

**TOWNSHIP OF CLARK
COUNTY OF UNION, NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2012**



**Township of Clark
County of Union, New Jersey**

Financial Statements and Supplementary Schedules

December 31, 2012

Contents

Independent Auditors' Report

Financial Statements	Financial Statement Exhibits
Current and Grant Fund:	
Balance Sheets	A
Statements of Operations and Changes in Fund Balances	A-1
Statement of Revenues	A-2
Statement of Expenditures	A-3
Trust Fund:	
Balance Sheets	B
General Capital Fund:	
Balance Sheets	C
Statement of Fund Balance	C-1
Swim Pool Utility Fund:	
Balance Sheets	D
Statements of Operations and Changes in Fund Balances	D-1
Statement of Revenues-Operating Fund	D-2
Statement of Expenditures-Operating Fund	D-3
Sewer Utility Fund:	
Balance Sheets	E
Statements of Operations and Changes in Fund Balances	E-1
Statement of Revenues-Operating Fund	E-2
Statement of Expenditures-Operating Fund	E-3

Financial Statements (continued)	<u>Financial Statement Exhibits</u>
General Fixed Assets Account Group: Balance Sheets	F
Notes to Financial Statements	
Supplementary Schedules-Other Supplementary Information	<u>Schedule</u>
Current and Grant Fund:	
Schedule of Cash Receipts and Disbursements	1-A
Schedule of Interfunds	2-A
Schedule of Taxes Receivable and Analysis of Property Tax Levy	3-A
Schedule of Due from (to) State of New Jersey-Senior Citizens and Veterans Deductions	4-A
Schedule of Tax Title Liens	5-A
Schedule of Revenue Accounts Receivable	6-A
Schedule of Deferred Charges – Emergency Authorizations	7-A
Schedule of 2011 Appropriation Reserves	8-A
Schedule of Local District School Tax	9-A
Schedule of Prepaid Taxes	10-A
Schedule of Tax Overpayments	11-A
Schedule of Reserve for Tax Appeals	12-A
Schedule of Due to County for Added and Omitted Taxes	13-A
Schedule of County Taxes Payable	14-A
Schedule of Accounts Payable	15-A
Schedule of Due to State of New Jersey	16-A
Schedule of Cash Receipts and Disbursements – Grant Fund	17-A
Schedule of Grants Receivable – Grant Fund	18-A
Schedule of Reserve for Grant Expenditures – Appropriated – Grant Fund	19-A
Schedule of Unappropriated Reserve for Grants – Grant Fund	20-A
Schedule of Encumbrances Payable – Grant Fund	21-A
Trust Funds:	
Schedule of Cash Receipts and Disbursements	1-B
Schedule of Reserve for Animal Control Fund Expenditures	2-B
Schedule of Reserve for Various Trust Deposits	3-B

**Supplementary Schedules-Other Supplementary Information
(continued)**

Schedules

General Capital Fund:

Schedule of Cash Receipts and Disbursements	1-C
Schedule of Analysis of General Capital Cash	2-C
Schedule of Deferred Charges to Future Taxation-Funded	3-C
Schedule of Deferred Charges to Future Taxation-Unfunded	4-C
Schedule of Capital Improvement Fund	5-C
Schedule of Improvement Authorizations	6-C
Schedule of Bond Anticipation Notes	7-C
Schedule of General Serial Bonds	8-C
Schedule of Encumbrances Payable	9-C
Schedule of State Aid Receivable	10-C
Schedule of Due from CDBG	11-C
Schedule of Reserve for Flow Rights	12-C
Schedule of Bonds and Notes Authorized but not Issued	13-C

Swim Pool Utility Fund:

Schedule of Cash Receipts and Disbursements	1-D
Schedule of 2011 Appropriation Reserves	2-D
Schedule of Fixed Capital	3-D
Schedule of Reserve for Capital Outlay	4-D
Schedule of Accrued Interest Payable	5-D
Schedule of Bond Anticipation Notes	6-D
Schedule of Improvement Authorizations	7-D
Schedule of Fixed Capital Authorized and Not Complete	8-D
Schedule of Reserve for Deferred Amortization	9-D
Schedule of Reserve for Amortization	10-D

Sewer Utility Fund:

Schedule of Cash Receipts and Disbursements	1-E
Schedule of Consumer Accounts Receivable	2-E
Schedule of 2011 Appropriation Reserves	3-E
Schedule of Sewer Fee Overpayments	4-E
Schedule of Reserve for Capital Outlay	5-E

**Supplementary Information Relating to Schedules of Expenditures
of Federal Awards and State Financial Assistance-Other
Supplementary Information**

Schedule of Expenditures of Federal Awards
Schedule of Expenditures of State Financial Assistance
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Comments Section-Other Supplementary Information

Scope of Audit

Contracts and Agreements Required to be Advertised per N.J.S.A.

40A:11-4

Collection of Interest on Delinquent Taxes and Assessments

Collection of Taxes and Other Charges

Comparative Schedule of Tax Rate Information

Comparison of Tax Levies and Collections

Delinquent Taxes and Tax Title Liens

Tax Title Liens

Property Acquired by Tax Title Lien Liquidation

Equalized Valuations – Real Property

Comparative Schedule of Fund Balances

Officials in Office and Surety Bonds

Comments and Recommendations



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union
Clark, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements, which comprise the comparative balance sheets-regulatory basis of the various funds and account group of the Township of Clark, ("Township"), County of Union, State of New Jersey, as of December 31, 2012 and 2011, and the related comparative statements of operations and changes in fund balances-regulatory basis for the years then ended, the related statement of revenues-regulatory basis, statement of expenditures-regulatory basis, and the related notes to the financial statements for the year ended December 31, 2012.

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 and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices 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 effects of the matter discussed in the preceding paragraph, the financial statements referred to above 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 results of its operations and changes in fund balances for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As described in Note 13, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and we were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements. The LOSAP financial activities are included in the Township’s Trust Fund, and represent 30% and 28% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2012 and 2011.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements, we do not express an opinion on the LOSAP financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2012 and 2011, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis, expenditures – regulatory basis of the various funds for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

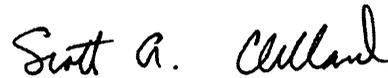
Other Information

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2012 regulatory - basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Scott A. Clelland

Registered Municipal Accountant

No. 455



WISS & COMPANY, LLP

Iselin, New Jersey

June 21, 2013

Current and Grant Fund

Exhibits

Township of Clark
County of Union, New Jersey
Current Fund

Balance Sheets

	Reference	December 31,	
		2012	2011
Assets			
Regular fund:			
Cash	1-A	\$ 3,605,446.95	\$ 3,524,036.59
Due from State of NJ - Senior Citizens and Veterans Deductions	4-A	-	174.65
Receivables with full reserves:			
Delinquent property taxes receivable	3-A	584,799.71	421,025.74
Tax title liens receivable	5-A	16,593.36	15,864.53
Revenue accounts receivable	6-A	26,045.00	32,506.90
	A	<u>627,438.07</u>	<u>469,397.17</u>
Deferred Charges:			
Emergency authorizations (N.J.S.A. 40A:4-48)	7-A	180,000.00	-
		<u>180,000.00</u>	-
		<u>4,412,885.02</u>	<u>3,993,608.41</u>
Grant Fund:			
Cash	17-A	55,274.35	63,816.80
Grants receivable	18-A	18,053.00	55,000.00
Interfund Receivable	2-A	-	4,621.00
		<u>73,327.35</u>	<u>123,437.80</u>
		<u>\$ 4,486,212.37</u>	<u>\$ 4,117,046.21</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Balance Sheets

	Reference	December 31,	
		2012	2011
Liabilities, reserves and fund balance			
Liabilities:			
Appropriation reserves	A-3, 8-A	\$ 1,279,406.14	\$ 1,156,942.60
Encumbrances payable	A-3, 8-A	220,919.30	150,559.31
Prepaid taxes	10-A	253,713.45	305,797.64
Tax overpayments	11-A	29,787.90	34,068.85
Accounts payable	15-A	36,604.90	2,001.05
Interfunds payable	2-A	-	4,621.00
Due to State of New Jersey - Senior Citizens & Veterans	4-A	1,223.29	-
Due to State of New Jersey	16-A	6,573.00	4,047.00
Due to County for added and omitted taxes	13-A	-	34,621.33
Reserves for:			
State tax appeals	12-A	100,000.00	100,000.00
		<u>1,928,227.98</u>	<u>1,792,658.78</u>
Reserve for receivables	A	627,438.07	469,397.17
Fund balance	A-1	1,857,218.97	1,731,552.46
		<u>2,484,657.04</u>	<u>2,200,949.63</u>
		<u>4,412,885.02</u>	<u>3,993,608.41</u>
Grant Fund:			
Encumbrances payable	21-A	6,155.71	4,739.80
Reserve for appropriated grants	19-A	46,014.36	110,747.81
Reserve for unappropriated grants	20-A	21,157.28	7,950.19
		<u>73,327.35</u>	<u>123,437.80</u>
		<u>\$ 4,486,212.37</u>	<u>\$ 4,117,046.21</u>

See independent auditor's report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statements of Operations and Changes in Fund Balances

	Reference	Year ended December 31,	
		2012	2011
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 1,400,000.00	\$ 1,300,000.00
Miscellaneous revenue anticipated	A-2	3,613,639.83	3,468,721.14
Receipts from delinquent taxes	A-2	425,555.45	561,076.19
Receipts from current taxes	A-2	54,891,232.79	53,403,417.49
Non-budget revenues	A-2	339,335.60	146,562.81
Other credits to income:			
Unexpended balance of appropriation reserves	8-A	928,385.26	483,594.26
Cancellation of grant reserve	19-A	454.18	8,724.84
Total revenues and other income		<u>61,598,603.11</u>	<u>59,372,096.73</u>
Expenditures:			
Budget expenditures	A-3	19,538,736.15	19,077,283.54
County taxes	3-A, 14-A	11,712,269.59	10,895,449.38
County share of added and omitted taxes	3-A, 13-A	17,218.83	34,621.33
Local district school tax	3-A, 9-A	28,895,203.00	28,121,803.00
Cancellation of grant receivable	18-A	454.18	11,932.40
Senior Citizen Deductions - prior year	4-A	3,250.00	11,397.94
Tax appeals charged to operations	1-A	85,804.85	2,239.87
Total expenditures		<u>60,252,936.60</u>	<u>58,154,727.46</u>
Excess in revenue		1,345,666.51	1,217,369.27
Adjustment to Income before Fund Balance			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	7-A	<u>180,000.00</u>	-
Statutory Excess Fund Balance		1,525,666.51	1,217,369.27
Fund balance			
Balance, January 1	A	<u>1,731,552.46</u>	<u>1,814,183.19</u>
		3,257,218.97	3,031,552.46
Decreased by			
Utilization as anticipated revenue	A-1	<u>1,400,000.00</u>	<u>1,300,000.00</u>
Balance, December 31	A	<u><u>\$ 1,857,218.97</u></u>	<u><u>\$ 1,731,552.46</u></u>

See independent auditors' report and accompanying notes to the financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Revenues
Year ended December 31, 2012

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus anticipated	A-1	\$ 1,400,000.00	\$ 1,400,000.00	\$ -
Miscellaneous revenues				
Licenses:				
Alcoholic beverages	6-A	29,150.00	30,416.00	1,266.00
Other	6-A	37,900.00	17,459.00	(20,441.00)
Fees and permits	6-A	155,000.00	159,476.14	4,476.14
Fines and costs:				
Municipal Court	6-A	335,000.00	395,272.18	60,272.18
Interest and costs on taxes	6-A	110,000.00	108,603.43	(1,396.57)
Interest on investments and deposits	6-A	28,000.00	16,827.05	(11,172.95)
Consolidated municipal property tax relief aid	6-A	234,980.00	234,980.00	-
Energy receipts tax (P.L. 1977, Chapters 162 and 167)	6-A	1,553,547.00	1,553,547.00	-
Uniform Construction Code	6-A	531,000.00	592,034.00	61,034.00
Board of Education - trash removal	6-A	32,688.00	32,688.00	-
Clean Communities Program	18-A	23,102.93	23,102.93	-
Drunk Driving Fund	18-A	4,041.89	4,041.89	-
Body Armor Grant	18-A	3,908.30	3,908.30	-
Homeland Security Grant	18-A	136,040.00	136,040.00	-
Municipal Alliance Grant	18-A	18,654.00	18,654.00	-
Uniform fire safety act	6-A	40,762.00	41,789.58	1,027.58
Cable TV Franchise fee	6-A	55,673.00	57,798.47	2,125.47
Cell Tower Rental	6-A	24,000.00	50,418.16	26,418.16
Hotel Tax	6-A	138,000.00	136,583.70	(1,416.30)
Total miscellaneous revenues	A-1	<u>3,491,447.12</u>	<u>3,613,639.83</u>	<u>122,192.71</u>
Receipts from delinquent taxes	A-1	<u>400,000.00</u>	<u>425,555.45</u>	<u>25,555.45</u>
Property tax for support of municipal budget appropriations:				
Local tax for municipal purposes	A-2, 3-A	14,917,413.96	15,116,541.37	199,127.41
Non-budget revenues	A-1, A-2		339,335.60	339,335.60
	Below	<u>\$ 20,208,861.08</u>	<u>\$ 20,895,072.25</u>	<u>\$ 686,211.17</u>
Budget revenue	A-3	\$ 20,190,207.08		
Special items of revenue	A-3	<u>18,654.00</u>		
	Above	<u>\$ 20,208,861.08</u>		

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Revenues
Year ended December 31, 2012

	<u>Reference</u>	<u>2012</u>
Analysis of realized revenues:		
Allocation of current tax collections:		
Revenue from collections	3-A	\$ 54,991,232.79
Less: Reserve for tax appeals pending	12-A	<u>100,000.00</u>
Current Taxes Realized	A-1	54,891,232.79
Allocated to:		
School and county taxes	3-A	<u>40,624,691.42</u> 14,266,541.37
Add: Reserve for uncollected taxes	A-3	<u>850,000.00</u>
Amount for support of municipal budget appropriations	A-2	<u>\$ 15,116,541.37</u>
Miscellaneous revenue not anticipated:		
Administrative fee senior citizens & veterans		\$ 4,567.33
FEMA Storm Reimbursement - Prior Year		158,562.32
Other		18,613.00
Miscellaneous		121,421.85
Motor Vehicle Inspection Fines		12,204.50
Rental of Building		15,090.00
Scrap Metal		<u>6,975.55</u>
	1-A	337,434.55
Non-Cash		
Cancel Account Payable	15-A	<u>1,901.05</u>
Total	A-1, A-2	<u>\$ 339,335.60</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures

Year ended December 31, 2012

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
General Government:					
Department of administration					
Business administration					
Salaries and wages	\$ 213,382.00	\$ 213,382.00	\$ 205,581.81	\$ 7,800.19	\$ -
Other expenses	81,200.00	86,200.00	83,621.38	2,578.62	-
Mayor's office					
Salaries and wages	62,106.00	62,106.00	62,106.00	-	-
Other expenses	7,650.00	7,650.00	7,650.00	-	-
Township council					
Salaries and wages	43,902.00	43,902.00	43,902.00	-	-
Other expenses	20,600.00	20,600.00	8,852.78	11,747.22	-
Township clerk					
Salaries and wages	149,874.00	149,874.00	147,873.96	2,000.04	-
Other expenses	12,750.00	12,750.00	11,282.62	1,467.38	-
Elections					
Salaries and wages	2,500.00	2,500.00	2,149.71	350.29	-
Other expenses	13,000.00	13,000.00	10,336.72	2,663.28	-
Department of Revenue and Finance					
Directors office					
Salaries and wages	285,553.00	270,553.00	257,678.62	12,874.38	-
Other expenses	90,000.00	110,000.00	105,530.13	4,469.87	-
Division of revenue					
Collection of taxes					
Salaries and wages	64,749.00	64,749.00	59,478.17	5,270.83	-
Other expenses	13,825.00	13,825.00	7,552.19	6,272.81	-
Department of Assessment					
Assessment of taxes					
Salaries and wages	43,616.00	43,616.00	41,616.12	1,999.88	-
Other expenses	47,200.00	19,200.00	16,304.19	2,895.81	-
Department of Law					
Salaries and wages	25,306.00	25,306.00	25,306.00	-	-
Other expenses	150,000.00	150,000.00	125,425.46	24,574.54	-
Department of Engineering					
Other expenses	152,000.00	152,000.00	89,587.48	62,412.52	-
Planning Board - Municipal Land Use Law (NJSA 40:550-1)					
Salaries and wages	5,685.00	5,685.00	5,385.00	300.00	-
Other expenses	20,500.00	20,500.00	2,594.84	17,905.16	-
Board of adjustment					
Salaries and wages	5,685.00	5,685.00	5,175.04	509.96	-
Other expenses	7,400.00	7,400.00	6,300.00	1,100.00	-
Group insurance for employees					
Life insurance	12,000.00	12,000.00	7,774.80	4,225.20	-
Disability insurance	40,000.00	40,000.00	34,149.78	5,850.22	-
General liability	505,000.00	505,000.00	464,137.25	40,862.75	-
Employee group health	2,834,373.00	2,834,373.00	2,517,937.70	316,435.30	-
Health Benefit Waiver	22,000.00	22,000.00	22,000.00	-	-
Police					
Salaries and wages	3,998,698.96	4,023,698.96	3,993,388.02	30,310.94	-
Other expenses	231,381.00	241,381.00	203,367.46	38,013.54	-
Emergency management services					
Salaries and wages	6,936.00	6,936.00	6,799.92	136.08	-
Other expenses	10,100.00	10,100.00	9,483.29	616.71	-
First Aid Organization - Contribution	65,000.00	65,000.00	65,000.00	-	-
Department of Public Safety					
Directors office					
Salaries and wages	1,800.00	1,800.00	1,800.00	-	-

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures

Year ended December 31, 2012

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
(continued)					
Fire					
Salaries and wages	\$ 39,200.00	\$ 39,200.00	\$ 39,200.00	\$ -	\$ -
Other expenses	153,000.00	193,000.00	166,760.78	26,239.22	-
Fire Hydrant Services	305,000.00	284,000.00	253,462.81	30,537.19	-
Uniform Fire Safety Act					
Fire Official					
Salaries and wages	83,875.00	83,875.00	83,847.20	27.80	-
Other expenses	15,300.00	15,300.00	15,145.92	154.08	-
Bureau of roads, road repair and maintenance					
Salaries and wages	772,237.00	742,237.00	588,997.85	153,239.15	-
Other expenses	334,000.00	544,000.00	448,946.71	95,053.29	-
Traffic lights					
Other expenses	15,000.00	25,000.00	10,099.50	14,900.50	-
Building and grounds					
Salaries and wages	165,611.00	165,611.00	155,848.23	9,762.77	-
Other expenses	143,000.00	163,000.00	160,037.44	2,962.56	-
Department of shade tree					
Other expenses	10,000.00	10,000.00	10,000.00	-	-
Division of health and welfare					
Bureau of health					
Salaries and wages	79,030.00	79,030.00	79,030.00	-	-
Other expenses	11,475.00	12,475.00	11,345.21	1,129.79	-
Department of Senior Citizens Affairs					
Salaries and wages	61,102.00	61,102.00	39,140.94	21,961.06	-
Other expenses	18,500.00	18,500.00	14,072.35	4,427.65	-
Dog regulation					
Other expenses	11,500.00	11,500.00	11,500.00	-	-
Services of visiting nurses - contractual	3,500.00	3,500.00	2,780.00	720.00	-
Department of recreation					
Salaries and wages	188,165.00	203,165.00	194,823.98	8,341.02	-
Other expenses	25,800.00	25,800.00	25,626.01	173.99	-
Celebration of public events, anniversary or holiday					
Other expenses	40,000.00	20,000.00	13,211.25	6,788.75	-
Street Lighting	300,000.00	220,000.00	182,367.85	37,632.15	-
Municipal Court					
Salaries and Wages	187,651.00	187,651.00	187,212.96	438.04	-
Other expenses	18,000.00	18,000.00	17,975.50	24.50	-
Division of Code Enforcement					
Construction Code Official					
Salaries and wages	253,512.00	253,512.00	242,123.49	11,388.51	-
Other expenses	41,000.00	39,000.00	11,291.02	27,708.98	-
Unclassified					
Grass Collection	100,000.00	100,000.00	84,682.00	15,318.00	-
Leaf Collection	70,000.00	70,000.00	-	70,000.00	-
Recycling	85,000.00	85,000.00	78,706.70	6,293.30	-
Clean Up	35,000.00	35,000.00	28,522.56	6,477.44	-
Municipal Services Act	50,000.00	50,000.00	9,774.89	40,225.11	-
Environmental commission					
Other expenses	200.00	200.00	-	200.00	-
Utilities	265,000.00	265,000.00	249,132.52	15,867.48	-
Telephone - all departments	67,000.00	67,000.00	56,206.93	10,793.07	-
Gas - diesel	250,000.00	270,000.00	267,740.21	2,259.79	-
Reserve for compensated absences	50,000.00	50,000.00	50,000.00	-	-
Total operations within "CAPS"	13,493,429.96	13,673,429.96	12,446,741.25	1,226,688.71	-

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures

Year ended December 31, 2012

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
(continued)					
Deferred charges and statutory expenditures-municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	\$ 380,961.00	\$ 380,961.00	\$ 380,961.00	\$ -	\$ -
Social security system (O.A.S.I.)	610,000.00	610,000.00	569,519.29	40,480.71	-
Police and Firemen's Retirement System of NJ	838,006.00	838,006.00	838,006.00	-	-
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00	-	-
Defined Contribution Retirement Plan	1,000.00	1,000.00	-	1,000.00	-
Total deferred charges and statutory expenditures - municipal within "CAPS"	<u>1,834,967.00</u>	<u>1,834,967.00</u>	<u>1,793,486.29</u>	<u>41,480.71</u>	<u>-</u>
Total general appropriations for municipal purposes within "CAPS"	<u>15,328,396.96</u>	<u>15,508,396.96</u>	<u>14,240,227.54</u>	<u>1,268,169.42</u>	<u>-</u>
Operations - excluded from "CAPS"					
Maintenance of Free Public Library	842,749.00	842,749.00	842,749.00	-	-
Maintenance of 911					
Salaries and wages	556,910.00	556,910.00	556,910.00	-	-
Other expenses	44,760.00	44,760.00	36,747.28	8,012.72	-
Length of service award program (L.O.S.A.P.)	60,000.00	60,000.00	60,000.00	-	-
Recycling Tax Appropriation	500.00	500.00	-	500.00	-
Employee Group Health	120,982.00	120,982.00	120,982.00	-	-
Interlocal Municipal Service Agreements					
Trash removal - Clark Board of Ed.	32,688.00	32,688.00	29,964.00	2,724.00	-
Public and Private Programs Offset by revenues					
DWI Program	4,041.89	4,041.89	4,041.89	-	-
Municipal Alliance Grant:					
Municipal Alliance	-	18,654.00	18,654.00	-	-
County Aid	4,621.00	4,621.00	4,621.00	-	-
Body Armor Grant	3,908.30	3,908.30	3,908.30	-	-
Clean Communities	23,102.93	23,102.93	23,102.93	-	-
Homeland Security Grant	143,200.00	143,200.00	143,200.00	-	-
Total operations - excluded from "CAPS"	<u>1,837,463.12</u>	<u>1,856,117.12</u>	<u>1,844,880.40</u>	<u>11,236.72</u>	<u>-</u>
Capital improvements excluded from "CAPS"					
Capital Improvement Fund	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded From "CAPS"	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>-</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of bond principal	1,030,000.00	1,030,000.00	1,030,000.00	-	-
Payment of bond anticipation notes and capital notes	580,000.00	580,000.00	580,000.00	-	-
Interest on bonds	351,211.08	351,211.08	351,086.15	-	124.93
Interest on notes	112,750.00	112,750.00	112,750.00	-	-
Total municipal debt service - excluded from "CAPS"	<u>2,073,961.08</u>	<u>2,073,961.08</u>	<u>2,073,836.15</u>	<u>-</u>	<u>124.93</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures

Year ended December 31, 2012

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations - excluded from "CAPS" (Continued)					
Deferred charges - municipal - excluded from "CAPS"					
DEFERRED CHARGES					
Deferred Charges to Future Taxation					
Unfunded	\$ 385.92	\$ 385.92	\$ 385.92	\$ -	\$ -
Total deferred charges - municipal - excluded from "CAPS"	385.92	385.92	385.92	-	-
Total general appropriations for municipal purposes excluded from "CAPS"	4,011,810.12	4,030,464.12	4,019,102.47	11,236.72	124.93
Subtotal general appropriations for municipal purposes	19,340,207.08	19,538,861.08	18,259,330.01	1,279,406.14	124.93
Reserve for uncollected taxes	850,000.00	850,000.00	850,000.00	-	-
Total general appropriations	<u>\$ 20,190,207.08</u>	<u>\$ 20,388,861.08</u>	<u>\$ 19,109,330.01</u>	<u>\$ 1,279,406.14</u>	<u>\$ 124.93</u>
	Below	Below	Below	A	

Analysis of budget after modification

	Reference	
2012 appropriations	A-2, Above	\$ 20,190,207.08
Special items of revenue	A-2	18,654.00
Emergency Authorization	7-A	180,000.00
	Above	<u>\$ 20,388,861.08</u>

Analysis of paid or charged

Reserve for uncollected taxes	A-2, Above	\$ 850,000.00
Reserve for grant expenditures - appropriated	19-A	185,747.12
Disbursed	1-A	17,852,663.59
Encumbered	A	220,919.30
	Above	<u>\$ 19,109,330.01</u>

See independent auditors' report and accompanying notes to financial statements.

Trust Fund

Exhibit

Township of Clark
County of Union, New Jersey
Trust Fund

Balance Sheets

		December 31,	
Reference		2012	2011
Assets			
Animal Control Fund:			
Cash	1-B	\$ 15,223.73	\$ 9,708.48
		15,223.73	9,708.48
Other Funds:			
Cash	1-B	1,661,223.09	1,563,331.09
Funds held in trust-Length of Service Award Program-unaudited	B	731,840.60	622,289.68
		2,393,063.69	2,185,620.77
		\$ 2,408,287.42	\$ 2,195,329.25
Liabilities and reserves			
Animal Control Fund:			
Reserve for expenditures	2-B	\$ 15,223.73	\$ 9,708.48
		15,223.73	9,708.48
Other Funds:			
Reserve for:			
Various trust deposits	3-B	1,661,223.09	1,563,331.09
Length of Service Award Program-unaudited	B	731,840.60	622,289.68
		2,393,063.69	2,185,620.77
		\$ 2,408,287.42	\$ 2,195,329.25

See independent auditors' report and accompanying notes to financial statements.

General Capital Fund

Exhibits

Township of Clark
County of Union, New Jersey
General Capital Fund

Balance Sheets

		December 31	
Reference	2012	2011	
Assets			
Cash	1-C, 2-C	\$ 930,183.09	\$ 1,274,808.40
State transportation aid receivable	10-C	251,102.29	85,067.64
Grant receivable	11-C	17,000.00	-
Deferred charges to future taxation:			
Funded	3-C	8,878,000.00	9,908,000.00
Unfunded	4-C	10,870,000.00	10,160,385.92
		<u>\$ 20,946,285.38</u>	<u>\$ 21,428,261.96</u>
Liabilities, reserves and fund balance			
General serial bonds	8-C	\$ 8,878,000.00	\$ 9,908,000.00
Bond anticipation notes	7-C	9,640,000.00	9,020,000.00
Improvement authorizations - funded	6-C	115,345.96	106,209.10
Improvement authorizations - unfunded	6-C	983,709.98	962,186.33
Encumbrances payable	9-C	925,306.63	1,092,184.82
Capital improvement fund	5-C	265,603.50	165,603.50
Reserve for debt service	2-C	877.51	877.51
Reserve for flow rights	12-C	50,216.00	-
Fund balance	C-1	87,225.80	173,200.70
		<u>\$ 20,946,285.38</u>	<u>\$ 21,428,261.96</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 in the amounts of \$1,290,000 and \$1,200,000, respectively (Schedule 13-C).

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Statement of Fund Balance

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C	\$	173,200.70
Increased by:			
Premium on Bond Anticipation Notes	1-C		78,725.10
Contributions	1-C		<u>300.00</u>
			252,225.80
Decreased by:			
Appropriated to Finance Improvement Authorizations	6-C		<u>165,000.00</u>
Balance, December 31, 2012	C	\$	<u><u>87,225.80</u></u>

See independent auditors' report and accompanying notes to financial statements.

Swim Pool Utility Fund

Exhibits

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Balance Sheets

		December 31	
Reference	2012	2011	
Assets			
Operating Fund:			
Cash	1-D	\$ 32,838.41	\$ 42,890.78
Total Operating Fund		32,838.41	42,890.78
Capital Fund:			
Cash	1-D	12,261.83	18,093.05
Fixed capital authorized and not complete	8-D	46,500.00	46,500.00
Fixed capital	3-D	1,552,769.93	1,531,555.93
Total Capital Fund		1,611,531.76	1,596,148.98
		\$ 1,644,370.17	\$ 1,639,039.76
Liabilities, reserves and fund balance			
Operating Fund:			
Liabilities:			
Accrued interest payable	5-D	\$ 6,586.47	\$ 10,000.00
Appropriation reserves	D-3,2-D	215.14	5,208.97
		6,801.61	15,208.97
Fund balance	D-1	26,036.80	27,681.81
Total Operating Fund		32,838.41	42,890.78
Capital Fund:			
Bond anticipation notes payable	6-D	275,000.00	325,000.00
Accounts payable	1-D	-	17,417.22
Improvement authorizations - funded	7-D	631.76	631.76
Reserve for amortization	10-D	1,277,769.93	1,206,555.93
Reserve for deferred amortization	9-D	46,500.00	46,500.00
Reserve for capital outlay	4-D	11,630.07	44.07
Total Capital Fund		1,611,531.76	1,596,148.98
		\$ 1,644,370.17	\$ 1,639,039.76

There were no bonds and notes authorized but not issued on December 31, 2012 and 2011.

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Statements of Operations and Changes in Fund Balances

	Reference	Year ended December 31	
		2012	2011
Revenue and other income:			
Fund balance utilized	D-2	\$ 16,800.00	\$ 16,800.00
Membership fees	D-2	267,171.50	252,345.00
Miscellaneous revenue	D-2	49,874.52	57,960.94
Other credits to income:			
Unexpended balance of appropriation reserves	2-D	1,208.97	3,753.03
Total revenue and other income		<u>335,054.99</u>	<u>330,858.97</u>
Expenditures:			
Operating	D-3	224,300.00	203,777.00
Capital improvements	D-3	32,800.00	42,500.00
Debt service	D-3	50,000.00	55,923.00
Deferred charges and statutory expenditures	D-3	12,800.00	12,800.00
Total expenditures		<u>319,900.00</u>	<u>315,000.00</u>
Excess in revenue		15,154.99	15,858.97
Fund balance:			
Balance, January 1	D	27,681.81	28,622.84
		42,836.80	44,481.81
Decreased by utilized as anticipated revenue	D-2	<u>16,800.00</u>	<u>16,800.00</u>
Balance, December 31	D	<u>\$ 26,036.80</u>	<u>\$ 27,681.81</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Statement of Revenues-Operating Fund

Year ended December 31, 2012

	Reference	Budget Revenue	Realized	Excess (Deficit)
Fund balance utilized	D-1	\$ 16,800.00	\$ 16,800.00	
Membership fees	D-1, 1-D	250,000.00	267,171.50	\$17,171.50
Miscellaneous	D-1, 1-D	53,100.00	49,874.52	(3,225.48)
		<u>\$ 319,900.00</u>	<u>\$ 333,846.02</u>	<u>\$13,946.02</u>
	D-3			

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Statement of Expenditures-Operating Fund

Year ended December 31, 2012

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and wages	\$ 100,000.00	\$ 93,723.42	\$ 93,723.42	\$ -	\$ -
Other expenses	124,300.00	130,576.58	130,361.44	215.14	-
Capital Improvements:					
Capital outlay	32,800.00	32,800.00	32,800.00	-	-
Debt Service:					
Payment of bond anticipation notes	50,000.00	50,000.00	50,000.00	-	-
Deferred Charges and Statutory Expenditures:					
Social security system (O.A.S.I.)	11,400.00	11,400.00	11,400.00	-	-
Unemployment compensation insurance	1,400.00	1,400.00	1,400.00	-	-
	<u>\$ 319,900.00</u>	<u>\$ 319,900.00</u>	<u>\$ 319,684.86</u>	<u>\$ 215.14</u>	<u>\$ -</u>
Reference	D-2	D-2	Below	D	

Analysis of paid or charged:

Cash disbursed	1-D	\$ 308,098.86
Reserve for capital outlay	4-D	11,586.00
	Above	<u>\$ 319,684.86</u>

Analysis of capital outlay:

Paid or charged	10-D	\$ 21,214.00
Transfer to reserve for capital outlay	4-D	11,586.00
	Above	<u>\$ 32,800.00</u>

See independent auditors' report and accompanying notes to financial statements.

Sewer Utility Fund

Exhibits

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Balance Sheets

		December 31	
Reference	2012	2011	
Assets			
Operating Fund:			
Cash	1-E	\$ 1,792,882.37	\$ 1,502,423.76
Sewer Fees Receivable	2-E	184,710.98	153,608.01
Total Operating Fund		1,977,593.35	1,656,031.77
Capital Fund:			
Cash	1-E	52,868.00	27,868.00
Fixed Capital	E	22,212.00	22,212.00
Total Capital Fund		75,080.00	50,080.00
		\$ 2,052,673.35	\$ 1,706,111.77
Liabilities, reserves and fund balance			
Operating Fund:			
Liabilities:			
Appropriation reserves	3-E, E-3	\$ 220,140.22	\$ 230,766.37
Sewer Overpayments	4-E	1,141.76	-
Accounts Payable	1-E	528.84	-
		221,810.82	230,766.37
Reserve for Receivables	E	184,710.98	153,608.01
Fund balance	E-1	1,571,071.55	1,271,657.39
Total Operating Fund		1,977,593.35	1,656,031.77
Capital Fund:			
Reserve for Capital Outlay	5-E	52,868.00	27,868.00
Reserve for Amortization	E	22,212.00	22,212.00
Total Capital Fund		75,080.00	50,080.00
		\$ 2,052,673.35	\$ 1,706,111.77

There were no bonds and notes authorized but not issued at December 31, 2012 and 2011.

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Statements of Operations and Changes in Fund Balances

	Reference	Year ended December 31	
		2012	2011
Revenue and other income:			
Fund Balance Utilized			\$ 900,000.00
Sewer Fees	E-2	\$ 3,355,105.97	3,439,627.78
Miscellaneous revenue not anticipated	E-2	25,919.82	125,063.61
Other credits to income:			
Unexpended balance of appropriation reserves	3-E	230,541.37	608.26
Total revenue and other income		3,611,567.16	4,465,299.65
Expenditures:			
Operating	E-3	3,287,153.00	3,974,920.00
Capital Outlay	E-3	25,000.00	25,080.00
Refund of prior year revenue		-	318.45
Total expenditures		3,312,153.00	4,000,318.45
Excess in revenue		299,414.16	464,981.20
Fund balance:			
Balance, January 1	E	1,271,657.39	1,706,676.19
		1,571,071.55	2,171,657.39
Decreased by utilized as anticipated revenue		-	900,000.00
Balance, December 31	E	<u>\$ 1,571,071.55</u>	<u>\$ 1,271,657.39</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Statement of Revenues - Operating Fund

Year ended December 31, 2012

	Reference	Budgeted Revenue	Realized	Excess
Sewer Fees	E-1,1-E,2-E	\$ 3,312,153.00	\$ 3,355,105.97	\$ 42,952.97
Miscellaneous	E-1,1-E	-	25,919.82	25,919.82
	E-3	<u>\$ 3,312,153.00</u>	<u>\$ 3,381,025.79</u>	<u>\$ 68,872.79</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Statement of Expenditures - Operating Fund

Year ended December 31, 2012

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 244,800.00	\$ 244,800.00	\$ 244,800.00	\$ -	\$ -
Other Expenses:					
Rahway Valley Sewer Authority	2,742,353.00	2,742,353.00	2,742,353.00	-	-
Miscellaneous	300,000.00	300,000.00	79,859.78	220,140.22	-
Capital Outlay	25,000.00	25,000.00	25,000.00	-	-
	<u>\$ 3,312,153.00</u>	<u>\$ 3,312,153.00</u>	<u>\$ 3,092,012.78</u>	<u>\$ 220,140.22</u>	<u>\$ -</u>
Reference	E-2	E-2	1-E	E	

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
General Fixed Assets Account Group

Balance Sheets

	December 31	
	2012	2011
Fixed Assets		
Land and Land Improvements	\$ 5,457,805.00	\$ 5,457,805.00
Buildings and Building Improvements	7,132,995.00	7,132,995.00
Machinery and Equipment	6,162,000.00	5,716,860.00
	<u>\$ 18,752,800.00</u>	<u>\$ 18,307,660.00</u>
Reserve		
Investment in General Fixed Assets	<u>\$ 18,752,800.00</u>	<u>\$ 18,307,660.00</u>

See independent auditors' report and accompanying notes to financial statements.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

Reporting Entity

The Governmental Accounting Standards Board (GASB) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Township of Clark ("Township") to be reported separately.

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

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

Description of Funds

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States (GAAP).

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by 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 financial transactions and accounts of the Township are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record

Township of Clark

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

the financial position and results of operations of a specific government activity. As required by the Division, the Township accounts for its financial transactions through the following individual funds and account group:

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

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

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

Swim Pool Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned swimming pool.

Sewer Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned sewer utility.

General Fixed Assets Account Group – utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds.

Basis of Accounting

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

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

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue

Township of Clark

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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

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

Appropriation Reserves – unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis. Appropriation reserves are not established under GAAP.

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

Deferred Charges – the basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories,

Township of Clark

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for deferred charges on the Current Fund, Swim Pool Utility Fund or Sewer Utility Fund balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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

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

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

Interfunds – the advances from the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP does not require the establishment of an offsetting reserve.

Township of Clark

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Fixed Capital – Swim Pool and Sewer Utility – the property and equipment purchased by the Swim Pool Utility Fund and Sewer Utility Fund are recorded in its capital account at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of the Swim Pool Utility and Sewer Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budget and reserve for capital outlay for the costs of the acquisitions of property and equipment and proceeds from grants-in-aid. The Swim Pool Utility and Sewer Utility do not record depreciation of property and equipment.

GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by the Swim Pool Utility and Sewer Utility Fund.

Fixed Assets – Current Fund and General Capital Fund – the property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are capitalized in the General Fixed Assets Account Group.

Insurance Claims – Insurance claims incurred are not recorded as a liability but would be recorded as a liability under GAAP (see Note 11).

Regulatory-Basis Financial Statements

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

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Township of Clark

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Township has reviewed and evaluated all events and transactions from December 31, 2012 through June 21, 2013, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2012 have been recognized in the accompanying financial statements.

2. Deposits and Investments

Deposits

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

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

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

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

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

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at cost, which approximates fair value.

As of December 31, 2012 and 2011, cash and cash equivalents of the Township consisted of certificates of deposit and demand deposit accounts. During 2012 and 2011, the Township had no investments.

Township of Clark

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

The carrying amount of the Township's deposits at December 31, 2012 was \$8,157,902 (excludes petty cash) and the bank balance was \$8,256,127. Of this amount, \$500,000 was covered by federal depository insurance and the remaining \$7,756,127 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

GASB Statement No. 40 requires that the Township disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Township would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Township.

The Township does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

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

Township of Clark

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

Custodial Credit Risk: All of the Township's investments are insured or registered in the Township's name or held by an entity as its agent in the Township's name. The Township does not have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

Credit Risk: The Township does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. Government or investments guaranteed by the U.S. Government.

Interest Rate Risk: The Township does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

3. School Debt

The Township of Clark Board of Education is a Type II School District. As such, the members of the Board of Education are elected by the citizens of the Township and school appropriations are set by a Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Board of Education and, as such, are reported on the balance sheet of the Board of Education.

4. Long-Term Debt

The Local Bond Law governs that issuance of bonds to finance general municipal capital expenditures. All bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

On March 17, 2011, the Township issued \$2,426,000 of General Improvement Refunding Bonds to advance refund \$2,396,000 of General Obligation Bonds, Series 1997. The advance refunding was undertaken to reduce the total debt service payments over the next three years by \$79,276 and resulted in a net present value savings of \$77,224. As a result of the refunding, \$2,396,000 of bonds has been removed from the financial statements. As of December 31, 2012, \$796,000 of defeased debt remains outstanding.

Township of Clark

Notes to Financial Statements (continued)

4. Long-Term Debt (continued)

Summary of Municipal Debt (excluding Type II School Debt)

The Township's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued:		
General:		
Bonds and notes	\$ 18,518,000	\$ 18,928,000
Swim Pool Utility:		
Notes	275,000	325,000
Total issued	<u>18,793,000</u>	<u>19,253,000</u>
Authorized but not issued:		
General:		
Bonds and notes	<u>1,290,000</u>	<u>1,200,000</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 20,083,000</u>	<u>\$ 20,453,000</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 0.79%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General debt	\$ 19,808,000	\$ 60,878	\$ 19,747,122
School debt	16,764,000	16,764,000	-
Swim Pool Utility debt	275,000	275,000	-
	<u>\$ 36,847,000</u>	<u>\$ 17,099,878</u>	<u>\$ 19,747,122</u>

Township of Clark

Notes to Financial Statements (continued)

4. Long-Term Debt (continued)

Net debt \$19,747,122 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$2,488,122,998 equals 0.79%.

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

Equalized valuation basis* - December 31, 2012	<u>\$ 2,488,122,998</u>
3 1/2% of equalized valuation basis	\$ 87,084,305
Net debt	<u>19,747,122</u>
Remaining borrowing power	<u>\$ 67,337,183</u>

* Equalized valuation basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township of the last three (3) preceding years.

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

Calendar Year	General		Total
	Principal	Interest	
2013	\$ 1,071,000	\$ 327,904	\$ 1,398,904
2014	1,115,000	302,521	1,417,521
2015	1,150,000	259,315	1,409,315
2016	1,570,000	214,753	1,784,753
2017	1,640,000	153,915	1,793,915
2018-2019	<u>2,332,000</u>	<u>114,468</u>	<u>2,446,468</u>
	<u>\$ 8,878,000</u>	<u>\$ 1,372,876</u>	<u>\$ 10,250,876</u>

Interest is recorded on the cash basis for general debt. The interest is paid semi-annually at rates ranging between 1.850% - 3.875%.

Bond anticipation notes were issued in the General Capital Fund and Swim Pool Utility Capital Fund at an interest rate of 1.25% and mature on March 22, 2013 (see schedules 7-C and 6-D).

Township of Clark

Notes to Financial Statements (continued)

5. Fund Balances Appropriated

The following fund balances at December 31, 2012 were appropriated in the 2013 budget:

Current Fund	\$ 1,580,000
Swim Pool Utility Operating Fund	14,400

6. Property Taxes

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

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

	Balance December 31	
	2012	2011
Prepaid taxes	<u>\$ 253,713</u>	<u>\$ 305,798</u>

Township of Clark

Notes to Financial Statements (continued)

7. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Township annually at an actuarially determined rate for its required contribution. The current rate is 5.5% and 8.5%, respectively, of annual covered payroll. The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plan. The Township's contributions to the plans for the years ended December 31, 2012, 2011 and 2010 were \$1,218,967, \$1,342,892 and \$1,154,058, respectively, equal to the required contributions for each year.

Other Post-Retirement Benefits Other Than Pension State Health Benefits Program (SHBP)

Plan Description: The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Township of Clark

Notes to Financial Statements (continued)

7. Pension Plans (continued)

Plan Coverage: All active employees, including their dependents, are eligible to participate in the SHBP, upon completion of a sixty day waiting period. Retirees with twenty five years or more of active service with the Township are also eligible to participate in the SHBP.

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from four medical benefit plans (NJ Direct15, NJ Direct10, Aetna, Inc., or CIGNA HealthCare HMO) with rates ranging from \$591.50 for a single participant to \$1,552.88 for family coverage.

The Township's contributions to SHBP for post-retirement benefits for the years ended December 31, 2012, 2011, and 2010 were \$906,575, \$782,289, and \$676,112, respectively, which equaled the required contributions for each year.

8. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$1,306,804 and \$1,303,090 at December 31, 2012 and December 31, 2011 respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2012 and 2011, \$226,471 and \$176,471, respectively, was set aside in a trust fund reserve for the payment of compensated absences.

Township of Clark

Notes to Financial Statements (continued)

9. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2012 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Township has made a provision from tax revenues, in the amount of \$100,000 for these appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Township charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

10. Commitments and Contingencies

The Township receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2012, the Township estimates that no material liabilities will result from such audits.

The Township is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

Township of Clark

Notes to Financial Statements (continued)

11. Risk Management

The Township has established a self-insurance program that enables the governing body of the local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The Township self-insures for professional liability, general liability and workers' compensation exposures up to \$100,000 per occurrence. The Township participates in a Joint Insurance Fund ("JIF"), which currently serves as administrator of the Township's insurance program. The joint insurance pool is a public utility risk pool currently operating as a common risk management and insurance program for municipalities in New Jersey. The JIF covers all Township claims in excess of \$100,000 per occurrence and is funded by Township budget appropriations to pay for premiums that are assessed annually. The JIF is expected to be self-sustaining through member premiums, of which the Township portion is reported as expenditure in the Township's financial statements. In addition, the Township is not aware of any claims pending that have a demand in excess of these coverages. There have been no settlements which exceeded insurance coverage for each of the past three fiscal years.

The audit report for the fiscal year ended December 31, 2012 was not available as of the date of this report. Selected, summarized information for the NJMSIJIF as of December 31, 2011 (latest information available) is as follows:

	New Jersey Municipal Self Insurer's Joint <u>Insurance Fund</u>
Total Assets	\$ <u>9,984,087</u>
Fund Surplus	\$ <u>3,557,821</u>
Total Revenues	\$ <u>5,345,356</u>
Total Expenses	\$ <u>5,090,451</u>
Change in Net Assets for the Year Ended December 31, 2011	\$ <u>254,905</u>

Township of Clark

Notes to Financial Statements (continued)

12. Deferred Compensation

The Township of Clark offers its employees a Deferred Compensation Plan, created in accordance with the provisions of N.J.S. 43:15B-1 et.seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The administrators for the Township of Clark Deferred Compensation Plan are MetLife and Lincoln Financial.

The plan's assets are not the property of the Township and therefore are not presented in the financial statements. As of December 31, 2012 and 2011 the amounts held in trust, amounted to \$2,274,180 and \$2,078,627, respectively.

13. Length of Service Award Program (LOSAP) - Unaudited

The Township has established a LOSAP in accordance with N.J.A.C. 5:30-14. Annually, the Township appropriates funds and makes contributions into the LOSAP on behalf of its active emergency service volunteers that are tax-deferred income benefits.

In accordance with N.J.A.C 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township's general creditors.

As of December 31, 2012 and 2011, there was \$731,841 and \$622,290, respectively, held in the LOSAP and is recorded in the Trust Fund of the Township as funds held in trust. The plan is administered by Lincoln Financial Group.

**Current and Grant Fund
Schedules**

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 3,524,036.59
Increased by receipts:		
Taxes receivable	3-A	54,880,772.11
Revenue accounts receivable	6-A	3,427,892.71
Miscellaneous revenue not anticipated	A-2	337,434.55
State of New Jersey senior citizens and veterans deductions	4-A	228,366.43
Prepaid taxes	10-A	253,713.45
Tax overpayments	11-A	29,787.90
Construction Code Fees - Due to State	16-A	36,456.00
Marriage Licenses - Due to State	16-A	1,525.00
Accounts Payable - Insurance Receipt	15-A	36,604.90
		<u>59,232,553.05</u>
Decreased by disbursements:		
2012 appropriations	A-3	17,852,663.59
2011 appropriation reserves	8-A	379,116.65
County taxes	14-A	11,712,269.59
Added taxes due to County	13-A	51,840.16
Local district school taxes	9-A	28,895,203.00
Tax overpayments	11-A	34,068.85
Construction code fees - Due to State	16-A	33,905.00
Marriage licenses - Due to State	16-A	1,550.00
Refund of prior year revenue - tax appeals	A-1	85,804.85
Tax appeals paid from reserve	12-A	100,000.00
Accounts payable	15-A	100.00
Transfer to Grant Fund	17-A	4,621.00
		<u>4,621.00</u>
Balance, December 31, 2012	A	<u>\$ 3,605,446.95</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Interfunds

Year ended December 31, 2012

	<u>Reference</u>	<u>Grant Fund</u>
Balance, December 31, 2011	A	\$ (4,621.00)
Decreased by:		
Paid to Grant Fund	17-A	<u>4,621.00</u>
Balance, December 31, 2012	A	<u><u>\$ -</u></u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year ended December 31, 2012

	Balance December 31,2011	2012 Levy	Added	Collections		State Share of Veteran and Senior Citizens	Cancelled	Transferred to Tax Title Liens	Balance December 31,2012
				2011	2012				
2011	\$ 421,025.74		\$ 4,529.71		\$ 425,555.45				
2012		\$ 55,606,836.07		\$ 305,797.64	54,455,216.66	\$ 230,218.49	\$ 30,074.74	\$ 728.83	\$ 584,799.71
	<u>\$ 421,025.74</u>	<u>\$ 55,606,836.07</u>	<u>\$ 4,529.71</u>	<u>\$ 305,797.64</u>	<u>\$ 54,880,772.11</u>	<u>\$ 230,218.49</u>	<u>\$ 30,074.74</u>	<u>\$ 728.83</u>	<u>\$ 584,799.71</u>
Reference	A	Below		Below, 10-A	1-A, Below	4-A, Below		5-A	A

Reference

Collected in 2012	Above	\$ 54,455,216.66
Collected in 2011	Above	305,797.64
Senior citizens and veterans deductions (net)	Above	230,218.49
	A-2	<u>\$ 54,991,232.79</u>

Analysis of 2012 tax levy

Tax yield:		
General purpose tax		\$ 55,525,143.37
Added and omitted taxes (54:4-63.1 et seq.)		<u>81,692.70</u>
	Above	<u>\$ 55,606,836.07</u>
Tax levy:		
Local district school tax (abstract)	A-1, 9-A	\$ 28,895,203.00
County tax (abstract)	A-1, 14-A	11,712,269.59
Due County for added and omitted taxes (54:4-63.1 et seq.)	A-1, 13-A	<u>17,218.83</u>
	A-2	40,624,691.42
Local tax for municipal purposes (abstract)	A-2	14,917,413.96
Additional tax levied		<u>64,730.69</u>
	Above	<u>\$ 55,606,836.07</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Due from (to) State of New Jersey -
Senior Citizens and Veterans Deductions

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011 (from)	A	\$ 174.65
Increased by:		
Senior citizens and veterans deductions levy per tax duplicate	Below	<u>232,750.00</u>
		232,924.65
Decreased by:		
Cash received	1-A	228,366.43
Prior year senior citizens deductions disallowed	A-1	\$ 3,250.00
Senior citizens deductions disallowed by tax collector	Below	<u>2,531.51</u>
		<u>5,781.51</u>
Balance, December 31, 2012 (to)	A	<u><u>\$ (1,223.29)</u></u>
 Analysis of realized revenue		
Senior citizens and veterans deductions per tax billing	Above	\$ 232,750.00
Senior citizens and veterans deductions disallowed - 2012 taxes	Above	<u>2,531.51</u>
	3-A	<u><u>\$ 230,218.49</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Tax Title Liens

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 15,864.53
Increased by:		
Transferred from 2012 taxes	3-A	<u>728.83</u>
Balance, December 31, 2012	A	<u><u>\$ 16,593.36</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Revenue Accounts Receivable

Year ended December 31, 2012

	Reference	Balance December 31, 2011	Accrued in 2012	Received	Balance December 31, 2012
Licenses:					
Alcoholic beverages	A-2	\$ -	\$ 30,416.00	\$ 30,416.00	\$ -
Other	A-2	-	17,459.00	17,459.00	-
Fees and permits	A-2	-	159,476.14	159,476.14	-
Fines and costs:					
Municipal court	A-2	32,506.90	388,810.28	395,272.18	26,045.00
Interest and costs on taxes	A-2	-	108,603.43	108,603.43	-
Interest on investments and deposits	A-2	-	16,827.05	16,827.05	-
Consolidated municipal property tax relief aid	A-2	-	234,980.00	234,980.00	-
Energy receipts tax (P.L. 1977, Chapters 162 and 167)	A-2	-	1,553,547.00	1,553,547.00	-
Uniform construction code	A-2	-	592,034.00	592,034.00	-
Board of education - trash removal	A-2	-	32,688.00	32,688.00	-
Uniform fire safety act	A-2	-	41,789.58	41,789.58	-
Cable tv franchise fee	A-2	-	57,798.47	57,798.47	-
Omnipoint cell tower rental	A-2	-	50,418.16	50,418.16	-
Hotel tax	A-2	-	136,583.70	136,583.70	-
		<u>\$ 32,506.90</u>	<u>\$ 3,421,430.81</u>	<u>\$ 3,427,892.71</u>	<u>\$ 26,045.00</u>
Reference	A			1-A	A

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Deferred Charges
Emergency Authorizations

Year ended December 31, 2012

	Balance December 31, 2011	Increased	Balance December 31, 2012
Emergency Authorization (N.J.S.A. 40A:4-48)	\$ -	\$ 180,000.00	\$ 180,000.00
	\$ -	\$ 180,000.00	\$ 180,000.00
	A	A-1, A-3	A

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of 2011 Appropriation Reserves

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfer	Expended	Balance Lapsed
General Government:				
Department of administration				
Business administration				
Salaries and wages	\$ 2,709.90	\$ 2,709.90	\$ -	\$ 2,709.90
Other expenses	11,837.70	11,837.70	5,191.59	6,646.11
Mayor's office				
Other expenses	3,812.32	3,812.32	-	3,812.32
Township council				
Other expenses	11,727.58	11,727.58	5,200.85	6,526.73
Township clerk				
Salaries and wages	993.69	993.69	-	993.69
Other expenses	3,705.26	3,705.26	397.62	3,307.64
Elections				
Other expenses	3,065.56	3,065.56	-	3,065.56
Department of revenue and finance				
Directors office				
Salaries and wages	710.12	710.12	-	710.12
Other expenses	27,285.72	27,285.72	1,835.25	25,450.47
Division of revenue				
Collection of taxes				
Salaries and wages	3,289.88	3,289.88	-	3,289.88
Other expenses	13,363.79	13,363.79	-	13,363.79
Department of assessment				
Assessments of taxes				
Salaries and wages	3,000.00	3,000.00	-	3,000.00
Other expenses	11,984.47	11,984.47	1,500.00	10,484.47
Department of law				
Salaries and wages	6,333.96	6,333.96	-	6,333.96
Other expenses	52,835.57	52,835.57	630.98	52,204.59
Department of engineering				
Other expenses	43,857.80	23,857.80	12,978.75	10,879.05
Planning board - municipal land use law (NJSA 40:550-1)				
Salaries and wages	1,300.00	1,300.00	-	1,300.00
Other expenses	13,852.84	13,852.84	-	13,852.84
Board of adjustment				
Salaries and wages	403.96	403.96	-	403.96
Other expenses	1,488.46	1,488.46	-	1,488.46
Group insurance for employees				
Insurance and Bonding				
Life insurance	10,789.82	10,789.82	1,000.00	9,789.82
Disability benefits	2,093.86	2,093.86	-	2,093.86
Employee group health	1,000.53	1,000.53	-	1,000.53
	175,357.79	175,357.79	9,696.69	165,661.10

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of 2011 Appropriation Reserves

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfer	Expended	Balance Lapsed
Police				
Salaries and wages	\$ 188,923.54	\$ 188,923.54	\$ -	\$ 188,923.54
Other expenses	13,453.61	13,453.61	13,453.61	-
Emergency management services				
Salaries and wages	16.70	16.70	-	16.70
Other expenses	2,351.23	2,351.23	2,351.23	-
Fire				
Salaries and wages	234.84	234.84	-	234.84
Other expenses	40,399.58	40,399.58	33,435.70	6,963.88
Fire hydrant services	46,004.17	46,004.17	36,811.25	9,192.92
Uniform fire safety act				
Fire official				
Salaries and wages	490.00	490.00	-	490.00
Other expenses	2,364.28	2,364.28	2,215.59	148.69
Bureau of roads, road repair and maintenance				
Salaries and wages	10,428.71	428.71	-	428.71
Other expenses	74,265.97	74,265.97	44,343.53	29,922.44
Traffic lights				
Other expenses	2,686.70	2,686.70	481.00	2,205.70
Buildings and grounds				
Salaries and wages	10,997.23	10,997.23	-	10,997.23
Other expenses	8,306.30	18,306.30	8,281.19	10,025.11
Department of shade tree				
Other expenses	3,651.00	3,651.00	3,651.00	-
Municipal Service Act				
Other expenses	35,551.24	35,551.24	8,696.15	26,855.09
Division of health and welfare				
Bureau of health				
Salaries and wages	1,090.10	1,090.10	-	1,090.10
Other expenses	1,279.11	1,279.11	422.50	856.61
Department of senior citizens affairs				
Salaries and wages	2,105.27	2,105.27	-	2,105.27
Other expenses	10,341.90	10,341.90	5,611.25	4,730.65
Services of visiting nurse - contractual	1,025.00	1,025.00	1,025.00	-
Department of recreation				
Salaries and wages	7,596.84	7,596.84	-	7,596.84
Other expenses	260.14	260.14	145.19	114.95
Street lighting	70,522.72	70,522.72	8,517.85	62,004.87

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of 2011 Appropriation Reserves

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfer	Expended	Balance Lapsed
Municipal court				
Salaries and wages	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
Other expenses	3,518.29	3,518.29	1,122.74	2,395.55
Division of Code Enforcement				
Construction Code Official				
Salaries and wages	9,756.33	9,756.33	-	9,756.33
Other expenses	1,719.97	1,719.97	45.14	1,674.83
Unclassified				-
Grass collection	17,256.00	17,256.00	17,256.00	-
Leaf collection	65,000.00	65,000.00	46,979.20	18,020.80
Recycling	24,000.00	24,000.00	15,600.00	8,400.00
Clean Up	2,500.00	2,500.00	-	2,500.00
Environmental commission				
Other expenses	200.00	200.00	-	200.00
Celebration of Public Events	12,985.00	12,985.00	9,137.50	3,847.50
Utilities	44,949.04	44,949.04	38,972.13	5,976.91
Telephone - all departments	6,906.33	6,906.33	4,666.04	2,240.29
Gas - diesel	12,002.00	32,002.00	23,909.64	8,092.36
STATUTORY EXPENDITURES:				
Contribution to:				
Public employees retirement system	1.00	1.00	-	1.00
Police and Fire retirement system	1.00	1.00	-	1.00
Social security system (O.A.S.I.)	50,558.68	50,558.68	-	50,558.68
Defined Contribution Retirement Plan	1,000.00	1,000.00	-	1,000.00
Maintenance of 911				
Salaries and wages	97,529.13	97,529.13	-	97,529.13
Other expenses	10,905.65	10,905.65	10,830.49	75.16
Recycling Tax Appropriation	500.00	500.00	-	500.00
Interlocal Municipal Service Agreements				
Trash removal - Clark Board of Ed.	4,066.73	4,066.73	2,724.00	1,342.73
	<u>\$ 1,307,501.91</u>	<u>\$ 1,307,501.91</u>	<u>\$ 379,116.65</u>	<u>\$ 928,385.26</u>
Reference	Below	Below	1-A	A-1

Appropriation Reserves, Dec. 31, 2011	A	\$ 1,156,942.60
Encumbrances, Dec. 31, 2011	A	<u>150,559.31</u>
	Above	<u>\$ 1,307,501.91</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Local District School Tax

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ -
Increased by tax levy	A-1, 3-A	<u>28,895,203.00</u>
		28,895,203.00
Decreased by:		
Payments	1-A	<u>28,895,203.00</u>
Balance, December 31, 2012	A	<u><u>\$ -</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Prepaid Taxes

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 305,797.64
Increased by:		
Cash received	1-A	<u>253,713.45</u>
		559,511.09
Decreased by:		
Applied to 2012 taxes receivable	3-A	<u>305,797.64</u>
Balance, December 31, 2012	A	<u><u>\$ 253,713.45</u></u>

Schedule of Tax Overpayments

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 34,068.85
Increased by:		
Overpayments received in 2012	1-A	<u>29,787.90</u>
		63,856.75
Decreased by:		
Cash disbursed	1-A	<u>34,068.85</u>
Balance, December 31, 2012	A	<u><u>\$ 29,787.90</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Reserve for Tax Appeals

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 100,000.00
Increased by:		
Contested Amount of 2012 Taxes collected which are pending state tax appeal	A-2	<u>100,000.00</u> 200,000.00
Decreased by:		
Cash Paid to Appellants	1-A	<u>100,000.00</u>
Balance, December 31, 2012	A	<u><u>\$ 100,000.00</u></u>

Schedule of Due to County for Added and Omitted Taxes

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 34,621.33
Increased by county share of 2012 levy:		
Added taxes (R.S. 54:4-61 et. Seq.)	3-A, A-1	<u>17,218.83</u> 51,840.16
Decreased by:		
Paid	1-A	<u>51,840.16</u>
Balance, December 31, 2012	A	<u><u>\$ -</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of County Taxes Payable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ -
Increased by:		
2012 levy (including county open space)	A-1, 3-A	<u>11,712,269.59</u>
		11,712,269.59
Decreased by:		
Payments	1-A	<u>11,712,269.59</u>
Balance, December 31, 2012	A	<u><u>\$ -</u></u>

Schedule 15-A

Schedule of Accounts Payable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 2,001.05
Increased by:		
Duplicate Insurance Payment received from vendor	1-A	<u>36,604.90</u>
		38,605.95
Decreased by:		
Payments	1-A	100.00
Canceled	A-2	<u>1,901.05</u>
		2,001.05
Balance, December 31, 2012	A	<u><u>\$ 36,604.90</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Due to State of New Jersey

Year ended December 31, 2012

	<u>Reference</u>	<u>Total</u>	<u>Construction Code Fees</u>	<u>Marriage Licenses</u>
Balance, December 31, 2011	A	\$ 4,047.00	\$ 3,747.00	\$ 300.00
Increased by:				
Cash receipts	1-A	37,981.00	36,456.00	1,525.00
		42,028.00	40,203.00	1,825.00
Decreased by:				
Cash disbursements	1-A	35,455.00	33,905.00	1,550.00
Balance, December 31, 2012	A	<u>\$ 6,573.00</u>	<u>\$ 6,298.00</u>	<u>\$ 275.00</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Cash Receipts and Disbursements - Grant Fund

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 63,816.80
Increased by Receipts:		
Grants Receivable	18-A	214,289.75
Matching Funds for Grants	19-A	11,824.00
Due from Current Fund Received	A, 1-A, 2-A	4,621.00
Grants Unappropriated	20-A	<u>21,157.28</u>
		<u>251,892.03</u>
		315,708.83
Decreased by Disbursements:		
Encumbrances Paid	21-A	<u>260,434.48</u>
Balance, December 31, 2012	A	<u><u>\$ 55,274.35</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Grants Receivable-Grant Fund

Year ended December 31, 2012

Grant	Balance December 31, 2011	2012 Budget Revenue Realized	2012 Received	Cancelled	Balance December 31, 2012
Body Armor	-	\$ 3,908.30	\$ 3,908.30	-	-
Clean Communities	-	23,102.93	22,648.75	\$ 454.18	-
Drunk Driving	-	4,041.89	4,041.89	-	-
Homeland Security Grant	-	136,040.00	123,967.00	-	\$ 12,073.00
Kids Recreation Trust Fund - Union County	\$ 55,000.00	-	55,000.00	-	-
Municipal Alliance Grant	-	18,654.00	12,674.00	-	5,980.00
Total	\$ 55,000.00	\$ 185,747.12	\$ 222,239.94	\$ 454.18	\$ 18,053.00
	A	A-2, 19-A	Below	A-1	A

Reference

Cash Received	17-A	\$ 214,289.75
Transferred from Unappropriated - reserve for grants	20-A	<u>7,950.19</u>
	Above	<u>\$ 222,239.94</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Reserve for Grant Expenditures - Appropriated - Grant Fund

Year ended December 31, 2012

Grant	Balance December 31, 2011	Transferred from 2012 Budget Appropriations			Expended	Cancelled	Balance December 31, 2012
		Budget	Appropriation By 40A:4-87				
Body Armor	\$ 540.17	\$ 3,908.30	-	-	4,089.25	-	359.22
Clean Communities	39,105.04	23,102.93	-	-	46,698.24	\$ 454.18	15,055.55
Drunk Driving Enforcement	5,894.10	4,041.89	-	-	3,051.94	-	6,884.05
Homeland Security Grant	-	143,200.00	-	-	143,112.98	-	87.02
Kids Recreation	43,781.25	-	-	-	43,781.25	-	-
Municipal Alliance	4,700.11	-	\$ 23,318.00	-	13,250.06	-	14,768.05
Recycling Tonnage Grant	16,727.14	-	-	-	7,866.67	-	8,860.47
	<u>\$ 110,747.81</u>	<u>\$ 174,253.12</u>	<u>\$ 23,318.00</u>	<u>\$ 261,850.39</u>	<u>\$ 454.18</u>	<u>\$ 46,014.36</u>	

Reference	A	Below	Below	21-A	A-1	A
------------------	---	-------	-------	------	-----	---

Grants appropriated	A-3, 18-A	\$ 185,747.12				
Matching Funds - Budget	A-3, 17-A	11,781.00				
Matching Funds - Trust	17-A	43.00				
	Above	<u>\$ 197,571.12</u>				

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Unappropriated Reserve for Grants - Grant Fund

Year ended December 31, 2012

<u>Grant</u>	Balance December 31, 2011	Transferred To 2012 Budget Appropriations	Cash Received	Balance December 31, 2012
Municipal Alliance	\$ -	\$ -	\$ 14,338.06	\$ 14,338.06
Body Armor	3,908.30	3,908.30	4,002.63	4,002.63
Drunk Driving	4,041.89	4,041.89	2,816.59	2,816.59
	<u>\$ 7,950.19</u>	<u>\$ 7,950.19</u>	<u>\$ 21,157.28</u>	<u>\$ 21,157.28</u>
	A	18-A	17-A	A

Schedule 21-A

Schedule of Encumbrances Payable - Grant Fund

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 4,739.80
Increased by: Encumbrances Incurred	19-A	<u>261,850.39</u>
		266,590.19
Decreased by: Encumbrances Paid	17-A	<u>260,434.48</u>
Balance, December 31, 2012	A	<u>\$ 6,155.71</u>

Trust Fund

Schedules

Township of Clark
County of Union, New Jersey
Trust Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2012

	Reference	Animal Control	Other
Balance, December 31, 2011	B	\$ 9,708.48	\$ 1,563,331.09
Increased by receipts:			
Dog license fees	2-B	12,587.15	
Cat license fees	2-B	2,039.60	
Due to State of NJ	Below	1,231.80	
Reserve for:			
Various trust deposits	3-B		8,255,641.04
Budget appropriation	2-B	11,500.00	
Miscellaneous	2-B	1,378.30	
		<u>38,445.33</u>	<u>9,818,972.13</u>
Decreased by disbursements:			
Expenditures under			
R.S.4:19-15.11	2-B	21,989.80	
Due to State of NJ	Above	1,231.80	
Reserve for:			
Various trust deposits	3-B		8,157,749.04
		<u>23,221.60</u>	<u>8,157,749.04</u>
Balance, December 31, 2012	B	<u>\$ 15,223.73</u>	<u>\$ 1,661,223.09</u>

Township of Clark
County of Union, New Jersey
Trust Fund

Schedule of Reserve for Animal Control Fund Expenditures

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 9,708.48
Increased by:		
Dog license fees collected	1-B	12,587.15
Cat license fees collected	1-B	2,039.60
Budget appropriation	1-B	11,500.00
Miscellaneous	1-B	<u>1,378.30</u>
		37,213.53
Decreased by:		
Expenditures under R.S. 4:19-15.11	1-B	<u>21,989.80</u>
Balance, December 31, 2012	B	<u>\$ 15,223.73</u>
License fees collected:		
2010		\$ 10,784.50
2011		<u>12,171.50</u>
		<u>\$ 22,956.00</u>

Township of Clark
County of Union, New Jersey
Other Trust Fund

Schedule of Reserve for Various Trust Deposits

Year ended December 31, 2012

	Balance December 31, 2011	Cash Receipts	Cash Disbursements	Balance December 31, 2012
Miscellaneous Trust Funds	\$ 815,076.38	\$ 1,230,017.78	\$ 1,313,136.09	\$ 731,958.07
Forfeited Funds	3,068.07	3,953.50	5,520.86	1,500.71
Housing Trust	1.00	-	-	1.00
Developers Escrow	373,031.38	550,810.37	373,282.40	550,559.35
Unemployment	78,854.01	6,400.00	20,989.66	64,264.35
Insurance	102,418.86	62,556.14	123,379.53	41,595.47
Payroll	4,841.28	5,027,778.74	5,027,937.47	4,682.55
Agency	186,040.11	1,374,124.51	1,293,503.03	266,661.59
	<u>\$ 1,563,331.09</u>	<u>\$ 8,255,641.04</u>	<u>\$ 8,157,749.04</u>	<u>\$ 1,661,223.09</u>
Reference	B	1-B	1-B	B

General Capital Fund

Schedules

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,274,808.40
Increased by cash receipts:		
Bond anticipation notes issued	7-C	1,200,000.00
Capital improvement fund	5-C	100,000.00
Deferred charge raised in budget	4-C	385.92
Contributions	C-1	300.00
Premium on bond anticipation notes	C-1	78,725.10
Reserve for flow rights	12-C	50,216.00
Current Fund - note payment	7-C	<u>580,000.00</u>
		3,284,435.42
Decreased by cash disbursements:		
Bond anticipation notes	7-C	580,000.00
Improvement authorizations	9-C	1,757,252.33
CDBG disbursements	11-C	<u>17,000.00</u>
Balance, December 31, 2012	C	<u><u>\$ 930,183.09</u></u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Analysis of General Capital Cash

	Reference	Balance December 31	
		2012	2011
Capital improvement fund	5-C	\$ 265,603.50	\$ 165,603.50
State transportation aid receivable	C	(251,102.29)	(85,067.64)
CDBG Receivable	C	(17,000.00)	-
Encumbrances payable	9-C	925,306.63	1,092,184.82
Bond Anticipation Notes - Excess funding	7-C	60,000.00	59,614.08
Reserve for Debt Service	C	877.51	877.51
Reserve for Flow Rights	13-C	50,216.00	-
Fund balance	C-1	87,225.80	173,200.70
Improvement Authorizations:			
03-09 Sewer Pump Stations		16,152.95	16,152.95
04-04 William Robinson Historic Trust		48,215.67	49,715.67
06-12 Improvements to Municipal Facilities		784.12	86,116.36
07-07 Road Improvements		-	198,579.83
08-03 Improvements to Orchard Street		54,134.05	54,134.05
09-05 Acquisition of Garbage truck		55,609.87	55,609.87
10-14 Various Road Programs		84,764.49	412,866.89
10-18 Fire Department Equipment		90.90	90.90
11-12 2011 Road Improvement		-	(745,348.47)
11-13 Acquisition of DPW Vehicles		22,387.80	(197,612.20)
11-17 Acquisition of Fire Dept. Equipment		3,852.80	249.58
11-22 Purchase of 4 Wheel Drive Police Vehicles		13,473.24	(102,160.00)
11-24 Acq of Fire Dept Command Vehicle		600.00	40,000.00
12-02 Ambulatory Mini Bus		4,060.00	-
12-08 2012 Road Program		(537,443.59)	-
12-09 Fire Dept Bunker Gear		20,000.00	-
12-09 Radio Equipment		2,373.64	-
12-12 Bunker Gear, Hose & Ancillary		20,000.00	-
	C	<u>\$ 930,183.09</u>	<u>\$ 1,274,808.40</u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Deferred Charges to Future Taxation-Funded

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 9,908,000.00
Decreased by:		
Bonds paid by budget appropriations	8-C	<u>1,030,000.00</u>
Balance, December 31, 2012	C	<u><u>\$ 8,878,000.00</u></u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Deferred Charges to Future Taxation-Unfunded

Year ended December 31, 2012

Ordinance Number	Improvements Authorization	Balance December 31, 2011	2012 Authorizations	Funded by Budget Appropriation Notes Paid	Funded by Budget Appropriation Deferred Charge Funded	Balance December 31, 2012	Analysis of Balance December 31, 2012		
							Bond Anticipation Notes	Expenditures	Unexpended Authorizations-Unfunded
General Improvements:									
04-01	Building Improvements	\$ 600,000.00		\$ 50,000.00		\$ 550,000.00	\$ 550,000.00		
04-03	Road/Library/Public Works	600,000.00		50,000.00		550,000.00	550,000.00		
04-17	Removal of underground storage tanks	100,000.00		25,000.00		75,000.00	75,000.00		
05-08	Equipment and machinery	720,000.00		50,000.00		670,000.00	670,000.00		
05-10	Parking lot, roller hockey rink, road improvements	420,000.00		30,000.00		390,000.00	390,000.00		
06-12	Improvements to Municipal Facilities	584,000.00		54,000.00		530,000.00	530,000.00		
07-07	Road/Recreation Improvements/Police Dispatch System	2,260,000.00		130,000.00		2,130,000.00	2,130,000.00		
08-03	Various Improvements/Acq Garbage Truck	876,385.92		91,000.00	\$ 385.92	785,000.00	785,000.00		
09-03	Improvements to Municipal Building	750,000.00		35,000.00		715,000.00	715,000.00		
09-05	Acquisition of garbage truck	285,000.00		65,000.00		220,000.00	220,000.00		
09-10	2009 Road Program	650,000.00				650,000.00	650,000.00		
10-14	Various Road Improvements	1,115,000.00				1,115,000.00	1,115,000.00		
11-12	2011 Road Improvement	810,000.00				810,000.00	810,000.00		
11-13	Acq of DPW Vehicles	220,000.00				220,000.00	220,000.00		
11-22	Purchase of 4 Wheel Drive Police Vehicles	170,000.00				170,000.00	170,000.00		
12-08	2012 Road Program	-	1,290,000.00			1,290,000.00			
		<u>\$ 10,160,385.92</u>	<u>\$ 1,290,000.00</u>	<u>\$ 580,000.00</u>	<u>\$ 385.92</u>	<u>\$ 10,870,000.00</u>	<u>\$ 9,580,000.00</u>	<u>\$ 537,443.59</u>	<u>\$ 752,556.41</u>
Reference		C	6-C, 13-C	7-C	1-C	C	7-C	2-C	Below
Reference									
	Improvement authorizations - unfunded		6-C						\$ 983,709.98
	Bond anticipation note proceeds unexpended:								
06-12	Improvements to Municipal Facilities		2-C, 6-C				\$ 784.12		
08-03	Improvements to Orchard Street		2-C, 6-C				54,134.05		
09-05	Acq. Of Garbage Truck		2-C, 6-C				55,609.87		
10-14	Various Road Programs		2-C, 6-C				84,764.49		
11-13	Acq of DPW Vehicles		2-C, 6-C				22,387.80		
11-22	Purchase of 4 Wheel Drive Police Vehicles		2-C, 6-C				13,473.24		
									<u>231,153.57</u>
			Above						<u>\$ 752,556.41</u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Capital Improvement Fund

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 165,603.50
Increased by:		
Budget Appropriation	1-C	<u>100,000.00</u>
		265,603.50
Balance, December 31, 2012	C	<u><u>\$ 265,603.50</u></u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Improvement Authorizations

Year ended December 31, 2012

Ordinance Number	Improvements Authorization	Date	Amount	Balance December 31, 2011		2012 Authorizations	Cancelled	Encumbrances Canceled	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded					Funded	Unfunded
General Improvements											
03-09	Rehabilitation of Various Sanitary Sewer	03/17/03	\$ 150,000	\$ 16,152.95						\$ 16,152.95	
04-04	William Robinson Historic Trust	07/19/04	186,000	49,715.67					\$ 1,500.00	48,215.67	
06-12	Improvements to Municipal Facilities	06/05/06	820,000		\$ 86,116.36				85,332.24		\$ 784.12
07-07	Road/Recreation Improvements/Police Dispatch System	04/16/07	600,000		198,579.83				198,579.83		
08-03	Various Improvements/Acq Garbage Truck	04/09/08	850,000		54,134.05						54,134.05
09-05	Acq. Of Garbage Truck	03/02/09	300,000		55,609.87						55,609.87
10-14	Various Road Improvements	06/21/10	1,350,000		412,866.89		\$ 43,965.35		284,137.05		84,764.49
10-18	Fire Department Equipment	08/16/10	20,000	90.90						90.90	
11-12	2011 Road Improvement	05/02/11	1,000,000		64,651.53				64,651.53		
11-13	Acq of DPW Vehicles	05/02/11	235,000		22,387.80						22,387.80
11-17	Acq of Fire Dept Equipment	09/19/11	25,700	249.58				\$ 3,603.22		3,852.80	
11-22	Purchase of 4 Wheel Drive Police Vehicles	11/21/11	180,000		67,840.00				54,366.76		13,473.24
11-24	Acq of Fire Dept Command Vehicle	12/19/11	40,000	40,000.00					39,400.00	600.00	
12-02	Ambulatory Mini Bus	01/17/12	75,000.00			\$ 75,000.00			70,940.00	4,060.00	
12-08	2012 Road Program	08/20/12	1,500,000.00			1,500,000.00			747,443.59		752,556.41
12-09	Fire Dept Bunker Gear	09/17/12	20,000.00			20,000.00				20,000.00	
12-09	Radio Equipment	09/17/12	50,000.00			50,000.00			47,626.36	2,373.64	
12-12	Bunker Gear, Hose & Ancillary	12/17/12	20,000.00			20,000.00				20,000.00	
				<u>\$ 106,209.10</u>	<u>\$ 962,186.33</u>	<u>\$ 1,665,000.00</u>	<u>\$ 43,965.35</u>	<u>\$ 3,603.22</u>	<u>\$ 1,593,977.36</u>	<u>\$ 115,345.96</u>	<u>\$ 983,709.98</u>
Reference				C	C	Below	10-C	9-C	9-C	C	C, 4-C
Deferred charges - unfunded		4-C			\$ 1,290,000.00						
State Aid Receivable		10-C			210,000.00						
Capital Surplus		C-1			165,000.00						
		Above			<u>\$ 1,665,000.00</u>						

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Bond Anticipation Notes

Year ended December 31, 2012

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012	
04-01	Building improvements	06/02/04	03/23/12	03/22/13	1.25%	\$ 600,000.00	\$ 550,000.00	\$ 600,000.00	\$ 550,000.00	
04-03	Road/Library/Public Works	06/02/04	03/23/12	03/22/13	1.25%	600,000.00	550,000.00	600,000.00	550,000.00	
04-17	Removal of underground storage tanks	04/01/05	03/23/12	03/22/13	1.25%	100,000.00	75,000.00	100,000.00	75,000.00	
05-08	Equipment and machinery	04/01/05	03/23/12	03/22/13	1.25%	720,000.00	670,000.00	720,000.00	670,000.00	
05-10	Parking lot, roller hockey rink, road improvements	10/31/05	03/23/12	03/22/13	1.25%	420,000.00	390,000.00	420,000.00	390,000.00	
06-12	DPW Equipment and Machinery & Imp to Municipal Facilities	03/30/07	03/23/12	03/22/13	1.25%	584,000.00	530,000.00	584,000.00	530,000.00	
07-07	Road/Recreation Improvements/Police Dispatch System	06/28/07	03/23/12	03/22/13	1.25%	2,260,000.00	2,130,000.00	2,260,000.00	2,130,000.00	
08-03	Dump Truck/Municipal Facilities	03/26/09	03/23/12	03/22/13	1.25%	936,000.00	845,000.00	936,000.00	845,000.00	
09-03	Improvements to Municipal Building	03/26/09	03/23/12	03/22/13	1.25%	750,000.00	715,000.00	750,000.00	715,000.00	
09-05	Garbage Truck	03/26/09	03/23/12	03/22/13	1.25%	285,000.00	220,000.00	285,000.00	220,000.00	
09-10	2009 Road Program	03/26/10	03/23/12	03/22/13	1.25%	650,000.00	650,000.00	650,000.00	650,000.00	
10-14	Various Road Improvements	03/25/11	03/23/12	03/22/13	1.25%	1,115,000.00	1,115,000.00	1,115,000.00	1,115,000.00	
11-12	2011 Road Program	03/23/12	03/23/12	03/22/13	1.25%	-	1,200,000.00	-	1,200,000.00	
						<u>\$ 9,020,000.00</u>	<u>\$ 9,640,000.00</u>	<u>\$ 9,020,000.00</u>	<u>\$ 9,640,000.00</u>	
						Reference	C	Below	Below	C, Below
Renewals							\$ 8,440,000.00	\$ 8,440,000.00		
Notes issued for cash							1,200,000.00			
Notes paid by Current Fund budget								580,000.00		
						Above	<u>\$ 9,640,000.00</u>	<u>\$ 9,020,000.00</u>		
Bond anticipation notes						4-C				\$ 9,580,000.00
Bond anticipation notes - excess funding						2-C				60,000.00
						Above				<u>\$ 9,640,000.00</u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of General Serial Bonds

Year ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Decreased by Serial Bonds Paid	Balance December 31, 2012
			Date	Amount				
General improvement	08/15/05	\$ 9,042,000	08/15/13	\$ 275,000	3.875%	\$ 8,292,000.00	\$ 210,000.00	\$ 8,082,000.00
			08/15/14	1,115,000	3.875%			
			08/15/15	1,150,000	3.875%			
			08/15/16	1,570,000	3.875%			
			08/15/17	1,640,000	3.875%			
			08/15/18	1,710,000	3.875%			
			08/15/19	622,000	3.875%			
Refunding Bonds	03/17/11	2,426,000	09/15/13	796,000	1.850%	1,616,000.00	820,000.00	796,000.00
						<u>\$ 9,908,000.00</u>	<u>\$ 1,030,000.00</u>	<u>\$ 8,878,000.00</u>
Reference						C	3-C	C

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Encumbrances Payable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,092,184.82
Increased by:		
Encumbrances Charged	6-C	<u>1,593,977.36</u>
		2,686,162.18
Decreased by:		
Cash Disbursements	1-C	1,757,252.33
Encumbrances Cancelled	6-C	<u>3,603.22</u>
Balance, December 31, 2012	C	<u><u>\$ 925,306.63</u></u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of State Aid Receivable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 85,067.64
Increase by grants awarded	6-C	<u>210,000.00</u>
		295,067.64
Decreased by cancelled	6-C	<u>43,965.35</u>
Balance, December 31, 2012	C, Below	<u><u>\$ 251,102.29</u></u>
Analysis of balance		
D.O.T. grant:		
2011 Road Program (11-12)		\$ 41,102.29
2012 Road Program (12-13)		<u>210,000.00</u>
	Above	<u><u>\$ 251,102.29</u></u>

Schedule of Due from CDBG

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ -
Increased by cash disbursements	1-C	<u>17,000.00</u>
Balance, December 31, 2012	C	<u><u>\$ 17,000.00</u></u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Reserve for Flow Rights

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ -
Increased by Receipts	1-C	<u>50,216.00</u>
Balance, December 31, 2012	C	<u><u>\$ 50,216.00</u></u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Bonds and Notes Authorized but not Issued

Year ended December 31, 2012

Ordinance No.	Improvement Description	Balance December 31, 2011	Increased by 2012 Authorizations	Notes Issued	Balance December 31, 2012
10-14A	Acquisition of Dump Trucks	\$ 810,000.00		\$ 810,000.00	\$ -
10-14B	Improvements to Municipal Facilities	220,000.00		220,000.00	-
10-14C	2010 Road Program	170,000.00		170,000.00	-
12-08	2012 Road Program	-	\$ 1,290,000.00	-	1,290,000.00
		<u>\$ 1,200,000.00</u>	<u>\$ 1,290,000.00</u>	<u>\$ 1,200,000.00</u>	<u>\$ 1,290,000.00</u>
Reference		C	4-C	7-C	C

Swim Pool Utility Fund

Schedules

Township of Clark
County of Union, New Jersey
Swim Pool Utility Funds

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2012

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	D	\$ 42,890.78	\$ 18,093.05
Increased by receipts:			
Membership fees	D-2	267,171.50	
Miscellaneous	D-2	49,874.52	
Budget appropriation to fund reserve for capital outlay	4-D		11,586.00
		<u>359,936.80</u>	<u>29,679.05</u>
Decreased by disbursements:			
Budget appropriations	D-3	308,098.86	
Appropriation reserves	2-D	4,000.00	
Accounts payable	D		17,417.22
Capital outlay - transfer to reserve	D-3	11,586.00	
Accrued interest on notes	5-D	3,413.53	
		<u>328,108.39</u>	
Balance, December 31, 2012	D	<u>\$ 32,838.41</u>	<u>\$ 12,261.83</u>
<u>Analysis of Swim Pool Utility Capital Cash</u>		<u>2012</u>	<u>2011</u>
Accounts payable	D		\$ 17,417.22
Reserve for capital outlay	D	\$ 11,630.07	44.07
Improvement Auth 11-11-Swim Pool Improvements	7-D	631.76	631.76
Cash balance		<u>\$ 12,261.83</u>	<u>\$ 18,093.05</u>

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Operating Fund

Schedule of 2011 Appropriation Reserves

Year ended December 31, 2012

	January 1, 2012 Reserved	Reserve After Modification	Paid or Charged	Balance Lapsed
Operating:				
Other expenses	\$ 5,208.97	\$ 5,208.97	\$ 4,000.00	\$ 1,208.97
	<u>\$ 5,208.97</u>	<u>\$ 5,208.97</u>	<u>\$ 4,000.00</u>	<u>\$ 1,208.97</u>
Reference	D	D	1-D	D-1

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Fixed Capital

Year ended December 31, 2012

	Balance December 31, 2011	Increased by Capital Outlay	Balance December 31, 2012
Construction	\$ 600,000.00		\$ 600,000.00
Swimming pool improvements	931,555.93		931,555.93
Baby pool improvements	-	\$ 21,214.00	21,214.00
	<u>\$ 1,531,555.93</u>	<u>\$ 21,214.00</u>	<u>\$ 1,552,769.93</u>
	D	D-3, 10-D	D

Schedule of Reserve for Capital Outlay

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 44.07
Increased by:		
Budget appropriation	D-3, 1-D	<u>11,586.00</u>
Balance, December 31, 2012	D	<u>\$ 11,630.07</u>

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Accrued Interest Payable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 10,000.00
Decreased by:		
Cash disbursements	1-D	<u>3,413.53</u>
Balance, December 31, 2012	D, Below	<u>\$ 6,586.47</u>

Analysis of accrued interest at December 31, 2012

<u>From</u>	<u>To</u>	<u>Period</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
3/23/2012	12/31/2012	283 days	1.25%	\$275,000.00	\$ 2,702.26
Amount to be used in future years					<u>3,884.21</u>
					<u>\$ 6,586.47</u>
Reference					Above

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Bond Anticipation Notes

Year ended December 31, 2012

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
09-04/09-18	Swim Pool Improvements	03/26/09	03/23/12	03/22/13	1.25%	\$ 325,000.00	\$ 275,000.00	\$ 325,000.00	\$ 275,000.00
						<u>\$ 325,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ 325,000.00</u>	<u>\$ 275,000.00</u>
<u>Reference</u>						D	Below	Below	D
						<u>Reference</u>			
Paid by budget appropriation						D-3		\$ 50,000.00	
Renewals							<u>\$ 275,000.00</u>	<u>275,000.00</u>	
						Above	<u>\$ 275,000.00</u>	<u>\$ 325,000.00</u>	

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Improvement Authorizations

Year ended December 31, 2012

Ordinance Number	Improvements Authorization	Ordinance		Balance December 31, 2012 and 2011	
		Date	Amount	Funded	Unfunded
General Improvements					
11-11	Swim Pool Improvements	04/04/11	\$ 46,500.00	\$ 631.76	\$ -
				\$ 631.76	\$ -
			Reference	D	D

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Fixed Capital Authorized and Not Complete

Year ended December 31, 2012

Ordinance Number	Improvements Authorization	Balance December 31, 2012 and 2011
	General Improvements:	
11-11	Swim Pool Improvements	\$ 46,500.00
		<u>\$ 46,500.00</u>
	Reference	D

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Reserve for Deferred Amortization

Year ended December 31, 2012

Ordinance Number	Improvements Authorization	Balance December 31, 2012 and 2011
	General Improvements:	
11-11	Swim Pool Improvements	\$ 46,500.00
		<u>\$ 46,500.00</u>
	Reference	D

Township of Clark
County of Union, New Jersey
Swim Pool Utility Capital Fund

Schedule of Reserve for Amortization

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	1,206,555.93
Increased by:		
Payment of bond anticipation notes by budget appropriation	D-3	50,000.00
Improvements charged to capital outlay appropriation	D-3, 3-D	<u>21,214.00</u>
Balance, December 31, 2012	D	<u><u>1,277,769.93</u></u>

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2012

	Reference	Operating	Capital
Balance, December 31, 2011	E	\$ 1,502,423.76	\$ 27,868.00
Increased by Receipts:			
Budget Appropriations	E-3	-	25,000.00
Sewer Fees	E-2,2-E	3,355,105.97	-
Miscellaneous Revenue not Anticipated	E-2	25,919.82	-
Sewer Overpayments	4-E, E	1,141.76	-
Other	E	528.84	-
		<u>4,885,120.15</u>	<u>52,868.00</u>
Decreased by Disbursements:			
Budget Appropriations	E-3	3,092,012.78	-
Appropriation Reserves	3-E	225.00	-
Balance, December 31, 2012	E	<u>\$ 1,792,882.37</u>	<u>\$ 52,868.00</u>

Township of Clark
County of Union, New Jersey
Sewer Utility Operating Fund

Schedule of Consumer Accounts Receivable

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 153,608.01
Increased by:		
Sewer Rents Levied		<u>3,386,208.94</u>
		3,539,816.95
Decreased by:		
Collections	E-2,1-E	<u>3,355,105.97</u>
Balance, December 31, 2012	E	<u><u>\$ 184,710.98</u></u>

Township of Clark
 County of Union, New Jersey
 Sewer Utility Operating Fund

Schedule of 2011 Appropriation Reserves
 Year ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Miscellaneous	\$ 230,766.37	\$ 230,766.37	\$ 225.00	\$230,541.37
	<u>\$ 230,766.37</u>	<u>\$ 230,766.37</u>	<u>\$ 225.00</u>	<u>\$230,541.37</u>
<u>Reference</u>	E	E	1-E	E-1

Township of Clark
County of Union, New Jersey
Sewer Utility Operating Fund

Schedule of Sewer Fee Overpayments

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ -
Increased by:		
Cash Received	1-E	<u>1,141.76</u> 1,141.76
Balance, December 31, 2012	E	<u>\$ 1,141.76</u>

Schedule of Reserve for Capital Outlay

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 27,868.00
Increased by:		
Budget Appropriation	E-3	<u>25,000.00</u>
Balance, December 31, 2012	E	<u>\$ 52,868.00</u>

Township of Clark
 County of Union, New Jersey
 Schedule of Expenditures of Federal Awards
 Year ended December 31, 2012

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Award Amount	Grant Period		2012 Cash Receipts	2012 Expenditures	Cumulative Expenditures December 31, 2012
			From	To			
U.S. Department of Housing and Urban Development Pass through the County of Union: Community Development Block Grant	14.218	17,000	9/1/2011	8/31/2012	-	\$ 17,000	17,000
U.S. Department of Homeland Security: Federal Emergency Management Agency	97.036	143,200	1/1/2012	12/31/2012	123,967	143,113	143,113
Federal Emergency Management Agency	97.036	158,562	1/1/2011	12/31/2011	158,562	158,562	158,562
Total expenditures of federal awards					<u>\$ 282,529</u>	<u>\$ 318,675</u>	<u>\$ 318,675</u>

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Township of Clark
County of Union, New Jersey
Schedule of Expenditures of State Financial Assistance
Year ended December 31, 2012

State Grantor and Program Title	State Account Number	Grant Award Amount	Grant Period	2012		Cumulative Expenditures December 31, 2012
				Receipts	Expenditures	
Department of Law and Public Safety:						
Drunk Driving Enforcement	Not available	\$ 10,649	1/1/11 - 12/31/12	\$ 2,817	\$ 3,052	\$ 3,765
Body Armor	Not available	3,908	1/1/12 - 12/31/12	4,003	3,548	3,548
Body Armor	Not available	3,812	1/1/11 - 12/31/12	-	541	3,812
				6,820	7,141	11,125
Department of Health:						
Municipal Alliance	01A-18	30,872	1/1/11 - completion	27,012	13,250	16,104
				27,012	13,250	16,104
Department of Environmental Protection:						
Recycling Tonnage	Not available	16,727	1/1/11 - 12/31/12	-	7,867	7,867
Clean Communities Program	4900-765-042004-6020	22,649	1/1/12 - 12/31/13	22,649	7,592	7,592
Clean Communities Program	4900-765-042004-6020	23,035	1/1/11 - 12/31/12	-	23,035	23,035
Clean Communities Program	4900-765-042004-6020	24,311	1/1/10 - 12/31/12	-	16,071	24,311
				22,649	54,565	62,805
Department of Transportation:						
2012 Road Program	Not available	210,000	1/1/12-12/31/12	-	210,000	210,000
2011 Road Program	Not available	146,035	1/1/11 - 12/31/11	-	-	146,035
				-	210,000	356,035
Total expenditures of state financial assistance				\$ 56,481	\$ 284,956	\$ 446,069

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Township of Clark

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended December 31, 2012

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal and state programs of the Township of Clark (Township). All federal financial awards received directly from federal agencies, as well as expenditures of federal awards passed through other government agencies, are included on the schedule of expenditures of federal awards. All restricted state financial assistance received directly from state agencies, as well as restricted state financial assistance passed through other government agencies, are included on the schedule of expenditures of state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the modified accrual basis of accounting. This basis of accounting is described in Note 1 to the Township's regulatory-basis financial statements. The information in these schedules is presented in accordance with the requirements of New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

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.

4. Relationship to Financial Statements – Regulatory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. These amounts are reported in either the Current Fund or the General Capital Fund.

5. Other

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



**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 AUDITORS' REPORT

Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union
Clark, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Township of Clark ("Township"), County of Union, New Jersey as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2013, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division and a qualified opinion since we did not audit and the Division does not require the Length of Services Award Program ("LOSAP") to be audited.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

Iselin, New Jersey
June 21, 2013

Comments Section

Township of Clark
County of Union, New Jersey

Comments

Years ended December 31, 2012 and 2011

An audit of the financial accounts and transactions of the Township of Clark, County of Union, New Jersey ("Township") for the year ended December 31, 2012 and 2011, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Revenues and receipts tested were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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 [40A:11-3], 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 is has had prior negative experience with the bidder."

Township of Clark
County of Union, New Jersey

Comments (continued)

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 \$36,000. 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.

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The examination of expenditures revealed individual payments, contracts or agreements in excess of \$36,000 "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles," other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

The governing body, on April 21, 1980 adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate of delinquent taxes or assessments at 8% per annum on the first \$1,500 and a rate of 18% per annum on any amount in excess of \$1,500. On June 17, 1991, this was amended to add an additional penalty of 6% on delinquent taxes in excess of \$10,000. The Township adopts an annual resolution setting these interest rates.

Collection of Taxes and Other Charges

Test verification of taxes and sewer utility billings was made in accordance with regulations issued by the Division.

Alternate procedures for non-replies were performed as follows:

- (1) Mechanical accuracy testing of tax or sewer calculation and verification of the assessed valuation.

Township of Clark
County of Union, New Jersey

Comments (continued)

Comparative Schedule of Tax Rate Information

	2012	2011	2010
Tax rate	\$7.61	\$7.38	\$7.15
Apportionment of tax rate:			
Municipal	\$1.93	\$1.91	\$1.94
Library	0.12	0.12	-
County	1.60	1.49	1.40
Local school	3.96	3.86	3.81
Net value taxable	\$729,346,387	\$729,183,566	\$729,447,072

Comparison of Tax Levies and Collections

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.

Year	Tax Levy	Cash Collections	Percent of Collections
2012	\$ 55,606,836	\$ 54,991,233	98.89%
2011	53,962,900	53,473,363	99.09
2010	52,195,148	51,579,623	98.82

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	\$ 16,593	\$ 584,800	\$ 601,393	1.08%
2011	15,865	421,026	436,891	0.81
2010	15,142	556,742	571,883	1.10

Liens

The last tax sale was held on October 26, 2012 and was complete.

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

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

Year	Number of Liens
2012	52
2011	52
2010	52

Property Acquired by Tax Title Lien Liquidation

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

Equalized Valuations – Real Property

Year	Amount
2012	\$ 2,410,526,124
2011	2,527,841,831
2010	2,526,001,040

Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2012	\$ 1,857,219	\$ 1,580,000
	2011	1,731,552	1,400,000
	2010	1,814,183	1,300,000
Swim Pool Utility Operating Fund	2012	\$ 26,037	\$ 14,400
	2011	27,682	16,800
	2010	28,623	16,800
Sewer Utility Operating Fund	2012	\$ 1,571,072	\$ -
	2011	1,271,657	-
	2010	1,706,676	900,000

Officials in Office and Surety Bonds

Name	Title	Amount of Bond
Sal Bonaccorso	Mayor	*
Frank Mazzarella	Council President	*
Sheila Whiting	Council Vice-President	*
Angel Albanese	Councilwoman	*
Alvin Barr	Councilman	*
Brian Toal	Councilman	*
Richard Kazanowski	Councilman	*
Patrick O'Connor	Councilman	*
John Laezza	Business Administrator	\$25,000
Terance O'Neill	Tax Collector	**
Terance O'Neill	Chief Financial Officer	*
John De Simone	Director of Public Safety	*
Edith Merkel	Township Clerk	*
Ralph Bernardo	Director of Recreation	*
Joseph J. Triarsi	Municipal Attorney	*
Mike Ross	Tax Assessor	*
Nancy Raymond	Health Officer	*
Richard O'Connor	Township Engineer	*
Mike Khoda	Plumbing Inspector	*
Lorraine Disko	Court Administrator	***
Antonio Inacio	Judge	\$50,000
Michael Khoda	Construction Official	*
Alan Scherb	Captain, Officer in Charge	*

* Covered by \$50,000 Public Employees Blanket Bond-New Jersey Municipal Self Insurer's Joint Insurance Fund.

** Covered by \$1,000,000 Statutory Bond-Municipal Excess Liability Joint Insurance Fund.

*** Covered by \$50,000 Municipal Court Blanket Bond- New Jersey Municipal Self Insurer's Joint Insurance Fund.

Comments and Recommendations

Township of Clark
Comments and Recommendations
Year ended December 31, 2012

Purchasing

Technical Accounting Directive No. 1

A review of the Township's detailed open purchase order report revealed that the majority of the Township's contracts are encumbered prior to the procurement of goods or services. However, our tests of internal controls revealed a few instances in which the Township did not properly encumber funds prior to placing an order with a vendor for the procurement of goods or services. The majority of these instances were related to maintenance expenditures.

We suggest that the Township properly encumber funds prior to procuring goods and/or services.

Cash Management

Cash Deposits

During our internal control testing over cash receipts of the Township, we identified instances in which monies collected by the various departments were not deposited into an official depository within 48 hours, as required by 40A:5-15.

We suggest that the Township strengthen internal procedures relating to the depositing of funds to ensure that all cash receipts are deposited within 48 hours of collection as required by state statute.

Municipal Court

Ticket Control Log

During our review of the Clark Municipal Court Visitation Report prepared by the Superior Court of New Jersey, we noted that fourteen tickets that were distributed to police officers over six months ago remain unissued.

We suggest that these tickets be returned and purged from the system before new tickets are assigned to the respective officer. In the event that the unissued tickets cannot be produced, we suggest that the assigned officer sign a statement that these tickets are in fact unissued and void so that they may be purged from the system.

General Account Shortage

During our audit of the Municipal Court, we noted that there is a shortage of \$1,225.81 in the General Account being carried since December 2010 to present date.

We suggest that the Court take appropriate action to eliminate this shortage in connection with the Township.