

*TOWNSHIP OF WHITE  
COUNTY OF WARREN  
REPORT OF AUDIT*

*2012*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
REPORT OF AUDIT  
2012

TOWNSHIP OF WHITE  
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TOWNSHIP OF WHITE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Committee  
Township of White, NJ

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

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of White, in the County of Warren (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing 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 accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements 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 from material misstatement.

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

The Honorable Mayor and Members  
of the Township Committee  
Township of White  
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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, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph do not present fairly in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof, for the years then ended.

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

In our opinion, the financial statements – regulatory basis - referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of White at December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

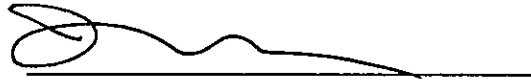
The Honorable Mayor and Members  
of the Township Committee  
Township of White  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2013 on our consideration of the Township of White's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of White's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
February 25, 2013

  
NISIVOCIA LLP

  
David H. Evans  
Registered Municipal Accountant No. 98  
Certified Public Accountant



TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
CURRENT FUND

TOWNSHIP OF WHITE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<b><u>ASSETS</u></b>			
<b>Regular Fund:</b>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 209,516.34	\$ 1,553,657.66
Tax Collector	A-5	2,284,404.16	1,047,756.59
		<u>2,493,920.50</u>	<u>2,601,414.25</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	245,020.04	231,820.21
Tax Title Liens Receivable	A-7	90,254.68	79,917.42
Property Acquired for Taxes at Assessed Valuation		75,500.00	75,500.00
Revenue Accounts Receivable	A-8	6,431.33	4,664.19
Due from:			
Federal and State Grant Fund	A		60,370.59
Other Trust Fund	B	505.61	408.55
Animal Control Fund	B	7,893.67	4,358.45
General Capital Fund	C	535.65	15,550.88
Sewer Utility Operating Fund	E		364.21
Total Receivables and Other Assets With Full Reserves		<u>426,140.98</u>	<u>472,954.50</u>
Deferred Charges:			
Special Emergency Authorization			2,700.00
			<u>2,700.00</u>
Total Regular Fund		<u>2,920,061.48</u>	<u>3,077,068.75</u>
Federal and State Grant Fund:			
Grants Receivable	A-11	108,361.81	280,499.12
Due from Current Fund	A	32,891.85	
Total Federal and State Grant Fund		<u>141,253.66</u>	<u>280,499.12</u>
<b><u>TOTAL ASSETS</u></b>		<u>\$ 3,061,315.14</u>	<u>\$ 3,357,567.87</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2012	2011
<b>Regular Fund:</b>			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 140,206.43	\$ 100,477.07
Encumbered	A-3;A-9	3,829.84	41,071.71
Total Appropriation Reserves		144,036.27	141,548.78
Prepaid Taxes		122,402.09	104,632.87
Local School Taxes Payable	A-10	147,500.53	338,762.53
County Added and Omitted Taxes Payable		23,586.27	450.67
Due State of New Jersey:			
Veterans and Senior Citizens Deductions		8,874.62	18,210.24
Marriage License Fees			100.00
Due to Federal and State Grant Fund	A	32,891.85	
Other Trust Fund - Open Space Trust	B	696.07	
Reserve for Driveway Bonds		7,100.00	7,100.00
Reserve for Watershed Moratorium Aid		13,442.00	13,442.00
Reserve for Open Space Pilot Aid		14,328.00	14,328.00
Reserve for Sale of Municipal Assets		46,328.14	206,328.14
Reserve for Pending Tax Appeal		25,000.00	24,261.00
		586,185.84	869,164.23
Reserve for Receivables and Other			
Assets	A	426,140.98	472,954.50
Fund Balance	A-1	1,907,734.66	1,734,950.02
Total Regular Fund		2,920,061.48	3,077,068.75
Federal and State Grant Fund:			
Due to Current Fund	A		60,370.59
Appropriated Reserves	A-12	137,561.33	204,307.81
Unappropriated Reserves	A-13	3,692.33	15,820.72
Total Federal and State Grant Fund		141,253.66	280,499.12
<b><u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u></b>		<b>\$ 3,061,315.14</b>	<b>\$ 3,357,567.87</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 905,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated		1,283,672.27	1,502,762.92
Receipts from:			
Delinquent Taxes		242,263.13	202,217.76
Current Taxes		11,330,837.23	11,031,441.18
Nonbudget Revenue		84,700.62	53,714.72
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		84,471.10	80,398.84
Cancellation of Appropriated Grant Reserves		102,291.22	
Interfunds Returned		81,052.68	115,449.01
Increase in Deferred School Tax		200,000.00	100,000.00
Cancellation of Prior Year Reconciling Items			13,442.11
Total Income		<u>14,314,288.25</u>	<u>14,099,426.54</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		2,191,266.46	2,306,091.12
County Taxes		3,918,836.78	3,738,737.29
Amount Due County for Added and Omitted Taxes		23,593.99	458.39
Local School District Taxes		6,935,798.00	6,905,351.00
Municipal Open Space Tax		116,229.32	115,804.71
Interfunds Advanced		8,934.93	81,052.68
Reserve for Pending Tax Appeal		25,000.00	24,261.00
Senior Citizen's Deductions Disallowed		1,000.00	10,500.00
Cancellation of Federal and State Grant Receivables		15,844.13	3,198.00
Total Expenditures		<u>13,236,503.61</u>	<u>13,185,454.19</u>
Excess in Revenue		1,077,784.64	913,972.35
<u>Fund Balance</u>			
Balance January 1		<u>1,734,950.02</u>	<u>1,820,977.67</u>
		2,812,734.66	2,734,950.02
Decreased by:			
Utilized as Anticipated Revenue		<u>905,000.00</u>	<u>1,000,000.00</u>
Balance December 31	A	<u>\$ 1,907,734.66</u>	<u>\$ 1,734,950.02</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 905,000.00		\$ 905,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	3,500.00		4,389.00	\$ 889.00
Fines and Costs:				
Municipal Court	23,000.00		27,220.43	4,220.43
Interest and Costs on Taxes	35,000.00		43,254.38	8,254.38
Interest on Investments and Deposits	20,000.00		13,716.51	6,283.49 *
Consolidated Municipal Property Tax Relief	17,218.00		17,218.00	
Energy Receipts Tax	266,068.00		266,068.00	
Reserve for Open Space Pilot Aid	14,328.00		14,328.00	
Reserve for Watershed Moratorium Aid	13,442.00		13,442.00	
Uniform Construction Code Fees	30,000.00		94,150.66	64,150.66
Municipal Alliance Program	4,940.00		4,940.00	
Clean Communities Grant	12,347.84		12,347.84	
Recycling Recycling Tonnage Grant	3,508.80		3,508.80	
Reserve for Clean Communities Grant	12,311.92		12,311.92	
Wastewater Management Grant		\$ 5,000.00	5,000.00	
Warren County Open Space Grant		71,000.00	71,000.00	
White Township Host Community Fees	325,000.00		400,776.73	75,776.73
Reserve for Sale of Municipal Assets	160,000.00		160,000.00	
Reserve for Payment of Debt Service	120,000.00		120,000.00	
	<u>1,060,664.56</u>	<u>76,000.00</u>	<u>1,283,672.27</u>	<u>147,007.71</u>
Receipts from Delinquent Taxes	<u>175,000.00</u>		<u>242,263.13</u>	<u>67,263.13</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>565,861.96</u>		<u>927,552.10</u>	<u>361,690.14</u>
Budget Totals	<u>2,706,526.52</u>	<u>76,000.00</u>	<u>3,358,487.50</u>	<u>575,960.98</u>
Nonbudget Revenue			<u>84,700.62</u>	<u>84,700.62</u>
	<u>\$ 2,706,526.52</u>	<u>\$ 76,000.00</u>	<u>\$ 3,443,188.12</u>	<u>\$ 660,661.60</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Allocation of Current Tax Collections

Revenue from Collection of Current Taxes	\$ 11,330,837.23
Allocated to County, School, and Local Open Space Taxes	10,994,458.09
Balance for Support of Municipal Budget	336,379.14
Add: Appropriation - Reserve for Uncollected Taxes	591,172.96
Realized for Support of Municipal Budget	\$ 927,552.10

Analysis of Delinquent Tax Collections:

Delinquent Taxes	\$ 233,940.77
Tax Title Liens	8,322.36
	\$ 242,263.13

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$ 16,264.26	
Zoning Board Fees	15,964.11	
Planning Board Fees	1,250.00	
Land and Court Rental	3,200.00	
Veterans and Senior Citizens Deductions Administration Fee	1,735.00	
In Lieu of Tax	1,000.00	
Recycled Metal/Scrap	1,639.00	
FEMA Reimbursements	30,087.38	
Other Miscellaneous	3,287.04	
		\$ 74,426.79

Due from Animal Control Fund - Statutory Excess in Animal Control Fund	7,893.67
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Tax Collector:

Other Miscellaneous	2,380.16
	\$ 84,700.62

Analysis of Interest Earned

Interest Earned in Current Fund	\$ 3,456.39
Interest Earned by Tax Collector	3,618.23
Interest Earned in General Capital Fund	6,544.83
Interest Earned in Other Trust Funds	97.06
	\$ 13,716.51

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS"					
<b>GENERAL GOVERNMENT:</b>					
General Administration:					
Other Expenses	\$ 14,000.00	\$ 14,000.00	\$ 12,988.73	\$ 1,011.27	
Human Resources:					
Other Expenses	1,000.00	1,662.72	1,662.72		
Mayor and Council:					
Salaries & Wages	11,726.00	11,726.00	11,551.92	174.08	
Other Expenses	1,000.00	1,000.00	116.00	884.00	
Municipal Clerk (Includes Assessment Searches):					
Salaries & Wages	83,500.00	83,500.00	83,412.70	87.30	
Other Expenses	2,500.00	2,500.00	951.41	1,548.59	
Financial Administration (Treasury):					
Salaries & Wages	22,500.00	22,500.00	22,118.72	381.28	
Other Expenses	6,000.00	6,594.45	6,594.45		
Audit Services:					
Other Expenses	16,350.00	16,350.00	13,850.00	2,500.00	
Computerized Data Processing:					
Other Expenses	12,500.00	18,362.89	18,362.89		
Revenue Administration (Tax Collection):					
Salaries & Wages	22,665.00	22,665.00	22,665.00		
Other Expenses	6,500.00	6,500.00	4,641.73	1,858.27	
Tax Assessment Administration:					
Salaries & Wages	24,413.00	24,413.00	24,412.18	0.82	
Other Professional, Consultant and Specialized Services	7,000.00	7,277.50	7,277.50		
Legal Services (Legal Department):					
Other Expenses	48,000.00	48,000.00	37,804.16	10,195.84	

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
GENERAL GOVERNMENT (continued):					
Engineering Services:					
Other Expenses	\$ 10,000.00	\$ 10,002.29	\$ 10,002.29		
Historical Sites Office:					
Other Expenses	1,800.00	1,800.00	1,800.00		
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	10,117.00	10,117.00	9,716.76	\$ 400.24	
Other Expenses	20,000.00	20,000.00	8,956.66	11,043.34	
Zoning Board of Adjustment:					
Salaries & Wages	4,251.00	4,251.00	4,250.64	0.36	
Other Expenses	8,000.00	10,001.33	10,001.33		
Zoning Officer:					
Salaries & Wages	8,000.00	8,000.00	6,995.91	1,004.09	
Other Expenses	150.00	150.00	91.00	59.00	
CODE ENFORCEMENT AND ADMINISTRATION:					
Uniform Construction Code Enforcement Functions:					
Plumbing Inspector:					
Salaries & Wages	4,539.00	4,539.00	4,525.08	13.92	
Electrical Inspector:					
Salaries & Wages	10,303.00	10,303.00	10,302.24	0.76	
Other Expenses	400.00	400.00	338.20	61.80	
PUBLIC SAFETY FUNCTIONS:					
Police Dispatch / 911:					
Other Expenses	150.00	150.00		150.00	



TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
<b>PUBLIC SAFETY FUNCTIONS (Continued):</b>					
Office of Emergency Management:					
Salaries & Wages	\$ 4,089.00	\$ 4,089.00	\$ 4,088.51	\$ 0.49	
Other Expenses	2,000.00	2,000.00		2,000.00	
Aid to Volunteer Fire Companies:					
Belvidere Fire Company	29,500.00	29,500.00	29,500.00		
Mountain Lake Fire Company	29,500.00	29,500.00	29,500.00		
Oxford Township Fire Company	29,500.00	29,500.00	29,500.00		
Contribution to First Aid Organizations:					
Belvidere Rescue Squad	25,000.00	25,000.00	25,000.00		
Oxford Rescue Squad	22,000.00	22,000.00	22,000.00		
Fire Department:					
Other Expenses:					
Fire Hydrant Service	12,000.00	12,000.00	10,904.90	1,095.10	
<b>PUBLIC WORKS FUNCTIONS:</b>					
Streets and Road Maintenance:					
Salaries & Wages	200,000.00	200,000.00	189,352.30	10,647.70	
Other Expenses	130,000.00	117,717.28	68,025.93	49,691.35	
Solid Waste Collection (Includes Recycling Program):					
Other Expenses	1,500.00	1,500.00	1,278.42	221.58	
Buildings and Grounds:					
Salaries & Wages	5,000.00	5,000.00	4,137.93	862.07	
Other Expenses	24,000.00	24,000.00	16,949.22	7,050.78	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>					
Public Health Service (Board of Health):					
Other Expenses	100.00	100.00		100.00	

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
HEALTH AND HUMAN SERVICES FUNCTIONS (Continued):					
Environmental Health Services:					
Salaries & Wages	\$ 600.00	\$ 600.00		\$ 600.00	
Other Expenses	500.00	500.00	\$ 169.67	330.33	
Animal Control Services:					
Salaries & Wages	8,094.00	8,094.00	8,093.04	0.96	
Other Expenses	6,000.00	6,000.00	4,772.50	1,227.50	
Contribution to Social Services Agencies:					
Senior Citizens Center / Project Graduation	1,000.00	1,000.00	1,000.00		
Belvidere High School Project Graduation	500.00	500.00	500.00		
White Township PTO	500.00	500.00	500.00		
Recreation Services and Programs:					
Contribution to White Township Athletic Association	6,000.00	6,000.00	6,000.00		
Other Expenses	7,000.00	7,000.00	4,552.00	2,448.00	
Maintenance of Parks:					
Other Expenses	28,000.00	28,000.00	26,061.75	1,938.25	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events	4,000.00	4,000.00		4,000.00	
Open Space Committee:					
Salaries & Wages	1,200.00	1,200.00	600.00	600.00	
Other Expenses	300.00	300.00	221.87	78.13	
Agricultural Advisory Board:					
Other Expenses	300.00	300.00		300.00	
Municipal Court:					
Salaries & Wages	55,000.00	55,000.00	54,755.78	244.22	

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS" (continued)					
Municipal Court (Continued):					
Other Expenses	\$ 6,000.00	\$ 6,000.00	\$ 5,868.74	\$ 131.26	
Public Defender:					
Other Expenses	2,000.00	2,000.00	400.00	1,600.00	
Insurance:					
General Liability	55,248.00	55,248.00	55,248.00		
Employee Group Health	89,240.00	89,240.00	87,377.59	1,862.41	
Building Inspector (N.J.S.A. 5:23-4.17):					
Salaries & Wages	34,000.00	36,881.54	36,881.54		
Other Expenses	3,000.00	3,000.00	2,034.27	965.73	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	16,000.00	16,000.00	12,619.57	3,380.43	
Street Lighting	10,000.00	10,000.00	7,462.17	2,537.83	
Telephone	13,000.00	13,000.00	11,197.92	1,802.08	
Natural Gas	6,000.00	6,000.00	4,215.80	1,784.20	
Gasoline	15,000.00	15,000.00	7,383.49	7,616.51	
Total Operations Within "CAPS"	1,240,035.00	1,240,035.00	1,103,543.13	136,491.87	
Detail:					
Salaries and Wages	509,997.00	512,878.54	497,860.25	15,018.29	
Other Expenses	730,038.00	727,156.46	605,682.88	121,473.58	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Public Employees' Retirement System	53,160.00	53,160.00	53,160.00		
Social Security	40,000.00	40,000.00	36,826.55	3,173.45	

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures (Continued):					
Statutory Expenditures (Continued):					
Unemployment Compensation	\$ 1,000.00	\$ 1,000.00	\$ 458.89	\$ 541.11	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>94,160.00</u>	<u>94,160.00</u>	<u>90,445.44</u>	<u>3,714.56</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>1,334,195.00</u>	<u>1,334,195.00</u>	<u>1,193,988.57</u>	<u>140,206.43</u>	
Operations - Excluded from "CAPS"					
Public and Private Programs Offset by Revenues:					
Clean Communities Grant	12,347.84	12,347.84	12,347.84		
Municipal Alliance:					
State Share	4,940.00	4,940.00	4,940.00		
Local Share	1,482.00	1,482.00	1,482.00		
Recycling Tonnage Grant	3,508.80	3,508.80	3,508.80		
Reserve for Clean Communities Program	12,311.92	12,311.92	12,311.92		
Warren County Open Space Grant (N.J.S.A.40A:4-87 + \$71,000.00)		71,000.00	71,000.00		
Wastewater Management Grant (N.J.S.A.40A:4-87 + \$5,000.00)		5,000.00	5,000.00		
Total Public and Private Programs Offset by Revenues	<u>34,590.56</u>	<u>110,590.56</u>	<u>110,590.56</u>		
Total Operations - Excluded from "CAPS"	<u>34,590.56</u>	<u>110,590.56</u>	<u>110,590.56</u>		

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Detail:	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Other Expenses	\$ 34,590.56	\$ 110,590.56	\$ 110,590.56		
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Mt. Lake Fire Truck	24,000.00	24,000.00	24,000.00		
Bunker Gear - Township of Oxford	6,800.00	6,800.00	6,800.00		
Purchase of Ambulance - Oxford Rescue Squad	10,000.00	10,000.00	10,000.00		
Total Capital Improvements Excluded from "CAPS"	90,800.00	90,800.00	90,800.00		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	60,000.00	60,000.00	60,000.00		
Payment of Bond Anticipation Notes	520,000.00	520,000.00	520,000.00		
Interest on Bonds	42,430.00	42,430.00	42,430.00		
Interest on Notes	30,638.00	30,638.00	30,550.90		\$ 87.10
Total Municipal Debt Service - Excluded from "CAPS"	653,068.00	653,068.00	652,980.90		87.10
Deferred Charges - Municipal - Excluded from "CAPS"					
DEFERRED CHARGES:					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55)	2,700.00	2,700.00	2,700.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	2,700.00	2,700.00	2,700.00		

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 781,158.56	\$ 857,158.56	\$ 857,071.46		\$ 87.10
Total General Appropriations - Excluded from "CAPS"	781,158.56	857,158.56	857,071.46		87.10
Subtotal General Appropriations	2,115,353.56	2,191,353.56	2,051,060.03	\$ 140,206.43	87.10
Reserve for Uncollected Taxes	591,172.96	591,172.96	591,172.96		
Total General Appropriations	<u>\$ 2,706,526.52</u>	<u>\$ 2,782,526.52</u>	<u>\$ 2,642,232.99</u>	<u>\$ 140,206.43</u>	<u>\$ 87.10</u>

Ref.

A

TOWNSHIP OF WHITE  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 2,706,526.52	
Added by N.J.S.A. 40A:4-87		76,000.00	
		\$ 2,782,526.52	
Reserve for Uncollected Taxes			\$ 591,172.96
Cash Disbursed			1,939,890.59
Deferred Charges:			
Special Emergency Authorization			2,700.00
Due to Federal and State Grant Fund			110,590.56
Encumbrances	A		3,829.84
			2,648,183.95
Less: Appropriation Refunds			5,950.96
			\$ 2,642,232.99

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
TRUST FUNDS



TOWNSHIP OF WHITE  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2012	2011
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 23,273.84	\$ 20,273.09
Registrar	B-5	73.23	68.36
		<u>23,347.07</u>	<u>20,341.45</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	373,410.32	393,322.62
Due from Current Fund - Open Space Trust Fund	A	696.07	
		<u>374,106.39</u>	<u>393,322.62</u>
<b><u>TOTAL ASSETS</u></b>		<u>\$ 397,453.46</u>	<u>\$ 413,664.07</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Due to State of New Jersey		\$ 113.60	\$ 114.80
Due to Current Fund	A	7,893.67	4,358.45
Accounts Payable - Vendors			40.00
Reserve for Animal Control Fund Expenditures	B-6	15,339.80	15,828.20
		<u>23,347.07</u>	<u>20,341.45</u>
Other Trust Funds:			
Due to Current Fund	A	505.61	408.55
Reserve for:			
Gravel Pit Escrow Deposit		23,242.61	27,535.41
Escrow Deposits		194,459.85	220,141.11
Maintenance Bond Deposits		30,164.43	40,583.42
Soil Extraction Bond Deposits			262.00
Tax Sale Premiums		18,000.00	2,000.00
Unemployment Compensation Insurance		8,113.32	7,137.36
Open Space Fund		99,620.57	95,254.77
Total Other Trust Funds		<u>374,106.39</u>	<u>393,322.62</u>
<b><u>TOTAL LIABILITIES AND RESERVES</u></b>		<u>\$ 397,453.46</u>	<u>\$ 413,664.07</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,486,376.52	\$ 2,620,907.54
Deferred Charges to Future Taxation:			
Funded		1,675,000.00	1,795,000.00
Unfunded	C-4	1,855,812.19	2,475,000.00
<u>TOTAL ASSETS</u>		<u>\$ 6,017,188.71</u>	<u>\$ 6,890,907.54</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,855,000.00	\$ 2,375,000.00
Serial Bonds Payable	C-8	1,675,000.00	1,795,000.00
Improvement Authorizations:			
Funded	C-5	61,099.96	381,482.66
Unfunded	C-5	59,039.85	158,227.66
Due to Current Fund	A	535.65	15,550.88
Capital Improvement Fund	C-6	386,136.16	50,819.25
Reserve for:			
Encumbrances			13,125.00
Preliminary Expenses			1,325.00
Payment of Debt Service		1,675,000.00	1,795,000.00
Fund Balance	C-1	305,377.09	305,377.09
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 6,017,188.71</u>	<u>\$ 6,890,907.54</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2011	C	<u>\$ 305,377.09</u>
Balance December 31, 2012	C	<u><u>\$ 305,377.09</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
SEWER UTILITY FUND

TOWNSHIP OF WHITE  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 321,337.57	\$ 318,042.72
		<u>321,337.57</u>	<u>318,042.72</u>
Due from Sewer Utility Capital Fund	E	25.52	15.15
		<u>321,363.09</u>	<u>318,057.87</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	34,607.36	25,956.20
		<u>34,607.36</u>	<u>25,956.20</u>
Total Operating Fund		<u>355,970.45</u>	<u>344,014.07</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	120,025.52	95,015.15
Total Capital Fund		<u>120,025.52</u>	<u>95,015.15</u>
<b><u>TOTAL ASSETS</u></b>		<b><u>\$ 475,995.97</u></b>	<b><u>\$ 439,029.22</u></b>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	E-4; E-10	\$ 42,112.67	\$ 2,865.73
Total Appropriation Reserves		<u>42,112.67</u>	<u>2,865.73</u>
Due To Current Fund	A		364.21
Prepaid Rents			<u>1,271.67</u>
		<u>42,112.67</u>	<u>4,501.61</u>
Reserve for Receivables		34,607.36	25,956.20
Fund Balance	E-1	279,250.42	313,556.26
		<u>313,857.78</u>	<u>339,512.46</u>
Total Operating Fund		<u>355,970.45</u>	<u>344,014.07</u>
Capital Fund:			
Due to Sewer Operating Fund	E	25.52	15.15
Capital Improvement Fund	E-12	120,000.00	95,000.00
Total Capital Fund		<u>120,025.52</u>	<u>95,015.15</u>
<b><u>TOTAL LIABILITIES, RESERVES, AND FUND BALANCE</u></b>		<b><u>\$ 475,995.97</u></b>	<b><u>\$ 439,029.22</u></b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF WHITE  
SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN UTILITY OPERATING FUND BALANCE

	Ref.	<u>Year Ended December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 100,000.00	\$ 150,000.00
Sewer Rents		371,592.22	402,357.65
Miscellaneous		3,969.21	4,741.97
Other Credits to Income:			
Appropriation Reserves Lapsed		2,865.73	7,720.39
Total Income		<u>478,427.16</u>	<u>564,820.01</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		412,733.00	373,212.00
Total Expenditures		<u>412,733.00</u>	<u>373,212.00</u>
Excess in Revenue		65,694.16	191,608.01
<u>Fund Balance</u>			
Balance January 1	E	313,556.26	271,948.25
		<u>379,250.42</u>	<u>463,556.26</u>
Decreased by:			
Utilization as Anticipated Revenue		100,000.00	150,000.00
Balance December 31	E	<u>\$ 279,250.42</u>	<u>\$ 313,556.26</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 100,000.00	\$ 100,000.00	
Sewer Rents	312,733.00	371,592.22	\$ 58,859.22
	<u>412,733.00</u>	<u>471,592.22</u>	<u>58,859.22</u>
Nonbudget Revenue		3,969.21	3,969.21
	<u>\$ 412,733.00</u>	<u>\$ 475,561.43</u>	<u>\$ 62,828.43</u>
 <u>Analysis of Nonbudget Revenue</u>			
Interest on Sewer Rents		\$ 2,703.89	
Interest Income		1,009.63	
Interest Due from Sewer Capital Fund		25.52	
Interest and Costs Accrued at Tax Sale		230.17	
		<u>\$ 3,969.21</u>	
 <u>Analysis of Sewer Rents</u>			
2012 Collections		\$ 370,320.55	
Prepaid Sewer Rents Applied		1,271.67	
		<u>\$ 371,592.22</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 4,121.00	\$ 4,121.00	\$ 4,120.92	\$ 0.08
Other Expenses (Includes Belvidere)	10,000.00	10,000.00	4,935.18	5,064.82
Sewer Service Charges - PRMUA	338,212.00	338,212.00	336,249.00	1,963.00
Capital Improvements:				
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	
Capital Outlay	35,000.00	35,000.00		35,000.00
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Social Security System (O.A.S.I.)	400.00	400.00	315.23	84.77
	<u>\$ 412,733.00</u>	<u>\$ 412,733.00</u>	<u>\$ 370,620.33</u>	<u>\$ 42,112.67</u>
				E
			<u>\$ 370,620.33</u>	
			<u>\$ 370,620.33</u>	

Ref.

Cash Disbursed

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF WHITE  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 2,251.25	\$ 4,340.81
<u>TOTAL ASSETS</u>		<u>\$ 2,251.25</u>	<u>\$ 4,340.81</u>
 <u>RESERVES:</u>			
Reserve for Public Assistance Expenditures		\$ 2,251.25	\$ 4,340.81
<u>TOTAL RESERVES</u>		<u>\$ 2,251.25</u>	<u>\$ 4,340.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE  
COUNTY OF WARREN

2012

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF WHITE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2012	2011
Land	\$ 2,102,800.00	\$ 2,102,800.00
Buildings	512,901.00	512,901.00
Machinery and Equipment	1,417,036.00	1,403,911.00
<u>TOTAL ASSETS</u>	<u>\$ 4,032,737.00</u>	<u>\$ 4,019,612.00</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 4,032,737.00	\$ 4,019,612.00
<u>TOTAL RESERVES</u>	<u>\$ 4,032,737.00</u>	<u>\$ 4,019,612.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of White include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of White, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of White do not include the operations of the volunteer fire company or first aid organization.

Governmental Accounting Standards Board ("GASB" publication, Codification of Governmental Accounting and Financial Reporting Standards) Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of White conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of White accounts for its financial transactions through the following separate funds:

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

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

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

Sewer Utility Operating Fund - Account for the operations of the municipally owned sewer utility. There are no municipally owned sewer capital facilities.

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

General Fixed Assets Account Group - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1C - "Basis of Accounting".

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of White conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are realized in the Current Fund when they are budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Other amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds or by issuing loans or capital lease purchase agreements.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township of White's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned and inventories would not be reflected as expenditures at the time of purchase.

Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Grants Receivable – Grants receivable represent the total grant award less amounts collected to date. Because the amount of grant funds to be collected is dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

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

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

General fixed assets are recorded at cost, except for land which is recorded at assessed value, and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund, General Capital Fund and Sewer Utility Fund. The values recorded in the general fixed assets account group, the Current Fund, the General Capital Fund and Sewer Utility Fund may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance the general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	<u>December 31,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 3,530,000.00	\$ 4,170,000.00	\$ 4,835,000.00
Total Issued	<u>3,530,000.00</u>	<u>4,170,000.00</u>	<u>4,835,000.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	812.19	100,000.00	100,000.00
Total Authorized but not Issued	<u>812.19</u>	<u>100,000.00</u>	<u>100,000.00</u>
Less: Reserve to Pay Debt Service	<u>1,675,000.00</u>	<u>1,795,000.00</u>	<u>1,910,000.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 1,855,812.19</u>	<u>\$ 2,475,000.00</u>	<u>\$ 3,025,000.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.302%.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 3,530,812.19	\$ 1,675,000.00	\$ 1,855,812.19
School Debt	1,705,000.00	1,705,000.00	
	<u>\$ 5,235,812.19</u>	<u>\$ 3,380,000.00</u>	<u>\$ 1,855,812.19</u>

Net Debt of \$1,855,812.19 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$615,249,721.00 = 0.302%.

Borrowing Power Under N.J.S. 40A:2-5 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 21,533,740.24
Net Debt	<u>1,855,812.19</u>
Remaining Borrowing Power	<u>\$ 19,677,928.05</u>

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

Summary of Municipal Debt Issued and Outstanding – Current and Prior Year

	<u>Balance 12/31/11</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance 12/31/12</u>
Serial Bonds:				
General Capital Fund	\$1,795,000.00		\$ 120,000.00	\$1,675,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>2,375,000.00</u>	<u>\$1,855,000.00</u>	<u>2,375,000.00</u>	<u>1,855,000.00</u>
Total	<u>\$4,170,000.00</u>	<u>\$1,855,000.00</u>	<u>\$2,495,000.00</u>	<u>\$3,530,000.00</u>
	<u>Balance 12/31/10</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance 12/31/11</u>
Serial Bonds:				
General Capital Fund	\$1,910,000.00		\$ 115,000.00	\$1,795,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>2,925,000.00</u>	<u>\$2,375,000.00</u>	<u>2,925,000.00</u>	<u>2,375,000.00</u>
Total	<u>\$4,835,000.00</u>	<u>\$2,375,000.00</u>	<u>\$3,040,000.00</u>	<u>\$4,170,000.00</u>

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2012 is described as follows:

General Capital Serial Bonds Payable

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
	<u>Date</u>	<u>Amount</u>		
Purchase of Parcels of Real Estate	12/1/2013	\$ 125,000.00	4.50%	
	12/1/2014	130,000.00	4.50%	
	12/1/2015	135,000.00	4.50%	
	12/1/2016	145,000.00	4.50%	
	12/1/2017	150,000.00	4.50%	
	12/1/2018	155,000.00	4.70%	
	12/1/2019	160,000.00	4.75%	
	12/1/2020	165,000.00	5.00%	
	12/01/21-23	170,000.00	5.00%	<u>\$1,675,000.00</u>

General Capital Bond Anticipation Notes Payable

<u>Purpose</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Tax Appeal Refunding	5/27/2013	0.87%	\$1,575,000.00
Purchase of Fire Engine	5/27/2013	0.87%	280,000.00
			<u>\$1,855,000.00</u>
Total Debt Issued and Outstanding			<u>\$3,530,000.00</u>

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for Bonded Debt Issued and Outstanding

<u>Calendar</u> <u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 125,000.00	\$ 79,460.00	\$ 204,460.00
2014	130,000.00	73,835.00	203,835.00
2015	135,000.00	67,985.00	202,985.00
2016	145,000.00	61,910.00	206,910.00
2017	150,000.00	55,385.00	205,385.00
2018-2022	820,000.00	166,235.00	986,235.00
2023	170,000.00	8,500.00	178,500.00
	<u>\$ 1,675,000.00</u>	<u>\$ 513,310.00</u>	<u>\$ 2,188,310.00</u>

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 3: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, there are no deferred charges.

Note 4: Fund Balance Appropriated

As of the date of this report, the budget for 2013 has not been introduced. Thus, the amount of fund balance at December 31, 2012, which will be introduced in the Current Fund and Sewer Utility Operating Fund budgets for the year ending December 31, 2013, is not known at this time.

Note 5: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

Local District Tax has been raised and liabilities deferred by statutes (under provisions of C.63, P.L. 1991, as amended), resulting in the school taxes payable set forth in the current fund liabilities as follows:

	Local School Tax	
	Balance 12/31/2012	Balance 12/31/2011
Balance of Tax	\$ 3,307,632.88	\$ 3,298,894.88
Deferred	3,160,132.35	2,960,132.35
Tax Payable	\$ 147,500.53	\$ 338,762.53

Note 6: Pension Plans

Township employees are enrolled in a cost sharing multiple-employer public employee retirement system: the Public Employees' Retirement System (PERS). The State of New Jersey sponsors and administers the plan which covers substantially all Township employees. As a general rule, all full-time employees are eligible to join this public employees' retirement system.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

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 of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes 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. For PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 6: Pension Plans (Cont'd)

Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Township contributions to PERS amounted to \$53,160, \$52,125 and \$50,211 for 2012, 2011 and 2010, respectively.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	\$ 1.998	\$ 1.949	\$ 2.012
<u>Apportionment of Tax Rate:</u>			
County	0.680	0.646	0.703
Local School Tax	1.201	1.193	1.199
Municipal Open Space Tax	0.020	0.020	0.020
Municipal Local Tax	0.097	0.090	0.090
<u>Assessed Valuations:</u>			
2012	<u>\$ 577,666,268.00</u>		
2011		<u>\$ 578,953,003.00</u>	
2010			<u>\$ 576,191,518.00</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 11,611,201.98	\$ 11,330,837.23	97.58%
2011	11,285,172.51	11,031,441.18	97.75%
2010	11,631,106.62	11,405,143.23	98.06%



TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 7: Selected Tax Information (Cont'd)

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

*GASB Statement No. 40, Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

**Interest Rate Risk** – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

**Credit Risk** – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following pages.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

As of December 31, 2012, cash and cash equivalents of the Township of White consisted of the following:

	<u>Checking Accounts</u>	<u>Cash on Hand</u>	<u>Total</u>
Current Fund	\$ 2,493,070.50	\$ 850.00	\$ 2,493,920.50
Animal Control Fund	23,347.07		23,347.07
Other Trust Funds	373,410.32		373,410.32
General Capital Fund	2,486,376.52		2,486,376.52
Sewer Utility Operating Fund	321,337.57		321,337.57
Sewer Utility Capital Fund	120,025.52		120,025.52
Public Assistance Fund	2,251.25		2,251.25
	<u>\$ 5,819,818.75</u>	<u>\$ 850.00</u>	<u>\$ 5,820,668.75</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2012, was \$5,820,668.75 and the bank balance was \$5,835,678.37. The Township did not hold any investments during the year.

Note 9: Risk Management:

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by the Public Alliance Insurance Coverage Fund. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property, Liability and Workers' Compensation

The Township is currently a member of the Public Alliance Insurance Coverage Fund (the "Fund"). The Fund provides its members with Liability, Property and Workers' Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 9: Risk Management: (Cont'd)

Property, Liability and Workers' Compensation (Cont'd)

The December 31, 2012 audit report for the Fund was not available as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2011 is as follows:

	Public Alliance Insurance Coverage Fund Dec. 31, 2011
Total Assets	\$ 13,435,346
Net Assets	\$ 4,688,074
Total Revenue	\$ 9,397,920
Total Expenditures	\$ 8,210,038
Change in Net Assets	\$ 1,187,882
Net Assets Distribution to Participating Members	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Public Alliance Insurance Coverage Fund  
Public Entity Group Administrative Services  
51 Everett Drive, Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the state.

The following is a summary of Township and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years.

Year	Township Contributions	Employee Contributions	Interest Earned	Reimbursements	Ending Balance
2012	\$ 458.89	\$ 498.75	\$ 18.32	\$ -0-	\$ 8,113.32
2011	316.57	633.11	20.34	-0-	7,137.36
2010	491.37	513.87	25.10	18.06	6,167.34

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 10: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 8,934.93	\$ 33,587.92
Federal and State Grant Fund	32,891.85	
Animal Control Trust Fund		7,893.67
Other Trust Funds		505.61
Other Trust Funds - Open Space	696.07	
General Capital Fund		535.65
Sewer Utility Operating Fund	25.52	
Sewer Utility Capital Fund		25.52
	<u>\$ 42,548.37</u>	<u>\$ 42,548.37</u>

The interfund receivable in the Federal and State Grant Fund represents grant funds received in the Current Fund and grant fund expenditures made from the Current Fund on behalf of the Federal and State Grant Fund. The interfunds receivable in the Current Fund represents the statutory excess due from the Animal Control Trust Fund and interest earned in the various trust funds and the General Capital Fund. The interfund receivable in the Other Trust Funds represents added open space tax levy due from the Current Fund. The interfund receivable in the Sewer Utility Operating Fund represents interest due from the Sewer Utility Capital Fund. The Open Space Trust Fund transferred \$102,430.00 to the Current Fund to provide for current year principal and interest due on open space serial bonds payable.

Note 11: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 12: Open Space Trust Reserve

The Township of White established an Open Space Trust Fund in 1999. The Township has levied a tax equal to two cents per \$100 of total Township equalized real property valuation. The tax has remained two cents since the approval by the voters to establish the open space tax. The intention of the municipality is to use this funding to offset the debt issued to acquire open space property in the Township. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The Township is currently using the funds raised by taxes to pay down the Township's only serial bond issue which was issued on August 7, 2003 to purchase open space. The balance in the Reserve for Open Space at December 31, 2012 is \$99,620.57.

TOWNSHIP OF WHITE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 13: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 14: Deferred Compensation

The Township offers its employees the following deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the entity listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is Lincoln Financial Group.

Note 15: Accrued Sick and Vacation Benefits

The Township has permitted full-time employees to accrue unused vacation and sick pay. Fifty percent of unused sick days are made payable upon retirement up to a maximum of \$14,000.00. The current cost of such unpaid compensation has been estimated at approximately \$10,000.00 at December 31, 2012, and is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

Note 16: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2012 and 2011:

	Balance Dec. 31, 2011	Additions	Deletions	Balance Dec. 31, 2012
Land	\$ 2,102,800.00			\$ 2,102,800.00
Buildings	512,901.00			512,901.00
Machinery and Equipment	1,403,911.00	\$ 13,125.00		1,417,036.00
	<u>\$ 4,019,612.00</u>	<u>\$ 13,125.00</u>	<u>\$ -0-</u>	<u>\$ 4,032,737.00</u>
	Balance Dec. 31, 2010	Additions	Deletions	Balance Dec. 31, 2011
Land	\$ 2,102,800.00			\$ 2,102,800.00
Buildings	512,901.00			512,901.00
Machinery and Equipment	1,403,911.00			1,403,911.00
	<u>\$ 4,019,612.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,019,612.00</u>

TOWNSHIP OF WHITE  
SUPPLEMENTARY DATA

TOWNSHIP OF WHITE  
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2012

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Holly Mackey	Mayor		
Jeff Herb	Committeeperson		
Samuel Race	Committeeperson		
Kathleen R. Reinalda	Chief Financial Officer; Municipal Clerk; Registrar of Vital Statistics; Assessment Search Officer; Board of Health Secretary		
Rachel Edinger	Tax Collector; Sewer Utility Clerk	*	*
Ralph Price	Construction Official		
Thomas Bocko	Zoning Officer (until 9/30/12)		
Glenn Carter	Zoning Officer (from 11/1/12)		
Michelle Trivigno	Tax Assessor		
Brian Tipton	Township Attorney		
Betty Wysocki	Dog Warden		
J. Edward Palmer	Magistrate		
Gayle S. Farrell	Court Administrator; Violations Clerk		

There is a Public Employees Blanket Bond for \$1,000,000 covering all municipal employees not separately bonded:

Public Alliance Insurance Coverage Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

\* There is a separate Statutory Position Bond for \$1,000,000 covering the Tax Collector:

Public Alliance Insurance Coverage Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

All bonds were examined and were properly executed.



TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
CURRENT FUND

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1,553,657.66
Increased by Receipts:		
Tax Collector		\$ 10,313,886.53
Revenue Accounts Receivable		813,279.21
Miscellaneous Revenue Not Anticipated		74,426.79
Reserve For Watershed Moratorium Aid		13,442.00
Reserve for Open Space Pilot Aid		14,328.00
2012 Appropriation Refunds		5,950.96
Due to Federal and State Grant Fund:		
Grants Receivable		249,581.02
Unappropriated Reserves		3,692.33
Due to State of New Jersey - Marriage License Fees		325.00
Due from State of New Jersey:		
Veterans' and Senior Citizens' Deductions		80,000.00
Due from Animal Control Fund:		
Prior Year Interfund Returned		4,358.45
Due from Sewer Utility Operating Fund:		
Prior Year Interfund Returned		364.21
Due from General Capital Fund:		
Prior Year Interfund Returned		15,550.88
Interest on Investments and Deposits		6,009.18
Reserve for Payment of Debt Service		120,000.00
		<u>11,715,194.56</u>
		<u>13,268,852.22</u>
Decreased by Disbursements:		
2012 Appropriation Expenditures		1,939,890.59
2011 Appropriation Reserve Expenditures		57,077.68
Local School District Taxes		6,927,060.00
County Taxes		3,919,295.17
Tax Overpayments Refunded		747.37
Due from Federal and State Grant Fund:		
Appropriated Reserves		75,045.82
Due to Other Trust Funds:		
Open Space Tax Levy		115,533.25
Due to State of New Jersey - Marriage License Fees		425.00
Reserve for Pending Tax Appeal		24,261.00
		<u>13,059,335.88</u>
Balance December 31, 2012	A	<u>\$ 209,516.34</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

Balance December 31, 2011	<u>Ref.</u> A	\$ 1,047,756.59
Increased by Receipts:		
Taxes Receivable	\$ 11,369,809.51	
2013 Prepaid Taxes	122,402.09	
Interest and Costs on Taxes	43,254.38	
Tax Title Lien Redemption	8,322.36	
Tax Overpayments	747.37	
Interest on Investments	3,618.23	
Miscellaneous Revenue Not Anticipated	<u>2,380.16</u>	
		<u>11,550,534.10</u>
		12,598,290.69
Decreased by:		
Payments to Treasurer		<u>10,313,886.53</u>
Balance December 31, 2012	A	<u><u>\$ 2,284,404.16</u></u>

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2012 Levy	Added Taxes	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2012
	Dec. 31, 2011			2011	2012				
2006	\$ 1,000.00				\$ 500.00	\$ 500.00			
2007	1,000.00				500.00	500.00			
2008	750.00				250.00	500.00			
2009	1,000.00		\$ 1,855.82		2,355.82	500.00			
2010			1,794.06		1,794.06				
2011	228,070.21		1,952.90		228,540.89	(3,000.00)	\$ 6.84	\$ 862.86	\$ 3,612.52
	<u>231,820.21</u>		<u>5,602.78</u>		<u>233,940.77</u>	<u>(1,000.00)</u>	<u>6.84</u>	<u>862.86</u>	<u>3,612.52</u>
2012		\$ 11,611,201.98		\$ 104,632.87	11,135,868.74	90,335.62	\$ 22,440.91	16,516.32	241,407.52
	<u>\$ 231,820.21</u>	<u>\$ 11,611,201.98</u>	<u>\$ 5,602.78</u>	<u>\$ 104,632.87</u>	<u>\$ 11,369,809.51</u>	<u>\$ 89,335.62</u>	<u>\$ 22,447.75</u>	<u>\$ 17,379.18</u>	<u>\$ 245,020.04</u>
Ref.	A								A

Analysis of 2012 Property Tax Levy

General Purpose Tax	\$ 11,541,772.34
Added Taxes (54:4-63.1 et seq.)	<u>69,429.64</u>
	<u>\$ 11,611,201.98</u>
Tax Levy:	
Local School District Taxes	\$ 6,935,798.00
County Taxes:	
County Taxes	3,918,836.78
Due County for Added and Omitted Taxes	<u>23,593.99</u>
	<u>3,942,430.77</u>
	<u>10,878,228.77</u>
Local Tax for Municipal Purposes	565,861.96
Municipal Open Space Tax	115,533.25
Additional Open Space - Municipal	696.07
Add: Additional Tax Levied	<u>50,881.93</u>
	<u>732,973.21</u>
	<u>\$ 11,611,201.98</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2011	A	\$	79,917.42
Increased by:			
Transferred From Taxes Receivable		\$	17,379.18
Interest and Costs Accrued at Tax Sale			<u>1,280.44</u>
			<u>18,659.62</u>
			<u>98,577.04</u>
Decreased by:			
Tax Title Liens Redeemed			<u>8,322.36</u>
Balance December 31, 2012	A	\$	<u>90,254.68</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u> <u>in 2012</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clerk:				
ABC Licenses		\$ 4,389.00	\$ 4,389.00	
Construction Code Official:				
Fees and Permits	\$ 2,856.42	96,066.07	94,150.66	\$ 4,771.83
Municipal Court:				
Fines and Costs	1,807.77	27,072.16	27,220.43	1,659.50
Consolidated Municipal Property Tax Relief Aid		17,218.00	17,218.00	
Energy Receipts Tax		266,068.00	266,068.00	
Interest on Investments and Deposits		3,456.39	3,456.39	
Pollution Control Authority - Host Community Fees		400,776.73	400,776.73	
	<u>\$ 4,664.19</u>	<u>\$ 815,046.35</u>	<u>\$ 813,279.21</u>	<u>\$ 6,431.33</u>
<u>Ref.</u>	A			A

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Other Expenses	\$ 614.14	\$ 614.14	\$ 374.48	\$ 239.66
Human Resources:				
Other Expenses	250.00	250.00	45.00	205.00
Mayor and Council:				
Salaries and Wages	174.08	174.08		174.08
Other Expenses	6.00	6.00		6.00
Municipal Clerk:				
Salaries and Wages	650.40	650.40		650.40
Other Expenses	823.47	823.47	434.94	388.53
Financial Administration (Treasury):				
Salaries and Wages	208.10	208.10		208.10
Other Expenses	1,008.60	1,008.60	26.97	981.63
Audit Services:				
Other Expenses	3,500.00	3,500.00		3,500.00
Computerized Data Processing:				
Other Expenses	5,491.67	5,491.67	1,800.00	3,691.67
Revenue Administration (Tax Collection):				
Salaries and Wages	1.04	1.04		1.04
Other Expenses	383.11	383.11	38.99	344.12
Tax Assessment Administration:				
Salaries and Wages	0.70	0.70		0.70
Other Expenses	355.25	355.25	8.99	346.26
Legal Services:				
Other Expenses	6,461.81	4,066.81	3,230.00	836.81
Engineering Services:				
Other Expenses		2,395.00	2,395.00	
Planning Board:				
Salaries and Wages	600.88	600.88		600.88
Other Expenses	7,128.25	7,128.25	1,843.50	5,284.75
Zoning Board of Adjustment:				
Salaries and Wages	0.12	0.12		0.12
Other Expenses	597.03	597.03	225.00	372.03
Zoning Officer:				
Salaries and Wages	51.16	51.16		51.16
Other Expenses	76.27	76.27		76.27
Electrical Inspector:				
Salaries and Wages	1.04	1.04		1.04
Other Expenses	400.00	400.00		400.00
Police Dispatch / 911:				
Other Expenses	150.00	150.00		150.00

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
Office of Emergency Management:				
Salaries and Wages	\$ 0.92	\$ 0.92		\$ 0.92
Other Expenses	3,740.00	3,740.00	\$ 341.00	3,399.00
Aid to Volunteer Fire Companies:				
Belvidere Fire Company	29,500.00	29,500.00	29,500.00	
Fire Department:				
Other Expenses:				
Fire Hydrant Service	1,052.86	1,052.86	949.74	103.12
Streets and Road Maintenance:				
Salaries and Wages	4,750.38	4,750.38		4,750.38
Other Expenses	21,673.82	21,673.82	790.64	20,883.18
Solid Waste Collection:				
Other Expenses	221.58	221.58	49.14	172.44
Buildings and Grounds:				
Salaries and Wages	1,396.37	1,396.37		1,396.37
Other Expenses	4,580.50	4,580.50	964.82	3,615.68
Public Health Service (Board of Health):				
Other Expenses	100.00	100.00		100.00
Environmental Health Services:				
Salaries and Wages	240.00	240.00		240.00
Other Expenses	160.00	160.00		160.00
Animal Control Services:				
Salaries and Wages	0.48	0.48		0.48
Other Expenses	2,295.76	2,295.76	911.48	1,384.28
Contribution to Social Services:				
White Township Girl Scouts	500.00	500.00		500.00
Recreation Services and Programs:				
Contribution to White Township Athletic Association	6,000.00	6,000.00	6,000.00	
Maintenance of Parks:				
Other Expenses	5,129.00	5,129.00		5,129.00
Celebration of Public Events	4,000.00	4,000.00		4,000.00
Open Space:				
Other Expenses	193.40	193.40	81.00	112.40
Agricultural Advisory Board:				
Other Expenses	196.80	196.80		196.80
Municipal Court:				
Salaries and Wages	64.45	64.45		64.45
Other Expenses	471.75	471.75	351.94	119.81
Insurance:				
General Liability	499.00	499.00		499.00
Employee Group Health	7,130.90	7,130.90		7,130.90



TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
Building Inspector:				
Salaries and Wages	\$ 2,473.90	\$ 2,473.90		\$ 2,473.90
Other Expenses	1,351.31	1,351.31	\$ 1,016.79	334.52
Utility Expenses:				
Electricity	4,408.66	4,408.66	1,198.26	3,210.40
Street Lighting	1,580.89	1,580.89		1,580.89
Telephone	1,942.49	1,942.49		1,942.49
Natural Gas	757.18	757.18		757.18
Statutory Expenditures:				
Social Security	1,019.83	1,019.83		1,019.83
Unemployment Compensation	683.43	683.43		683.43
Capital Improvements:				
Bunker Gear - Town of Belvidere	4,500.00	4,500.00	4,500.00	
	<u>\$ 141,548.78</u>	<u>\$ 141,548.78</u>	<u>\$ 57,077.68</u>	<u>\$ 84,471.10</u>

	<u>Ref.</u>	
<u>Balance as of December 31, 2011</u>		
Unencumbered	A	\$ 100,477.07
Encumbered	A	41,071.71
		<u>\$ 141,548.78</u>

TOWNSHIP OF WHITE  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2011:		
School Tax Payable	A	\$ 338,762.53
School Tax Deferred		2,960,132.35
Increased by:		
Levy - School Year July 1, 2012 through June 30, 2013		<u>6,935,798.00</u>
		10,234,692.88
Decreased by:		
Payments to Local School District		<u>6,927,060.00</u>
Balance December 31, 2012		<u><u>\$ 3,307,632.88</u></u>
Analysis of Balance December 31, 2012:		
School Tax Payable	A	\$ 147,500.53
School Tax Deferred		<u>3,160,132.35</u>
		<u><u>\$ 3,307,632.88</u></u>

TOWNSHIP OF WHITE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Uncollectible</u> <u>Balance</u> <u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clean Communities Program:						
2009		\$ 0.50		\$ 0.50		
2011		12,311.42		12,311.42		
2012		12,347.84	\$ 12,156.57		\$ 191.27	
Recycling Tonnage Grant - 2009		3,508.80		3,508.80		
Highlands Council Grant:						
Plan Performance Grant - 2009	\$ 12,137.50					\$ 12,137.50
New Jersey Transportation Trust Fund						
Authority Act - 2011	47,378.62		31,725.76		15,652.86	
Municipal Alliance Program		4,940.00	387.00			4,553.00
Warren County Open Space Grant	210,983.00	71,000.00	205,311.69			76,671.31
Wastewater Management Grant:						
2011	10,000.00	5,000.00				15,000.00
	<u>\$ 280,499.12</u>	<u>\$ 109,108.56</u>	<u>\$ 249,581.02</u>	<u>\$ 15,820.72</u>	<u>\$ 15,844.13</u>	<u>\$ 108,361.81</u>

Ref.

A

A

TOWNSHIP OF WHITE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Transferred</u> <u>from</u> <u>2012 Budget</u> <u>Appropriations</u>	<u>Cash</u> <u>Disbursed</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<b>Municipal Alliance Program:</b>					
2012 - State Share		\$ 4,940.00	\$ 4,940.00		
2012 - Local Share		1,482.00	1,003.04		\$ 478.96
<b>Clean Communities:</b>					
2009	\$ 1,222.76	0.50	1,223.26		
2010	11,520.84		11,520.84		
2011		12,311.42	12,311.42		
2012		12,347.84	2,821.39	\$ 191.27	9,335.18
<b>Recycling Tonnage Grant:</b>					
2006	517.08		517.08		
2007	1,211.27		1,211.27		
2008	3,826.06		3,826.06		
2009	4,284.62		216.59		4,068.03
2010	4,240.39				4,240.39
2011		3,508.80			3,508.80
<b>Stormwater Management:</b>					
2006	1,311.01		1,311.01		
Council On Affordable Housing Grant	6,802.50				6,802.50
<b>Highlands Council Grant:</b>					
Plan Performance Grant - 2011	11,920.00		360.00		11,560.00
RMP Compliance Grant Program - 2011	954.91				954.91
Comcast Grant	10,000.00				10,000.00

TOWNSHIP OF WHITE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Transferred</u> <u>from</u> <u>2012 Budget</u> <u>Appropriations</u>	<u>Cash</u> <u>Disbursed</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
New Jersey Transportation Trust Fund Authority Act:					
2009	\$ 80,937.09			\$ 80,937.09	
2011	27,402.86		\$ 6,240.00	21,162.86	
Warren County Open Space Grant	9,871.31	\$ 71,000.00	4,200.00		\$ 76,671.31
Wastewater Management Grant:					
2011	10,000.00	5,000.00	5,058.75		9,941.25
Energy Efficiency Conservation Block Program	18,285.11		18,285.11		
	<u>\$ 204,307.81</u>	<u>\$ 110,590.56</u>	<u>\$ 75,045.82</u>	<u>\$ 102,291.22</u>	<u>\$ 137,561.33</u>

Ref.

A

A

2012 Budget Revenue	\$ 109,108.56
Local Share	1,482.00
	<u>\$ 110,590.56</u>

TOWNSHIP OF WHITE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to 2012</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clean Communities Program:				
2009	\$ 0.50		\$ 0.50	
2011	12,311.42		12,311.42	
Recycling Tonnage Grant:				
2011	3,508.80		3,508.80	
2012		<u>\$ 3,692.33</u>		<u>\$ 3,692.33</u>
	<u>\$ 15,820.72</u>	<u>\$ 3,692.33</u>	<u>\$ 15,820.72</u>	<u>\$ 3,692.33</u>
<u>Ref.</u>	A			A

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
TRUST FUNDS

TOWNSHIP OF WHITE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2011	B	\$ 20,273.09	\$ 393,322.62
Increased by Receipts:			
Due Current Fund:			
Interest on Investments			\$ 97.06
Open Space Tax Levy			115,533.25
Open Space Fund - Interest			233.10
Gravel Pit Escrow Deposits			1,277.95
Escrow Deposits			37,541.83
Maintenance Bond Deposits			5,556.29
Tax Sale Premium			16,300.00
Unemployment Compensation Insurance			975.96
Animal Control Registrar		<u>\$ 8,648.00</u>	
		<u>8,648.00</u>	<u>177,515.44</u>
		28,921.09	570,838.06
Decreased by Disbursements:			
Due to Current Fund:			
Settlement of Prior Year Interfund		4,358.45	
Gravel Pit Escrow Expenditures			5,570.75
Escrow Deposit Expenditures			63,223.09
Maintenance Bond Expenditures			15,975.28
Soil Extraction Bond Expenditures			262.00
Open Space Expenditures			112,096.62
Tax Sale Premium Returned			300.00
Due to State Board of Health		<u>1,288.80</u>	
		<u>5,647.25</u>	<u>197,427.74</u>
Balance December 31, 2012	B	<u>\$ 23,273.84</u>	<u>\$ 373,410.32</u>



TOWNSHIP OF WHITE  
ANIMAL CONTROL FUND  
SCHEDULE OF CASH - REGISTRAR

Balance December 31, 2011	<u>Ref.</u> B		\$ 68.36
Increased by:			
Collections:			
Municipal License Fees		\$ 7,364.40	
State License Fees		1,287.60	
Interest Earned		<u>0.87</u>	
			<u>8,652.87</u>
			<u>8,721.23</u>
Decreased by:			
Payments:			
Municipal Treasurer			<u>8,648.00</u>
Balance December 31, 2012	B		<u><u>\$ 73.23</u></u>

TOWNSHIP OF WHITE  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 15,828.20
Increased by:		
2012 Dog License Fees Collected		\$ 7,364.40
Interest Earned		0.87
Prior Year Accounts Payable Cancelled		40.00
		7,405.27
		23,233.47
Decreased by:		
Statutory Excess Due Current Fund		7,893.67
		7,893.67
Balance December 31, 2012	B	\$ 15,339.80

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 7,917.80
2011	7,422.00
	7,422.00
Maximum Allowable Reserve	\$ 15,339.80

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 2,620,907.54
Increased by Receipts:		
Current Fund Appropriation:		
Capital Improvement Fund	\$ 50,000.00	
Due Current Fund:		
Interest Earned	6,544.83	
Bond Anticipation Notes Issued	<u>1,855,000.00</u>	
		<u>1,911,544.83</u>
		<u>4,532,452.37</u>
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned	15,550.88	
Anticipated Revenue	120,000.00	
Interest Earned	6,009.18	
Prior Year Encumbrances	13,125.00	
Improvement Authorization Expenditures	36,390.79	
Bond Anticipation Notes Matured	<u>1,855,000.00</u>	
		<u>2,046,075.85</u>
Balance December 31, 2012	C	<u>\$ 2,486,376.52</u>

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2011	Receipts			Disbursements				Transfers		Balance/ (Deficit) Dec. 31, 2012	
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Anticipated Budget Revenue	Miscellaneous	From	To		
Fund Balance	\$ 305,377.09										\$ 305,377.09	
Capital Improvement Fund	50,819.25		\$ 50,000.00							\$285,316.91	386,136.16	
Due Current Fund	15,550.88			\$ 6,544.83							535.65	
Reserve for Encumbrances	13,125.00											
Reserve to Pay Debt Service	1,795,000.00						\$120,000.00				1,675,000.00	
Reserve for Preliminary Expense	1,325.00								\$ 1,325.00			
<b>Ord.</b>												
<b>Date/No.</b>	<b>Improvement Description</b>											
2006-10	Road Improvements	30,000.00			\$ 2,292.77				27,707.23			
2009-02	Tax Appeal Refunding	59,039.85	\$ 1,575,000.00			\$1,575,000.00					59,039.85	
2009-08	Acquisition of Aerial Fire Truck	(812.19)	280,000.00			280,000.00					(812.19)	
2010-02	Pequest Drive/Orchard Drive Paving Project	219,111.72							219,111.72			
2010-05	Municipal Building Improvements	89,454.96			28,355.00						61,099.96	
2010-07	Castners Road Road Improvements	17,784.48							17,784.48			
2011-02	Tamarack Road Road Improvements	9,823.81			95.00				9,728.81			
2011-04	Free Union Road Road Improvements	4,719.72			4,288.02				431.70			
2011-06	Road Department - Stainless Steel Spreader	1,817.65							1,817.65			
2011-07	Road Repairs - Buckhorn Drive	8,770.32			1,360.00				7,410.32			
		<u>\$ 2,620,907.54</u>	<u>\$ 1,855,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 6,544.83</u>	<u>\$ 36,390.79</u>	<u>\$ 1,855,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 34,685.06</u>	<u>\$285,316.91</u>	<u>\$285,316.91</u>	<u>\$ 2,486,376.52</u>

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2011	Notes Paid by Budget Appropriation	Improvement Authorization Cancelled	Balance Dec. 31, 2012	Analysis of Balance Dec. 31, 2012		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2009-02	Tax Appeal Refunding	\$ 2,095,000.00	\$ 520,000.00		\$ 1,575,000.00	\$ 1,575,000.00		
2009-08	Acquisition of Aerial Fire Truck	380,000.00		\$ 99,187.81	280,812.19	280,000.00	\$ 812.19	
		<u>\$ 2,475,000.00</u>	<u>\$ 520,000.00</u>	<u>\$ 99,187.81</u>	<u>\$ 1,855,812.19</u>	<u>\$ 1,855,000.00</u>	<u>\$ 812.19</u>	<u>\$ -0-</u>
	<u>Ref.</u>	C			C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded

\$ 59,039.85

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ord. #09-02

59,039.85

\$ -0-

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2011		Paid or Charged	Canceled	Balance Dec. 31, 2012	
	Number	Amount	Funded	Unfunded			Funded	Unfunded
Road Improvements	2006-10	\$ 30,000.00	\$ 30,000.00		\$ 2,292.77	\$ 27,707.23		
Tax Appeal Refunding	2009-02	3,635,000.00		\$ 59,039.85				\$ 59,039.85
Acquisition of Aerial Fire Truck	2009-08	400,000.00		99,187.81		99,187.81		
Pequest Drive/Orchard Drive Paving Project	2010-02	320,000.00	219,111.72			219,111.72		
Municipal Building Improvements	2010-05	110,000.00	89,454.96		28,355.00		\$ 61,099.96	
Castners Road Road Improvements	2010-07	70,000.00	17,784.48			17,784.48		
Tamarack Road Road Improvements	2011-02	35,000.00	9,823.81		95.00	9,728.81		
Free Union Road Road Improvements	2011-04	15,000.00	4,719.72		4,288.02	431.70		
Road Department - Stainless Steel Spreader	2011-06	15,000.00	1,817.65			1,817.65		
Road Repairs - Buckhorn Drive	2011-07	25,000.00	8,770.32		1,360.00	7,410.32		
			<u>\$ 381,482.66</u>	<u>\$ 158,227.66</u>	<u>\$ 36,390.79</u>	<u>\$ 383,179.72</u>	<u>\$ 61,099.96</u>	<u>\$ 59,039.85</u>
	<u>Ref.</u>		C	C			C	C
					Capital Improvement Fund	\$ 283,991.91		
					Deferred Charges to Future Taxation - Unfunded	99,187.81		
						<u>\$ 383,179.72</u>		

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 50,819.25
Increased By:		
Budget Appropriation		\$ 50,000.00
Improvement Authorizations Cancelled		283,991.91
Reserve for Preliminary Expenses Cancelled		<u>1,325.00</u>
		<u>335,316.91</u>
Balance December 31, 2012	C	<u>\$ 386,136.16</u>



TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
			Issue	Maturity					
2009-02	Tax Appeal Refunding	05/29/09	05/26/11	05/25/12	1.29%	\$ 2,095,000.00	\$ 1,575,000.00	\$ 2,095,000.00	\$ 1,575,000.00
		05/29/09	05/24/12	05/23/13	0.87%				
2009-08	Purchase of Fire Engine	05/29/09	05/26/11	05/25/12	1.29%	280,000.00	280,000.00	280,000.00	280,000.00
		05/29/09	05/24/12	05/23/13	0.87%				
						<u>\$ 2,375,000.00</u>	<u>\$ 1,855,000.00</u>	<u>\$ 2,375,000.00</u>	<u>\$ 1,855,000.00</u>
					<u>Ref.</u>	C			C
Renewals							\$ 1,855,000.00	\$ 1,855,000.00	
Paid by Budget Appropriation								520,000.00	
						<u>\$ 1,855,000.00</u>	<u>\$ 2,375,000.00</u>		

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Int. Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
			Date	Amount				
Purchase of Parcels of Real Estate	8/7/03	\$ 2,585,000.00	12/01/13	\$ 125,000.00	4.50%			
			12/01/14	130,000.00	4.50%			
			12/01/15	135,000.00	4.50%			
			12/01/16	145,000.00	4.50%			
			12/01/17	150,000.00	4.50%			
			12/01/18	155,000.00	4.70%			
			12/01/19	160,000.00	4.75%			
			12/01/20	165,000.00	5.00%			
			12/01/21-23	170,000.00	5.00%			
					<u>\$ 1,795,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 1,675,000.00</u>	
					<u>Ref.</u>	C		C
						Current Fund	\$ 60,000.00	
						Open Space Fund	60,000.00	
							<u>\$ 120,000.00</u>	

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Improvement Authorization Cancelled</u>	<u>Balance Dec. 31, 2012</u>
2009-08	Acquisition of Aerial Fire Truck	\$ 100,000.00	\$ 99,187.81	\$ 812.19
		<u>\$ 100,000.00</u>	<u>\$ 99,187.81</u>	<u>\$ 812.19</u>

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
SEWER UTILITY FUND

TOWNSHIP OF WHITE  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Sewer Operating</u>	<u>Capital</u>
Balance December 31, 2011	E	\$ 318,042.72	\$ 95,015.15
Increased by Receipts:			
Consumer Accounts Receivable		\$ 370,320.55	
Interest on Sewer Rents		2,703.89	
Interest Income		1,009.63	
Interest and Costs Accrued at Tax Sale		230.17	
Due to Sewer Operating Fund:			
Interest Earned			\$ 25.52
Settlement of Prior Year Interfund		15.15	
2012 Budget Appropriation:			
Capital Improvement Fund			25,000.00
		<u>374,279.39</u>	<u>25,025.52</u>
		692,322.11	120,040.67
Decreased by Disbursements:			
2012 Appropriation Expenditures		370,620.33	
Due to Current Fund:			
Settlement of Prior Year Interfund		364.21	
Due to Sewer Operating Fund:			
Interest Earned			15.15
		<u>370,984.54</u>	<u>15.15</u>
Balance December 31, 2012	E	<u>\$ 321,337.57</u>	<u>\$ 120,025.52</u>

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance Dec. 31, 2011	Receipts		Disbursements	Balance Dec. 31, 2012
		Budget Appropriation	Miscellaneous	Miscellaneous	
Capital Improvement Fund	\$ 95,000.00	\$ 25,000.00			\$ 120,000.00
Due to Sewer Utility Operating Fund	15.15		\$ 25.52	\$ 15.15	25.52
	<u>\$ 95,015.15</u>	<u>\$ 25,000.00</u>	<u>\$ 25.52</u>	<u>\$ 15.15</u>	<u>\$ 120,025.52</u>



TOWNSHIP OF WHITE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2011	<u>Ref.</u> E	\$ 25,956.20
Increased by:		
Sewer Rents Levied		<u>380,270.73</u>
		406,226.93
Decreased by:		
Collections	\$ 370,320.55	
Prepaid Rents Applied	1,271.67	
Cancellation of Small Balances	<u>27.35</u>	
		<u>371,619.57</u>
Balance December 31, 2012	E	<u>\$ 34,607.36</u>

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 40.04	\$ 40.04		\$ 40.04
Other Expenses (Includes Belvidere)	2,825.69	2,825.69		2,825.69
	<u>\$ 2,865.73</u>	<u>\$ 2,865.73</u>	<u>\$ -0-</u>	<u>\$ 2,865.73</u>

Ref. E

Balance December 31, 2011:

Unencumbered	<u>\$ 2,865.73</u>
	<u>\$ 2,865.73</u>

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 95,000.00
Increased by:		
2012 Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2012	E	<u>\$ 120,000.00</u>

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE



TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF WHITE  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Fund Total</u>	<u>Public Assistance Trust Fund I</u>
Balance December 31, 2011	F	\$ 4,340.81	\$ 4,340.81
Increased by Receipts:			
Interest Earned		10.44	10.44
		<u>4,351.25</u>	<u>4,351.25</u>
Decreased by Disbursements:			
Public Assistance Expense - Hurricane Sandy		2,100.00	2,100.00
		<u>2,100.00</u>	<u>2,100.00</u>
Balance December 31, 2012	F	<u>\$ 2,251.25</u>	<u>\$ 2,251.25</u>

TOWNSHIP OF WHITE  
COUNTY OF WARREN  
2012  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF WHITE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF WHITE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	Pass-Through Entity ID#	C.F.D.A. Number	Grant Period		Grant Award Amount	Amount Received	Program Expenditures	Cumulative Expenditures	
				From	To					
<u>US Environmental Protection Agency:</u>										
(Pass Through New Jersey Department of Environmental Protection)	Municipal Stormwater Regulation Program	4801-100-042-4801- 444-VB78-6110	66.454	01/01/06	12/31/12	\$ 2,500.00		\$ 1,311.01	\$ 2,500.00	
								1,311.01	2,500.00	
	Waste Water Management Plan	100-042-4801- 444-6110	66.454	01/01/11	12/31/12	15,000.00		5,058.75	5,058.75	
								5,058.75	5,058.75	
Total US Environmental Protection Agency								6,369.76	7,558.75	
<u>U.S. Department of Transportation</u>										
(Passed thru State of NJ Department of Transportation)	Transportation Trust Fund Authority Act: Municipal Aid - 2011	480-078-6320- TCAP-6010	20.205	01/01/10	12/31/12	150,000.00	\$ 31,725.76	6,240.00	134,347.14	
Total US Department of Transportation								31,725.76	6,240.00	134,347.14
<u>US Department of Energy</u>										
(Pass Through New Jersey Board of Public Utilities)	ARRA - Energy Efficiency Block Program	N/A	81.128	03/08/11	08/01/12	\$ 18,285.11		18,285.11	18,285.11	
Total US Department of Energy								-0-	18,285.11	18,285.11
<u>US Department of Homeland Security</u>										
(Pass Through New Jersey Office of Homeland Security & Preparedness)	Disaster Grants - Public Assistance - FEMA	N/A	97.036	01/01/11	12/31/11	\$ 30,087.38	30,087.38	30,087.38 *	30,087.38	
Total US Department of Energy								30,087.38	30,087.38	30,087.38
							\$ 61,813.14	\$ 60,982.25	\$ 190,278.38	

N/A - Not Applicable/Available

\* Expended in 2011. Reported in 2012 SEFA since project worksheet was not approved until 2012.

TOWNSHIP OF WHITE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	Program Account No.	Grant Award Amount	Grant Period		Receipts	Expenditures	Total Cumulative Expenditures
				From	To			
Department of Environmental Protection	Clean Communities Grant	765-042-4900- 004-VCMC-6020	\$ 10,886.80	01/01/09	12/31/12		\$ 1,223.26	\$ 10,886.80
			11,520.84	01/01/10	12/31/12		11,520.84	11,520.84
			12,311.42	01/01/11	12/31/12		12,311.42	12,311.42
			12,347.84	01/01/12	12/31/12	\$ 12,156.57	2,821.39	2,821.39
			<u>23,198.22</u>			<u>12,156.57</u>	<u>27,876.91</u>	<u>37,540.45</u>
	Recycling Grant	752-042-4900- 001-6020	2,733.63	01/01/06	12/31/12		517.08	2,733.63
			1,211.27	01/01/07	12/31/12		1,211.27	1,211.27
			3,826.06	01/01/08	12/31/12		3,826.06	3,826.06
			4,284.62	01/01/09	12/31/12		216.59	216.59
			<u>3,692.33</u>	01/01/12	12/31/12	<u>3,692.33</u>		
			<u>15,747.91</u>			<u>5,771.00</u>	<u>7,987.55</u>	
Total Department of Environmental Protection			<u>38,946.13</u>			<u>15,848.90</u>	<u>33,647.91</u>	<u>45,528.00</u>
Department of Treasury (Passed through the County of Warren)	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance	100-082-2000- 044-995120	4,940.00	01/01/12	12/31/12	387.00	4,940.00	4,940.00
Total Department of Treasury			<u>4,940.00</u>			<u>387.00</u>	<u>4,940.00</u>	<u>4,940.00</u>
New Jersey Highlands Council	Plan Conformance Grant	09-033-011-2123	11,920.00	01/01/11	12/31/12		360.00	360.00
Total New Jersey Highlands Council			<u>11,920.00</u>				<u>360.00</u>	<u>360.00</u>
Total State Awards			<u>\$ 55,806.13</u>			<u>\$ 16,235.90</u>	<u>\$ 38,947.91</u>	<u>\$ 50,828.00</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS



TOWNSHIP OF WHITE  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012

Note 1: GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of White. The Township of White is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

Note 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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



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

Independent Auditor's Report

The Honorable Mayor and Members  
 of the Township Committee  
 Township of White  
 Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, the financial statements - *regulatory basis* - of the various funds of the Township of White, in the County of Warren (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated February 25, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

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

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2012-01, that we consider to be a significant deficiency.

The Honorable Mayor and Members  
of the Township Committee  
Township of White  
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### **Compliance and Other Matters**

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

### **The Township's Response to the Finding**


The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Mount Arlington, New Jersey  
February 25, 2013

  
NISIVOCCIA LLP

  
David H. Evans  
Certified Public Accountant  
Registered Municipal Accountant No. 98

TOWNSHIP OF WHITE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the Township's financial statements prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* for 2012 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2012-1

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the fund/account Treasurer disburses funds and reconciles the bank accounts for their respective funds or accounts. Also, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.

TOWNSHIP OF WHITE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Status of Prior Year Findings:

The prior year finding regarding the segregation of duties was not resolved and is included in the current year findings.

TOWNSHIP OF WHITE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF WHITE  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 the bid threshold in accordance with the N.J.S.A.40A:11-3 and 40A:11-4 (as amended) is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

TOWNSHIP OF WHITE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

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

Collection of Interest on Delinquent Taxes/Sewer Rents

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 1, 2012, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent taxes and 18% per annum for delinquent taxes in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

On February 2, 2012, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent sewer rents and 18% per annum for delinquent sewer rents in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. It allows for a grace period of 30 days for payment of the first quarter 2012 sewer bills.

From our testing of the Tax Collector's and Sewer Rent Collector's records, it appeared that interest was charged for delinquent tax/sewer rent payments in accordance with the above resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 18, 2012, and was complete. Inspection of tax sale certificates on a test basis revealed that tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2012	27
2011	28
2010	26

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

Verification of Delinquent Taxes and Other Charges

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



TOWNSHIP OF WHITE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

<u>Type</u>	<u>Number Mailed</u>
Payments of 2013 Taxes	20
Payments of 2012 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payments of 2013 Sewer Rents	20
Payments of 2012 Sewer Rents	20
Unpaid Sewer Rents	15

Verification notices were mailed to confirm balances as of December 31, 2012. The items that were returned were checked and in agreement with the Township's records. For receivable items not returned, alternative procedures were performed.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township currently complies with these technical directives except as noted below.

During our review of the Township's internal controls, we noted that orders for goods or services can be placed without prior approval and certification of funding by the Chief Financial Officer. No formal requisition forms are required to be submitted to and approved by the Chief Financial Officer. Budget appropriation lines may be overexpended without the Chief Financial Officer's certification of available funds. While the Township has an encumbrance accounting system in place, it is not being followed in all instances. It is recommended that all requisitions be submitted to and formally approved by the Chief Financial Officer before goods or services are ordered or rendered.

Management's Response

Every effort will be made to ensure that requisitions are submitted to and approved by the Chief Financial Officer prior to purchases.

TOWNSHIP OF WHITE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The Report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected on the following page is a summary of receipts and disbursements for the year ended December 31, 2012:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Agency</u>	<u>Balance Dec. 31, 2011</u>	<u>Cash Received</u>	<u>Cash Disbursed</u>	<u>Balance Dec. 31, 2012</u>
Municipal Treasurer:				
Fines and Costs	\$ 1,807.77	\$ 26,981.19	\$ 27,129.46	\$ 1,659.50
State Treasurer:				
Motor Vehicle Fines/Violations	5,470.81	90,978.31	90,747.12	5,702.00
Weights and Measures	700.00	8,000.00	8,700.00	
Fish and Game	88.00	1,538.00	1,626.00	
Restitution		2,511.00	2,400.00	111.00
Miscellaneous	63.85	32.07	90.97	4.95
Bail	1,245.00	1,972.00	2,245.00	972.00
	<u>\$ 9,375.43</u>	<u>\$ 132,012.57</u>	<u>\$ 132,938.55</u>	<u>\$ 8,449.45</u>

Corrective Action Plan

All recommendations from the 2011 audit regarding the timeliness of deposits of animal control receipts and municipal court receipts have been resolved. The recommendations from the 2011 audit regarding segregation of duties and purchase orders approval process have not been resolved and are included in the 2012 audit report.

TOWNSHIP OF WHITE  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Township be aware of the lack of segregation of duties and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.
2. All requisitions be submitted to and formally approved by the Chief Financial Officer before goods or services are ordered or rendered.

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