,111.98
Various Reserves	C-11	86,219.41
Interfund - Assessment Trust Fund	C-12	(20,700.00)
Interfund - Current Fund	C-12	95.16
Interfund - Other Trust Fund	C-12	(13,039.20)
Interfund - Water Capital Fund	C-12	(195,848.06)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
03-06	Various Improvements	(106,618.70)
05-03	Various Improvements	(83,601.81)
07-04	Various Improvements	0.01
07-13	Acquisition of Real Property	(45,697.47)
08-09	Various Improvements	232,027.97
08-23	Renovations of Municipal Offices	9,935.74
09-09	Various Improvements	73,486.22
10-04	Various Improvements	107,248.06
11-01	Various Improvements	144,069.41
11-06	Improvement to Crestwood Lake Park	649.84
11-07	Various Road Improvements	38,426.51
11-14	Various Improvements to Parks & Fields	13.54
12-01	Refunding Tax Appeals	(297,420.40)
12-05	Various Improvements	324,559.06
12-20	Improvements to Buildings	50,000.00

---

142,380.63

C

Borough of Allendale , N.J.

Schedule of Various Receivables

Year Ended December 31, 2012

	<u>Balance,</u> <u>Dec. 31, 2011</u>	<u>Cash</u> <u>Received</u>	<u>Canceled</u>	<u>Balance,</u> <u>Dec. 31, 2012</u>
NJ DOT Grant - Ord. No. 08-09	250,000.00	7,456.62		242,543.38
NJ DOT Grant - Ord. No. 09-09	800.00		800.00	
NJ DOT Grant - Ord. No. 10-04	67,642.14	65,856.40		1,785.74
Bergen County Open Space - Ord. No. 09-09	26,085.77	19,617.90	6,467.87	
Bergen County Open Space - Ord. No. 10-04	75,000.00	66,200.50	8,799.50	
	<u>419,527.91</u>	<u>159,131.42</u>	<u>16,067.37</u>	<u>244,329.12</u>
	C	C-2	C-9	C/C-3

**Borough of Allendale , N.J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> C	10,405,000.00
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued	C-6	<u>1,275,000.00</u>
		11,680,000.00
Decreased by:		
Refunded		1,260,000.00
Serial Bonds Paid by Current Year		
Budget Appropriations		<u>785,000.00</u>
	C-7	<u>2,045,000.00</u>
Balance - December 31, 2012	C	<u><u>9,635,000.00</u></u>

Borough of Allendale, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Analysis of Balance - Dec. 31, 2012

Ordinance Number	Improvement Description	Balance, Dec. 31, 2011	2012 Authorizations	Cash Receipt	Balance, Dec. 31, 2012	Financed by		Unexpended Improvement Authorization
						Bond Anticipation Notes	Expended	
03-06	Various Improvements	106,618.70			106,618.70		106,618.70	
05-03	Various Improvements	129,655.74			129,655.74		83,601.81	46,053.93
07-13	Acquisition of Real Property	1,679,000.00		69,000.00	1,610,000.00	1,447,000.00	45,697.47	117,302.53
09-09	Various Improvements	1,440.00			1,440.00			1,440.00
10-04	Various Improvements	714,000.00			714,000.00	714,000.00		
11-01	Various Improvements	771,600.00			771,600.00	771,600.00		
12-01	Refunding Tax Appeals		605,000.00	300,000.00	305,000.00		297,420.40	7,579.60
12-05	Various Improvements		714,000.00		714,000.00	714,000.00		
		<u>3,402,314.44</u>	<u>1,319,000.00</u>	<u>369,000.00</u>	<u>4,352,314.44</u>	<u>3,646,600.00</u>	<u>533,338.38</u>	<u>172,376.06</u>
		C	C-9	C-2	C			

Improvement Authorizations Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes

Ordinance Number

C-9	747,902.59
10-04	107,248.06
11-01	144,069.41
12-05	<u>324,209.06</u>
	<u>575,526.53</u>
	<u>172,376.06</u>

Borough of Allendale, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2012		Interest Rate	Balance Dec. 31, 2011	Issued	Paid	Balance Dec. 31, 2012								
			Date	Amount													
General Improvements	06/15/03	4,175,000.00	07/15/13	325,000.00	2.50 to 3.25%	1,970,000.00		1,645,000.00	325,000.00								
General Improvements	06/01/05	5,000,000.00	07/01/13	325,000.00	3.75 to 3.85%	4,300,000.00		300,000.00	4,000,000.00								
			07/01/14	350,000.00													
			07/01/15	375,000.00													
			07/01/16	300,000.00													
			07/01/17-18	800,000.00													
			07/01/19	550,000.00													
General Improvements	02/15/10	4,165,000.00	02/15/13-14	175,000.00	3 to 3.15%	4,135,000.00		100,000.00	4,035,000.00								
			02/15/15	100,000.00													
			02/15/16	75,000.00													
			02/15/17	150,000.00													
			02/15/18	175,000.00													
			02/15/19	450,000.00													
			02/15/20	550,000.00													
			02/15/21	1,100,000.00													
			02/15/22	1,085,000.00													
			Refunding Bonds	10/25/12						1,275,000.00	07/15/13	15,000.00	2 to 3%		1,275,000.00		1,275,000.00
											07/15/14	330,000.00					
07/15/15	400,000.00																
07/15/16	530,000.00																
						<u>10,405,000.00</u>	<u>1,275,000.00</u>	<u>2,045,000.00</u>	<u>9,635,000.00</u>								
						C	C-5	C-5	C								

Borough of Allendale, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2011	Increased	Decreased	Balance, Dec. 31, 2012
07-13	Acquisition of Real Property	08/22/08	02/01/12	02/01/13	1.50%	266,000.00	213,000.00	266,000.00	213,000.00
07-13	Acquisition of Real Property	02/26/09	02/01/12	02/01/13	1.50%	1,250,000.00	1,234,000.00	1,250,000.00	1,234,000.00
10-04	Various Improvements	05/10/11	05/10/12	05/10/13	0.68%	714,000.00	714,000.00	714,000.00	714,000.00
11-01	Various Improvements	05/10/11	05/10/12	05/10/13	0.68%	771,600.00	771,600.00	771,600.00	771,600.00
12-05	Various Improvements	05/10/12	05/10/12	05/10/13	0.68%		714,000.00		714,000.00
						<u>3,001,600.00</u>	<u>3,646,600.00</u>	<u>3,001,600.00</u>	<u>3,646,600.00</u>
						C	C-2	C-2	C,C-6

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Borough of Allendale, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2011		2012 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2012	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
03-06	Various Improvements 2003 Road Improvement Program		364,500.00		6,034.73		6,034.73			
05-03	Various Improvements e Construction of Police Headquarters	04/14/05	690,000.00	53,942.93			7,889.00			46,053.93
06-21	Various Improvements a 2006 Road Improvement Program	04/27/06	1,237,000.00	3,500.00			3,500.00			
07-04	Various Improvements d Purchase of DPW Equipment f Resurfacing of Park Avenue	04/12/07	59,850.00 189,000.00	3,332.24 0.01			3,332.24			0.01
07-13	Acquisition of Real Property	08/09/07	4,763,000.00		118,310.96		1,008.43			117,302.53
08-09	Various Improvements a Road Resurfacing b Safe Routes to School c Various Improvements e Purchase of Equipment - Police f Fire Department h Replacement of Fire Hydrants i Sewer Improvements j Purchase of Sewer Dept Equipment	04/28/08	306,800.00 304,500.00 234,150.00 60,270.00 56,280.00 42,000.00 24,150.00 39,100.00	4,544.00 247,420.76 7,383.93 505.97 2,045.83 2,000.00 1,150.00 180.00			1,562.60 28,911.67 2,222.28 505.97			2,981.40 218,509.09 5,161.65
08-23	Renovations of Municipal Offices	09/10/08	85,000.00	14,172.91			4,237.17			9,935.74
09-09	Various Improvements a Road and Curb Improvements b Public Improvements c Purchase of Equipment - Admin. d Purchase of Equipment - Police g Sewer Improvements	03/26/09	572,300.00 167,400.00 26,150.00 55,200.00 21,000.00	35,378.22 44,837.25 5,767.28 2,450.00 21,000.00	1,440.00		(7,926.12) 29,479.80 5,324.98	800.00 6,467.87		42,504.34 8,889.58 442.30 2,450.00 19,200.00

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Borough of Allendale, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2011		2012 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
<u>General Improvements: (cont.)</u>										
10-04	Various Improvements	02/11/10								
	a 2010 Road & Sidewalk Program		846,950.00		26,366.23		12,193.48			14,172.75
	b Purchase of Equipment - Police		99,300.00		21,950.19		5,894.00			16,056.19
	c Purchase of Equipment - Fire		37,000.00		0.45		0.45			
	d Purchase of Sewer Dept. Equipment		56,950.00		48,550.00					48,550.00
	e Recreation Improvements		154,000.00	26,986.31	75,200.00		87,583.30			14,603.01
	f Public Improvements		100,000.00		34,113.09		11,447.48	8,799.50		13,866.11
	g Purchase of SUV - Construction Code		30,800.00		382.76		382.76			
11-01	Various Improvements	03/10/11								
	a 2011 Road & Sidewalk Program		304,500.00		65,334.73		50,035.53			15,299.20
	b Purchase of Equipment - Police		26,250.00		1,294.60					1,294.60
	c Purchase of Equipment - Fire		58,065.00		46,465.15		35,795.79			10,669.36
	d Purchase of Equipment - DPW		236,250.00	3,765.00	225,000.00		206,399.52			22,365.48
	e Purchase of Sewer Dept. Equipment		49,875.00	2,375.00	47,500.00		9,500.00			40,375.00
	f Crestwood Park Improvements		51,250.00	2,450.00	48,800.00		13,048.00			38,202.00
	g Public Improvements		84,010.00		20,762.94		4,899.17			15,863.77
11-06	Improvement to Crestwood Lake Park	05/26/11	20,000.00	1,329.96			680.12		649.84	
11-07	Various Road Improvements	07/14/11	250,000.00	237,843.96			199,417.45		38,426.51	
11-14	Various Improvements to Parks & Fields	11/10/11	12,896.03	7,221.61			7,208.07		13.54	
12-01	Refunding Tax Appeals	02/09/12	605,000.00			605,000.00	597,420.40			7,579.60
12-05	Various Road Improvements	03/22/12								
	a 2012 Road & Sidewalk Program		383,718.00			383,718.00	303,356.20			80,361.80
	b Purchase of Equipment - Police		52,000.00			52,000.00	29,756.40			22,243.60
	c Purchase of Equipment - Fire		60,000.00			60,000.00	24,209.00			35,791.00
	d Purchase of Equipment - DPW		34,000.00			34,000.00	7,300.00			26,700.00
	e Purchase of Sewer Dept. Equipment		7,000.00			7,000.00			350.00	6,650.00
	f Public Improvements		181,000.00			181,000.00	38,638.60			142,361.40
	g Various Equipment		32,282.00			32,282.00	22,180.74			10,101.26

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Borough of Allendale, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2011		2012 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2012	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>General Improvements: (cont.)</u>										
12-20	Improvements to Buildings	12/13/12	50,000.00			50,000.00				50,000.00
				<u>731,583.17</u>	<u>787,505.83</u>	<u>1,405,000.00</u>	<u>1,755,229.21</u>	<u>16,067.37</u>	<u>404,889.83</u>	<u>747,902.59</u>
				C	C		C-2	C-4	C	C
					<u>Ref.</u>					
				Fund Balance	C-1	50,000.00				
				Deferred Charges to Future Taxation - Unfunded	C-6	1,319,000.00				
				Capital Improvement Fund	C-10	36,000.00				
						<u>1,405,000.00</u>				

**Borough of Allendale , N.J.**

**Schedule of Capital Improvement Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	C	3,111.98
Increased by:		
Budget Appropriation	C-2	<u>36,000.00</u>
		39,111.98
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>36,000.00</u>
Balance - December 31, 2012	C/C-3	<u><u>3,111.98</u></u>

Borough of Allendale, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Bond Issue Costs		55,000.00	39,842.87	15,157.13
Debt Service	56,062.28	15,000.00		71,062.28
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>56,062.28</u>	<u>70,000.00</u>	<u>39,842.87</u>	<u>86,219.41</u>
	C	C-2	C-2	C

**Borough of Allendale , N.J.**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2012**

<u>Fund</u>	<u>Ref.</u>	Due From/(To)			Due From/(To)
		<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Current Fund	C	(2,793.33)	95.16	2,793.33	(95.16)
Assessment Trust Fund	C	20,700.00			20,700.00
Other Trust Fund	C		13,039.20		13,039.20
Water Capital Fund	C	(251.29)	351.94	196,451.29	195,848.06
		<u>17,655.38</u>	<u>13,486.30</u>	<u>199,244.62</u>	<u>229,492.10</u>
Disbursed	C-2		13,039.20	199,244.62	
Received	C-2		447.10		
			<u>13,486.30</u>	<u>199,244.62</u>	

Borough of Allendale, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
03-06	Various Improvements	106,618.70			106,618.70
05-03	Various Improvements	129,655.74			129,655.74
07-13	Acquisition of Real Property	163,000.00			163,000.00
09-09	Various Improvements	1,440.00			1,440.00
12-01	Refunding Tax Appeals		605,000.00	300,000.00	305,000.00
12-05	Various Improvements		714,000.00	714,000.00	
		<u>400,714.44</u>	<u>1,319,000.00</u>	<u>1,014,000.00</u>	<u>705,714.44</u>
					Footnote C

Borough of Allendale, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2011	D	<u>523,260.08</u>	<u>317,320.13</u>
Increased by Receipts:			
Additional Refunding Proceeds	D-2		351.94
Interest on Deposits	D-3	466.60	
Collector	D-7	1,824,586.63	
Interfund - Water Capital Fund	D-17	118,000.00	
Various Liabilities and Reserves	D-18	4,681.26	
Bond Anticipation Notes	D-19		239,200.00
Interfund General Capital	D-23		196,099.35
Interfund - Water Operating Fund	D-26		209,017.87
Reserve for Capital Infrastructure	D-27		118,000.00
		<u>1,947,734.49</u>	<u>762,669.16</u>
		<u>2,470,994.57</u>	<u>1,079,989.29</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,462,500.92	
Appropriation Reserves	D-13	74,159.86	
Accrued Interest on Bonds	D-15	147,562.26	
Accrued Interest on Notes	D-16	2,942.99	
Interfund - Water Capital Fund	D-17	209,017.87	
Various Liabilities and Reserves	D-18	1,247.33	
Bond Anticipation Notes	D-19		196,200.00
Improvement Authorizations	D-21		45,379.13
Interfund - Water Operating Fund	D-26		118,000.00
		<u>1,897,431.23</u>	<u>359,579.13</u>
Balance - December 31, 2012	D	<u><u>573,563.34</u></u>	<u><u>720,410.16</u></u>

Borough of Allendale, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2012

<u>Office</u>	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2012</u>
Water Utility Collector	120.00	120.00
	D	D

Exhibit D-7

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Increased by Receipts:		
Consumer Accounts Receivable	D-9	<u>1,824,586.63</u>
Decreased by Disbursements:		
Payment to Treasurer	D-5	<u>1,824,586.63</u>

Exhibit D-8

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2012

	<u>Ref.</u>	Balance <u>Dec. 31, 2012</u>
Fund Balance	D-2	1,024.13
Capital Improvement Fund	D-22	3.13
Interfund - General Capital Fund	D-23	195,848.06
Interfund - Water Operating Fund	D-26	(117,670.58)
Reserve for Capital Infrastructure	D-27	140,927.92
<u>Improvement Authorizations</u>		
<u>Ordinance</u>		
<u>Number</u>		
03-05 Various Public Improvements:		850.75
04-03 Various Public Improvements:		21,788.50
07-03 Various Public Improvements:		3,983.05
08-04 Park Avenue Water Improvements		13,780.00
09-10 Various Public Improvements:		118,422.13
10-05 Various Public Improvements:		22,235.62
11-02 Various Public Improvements:		178,702.51
12-06 Various Public Improvements:		140,514.94
	D	<u>720,410.16</u>

**Borough of Allendale, N.J.**

**Schedule of Accounts Receivable**

**Water Utility Operating Fund**

**Year Ended December 31, 2012**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Water Rents	426,687.83	1,244,582.20	1,622,404.68	48,865.35
Facilities Charge	7,525.34	113,263.27	117,718.84	3,069.77
Installations		84,463.11	84,463.11	
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>434,213.17</u>	<u>1,442,308.58</u>	<u>1,824,586.63</u>	<u>51,935.12</u>
	D		D-3/D-7	D



## Borough of Allendale, N.J.

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year Ended December 31, 2012

<u>Description</u>	<u>Balance</u>	<u>Additions</u>	<u>Balance</u>
	<u>Dec. 31, 2011</u>	<u>Ordinances</u>	<u>Dec. 31, 2012</u>
Springs and Wells	312,272.22		312,272.22
Pumping Station Land	8,341.13		8,341.13
Pumping Station Equipment	35,451.13		35,451.13
Electric Power Pumping Equipment	48,447.71		48,447.71
Chemical Treatment Plant	9,070.29		9,070.29
Storage Reservoir Land	14,794.59		14,794.59
Storage Reservoirs and Tanks	533,000.08		533,000.08
Distribution Mains and Accessories	511,887.56		511,887.56
Meters and Meter Boxes	129,791.88		129,791.88
Fire Hydrants	152,180.59		152,180.59
Structure and Improvements	352,859.31		352,859.31
Office Furniture and Fixtures	6,892.69		6,892.69
Transportation Equipment	176,702.90		176,702.90
General Equipment	580,166.35		580,166.35
Water Study	38,911.53		38,911.53
Construction of Water System Improvements	69,753.44		69,753.44
Reconstruction of Water Storage Tank	300,000.00		300,000.00
Repairs to Well #11	10,472.00		10,472.00
Lowry Air Stripper - Well #15	10,758.36		10,758.36
Repairs to Well # 15	57,959.25		57,959.25
Well #17 Transmitter	3,390.00		3,390.00
Office Equipment	1,096.50		1,096.50
Study of Mahaw Interconnection	14,000.00		14,000.00
Dehumidifiers for Wells	518.00		518.00
New Street Wells	852.74		852.74
Repairs to Well #4	5,710.58		5,710.58
Improvement of Wells #2 and #4	36,817.20		36,817.20
Communication Equipment	30,075.00		30,075.00
Construction of Water Main	189,400.00	77,000.00	266,400.00
Remediation of Wells #2, #4 and #15	993,153.00		993,153.00
Various Improvements	2,280,241.09		2,280,241.09
Computer Mapping	4,930.00		4,930.00
Water Line Improvements	180,411.72		180,411.72
	<u>7,100,308.84</u>	<u>77,000.00</u>	<u>7,177,308.84</u>
	D	D-11	D

Borough of Allendale, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Operating Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance, Dec. 31, 2011	2012 Authorizations	Costs to Fixed Capital	Balance, Dec. 31, 2012
03-05	Various Public Improvements	03/27/03					
	Acquisition of Communication Equipment		27,300.00	21,924.23			21,924.23
04-03	Various Public Improvements	03/11/04	256,500.00	132,951.67			132,951.67
07-03	Various Public Improvements	05/03/07					
	Various Improvements		165,200.00	90,200.00			90,200.00
08-04	Park Avenue Water Improvements	02/28/08	80,000.00	80,000.00			80,000.00
09-10	Various Public Improvements	03/26/09					
	Acquisition of Equipment		581,550.00	581,550.00			581,550.00
10-05	Various Public Improvements	02/11/10					
	Replacement of Water Mains		77,000.00	77,000.00		77,000.00	
	Acquisition of Equipment		33,800.00	33,800.00			33,800.00
	Acquisition of Equipment		9,200.00	9,200.00			9,200.00
11-02	Various Public Improvements	03/10/11					
	Pump at Fairhaven Water Tank		168,000.00	168,000.00			168,000.00
	Acquisition of Equipment		21,000.00	21,000.00			21,000.00
12-06	Various Public Improvements	03/22/12					
	Upgrade New Street Treatment Plant		106,000.00		106,000.00		106,000.00
	Acquisition of Equipment		44,000.00		44,000.00		44,000.00
				1,215,625.90	150,000.00	77,000.00	1,288,625.90
				D	D-21	D-10	D

**Exhibit D-12**

**Borough of Allendale, N.J.**

**Schedule of Deferred Charges - Emergency Authorization**

**Water Operating Fund**

**Year Ended December 31, 2012**

	Balance, Dec. 31, <u>2011</u>	Amount in 2012 <u>Budget</u>	Balance, Dec. 31, <u>2012</u>
Operating Deficit	<u>45,075.94</u>	<u>45,075.94</u>	<u>                    </u>
	<u>45,075.94</u>	<u>45,075.94</u>	<u>                    </u>
	D	D-4	D

**Borough of Allendale, N.J.**

**Schedule of 2011 Appropriation Reserves**

**Water Utility Operating Fund**

**Year Ended December 31, 2012**

	<u>Balance,</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u> <u>and</u> <u>Encumbrances</u>	<u>Paid</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	13,092.12	13,092.12	2,232.19	10,859.93
Other Expenses	63,319.82	75,838.95	47,263.12	28,575.83
Purchase of Water	45.64	24,539.42	24,493.78	45.64
Statutory Expenditures:				
Public Employees' Retirement System	0.67	0.67		0.67
Social Security System (O.A.S.I.)	741.78	741.78	170.77	571.01
	<u>77,200.03</u>	<u>114,212.94</u>	<u>74,159.86</u>	<u>40,053.08</u>
	D		D-5	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	77,200.03		
Transfer from Reserve for Encumbrances	D-14	<u>37,012.91</u>		
		<u>114,212.94</u>		

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year Ended December 31, 2012**

Balance - December 31, 2011	<u>Ref.</u> D	37,012.91
Increased by:		
Transfer from Water Appropriations	D-4	<u>64,333.89</u>
		101,346.80
Decreased by:		
Transferred to Appropriation Reserves	D-13	<u>37,012.91</u>
Balance - December 31, 2012	D	<u>64,333.89</u>

Borough of Allendale, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	D	67,854.06
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>101,034.00</u>
		168,888.06
Decreased by:		
Interest Paid	D-5	<u>147,562.26</u>
Balance - December 31, 2012	D	<u><u>21,325.80</u></u>

Schedule of Accrued Interest on Notes

Water Utility Operating Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Increased by:		
Budget Appropriation for Interest on Notes	D-4	4,825.00
Decreased by:		
Interest Paid	D-5	<u>2,942.99</u>
Balance - December 31, 2012	D	<u><u>1,882.01</u></u>

**Borough of Allendale, N.J.**

**Schedule of Due to Water Capital Fund**

**Water Utility Operating Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	D	208,688.45
Increased by:		
Cash Receipts	D-5	<u>118,000.00</u> 326,688.45
Decreased by:		
Cash Disbursements	D-5	<u>209,017.87</u>
Balance - December 31, 2012	D	<u><u>117,670.58</u></u>

Borough of Allendale, N.J.

Schedule of Various Liabilities and Reserves

Water Utility Operating Fund

Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Water Rent Overpayments	1,247.33	4,681.26	1,247.33	4,681.26
Reserve for:				
Meter Deposits	15,350.00			15,350.00
Valave Replacement	512.75			512.75
	<u>17,110.08</u>	<u>4,681.26</u>	<u>1,247.33</u>	<u>20,544.01</u>
	D	D-5	D-5	D

Borough of Allendale, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Capital Fund

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
10-05	Various Improvements	05/10/11	05/10/12	05/10/13	0.68%	114,200.00	114,200.00	114,200.00	114,200.00
11-02	Various Improvements	05/10/11	05/10/12	05/10/13	0.68%	82,000.00	82,000.00	82,000.00	82,000.00
12-06	Various Improvements	05/12/12	05/10/12	05/10/13	0.68%		43,000.00		43,000.00
						<u>196,200.00</u>	<u>239,200.00</u>	<u>196,200.00</u>	<u>239,200.00</u>
						D	D-5	D-5	D



Borough of Allendale, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance, Dec. 31, 2011	Issued	Paid	Balance, Dec. 31, 2012
			Date	Amount					
Water Bonds of 2003	06/15/03	3,995,000.00	07/15/13	250,000.00	3% to 4%	3,095,000.00		2,845,000.00	250,000.00
Water Bonds of 2010	02/15/10	946,000.00	2/15/13-22	10,000.00	3% to 3.6%	941,000.00		10,000.00	931,000.00
			02/15/23	125,000.00					
			02/15/24	225,000.00					
			02/15/25	250,000.00					
			02/15/26	231,000.00					
Refunding Bonds of 2012	10/25/12	2,620,000.00	07/15/13	35,000.00	2% to 4%				
			07/15/14	290,000.00					
			7/15/15-16	310,000.00					
			07/15/17	330,000.00					
			07/15/18	295,000.00					
			07/15/19	275,000.00					
			07/15/20	240,000.00					
			07/15/21	235,000.00					
			07/15/22	180,000.00					
			07/15/23	120,000.00					
						D	D-24	D-24	D

Borough of Allendale, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
				Funded	Unfunded			Funded	Unfunded
03-05	Various Public Improvements Acq. of Communication Equip	03/27/03	27,300.00	850.75				850.75	
04-03	Various Public Improvements	03/11/04	256,500.00	21,788.50				21,788.50	
07-03	Various Public Improvements Various Improvements	05/03/07	165,200.00	3,983.05				3,983.05	
08-04	Park Avenue Water Improvements	02/28/08	80,000.00	13,788.89			8.89	13,780.00	
09-10	Various Public Improvements Acquisition of Equipment	03/26/09	581,550.00	118,422.13	3,158.00			118,422.13	3,158.00
10-05	Various Public Improvements Replacement of Water Mains Acquisition of Equipment Acquisition of Equipment	02/11/10	77,000.00 33,800.00 9,200.00		23,806.04 22,687.59 2,630.00		23,806.04 2,881.97 200.00		19,805.62 2,430.00
11-02	Various Public Improvements Pump at Fairhaven Water Tank Acquisition of Equipment	03/10/11	168,000.00 21,000.00	80,844.16 20,855.52	86,000.00		8,750.00 247.17	72,094.16 20,608.35	86,000.00
12-06	Various Public Improvements Upgrade New St. Treatment Plant Acquisition of Equipment	03/22/12	106,000.00 44,000.00			106,000.00 44,000.00	5,285.06 4,200.00	57,714.94 39,800.00	43,000.00
				<u>260,533.00</u>	<u>138,281.63</u>	<u>150,000.00</u>	<u>45,379.13</u>	<u>349,041.88</u>	<u>154,393.62</u>
				D	D	D-11	D-5	D	D

**Borough of Allendale, N.J.**

**Schedule of Capital Improvement Fund**

**Water Utility Capital Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	D	<u>3.13</u>
Balance - December 31, 2012	D	<u>3.13</u>

**Schedule of Due from/to General Capital Fund**

**Water Utility Capital Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	D	due from	251.29
Decreased by:			
Cash Receipts	D-5		<u>196,099.35</u>
Balance - December 31, 2012	D	due to	<u>195,848.06</u>

**Borough of Allendale, N.J.**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	D		3,415,466.74
Increased by:			
Transfer from Deferred Reserve for Amortization	D-25	3,700.00	
Serial Bonds Payable	D-20	<u>2,855,000.00</u>	
			<u>2,858,700.00</u>
			6,274,166.74
Decreased by			
Serial Bonds Payable	D-20		<u>2,620,000.00</u>
Balance - December 31, 2012	D		<u><u>3,654,166.74</u></u>

Borough of Allendale, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Ordinance	Balance, Dec. 31, 2011	Fixed Capital Authorized	To Reserve for Amortization	
					Fixed Capital	Balance, Dec. 31, 2012
03-05	Various Public Improvements	03/27/03	13,300.00			13,300.00
04-03	Various Public Improvements	03/11/04	256,500.00			256,500.00
05-04	Various Public Improvements	04/14/05	162,694.00			162,694.00
06-20	Various Public Improvements	04/27/06	22,016.00			22,016.00
07-03	Various Public Improvements	05/03/07	17,800.00			17,800.00
08-04	Park Ave Water Improvements	02/28/08	80,000.00			80,000.00
10-05	Various Public Improvements	02/11/10				
	Replacement of Water Mains		3,700.00		3,700.00	
	Acquisition of Equipment		1,650.00			1,650.00
	Acquisition of Equipment		450.00			450.00
11-02	Various Public Improvements	03/10/11				
	Pump at Fairhaven Water Tank		86,000.00			86,000.00
	Acquisition of Equipment		21,000.00			21,000.00
12-06	Various Public Improvements	03/22/12				
	Upgrade New St. Treatment Plant			63,000.00		63,000.00
	Acquisition of Equipment			44,000.00		44,000.00
			<u>665,110.00</u>	<u>107,000.00</u>	<u>3,700.00</u>	<u>768,410.00</u>
			D	D-27	D-24	D

**Borough of Allendale, N.J.**

**Schedule of Interfunds**

**Water Capital Fund**

**Year Ended December 31, 2012**

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance			Due From/(To) Balance
		<u>Dec. 31,2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31,2012</u>
Water Operating Fund	D	208,688.45	118,000.00	209,017.87	117,670.58
		<u>208,688.45</u>	<u>118,000.00</u>	<u>209,017.87</u>	<u>117,670.58</u>
Disbursed	D-5		118,000.00		
Received	D-5			<u>209,017.87</u>	
			<u>118,000.00</u>	<u>209,017.87</u>	

**Borough of Allendale, N.J.**

**Schedule of Reserve for Capital Infrastructure**

**Water Utility Capital Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	D	129,927.92
Increased by:		
Cash Receipts	D-5	<u>118,000.00</u>
		247,927.92
Decreased by:		
Deferred Reserve for Amortization	D-25	<u>107,000.00</u>
Balance - December 31, 2012	D	<u><u>140,927.92</u></u>

Borough of Allendale, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31,2011</u>	<u>2012 Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31,2012</u>
09-10	Various Public Improvements	3,158.00			3,158.00
12-06	Various Public Improvements		43,000.00	43,000.00	
		<u>3,158.00</u>	<u>43,000.00</u>	<u>43,000.00</u>	<u>3,158.00</u>
					Footnote D



**Borough of Allendale, N.J.**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2011	E	3,555.00	3,555.00	
Decreased by Disbursements:				
Other Disbursements		<u>445.05</u>	<u>445.05</u>	
		<u>445.05</u>	<u>445.05</u>	
Balance - December 31, 2012	E	<u><u>3,109.95</u></u>	<u><u>3,109.95</u></u>	

Borough of Allendale, N.J.

Schedule of Public Assistance Cash and Reconciliation

Per N.J.S. 40A:5-5

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2012	E-1		<u>3,109.95</u>
Balance - May 8, 2013			<u>3,109.95</u>
<u>Reconciliation - May 8, 2013</u>	<u>P.A.T.F.</u>	<u>P.A.T.F.</u>	<u>TOTAL</u>
	<u>Account #1</u>	<u>Account #2</u>	
Balance on Deposit per Statement of: Bank of America	3,109.95		3,109.95
Less: Outstanding Checks	<u>                    </u>	<u>                    </u>	<u>0.00</u>
Balance - May 8, 2013	<u>3,109.95</u>	<u>0.00</u>	<u>3,109.95</u>

**Borough of Allendale, N.J.**

**Schedule of Public Assistance**

**Cash and Reconciliation**

**Year Ended December 31, 2012**

Balance - December 31, 2011	3,555.00
Decreased by Disbursements: Cash Disbursements Record	<u>445.05</u>
Balance - December 31, 2012	<u><u>3,109.95</u></u>

<u>Reconciliation - December 31, 2012</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: Bank of America	3,109.95		3,109.95
Less: Outstanding Checks	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, December 31, 2012	<u><u>3,109.95</u></u>	<u><u>                    </u></u>	<u><u>3,109.95</u></u>

**Exhibit E-4**

**Borough of Allendale, N.J.**

**Schedule of Public Assistance Revenues**

**Year Ended December 31, 2012**

N/A

**Exhibit E-5**

**Schedule of Public Assistance Expenditures**

**Year Ended December 31, 2012**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Other Disbursements	<u>445.05</u>	<u>445.05</u>	<u>          </u>
	<u>445.05</u>	<u>445.05</u>	<u>          </u>
Total Disbursements (P.A.T.F.)	<u>445.05</u>	<u>445.05</u>	<u>          </u>

**Borough of Allendale, N.J.**

**Schedule of Cash**

**Bond and Interest Fund**

**Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance on Deposit per Statement of Bank of America Account No. 4000-001215	F	<u><u>795.00</u></u>

Borough of Allendale, N.J.

Analysis of Bond and Interest Payable

Bond and Interest Fund

Year Ended December 31, 2012

<u>Issue</u>	<u>Bond Number</u>	<u>Coupon Number</u>	<u>Due Date</u>	<u>Amount</u>
04/01/71	234	43	10/01/92	132.50
	240	44	10/01/93	132.50
	277	45	10/01/93	132.50
	297	45	10/01/93	132.50
	297	46	04/01/94	132.50
	297	51	10/01/96	132.50
				<hr/>
				795.00
				<hr/> <hr/>
				F

**BOROUGH OF ALLENDALE**

**PART II**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2012**

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

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the Borough Council  
Borough of Allendale  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Allendale in the County of Bergen as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated May 8, 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

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

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

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





Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Allendale in the accompanying comments and recommendations section of this report.

### **Compliance and Other Matters**

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Allendale in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



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

May 8, 2013



## GENERAL COMMENTS

### Contracts and Agreements

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

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000.00. On July 1, 2010, the bid threshold was increased to \$26,000.00.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$21,000.00 or \$26,000.00 after July 1, 2010, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 or \$26,000.00 after July 1, 2010 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

- 2012 Road Resurfacing Program
- International Dump Truck
- 4 Wheel Drive Pickup Truck
- Pedestrian Safety Improvements along W. Crescent Ave

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

**GENERAL COMMENTS, (continued)**

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

**Collection of Interest on Delinquent Taxes, Assessments and Water Charges**

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

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

RESOLVED, that interest will be charged at the rate of eight percent (8%) per annum on the first \$1,500.00 of all delinquent taxes, assessments and Borough charges and eighteen percent (18%) of any amounts over \$1,500.00 delinquency, except that no interest will be charged on taxes for the current quarter if the said taxes are paid within the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED that the interest rates shall revert to the percentages as aforesaid from the first day of any current quarter unless taxes for the same quarter are paid during the first ten days of such quarter.

BE IT FURTHER RESOLVED that a certified copy of this resolution be transmitted to the Collector of Taxes forthwith.

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on November 27, 2012 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2012	4
2011	4
2010	4

## **GENERAL COMMENTS, (continued)**

### **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices. In addition, we used analytical review procedures to satisfy the validity of the receivables.

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

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

### **School Taxes Payable**

The amount due to the local and regional school districts, as of December 31, 2012, were verified by the school secretary.

### **Revenue**

Receipts from licenses, fees, permits, etc., for all departments including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

### **Expenditures**

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by the statute.

In some instances, purchases were made prior to approval of the purchase order.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

### **Other Comments**

The analysis of General Capital Fund cash includes cash deficits for ordinances over five years old.

## **RECOMMENDATIONS**

1. That purchases be made only after approval of purchase orders.
2. That the cash deficits for ordinances over five years old in the General Capital Fund be funded in future year's budgets.

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

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

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

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

Very truly yours,



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



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