

BOROUGH OF CALDWELL

COUNTY OF ESSEX

REPORT OF AUDIT

2013

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF CALDWELL
COUNTY OF ESSEX
REPORT OF AUDIT
2013

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013

<u>Part I - Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
 <u>Financial Statements</u>	 <u>Schedule</u>
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenue	A-2
Statement of Expenditures	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet	B
Statement of Fund Balance - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
Statement of General Capital Fund Balance	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet	D
Comparative Statement of Operations and Change in Fund Balance - Water Utility Operating Fund	D-1
Statement of Capital Fund Balance - Water Utility Capital Fund	D-1A
Statement of Revenue - Water Utility Operating Fund	D-2
Statement of Expenditures - Water Utility Operating Fund	D-3
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet	E
Comparative Statement of Operations and Change in Fund Balance - Sewer Utility Operating Fund	E-1
Statement of Capital Fund Balance - Sewer Utility Capital Fund (Not Applicable)	E-1A
Statement of Revenue - Sewer Utility Operating Fund	E-2
Statement of Expenditures - Sewer Utility Operating Fund	E-3
<u>Public Assistance Fund</u>	
Comparative Balance Sheet	F
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>General Fixed Assets Account Group</u>	H
	 <u>Page</u>
 <u>Notes to Financial Statements</u>	 1-19

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Part I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data:</u>	
Roster of Officials	1
<u>Current Fund</u>	
Schedule of Cash - Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Federal and State Grant Fund (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens (Not Applicable)	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Consumer Accounts Receivable (Not Applicable)	A-10
Schedule of 2012 Appropriation Reserves	A-11
Schedule of Regional School District Taxes Payable	A-12
Schedule of Grants Receivable - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-15
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Schedule of Animal Control Fund Cash - Collector	B-4A
Analysis of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures	B-6
<u>General Capital Fund</u>	
Schedule of Cash - Treasurer	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Bonds and Notes Authorized but not Issued	C-9
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer	D-4
Schedule of Cash - Collector	D-4A
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2012 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-12A
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund	D-13
Schedule of Serial Bonds Payable - Water Utility Capital Fund	D-14
Schedule of Bonds and Notes Authorized but not Issued - Water Utility Capital Fund	D-15

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Part I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data (Cont'd):</u>	
<u>Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	E-4
Schedule of Cash - Collector - Sewer Utility Operating Fund	E-4A
Analysis of Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2012 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-12A
Schedule of Bond Anticipation Notes Payable - Sewer Utility Capital Fund (Not Applicable)	E-13
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund	E-14
Schedule of NJ Environmental Infrastructure Trust (NJEIT) Loans Payable - Sewer Utility Capital Fund	E-15
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-16
<u>Public Assistance Fund</u>	
Schedule of Cash - Treasurer	F-1
 <u>Part II - Single Audit</u>	
Schedule of Expenditures of Federal Awards	<u>Page</u> 1
Schedule of Expenditures of State Awards	2-3
Notes to Schedules of Expenditures of Federal and State Awards	4
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
Schedule of Findings and Responses	7
Summary Schedule of Prior Audit Findings	8
 <u>Part III - Comments and Recommendations</u>	
Comments and Recommendations	1-6
Summary of Recommendations	7

BOROUGH OF CALDWELL

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013



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 Mt. Arlington, NJ 07856
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions 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, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Borough'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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Borough as of December 31, 2013 and 2012, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough as of December 31, 2013 and 2012, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

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

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

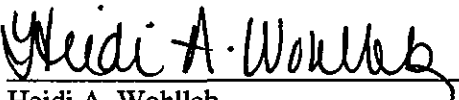
The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 29, 2014

NISIVOCCIA LLP



Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 1,918,624.37	\$ 2,130,135.52
Change Fund		300.00	150.00
		<u>1,918,924.37</u>	<u>2,130,285.52</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	28.47	352.05
Revenue Accounts Receivable	A-9	21,042.92	91,492.04
Due from Animal Control Fund	B		5,015.40
Due from Water Utility Operating Fund	D		200,038.91
		<u>21,071.39</u>	<u>296,898.40</u>
Deferred Charges:			
Emergency Authorization			55,000.00
			<u>55,000.00</u>
Total Regular Fund		<u>1,939,995.76</u>	<u>2,482,183.92</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	8,326.62	100,852.93
Due from Current Fund	A	230,134.06	323,124.00
		<u>238,460.68</u>	<u>423,976.93</u>
Total Federal and State Grant Fund		<u>238,460.68</u>	<u>423,976.93</u>
TOTAL ASSETS		<u>\$ 2,178,456.44</u>	<u>\$ 2,906,160.85</u>

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 157,371.17	\$ 15,257.87
Unencumbered	A-3;A-11	516,571.42	615,814.53
		<u>673,942.59</u>	<u>631,072.40</u>
Accounts Payable - Vendors		4,786.82	
Community Center Fees Refunds Payable			1,511.58
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		16,299.62	15,799.62
Marriage License Fees		350.00	325.00
Burial Permits		5.00	
DCA Training Fees		1,765.00	
County Added and Omitted Taxes Payable		2,011.03	3,878.90
Prepaid Taxes		75,012.50	85,797.56
Tax Overpayments			30,735.69
Due to Federal and State Grant Fund	A	230,134.06	323,124.00
Due to Other Trust Funds	B		39,673.16
Due to General Capital Fund	C		133,102.17
Due to Sewer Utility Operating Fund	E	53.08	298,983.69
Reserve for Storm Damage		9,335.68	22,525.68
Reserve for Hurricane Sandy Damage		11,633.76	55,000.00
Reserve for FEMA Reimbursements		23,371.19	
Reserve for State Library Aid		0.22	3,565.77
		<u>1,048,700.55</u>	<u>1,645,095.22</u>
Reserve for Receivables and Other Assets	A	21,071.39	296,898.40
Fund Balance	A-1	870,223.82	540,190.30
Total Regular Fund		<u>1,939,995.76</u>	<u>2,482,183.92</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-15	26,042.00	5,500.00
Appropriated Reserves	A-15	212,418.68	385,246.52
Unappropriated Reserves	A-14		33,230.41
Total Federal and State Grant Fund		<u>238,460.68</u>	<u>423,976.93</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,178,456.44</u>	<u>\$ 2,906,160.85</u>

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

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2013</u>	<u>2012</u>
Fund Balance Utilized		\$ 340,550.00	\$ 340,550.00
Miscellaneous Revenue Anticipated		4,354,085.62	4,412,478.50
Receipts from:			
Delinquent Taxes		8,954.83	12,177.21
Current Taxes		23,921,349.74	23,918,345.86
Nonbudget Revenue		295,328.37	145,321.99
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		302,702.84	200,341.56
Cancellation of Tax Overpayments		4,018.62	
Cancellation of Federal and State Grant Fund			
Appropriated Reserves		165,506.24	
Cancellation of Community Center Fees Refunds Payable		695.00	
Cancellation of Reserve for Library State Aid		3,480.00	
Adjustment to Change Funds		150.00	
Interfunds Returned		105,054.31	22,720.14
Total Income		<u>29,501,875.57</u>	<u>29,051,935.26</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		11,908,186.08	11,943,752.20
County Taxes		5,043,386.21	4,918,690.09
Local School District Taxes		11,693,276.00	11,796,503.21
Municipal Open Space Taxes		101,482.06	102,324.95
Prior Year Senior Citizens Deductions' Disallowed			250.00
Refund of Prior Year Revenue Due to Other Trust Funds			13,634.29
Refund of Prior Year Taxes		9,417.66	6,303.45
Cancellation of Federal and State Grant Fund Receivables		75,544.04	
Interfunds Advanced			205,054.31
Total Expenditures		<u>28,831,292.05</u>	<u>28,986,512.50</u>
Excess in Revenue		670,583.52	65,422.76
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			55,000.00
Statutory Excess to Fund Balance		670,583.52	120,422.76
<u>Fund Balance</u>			
Balance January 1		540,190.30	760,317.54
		1,210,773.82	880,740.30
Decreased by:			
Utilized as Anticipated Revenue		340,550.00	340,550.00
Balance December 31	A	<u>\$ 870,223.82</u>	<u>\$ 540,190.30</u>

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

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 340,550.00		\$ 340,550.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	7,930.00		7,049.00	\$ 881.00 *
Other	52,699.00		56,413.50	3,714.50
Fees and Permits	46,207.35		36,679.25	9,528.10 *
Fines and Costs:				
Other	300,000.00		298,493.75	1,506.25 *
Interest and Costs on Taxes	42,664.96		31,858.82	10,806.14 *
Parking Meters	143,569.62		144,053.04	483.42
Interest on Investments and Deposits	2,386.36		1,761.28	625.08 *
Rent - Grover Cleveland Senior Citizens Center	11,049.96		11,049.96	
Sewer Utility Operating Fund - Administration Charge	99,022.00		99,022.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland	36,500.00		36,500.00	
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing	159,001.00		156,300.00	2,701.00 *
Lease of Municipal Property - Wastewater Treatment Plant	220,374.75		220,374.75	
Cablevision Franchise Fees (N.J.S. 48:5A-30)	117,954.96		117,954.96	
Sewer User Charges	158,139.26		158,139.26	
Consolidated Municipal Property Tax Relief Aid	18,881.00		18,881.00	
Energy Receipts Tax	667,994.00		667,993.76	0.24 *
Uniform Construction Code Fees	156,749.00		125,279.00	31,470.00 *
Shared Service Agreements:				
Township of West Caldwell - Welfare Services	8,000.00		8,000.00	
Community Center - Membership & Program Fees	1,551,285.59		1,492,594.15	58,691.44 *
Reserve for Bulletproof Vest - 2012	1,042.50		1,042.50	
Reserve for Body Armor Fund - Prior Years	2,009.15		2,009.15	
Reserve for Recycling Tonnage Grant - 2012	9,034.43		9,034.43	
Reserve for Recycling Tonnage Grant - 2011	9,352.89		9,352.89	
Reserve for Drunk Driving Enforcement Fund - 2012	4,033.44		4,033.44	
Reserve for Drunk Driving Enforcement Fund - 2011	4,908.00		4,908.00	
Reserve for Drive Sober or Get Pulled Over - 2012	2,850.00		2,850.00	
Drunk Driving Enforcement Fund - 2013		\$ 5,899.53	5,899.53	
Recycling Tonnage Grant - 2013		12,288.20	12,288.20	
Body Armor Replacement Fund - 2013		3,011.63	3,011.63	
Clean Communities Program - 2013		13,113.43	13,113.43	
Alcohol Education and Rehabilitation Fund - 2013		4,116.43	4,116.43	
Bulletproof Vest Program - 2012		3,500.00	3,500.00	
Bulletproof Vest Program - 2013		2,062.05	2,062.05	
Hurricane Irene Disaster National Emergency Grant - 2012		31,082.00	31,082.00	
FEMA Assistance to Firefighters Grant - 2013		72,818.00	72,818.00	
Drive Sober or Get Pulled Over - 2013		4,400.00	4,400.00	
Drive Sober or Get Pulled Over Holiday Crackdown - 2013		4,400.00	4,400.00	
Click it or Ticket - 2013		2,900.00	2,900.00	
Yield to Pedestrians - 2013		600.00	600.00	
Green Communities - 2013		1,931.58	1,931.58	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue:				
Utility Operating Surplus of Prior Year (Sewer)	\$ 28,212.00		\$ 28,212.00	
Water Utility Operating Fund - Administration Charges	27,332.00		27,332.00	
Escrow Fees (Due from Other Trust)	5,600.00		5,600.00	
Capital Fund Balance	8,194.15		8,194.15	
Reserve for Open Space Trust to Offset Debt Service	67,341.22		67,341.22	
Reserve for Payment of Debt Service	14,417.17		14,417.17	
Additional Sewer User Charges	10,926.20		24,270.09	\$ 13,343.89
Additional Cablevision Franchise Fees (N.J.S.48:5A-30)	2,920.00		2,920.00	
Lease of Municipal Property (Wastewater Treatment Plant) - Additional 2013	73,458.25		103,950.25	30,492.00
Additional Community Center Fees	56,493.05			56,493.05 *
Lease of Municipal Property (Wastewater Treatment Plant) - 2012	88,098.00		88,098.00	
Bloomfield - Division of Aging - Visiting Nurse Reimbursement	3,972.00			3,972.00 *
Due from Water Utility Operating Fund	100,000.00		100,000.00	
 Total Miscellaneous Revenue	 4,320,603.26	 \$ 162,122.85	 4,354,085.62	 128,640.49 *
Receipts from Delinquent Taxes	352.02		8,954.83	8,602.81
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,847,383.79		6,846,031.31	1,352.48 *
Minimum Library Tax	342,889.71		342,889.71	
	<u>7,190,273.50</u>		<u>7,188,921.02</u>	<u>1,352.48 *</u>
 Budget Totals	 11,851,778.78	 162,122.85	 11,892,511.47	 <u>\$ 121,390.16 *</u>
Nonbudget Revenue			<u>295,328.37</u>	
	<u>\$ 11,851,778.78</u>	<u>\$ 162,122.85</u>	<u>\$ 12,187,839.84</u>	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 23,921,349.74
Allocated to County, Local School District and Open Space Taxes	<u>16,838,144.27</u>
Balance for Support of Municipal Budget	7,083,205.47
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>105,715.55</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 7,188,921.02</u></u>

Analysis of Licenses - Other:

Rental Licenses	\$ 44,970.00
Raffle Licenses	1,758.50
Health Department	7,190.00
Amusement Licenses	195.00
Used Car Licenses	1,250.00
Vital Statistics	100.00
Other Licenses	<u>950.00</u>
	<u><u>\$ 56,413.50</u></u>

Analysis of Fees and Permits:

Garage Sale Permits	\$ 250.00
Police Report Fees	1,932.90
Vital Statistics Fees	13,408.00
Planning and Zoning Application Fees	4,395.00
Zoning Permits	5,071.68
Inspections	8,530.00
Other Fees	<u>3,091.67</u>
	<u><u>\$ 36,679.25</u></u>

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Federal Emergency Management Agency Reimbursements:

October 2011 Snowstorm	\$ 73,265.63
Superstorm Sandy	76,961.79
State of New Jersey Motor Vehicle Inspections	27,928.50
State of New Jersey - Senior Citizens' and Veterans'	
Deductions Administrative Reimbursement	925.00
Insurance Claims	61,952.78
State of NJ Water Supply Flood	10,768.51
Bloomfield - 2011/2012 Visiting Nurses Reimbursements	7,698.00
Prior Year Health Benefits Reimbursements	5,069.15
Junk Vehicle Sale Proceeds	1,202.00
Cancellation of Payroll Account balances	7,866.00
Cancellation of Trust Reserve for LOSAP Surrendered Funds	10,758.55
Cancellation of Prior Year Due to State of New Jersey - DCA Fees	4,923.00
Other Miscellaneous	6,009.46

\$ 295,328.37

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

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 92,385.25	\$ 92,385.25	\$ 80,647.78	\$ 11,737.47	
Other Expenses	105,400.00	81,699.74	81,085.77	613.97	
Mayor and Council:					
Salaries and Wages	11,000.00	11,000.00	11,000.00		
Other Expenses	2,500.00	2,500.00	1,191.50	1,308.50	
Municipal Clerk:					
Salaries and Wages	19,097.75	19,097.75	18,651.11	446.64	
Other Expenses	1,500.00	1,500.00	40.00	1,460.00	
Elections:					
Other Expenses	3,500.00	3,500.00	3,069.58	430.42	
Financial Administration:					
Salaries and Wages	46,125.00	46,125.00	46,037.90	87.10	
Other Expenses	43,555.00	58,055.00	55,541.32	2,513.68	
Annual Audit	23,500.00	23,500.00	15,893.42	7,606.58	
Collection of Taxes:					
Salaries and Wages	30,600.00	30,600.00	22,956.56	7,643.44	
Other Expenses	7,200.00	7,200.00	6,659.88	540.12	
Assessment of Taxes:					
Salaries and Wages	25,958.00	25,958.00	19,089.80	6,868.20	
Other Expenses	6,000.00	6,000.00	5,832.98	167.02	
Legal Services and Costs:					
Other Expenses	51,300.00	51,300.00	47,823.39	3,476.61	
Engineering Services and Costs:					
Other Expenses	24,000.00	24,000.00	24,000.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Other Expenses	\$ 3,403.00	\$ 3,403.00	\$ 2,915.00	\$ 488.00	
Zoning Board of Adjustment:					
Other Expenses	3,403.00	3,403.00	3,015.00	388.00	
Rent Review Board:					
Other Expenses	2,000.00	2,000.00	2,000.00		
PUBLIC SAFETY:					
Police:					
Salaries and Wages	1,998,178.56	1,998,178.56	1,914,120.28	84,058.28	
Other Expenses	269,200.26	269,200.26	268,670.14	530.12	
Public Defender:					
Other Expenses	4,050.00	4,050.00	4,050.00		
Parking Meter Maintenance:					
Other Expenses	3,275.00	3,275.00	2,128.70	1,146.30	
Office of Emergency Management:					
Other Expenses	855.00	855.00		855.00	
PUBLIC SAFETY:					
Aid to West Essex First Aid Squad:					
Other Expenses	6,501.20	6,501.20	6,501.20		
Fire Department:					
Other Expenses	45,202.00	45,202.00	38,083.57	7,118.43	
Municipal Prosecutor:					
Other Expenses	10,000.00	10,000.00	10,000.00		
Municipal Court:					
Salaries and Wages	122,626.49	122,626.49	108,740.85	13,885.64	
Other Expenses	14,705.93	14,705.93	13,273.68	1,432.25	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	\$ 306,019.18	\$ 306,019.18	\$ 302,048.96	\$ 3,970.22	
Other Expenses	39,000.00	39,000.00	27,213.79	11,786.21	
Recycling:					
Other Expenses	42,783.00	42,783.00	42,783.00		
Solid Waste Collection:					
Other Expenses	578,201.00	578,201.00	551,520.47	26,680.53	
Building and Grounds:					
Other Expenses	59,750.00	59,750.00	52,041.65	7,708.35	
Shade Tree Division:					
Other Expenses	35,700.00	35,700.00	18,450.00	17,250.00	
Vehicle Repair/Maintenance (Including Police):					
Other Expenses	54,500.00	55,500.00	53,265.63	2,234.37	
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
Other Expenses	17,500.00	17,500.00	17,174.33	325.67	
HEALTH AND WELFARE:					
Public Health Service (Board of Health):					
Salaries and Wages	31,155.64	31,155.64	31,083.08	72.56	
Other Expenses	66,872.00	66,872.00	62,658.65	4,213.35	
Environmental Commission:					
Other Expenses	1,200.00	1,200.00	930.89	269.11	
Animal Control:					
Other Expenses	16,008.00	16,008.00	8,004.00	8,004.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
RECREATION AND EDUCATION:					
Recreation Services and Programs:					
Other Expenses	\$ 402,590.00	\$ 402,590.00	\$ 402,590.00		
Senior Citizens' Transportation:					
Salaries and Wages	49,138.00	49,138.00	48,763.74	\$ 374.26	
Other Expenses	35,607.93	35,607.93	35,107.93	500.00	
Special Events:					
Other Expenses	4,000.00	4,000.00	519.16	3,480.84	
UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	116,068.00	116,068.00	112,961.53	3,106.47	
Other Expenses	7,900.00	7,900.00	3,694.64	4,205.36	
UTILITY EXPENSES AND BULK PURCHASES:					
Electric & Gas	73,500.00	73,500.00	65,054.28	8,445.72	
Street Lighting	140,000.00	140,000.00	111,073.61	28,926.39	
Telephone (excluding equipment acquisition)	49,000.00	57,200.00	55,425.16	1,774.84	
Gasoline	82,500.00	82,500.00	70,347.30	12,152.70	
INSURANCE:					
Workers Compensation/General Liability	202,798.66	202,798.66	202,455.84	342.82	
Employee Group Health	1,111,312.08	1,111,312.08	1,057,514.76	53,797.32	
Total Operations Within "CAPS"	6,505,124.93	6,505,124.67	6,145,701.81	359,422.86	
Detail:					
Salaries and Wages	2,853,351.87	2,846,196.23	2,709,018.51	137,177.72	
Other Expenses	3,651,773.06	3,658,928.44	3,436,683.30	222,245.14	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 46,761.70	\$ 46,761.70	\$ 46,761.70		
Social Security System (O.A.S.I.)	129,000.00	129,000.00	128,354.58	\$ 645.42	
Police and Firemen's Retirement System of NJ	419,053.84	419,053.84	419,053.84		
Defined Contribution Retirement Program	3,100.00	3,100.00	2,442.01	657.99	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	597,915.54	597,915.54	596,612.13	1,303.41	
Total General Appropriations for Municipal Purposes Within "CAPS"	7,103,040.47	7,103,040.21	6,742,313.94	360,726.27	
Operations Excluded from "CAPS":					
Refund Tax Appeals:					
Other Expenses	25,000.00	25,000.00		25,000.00	
Sewerage Treatment:					
Other Expenses	1,103,177.92	1,103,177.92	1,090,469.97	12,707.95	
Length of Service Awards Program:					
Fire Department	42,000.00	42,000.00		42,000.00	
West Essex First Aid Squad	15,000.00	15,000.00		15,000.00	
Municipal Library:					
Salaries and Wages	224,505.00	224,505.00	224,393.36	111.64	
Other Expenses	196,121.62	196,121.62	187,961.20	8,160.42	
Employee Group Health	38,954.00	38,954.00	38,954.00		
Shared Service Agreements:					
Township of West Caldwell - Welfare:					
Salaries and Wages	8,000.00	8,000.00	7,772.62	227.38	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Community Center:					
Salaries and Wages	\$ 982,726.08	\$ 982,726.08	\$ 975,544.83	\$ 7,181.25	
Other Expenses	508,409.73	508,409.73	462,953.22	45,456.51	
State and Federal Programs Offset by Revenue:					
Reserve for Bulletproof Vest - 2012	1,042.50	1,042.50	1,042.50		
Reserve for Body Armor Fund - Prior Years	2,009.15	2,009.15	2,009.15		
Reserve for Recycling Tonnage Grant - 2012	9,034.43	9,034.43	9,034.43		
Reserve for Recycling Tonnage Grant - 2011	9,352.89	9,352.89	9,352.89		
Reserve for Drunk Driving Enforcement Fund - 2012	4,033.44	4,033.44	4,033.44		
Reserve for Drunk Driving Enforcement Fund - 2011	4,908.00	4,908.00	4,908.00		
Reserve for Drive Sober or Get Pulled Over - 2012	2,850.00	2,850.00	2,850.00		
Body Armor Replacement Fund - 2013 (N.J.S.A. 40A:4-87 + \$2,338.88)		3,011.63	3,011.63		
Bulletproof Vest - 2012 (N.J.S.A. 40A:4-87 + \$3,011.63)		3,500.00	3,500.00		
Bulletproof Vest - 2013 (N.J.S.A. 40A:4-87 + \$2,062.05)		2,062.05	2,062.05		
Alcohol Education and Rehabilitation Grant - 2013 (N.J.S.A. 40A:4-87 + \$4,116.43)		4,116.43	4,116.43		
Municipal Alliance on Alcohol & Drug Abuse Local Share - Cash Match	5,500.00	5,500.00	5,500.00		
Hurricane Irene Disaster National Emergency Grant - 2012 (N.J.S.A. 40A:4-87 + \$31,082)		31,082.00	31,082.00		
Drive Sober or Get Pulled Over - 2013 (N.J.S.A. 40A:4-87 + \$4,400.00)		4,400.00	4,400.00		
Drive Sober or Get Pulled Over Holiday Crackdown - 2013 (N.J.S.A. 40A:4-87 + \$4,400.00)		4,400.00	4,400.00		
Click it or Ticket - 2013 (N.J.S.A. 40A:4-87 + \$2,900.00)		2,900.00	2,900.00		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$13,113.43)		13,113.43	13,113.43		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$5,899.53)		5,899.53	5,899.53		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenue:					
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 + \$12,288.20)		\$ 12,288.20	\$ 12,288.20		
FEMA Assistance to Firefighters Grant - 2013 (N.J.S.A. 40A:4-87 + \$72,818.00)		72,818.00	72,818.00		
Yield to Pedestrians - 2013 (N.J.S.A. 40A:4-87 + \$600.00)		600.00	600.00		
Green Communities - 2013 (N.J.S.A. 40A:4-87 + \$1,931.58)		1,931.58	1,931.58		
Total Operations Excluded from "CAPS"	\$ 3,182,624.76	3,344,747.61	3,188,902.46	\$ 155,845.15	
Detail:					
Salaries and Wages	1,215,231.08	1,215,231.08	1,207,710.81	7,520.27	
Other Expenses	1,967,393.68	2,129,516.53	1,981,191.65	148,324.88	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	85,000.00	85,000.00	85,000.00		
Total Capital Improvements Excluded from "CAPS"	85,000.00	85,000.00	85,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	895,000.00	895,000.00	895,000.00		
Interest on Bonds	425,398.00	425,398.26	425,398.26		
Total Municipal Debt Service Excluded from "CAPS"	1,320,398.00	1,320,398.26	1,320,398.26		
Deferred Charges - Municipal - Excluded from "CAPS":					
Emergency Authorizations	55,000.00	55,000.00	55,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	55,000.00	55,000.00	55,000.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations Excluded from "CAPS"	\$ 4,643,022.76	\$ 4,805,145.87	\$ 4,649,300.72	\$ 155,845.15	
Subtotal General Appropriations	11,746,063.23	11,908,186.08	11,391,614.66	516,571.42	
Reserve for Uncollected Taxes	105,715.55	105,715.55	105,715.55		
Total General Appropriations	<u>\$ 11,851,778.78</u>	<u>\$ 12,013,901.63</u>	<u>\$ 11,497,330.21</u>	<u>\$ 516,571.42</u>	<u>\$ -0-</u>

Ref.

A

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Analysis of	
	Budget After Modification	Paid or Charged
Adopted Budget	\$ 11,851,778.78	
Appropriation by NJSA 40A:4-87	162,122.85	
	\$ 12,013,901.63	
	<u>Ref.</u>	
Cash Disbursed		\$ 11,054,571.12
Reserve for Uncollected Taxes		105,715.55
Reserve for Encumbrances	A	157,371.17
Deferred Charges - Emergency Authorization		55,000.00
Due Federal and State Grant Fund:		
Grants		195,353.26
Local Match		5,500.00
		11,573,511.10
Less: Appropriation Refunds		76,180.89
		\$ 11,497,330.21

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
TRUST FUNDS

BOROUGH OF CALDWELL
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 3,024.10	\$ 8,940.00
Change Fund			25.00
		<u>3,024.10</u>	<u>8,965.00</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	611,511.13	515,849.67
Due from Current Fund	A		39,673.16
		<u>611,511.13</u>	<u>555,522.83</u>
TOTAL ASSETS		<u>\$ 614,535.23</u>	<u>\$ 564,487.83</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Board of Health		\$ 80.00	\$ 65.60
Due to Current Fund	A		5,015.40
Reserve for Animal Control Fund Expenditures	B-6	2,944.10	3,884.00
		<u>3,024.10</u>	<u>8,965.00</u>
Other Trust Funds:			
Due to State of New Jersey - DCA Fees			6,160.00
Reserve for:			
State Unemployment Insurance		7,371.59	13,663.96
Open Space		212,328.67	255,477.02
Escrow Fees		76,798.51	62,093.58
Tax Sale Premiums		54,900.00	55,900.00
Outside Tax Liens		756.05	511.95
Parking Offense Adjudication Act		15,328.20	14,855.70
Police Outside Duty Traffic Assignment		7,262.50	7,120.00
Recycling		48,465.71	22,274.47
Confiscated Funds		2,104.66	2,441.36
LOSAP Surrendered Funds			10,758.55
Accumulated Leave		76,195.24	39,266.24
Debt Service - 2005 Sinking Fund Bonds		90,000.00	65,000.00
Police Donations		10,000.00	
Snow Removal		10,000.00	
		<u>611,511.13</u>	<u>555,522.83</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 614,535.23</u>	<u>\$ 564,487.83</u>

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

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 901,710.77	\$ 498,487.12
Due from Current Fund	A		133,102.17
Due from Water Utility Operating Fund	D		34,425.00
Grants Receivable:			
New Jersey Department of Community Affairs		150,000.00	150,000.00
Township of West Caldwell - Shared Services Agreement		26,835.27	30,618.60
Community Development Block Grants Receivable		224.06	224.06
New Jersey Department of Transportation Grants Receivable		66,827.43	66,827.43
Deferred Charges to Future Taxation:			
Funded		10,101,900.00	10,991,900.00
Unfunded	C-4	2,071,815.00	1,935,965.00
<u>TOTAL ASSETS</u>		<u>\$ 13,319,312.53</u>	<u>\$ 13,841,549.38</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 10,101,900.00	\$ 10,991,900.00
Bond Anticipation Notes Payable	C-7	1,326,605.00	
Improvement Authorizations:			
Funded	C-5	976,316.04	1,047,984.33
Unfunded	C-5	522,613.25	1,651,012.07
Due to Water Utility Capital Fund	D		36,168.00
Capital Improvement Fund	C-6	115,418.00	37,568.00
Reserve for:			
Encumbrances		38,209.30	690.00
Payment of Debt Service		236,884.54	68,032.83
Fund Balance	C-1	1,366.40	8,194.15
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 13,319,312.53</u>	<u>\$ 13,841,549.38</u>

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

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 8,194.15
Increased by:		
Premium on Sale of Notes		1,366.40
		9,560.55
Decreased by:		
Payment to Current Fund as Anticipated Revenue - 2013 Budget		8,194.15
		8,194.15
Balance December 31, 2013	C	\$ 1,366.40

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 719,927.49	\$ 1,193,408.57
Due from Water Utility Capital Fund	D		52,935.18
		<u>719,927.49</u>	<u>1,246,343.75</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	580.81	574.39
Total Receivables and Inventory with Full Reserves		<u>580.81</u>	<u>574.39</u>
Total Operating Fund		<u>720,508.30</u>	<u>1,246,918.14</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	298,723.06	759,071.76
Due from General Capital Fund	C		36,168.00
Fixed Capital	D-7	1,896,296.12	1,896,296.12
Fixed Capital Authorized and Uncompleted	D-8	3,331,050.00	2,761,000.00
Total Capital Fund		<u>5,526,069.18</u>	<u>5,452,535.88</u>
TOTAL ASSETS		<u>\$ 6,246,577.48</u>	<u>\$ 6,699,454.02</u>

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 260,063.03	\$ 647,103.09
Encumbered	D-3;D-9	31,674.45	1,140.64
		<u>291,737.48</u>	<u>648,243.73</u>
Due to Current Fund	A		200,038.91
Due to General Capital Fund	C		34,425.00
Due to Sewer Utility Operating Fund	E		120,725.33
Accrued Interest on Bonds		15,079.17	16,141.67
Accrued Interest on Notes		9,172.51	520.83
Water Rent Overpayments		1,243.80	2,932.45
		<u>317,232.96</u>	<u>1,023,027.92</u>
Reserve for Receivables	D	580.81	574.39
Fund Balance	D-1	402,694.53	223,315.83
		<u>720,508.30</u>	<u>1,246,918.14</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-14	1,025,000.00	1,140,000.00
Bond Anticipation Notes Payable	D-13	1,795,050.00	800,000.00
Due to Water Utility Operating Fund	D		52,935.18
Improvement Authorizations:			
Funded	D-10	80,351.63	80,351.63
Unfunded	D-10	293,764.49	1,205,980.95
Encumbrances Payable	D-10	16,694.98	
Capital Improvement Fund	D-11	104,750.00	80,000.00
Reserve to Pay Debt Service		11,300.00	11,300.00
Reserve for Amortization	D-12	2,141,446.12	2,026,446.12
Deferred Reserve for Amortization	D-12A	9,900.00	9,900.00
Fund Balance	D-1A	47,811.96	45,622.00
		<u>5,526,069.18</u>	<u>5,452,535.88</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 6,246,577.48</u>	<u>\$ 6,699,454.02</u>

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

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	<u>Year Ended December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 67,330.00	\$ 125,000.00
Water Rents/Additional Water Billing		1,532,920.68	1,533,849.64
Miscellaneous Revenue Anticipated		27,655.24	23,787.85
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		242,137.23	82,605.67
		<u>1,870,043.15</u>	<u>1,765,243.16</u>
<u>Expenditures</u>			
Operating		1,371,525.72	1,438,743.00
Capital Improvements		24,750.00	50,000.00
Debt Service		169,516.96	157,650.85
Deferred Charges and Statutory Expenditures		57,541.77	50,560.00
		<u>1,623,334.45</u>	<u>1,696,953.85</u>
Excess in Revenue		246,708.70	68,289.31
<u>Fund Balance</u>			
Balance January 1		223,315.83	280,026.52
		470,024.53	348,315.83
Decreased by:			
Utilization as Anticipated Revenue:			
Water Utility Operating Budget		67,330.00	125,000.00
		<u>67,330.00</u>	<u>125,000.00</u>
Balance December 31	D	<u>\$ 402,694.53</u>	<u>\$ 223,315.83</u>

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

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 45,622.00
Increased by:		
Premium on Sale of Notes		<u>2,189.96</u>
Balance December 31, 2013	D	<u>\$ 47,811.96</u>

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

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 67,330.00	\$ 67,330.00	
Water Rents	1,533,849.64	1,532,920.68	\$ 928.96 *
Miscellaneous Revenue	<u>23,787.85</u>	<u>27,655.24</u>	<u>3,867.39</u>
Budget Totals	<u>\$ 1,624,967.49</u>	<u>\$ 1,627,905.92</u>	<u>\$ 2,938.43</u>

Analysis of Water Rents

Water Rent Collections	\$ 1,529,988.23
Prior Year Overpayments Applied	<u>2,932.45</u>
	<u>\$ 1,532,920.68</u>

Analysis of Miscellaneous Revenue

Treasurer:	
Interest on Investments and Deposits:	\$ 940.51
Collector:	
Meter Sales	\$ 7,044.50
Meter Test	100.00
Penalties/Interest on Water Charges	<u>19,570.23</u>
	<u>26,714.73</u>
	<u>\$ 27,655.24</u>

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

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 253,982.75	\$ 253,982.75	\$ 253,881.15	\$ 101.60	
Other Expenses	1,118,605.47	1,117,542.97	858,734.74	258,808.23	
Capital Improvements:					
Capital Improvement Fund	24,750.00	24,750.00	24,750.00		
Debt Service:					
Payment of Bond Principal	115,000.00	115,000.00	115,000.00		
Interest on Bonds	40,587.50	41,650.00	40,587.50		\$ 1,062.50
Interest on Notes	14,500.00	14,500.00	13,929.46		570.54
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	25,426.87	25,426.87	25,426.87		
Social Security System (O.A.S.I.)	21,108.42	21,108.42	21,108.42		
Defined Contribution Retirement Plan	3,000.00	3,000.00	1,846.80	1,153.20	
Police and Firemen's Retirement System	8,006.48	8,006.48	8,006.48		
	<u>\$ 1,624,967.49</u>	<u>\$ 1,624,967.49</u>	<u>\$ 1,363,271.42</u>	<u>\$ 260,063.03</u>	<u>\$ 1,633.04</u>
	<u>Ref.</u>			D	
Cash Disbursed			\$ 1,277,080.01		
Accrued Interest on Bonds			40,587.50		
Accrued Interest on Notes			13,929.46		
Encumbrances Payable	D		31,674.45		
			<u>\$ 1,363,271.42</u>		

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 745,639.47	\$ 363,915.62
Due from Current Fund	A	53.08	298,983.69
Due from Water Utility Operating Fund	D		120,725.33
Due from Sewer Utility Capital Fund	E		15,797.27
		<u>745,692.55</u>	<u>799,421.91</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-6	<u>130,318.36</u>	<u>130,318.36</u>
Total Receivables and Inventory with Full Reserves		<u>130,318.36</u>	<u>130,318.36</u>
Total Operating Fund		<u>876,010.91</u>	<u>929,740.27</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	855,082.39	1,123,623.21
Due from New Jersey Environmental Infrastructure Trust		421,500.00	
Fixed Capital	E-7	28,882,151.97	28,882,151.97
Fixed Capital Authorized and Uncompleted	E-8	16,480,300.00	16,480,300.00
Total Capital Fund		<u>46,639,034.36</u>	<u>46,486,075.18</u>
TOTAL ASSETS		<u><u>\$ 47,515,045.27</u></u>	<u><u>\$ 47,415,815.45</u></u>

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 90,976.69	\$ 248,727.67
Encumbered	E-3	25,957.08	
		<u>116,933.77</u>	<u>248,727.67</u>
Prepaid Sewer Rents		53.08	879.68
Accrued Interest on Bonds		5,814.55	6,789.55
Accrued Interest on Loans		115,398.96	119,919.79
		<u>238,200.36</u>	<u>376,316.69</u>
Reserve for Receivables	E	130,318.36	130,318.36
Fund Balance	E-1	507,492.19	423,105.22
		<u>507,492.19</u>	<u>423,105.22</u>
Total Operating Fund		<u>876,010.91</u>	<u>929,740.27</u>
Capital Fund:			
Serial Bonds Payable	E-14	479,580.00	549,580.00
New Jersey Environmental Infrastructure Trust			
Loans Payable	E-15	11,965,684.74	12,262,653.70
Improvement Authorizations:			
Funded	E-10	328,940.53	328,940.53
Unfunded	E-10	340,646.32	708,389.87
Due to Sewer Utility Operating Fund	E		15,797.27
Capital Improvement Fund	E-11	1,045,215.54	930,215.54
Reserve for Amortization	E-12	32,299,416.12	31,510,947.16
Deferred Reserve for Amortization	E-12A	179,551.11	179,551.11
		<u>179,551.11</u>	<u>179,551.11</u>
Total Capital Fund		<u>46,639,034.36</u>	<u>46,486,075.18</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 47,515,045.27</u>	<u>\$ 47,415,815.45</u>

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

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	<u>Year Ended December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 162,432.00	\$ 72,432.00
Sewer Rents		4,247,035.23	4,246,973.22
Additional Sewer Rents		238,615.19	368,130.05
Interest Income		646.43	946.94
KMOS Lease of Wastewater Plant Property		162,998.25	162,998.25
Additional KMOS Lease of Wastewater Plant Property		54,332.75	
Sewer Connection Fees		179,400.00	118,400.00
Sewer Application Fees		1,750.00	
Nonbudget Revenue			46,435.50
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		206,455.73	35,031.60
		<u>5,253,665.58</u>	<u>5,051,347.56</u>
<u>Expenditures</u>			
Operating		3,673,638.54	3,560,106.86
Capital Improvements		115,000.00	200,500.00
Debt Service		1,091,501.33	1,075,567.81
Deferred Charges and Statutory Expenditures		98,494.74	172,444.29
		<u>4,978,634.61</u>	<u>5,008,618.96</u>
		275,030.97	42,728.60
<u>Fund Balance</u>			
Balance January 1		423,105.22	481,020.62
		<u>698,136.19</u>	<u>523,749.22</u>
Decreased by:			
Utilization as Anticipated Revenue		162,432.00	72,432.00
Surplus Anticipated in Current Fund		28,212.00	28,212.00
		<u>190,644.00</u>	<u>100,644.00</u>
Balance December 31	E	<u>\$ 507,492.19</u>	<u>\$ 423,105.22</u>

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

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 162,432.00	\$ 162,432.00	
Sewer Rents	4,247,035.23	4,247,035.23	
Interest Income	946.94	646.43	\$ 300.51 *
KMOS Lease of Wastewater Plant Property	162,998.25	162,998.25	
Sewer Connection Fees	118,400.00	179,400.00	61,000.00
Additional Sewer Rents	237,735.27	238,615.19	879.92
Additional KMOS Lease of Wastewater Plant Property	54,332.75	54,332.75	
Sewer Application Fees	250.00	1,750.00	1,500.00
 Budget Totals	 <u>\$ 4,984,130.44</u>	 <u>\$ 5,047,209.85</u>	 <u>\$ 63,079.41</u>

Sewer Rents/Additional Sewer Rents

Collected in Sewer Utility Operating Fund	\$ 4,484,770.74
Prepaid Sewer Rents Applied	<u>879.68</u>
	<u>\$ 4,485,650.42</u>

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

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 384,108.13	\$ 389,608.13	\$ 388,236.07	\$ 1,372.06	
Other Expenses	3,308,689.57	3,284,030.41	3,194,464.22	89,566.19	
Capital Improvements:					
Capital Improvement Fund	115,000.00	115,000.00	115,000.00		
Debt Service:					
Bond Principal	70,000.00	70,000.00	70,000.00		
Interest on Bonds	20,720.00	20,720.70	19,745.70		\$ 975.00
NJ Environmental Infrastructure Trust:					
Payment of Loan Principal and Interest	987,118.00	1,006,276.46	1,001,755.63		4,520.83
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	21,761.02	21,761.02	21,761.02		
Police and Firemen's Retirement System	46,484.45	46,484.45	46,484.45		
Social Security System (O.A.S.I.)	30,149.27	30,149.27	30,149.27		
Defined Contribution Retirement Plan	100.00	100.00	61.56	38.44	
	<u>\$ 4,984,130.44</u>	<u>\$ 4,984,130.44</u>	<u>\$ 4,887,657.92</u>	<u>\$ 90,976.69</u>	<u>\$ 5,495.83</u>
				E	
Cash Disbursed			\$ 4,723,612.06		
Accrued Interest on Bonds			19,745.70		
Accrued Interest on Loans			283,286.67		
Encumbrances Payable			25,957.08		
			<u>5,052,601.51</u>		
Less: Appropriation Refunds			164,943.59		
			<u>\$ 4,887,657.92</u>		

Ref.

E

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 35,297.66</u>	<u>\$ 27,753.29</u>
TOTAL ASSETS		<u><u>\$ 35,297.66</u></u>	<u><u>\$ 27,753.29</u></u>
<u>RESERVES</u>			
Reserve for Public Assistance		<u>\$ 35,297.66</u>	<u>\$ 27,753.29</u>
TOTAL RESERVES		<u><u>\$ 35,297.66</u></u>	<u><u>\$ 27,753.29</u></u>

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

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CALDWELL
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

	December 31,	
	2013	2012
<u>ASSETS</u>		
Land and Land Improvements	\$ 10,139,440.00	\$ 10,136,963.00
Buildings and Building Improvements	39,380,643.02	38,982,750.00
Machinery and Equipment	4,791,393.00	4,640,997.00
	<u>\$ 54,311,476.02</u>	<u>\$ 53,760,710.00</u>
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 54,311,476.02	\$ 53,760,710.00
	<u>\$ 54,311,476.02</u>	<u>\$ 53,760,710.00</u>

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

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

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

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

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

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

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

B. Description of Funds (Cont'd)

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The operations of the State funded welfare program were transferred to the County effective July 1, 2011.

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be 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.

The cash basis of accounting is followed in the Trust Funds.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

C. Basis of Accounting (Cont'd)

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

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

E. Other significant accounting policies include:

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

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

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

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

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

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

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

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets, except for the Water and Sewer Utility Operating Funds. The amounts reflected as inventories on the Water and Sewer Utility Funds balance sheets are offset by reserves.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

E. Other significant accounting policies include (Cont'd):

General Fixed Assets Account Group – In accordance with the New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets in 2011. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Sewer and Water Utility Operating, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt

	December 31,		
	2013	2012	2011
<u>Issued:</u>			
General:			
Bonds and Notes	\$11,428,505.00	\$10,991,900.00	\$11,816,900.00
Water Utility:			
Bonds and Notes	2,820,050.00	1,940,000.00	1,255,000.00
Sewer Utility:			
Bonds and Loans	12,445,264.74	12,812,233.70	13,571,673.81
Total Issued	<u>26,693,819.74</u>	<u>25,744,133.70</u>	<u>26,643,573.81</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	745,210.00	1,935,965.00	452,617.00
Water Utility:			
Bonds and Notes	255,000.00	680,000.00	330,000.00
Sewer Utility:			
Bonds and Notes	438,220.00	858,720.00	902,220.00
Total Authorized but not Issued	<u>1,438,430.00</u>	<u>3,474,685.00</u>	<u>1,684,837.00</u>
Less:			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
General:			
Reserve to Pay Debt Service	236,884.54	68,032.83	82,450.00
Reserve for 2005 Sinking Fund Bonds	90,000.00	65,000.00	45,000.00
Water Utility:			
Reserve to Pay Debt Service	11,300.00	11,300.00	11,300.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$27,794,065.20</u>	<u>\$29,074,485.87</u>	<u>\$28,189,660.81</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/12	Additions	Retirements	Balance 12/31/13
Serial Bonds:				
General Capital Fund	\$ 10,991,900.00		\$ 890,000.00	\$ 10,101,900.00
Water Utility	1,140,000.00		115,000.00	1,025,000.00
Sewer Utility	549,580.00		70,000.00	479,580.00
Bond Anticipation Notes:				
General Capital Fund		\$ 1,326,605.00		1,326,605.00
Water Utility	800,000.00	1,795,050.00	800,000.00	1,795,050.00
NJEIT Loans Payable:				
Sewer Utility	12,262,653.70	421,500.00	718,468.96	11,965,684.74
Total	\$ 25,744,133.70	\$ 3,543,155.00	\$ 2,593,468.96	\$ 26,693,819.74

	Balance 12/31/11	Additions	Retirements	Balance 12/31/12
Serial Bonds:				
General Capital Fund	\$ 11,816,900.00		\$ 825,000.00	\$ 10,991,900.00
Water Utility	1,255,000.00		115,000.00	1,140,000.00
Sewer Utility	619,580.00		70,000.00	549,580.00
Bond Anticipation Notes:				
Water Utility		\$ 800,000.00		800,000.00
NJEIT Loans Payable:				
Sewer Utility	12,952,093.81		689,440.11	12,262,653.70
Total	\$ 26,643,573.81	\$ 800,000.00	\$ 1,699,440.11	\$ 25,744,133.70

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 Revised Annual Debt Statement and indicates a statutory net debt of 1.148%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	\$ 3,758,068.42	\$ 3,758,068.42	
Water Utility Debt	3,075,050.00	3,075,050.00	
Sewer Utility Debt	12,883,484.74	12,883,484.74	
General Debt	12,173,715.00	326,884.54	\$ 11,846,830.46
	\$ 31,890,318.16	\$ 20,043,487.70	\$ 11,846,830.46

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

Net Debt: \$11,846,830.46 divided by Average Equalized Valuations of \$1,032,272,518.33 of Real Property = 1.148%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 36,129,538.14
Net Debt	<u>11,846,830.46</u>
Remaining Borrowing Power	<u><u>\$ 24,282,707.68</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,627,905.92
Deductions:	
Operating and Maintenance Cost	\$ 1,429,067.49
Debt Service	<u>169,516.96</u>
Total Deductions	<u>1,598,584.45</u>
Excess in Revenue	<u><u>\$ 29,321.47</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 5,047,209.85
Deductions:	
Operating and Maintenance Cost	\$ 3,772,133.28
Debt Service	<u>1,091,501.33</u>
Total Deductions	<u>4,863,634.61</u>
Excess in Revenue	<u><u>\$ 183,575.24</u></u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

At December 31, 2013, the Borough had capital debt issued and outstanding described as follows:

General Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
2005 Refunding Bonds	07/01/24	3.75%-4.35%	\$ 4,245,000.00
2005 ERI Refunding Bonds	07/01/19	3.75%-4.00%	160,000.00
2007 General Obligation Bonds	04/01/21	4.00%	2,477,900.00
2011 General Improvement Bonds	07/15/26	3.00%-5.00%	3,219,000.00
			<u>\$ 10,101,900.00</u>

General Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Various Street Improvements	06/27/14	1.00%	<u>\$ 1,326,605.00</u>

Water Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Water Utility Bonds	04/01/21	3.75%-4.00%	\$ 365,000.00
Water Utility Bonds	07/15/21	3.00%-5.00%	660,000.00
			<u>\$ 1,025,000.00</u>

Water Utility Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Water System Improvements	06/27/14	1.00%	\$ 250,000.00
Water Main Improvements	06/27/14	1.00%	1,545,050.00
			<u>\$ 1,795,050.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

At December 31, 2013, the Borough had capital debt issued and outstanding described as follows: (Cont'd)

Sewer Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
2005 Refunding Bonds	07/01/17	3.75%-4.00%	\$ 115,000.00
2007 Sewer Utility Bonds	04/01/21	3.75%-4.00%	364,580.00
			<u>\$ 479,580.00</u>

Sewer Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Wastewater Treatment Plant Upgrades:			
Trust Loan 1	08/01/27	3.40-5.00%	\$ 6,110,000.00
Fund Loan 1	08/01/27	0.00%	5,453,343.83
Fund Loan 2	08/01/27	0.00%	402,340.91
			<u>\$ 11,965,684.74</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 26,693,819.74</u>

Environmental Infrastructure Loans

The Borough of Caldwell entered into three loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$15,535,000.00, which represents direct obligations of the Borough. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

At December 31, 2013, the Borough has borrowed or "drawn down" \$15,113,500.00 for these projects. The difference or unexpended proceeds of the "Trust" loan will be retired by NJ Environmental Infrastructure Trust from funds on hand, and any unexpended proceeds of the "Fund" will be reduced from future debt service payments. Principal payments to the "Fund" commenced on August 1, 2009, and will continue on a semiannual basis over 19 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account.

The Borough will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of fifteen hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

Calendar Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2014	\$ 910,000.00	\$ 394,373.26	\$ 115,000.00	\$ 38,650.00
2015	930,000.00	361,298.26	115,000.00	34,900.00
2016	940,000.00	327,673.26	120,000.00	31,150.00
2017	950,000.00	294,548.26	125,000.00	27,100.00
2018	950,000.00	260,533.26	130,000.00	22,800.00
2019-2023	4,122,900.00	701,752.54	420,000.00	35,100.00
2024-2027	1,299,000.00	81,483.00		
	<u>\$ 10,101,900.00</u>	<u>\$ 2,421,661.84</u>	<u>\$ 1,025,000.00</u>	<u>\$ 189,700.00</u>

Calendar Year	Sewer Utility		
	Principal	Interest	Total
2014	\$ 807,494.95	\$ 294,978.20	\$ 2,560,496.41
2015	824,761.23	280,758.20	2,546,717.69
2016	838,621.58	261,308.20	2,518,753.04
2017	846,993.51	241,133.20	2,484,774.97
2018	853,133.16	220,120.70	2,436,587.12
2018-2022	4,443,324.68	796,195.50	10,519,272.72
2023-2027	3,830,935.63	241,975.00	5,453,393.63
	<u>\$ 12,445,264.74</u>	<u>\$ 2,336,469.00</u>	<u>\$ 31,069,881.91</u>

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2013 that was included in the introduced budget for the Current Fund, Water Utility Operating Fund and Sewer Utility Operating Fund budgets for the year ending December 31, 2014 follows:

Current Fund	\$ 375,000.00
Water Utility Operating Fund	121,579.49
Sewer Utility Operating Fund	142,472.40

Note 4: Regional School District Taxes

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

The Borough of Caldwell has elected not to defer school taxes.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 5: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and the PFRS which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax- sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of- living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Borough contributions to PERS amounted to \$155,909.00, \$177,092.00 and \$190,074.00 for 2013, 2012 and 2011, respectively. Borough contributions to PFRS amounted to \$496,787.00, \$456,214.00 and \$507,378.00 for 2013, 2012 and 2011, respectively. Borough contributions for the DCRP amounted to \$4,350.37, \$4,000.53 and \$3,655.71 for 2013, 2012 and 2011, respectively.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 6: Accrued Sick and Vacation Benefits

The Borough policy allows Borough employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Borough would approximate \$679,253. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditure in the year in which it is used. This amount is partially funded in the Reserve for Accumulated Leave of \$76,195.24 reflected on the Other Trust Funds' balance sheet as of December 31, 2013.

Note 7: Deferred Compensation Plan

The Borough of Caldwell offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by the Hartford Group, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation plan is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 8: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	\$ 2.369	\$ 2.346	\$ 2.307

Apportionment of Tax Rate

Municipal:

Local	0.709	0.701	0.683
Open Space	0.010	0.010	0.010
County	0.497	0.481	0.475
Local School	1.153	1.154	1.139

Assessed Valuations

2013	<u>\$ 1,014,393,486.00</u>		
2012		<u>\$ 1,022,421,277.00</u>	
2011			<u>\$ 1,031,511,186.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8: Selected Tax Rate Information (Cont'd)

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 24,050,128.05	\$ 23,921,349.74	99.46%
2012	24,022,406.69	23,918,345.86	99.56%
2011	23,810,051.72	23,682,313.70	99.46%

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

Note 9: Cash and Cash Equivalents and Investments

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

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

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

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

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

Deposits:

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Deposits: (Cont'd)

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

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

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

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

Investments:

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

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2013, cash and cash equivalents and investments of the Borough of Caldwell consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking and Savings Accounts</u>	<u>Total</u>
Current	\$ 300.00	\$ 1,918,624.37	\$ 1,918,924.37
Animal Control		3,024.10	3,024.10
Other Trust		611,511.13	611,511.13
General Capital		901,710.77	901,710.77
Water Utility Operating		719,927.49	719,927.49
Water Utility Capital		298,723.06	298,723.06
Sewer Utility Operating		745,639.47	745,639.47
Sewer Utility Capital		855,082.39	855,082.39
Public Assistance		35,297.66	35,297.66
	<u>\$ 300.00</u>	<u>\$ 6,089,540.44</u>	<u>\$ 6,089,840.44</u>

During the year ended December 31, 2013, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents and investments at December 31, 2013, was \$6,089,840.44 and the bank balance was \$6,383,819.91. The carrying amount of the Borough's cash and cash equivalents and investments at December 31, 2012, was \$6,621,359.76 and the bank balance was \$6,828,845.01.

Note 10: Post-Retirement Medical Benefits

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

The coverage applies to the employee and dependents. In the event of an employee's death, coverage

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Post-Retirement Medical Benefits (Cont'd)

ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty-five (25) years of full-time service with the Borough.

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, and mental health/substance abuse coverages, 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.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's portion of post-retirement medical and dental benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. The Borough paid premiums in the amount of \$592,115.04 and \$564,498.83 for 2013 and 2012, respectively, for 31 and 32 retired employees in 2013 and 2012, respectively.

Note 11: Risk Management

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

Property and Liability

The Borough is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing low cost general liability and property insurance coverage to its members.

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

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 11: Risk Management (Cont'd)

Property and Liability (Cont'd)

The December 31, 2013 audit report of the Fund was not available as of the date of this audit. Summarized selected financial information for the Fund as of December 31, 2012 is as follows:

Total Assets	\$ 31,594,485
Net Position	\$ 1,385,782
Total Revenue	\$ 23,784,018
Total Expenses	\$ 21,714,520
Change in Net Position	\$ 2,069,498
Member Dividends	\$ -0-

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

Garden State Municipal Joint Insurance Fund
900 Route 9 North, Suite 503
Woodbridge, NJ 07095-1003
(800) 446-7647

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ -0-	\$ 7,413.17	\$ -0-	\$ 13,705.54	\$ 7,371.59
2012	-0-	7,571.85 *	2.47	13,405.89	13,663.96
2011	-0-	7,922.11	9.06	6,712.60	19,495.53

* Includes reimbursement from State of New Jersey.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund		\$ 230,187.14
Federal and State Grant Fund	\$ 230,134.06	
Sewer Utility Operating Fund	53.08	
	<u>\$ 230,187.14</u>	<u>\$ 230,187.14</u>

The Federal and State Grant Fund interfund receivable is the net of grant funds received in the Current Fund offset by disbursements made by the Current Fund on behalf of the Federal and State Grant Fund.

The Sewer Utility Operating Fund interfund receivable is comprised of prepaid sewer rents collected in the Current Fund.

Note 13: Economic Dependency

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

Note 14: Contingent Liabilities

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

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

Note 15: Open Space Trust Reserve

The Borough established an Open Space Trust Fund in 2000. The Borough has levied a tax equal to one cent per \$100 of total Borough equalized real property valuation. The tax has remained one cent since the approval by the voters to establish the open space tax. The intention of the Borough is to use this funding for open space and recreation purposes. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The balance in the Reserve for Open Space at December 31, 2013 is \$212,328.67.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 16: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2013 and 2012:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Land and Land Improvements	\$10,136,963.00	\$ 2,477.00		\$10,139,440.00
Buildings and Building Improvements	38,982,750.00	397,893.00		39,380,643.00
Machinery and Equipment	4,640,997.00	192,400.00	\$ 42,004.00	4,791,393.00
	<u>\$53,760,710.00</u>	<u>\$ 592,770.00</u>	<u>\$ 42,004.00</u>	<u>\$54,311,476.00</u>
	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Land and Land Improvements	\$10,125,613.00	\$ 11,350.00		\$10,136,963.00
Buildings and Building Improvements	38,141,628.00	841,122.00		38,982,750.00
Machinery and Equipment	4,488,752.00	338,219.00	\$ 185,974.00	4,640,997.00
	<u>\$52,755,993.00</u>	<u>\$1,190,691.00</u>	<u>\$ 185,974.00</u>	<u>\$53,760,710.00</u>

SUPPLEMENTARY DATA

BOROUGH OF CALDWELL
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2013

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Ann Dassing	Mayor		
Richard Hauser	Council President; Councilman		
John Coyle	Councilman		
Edward Durkin, Jr.	Councilman		
John Kelley	Councilman		
Thomas O'Donnell	Councilman		
Frank Rogers	Councilman		
Paul Carelli	Administrator;	**	**
Chris Battaglia	Chief Financial Officer	**	**
Lisa O'Neill	Deputy Clerk	**	**
Donald O'Connor	Municipal Judge	**	**
Francine T. Paserchia	Municipal Clerk	**	**
Idamae Renne	Tax Collector; Utility Collector	**	**
Leanne O'Hern	Court Administrator	**	**
Gregory Mascera	Municipal Attorney		

** There is Blanket Crime Coverage in the amount of \$1,000,000 with the Garden State Municipal Joint Insurance Fund covering all Borough employees, including statutory positions. The bond coverage was examined and appeared to be properly executed.

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 2,130,135.52
Increased by Receipts:		
Tax Collector		\$ 23,899,389.84
Revenue Accounts Receivable		4,125,112.26
Miscellaneous Revenue Not Anticipated		295,328.37
Interest on Investments and Deposits		1,761.28
Due to/from Federal and State Grant Fund:		
Grants Receivable		179,105.12
Due from Animal Control Fund:		
Prior Year Interfund Returned		5,015.40
Due from Water Utility Operating Fund:		
Prior Year Interfund Returned		100,038.91
Due to Sewer Utility Operating Fund:		
Prepaid Sewer Rents		53.08
Due from/to State of New Jersey:		
Senior Citizens' and Veterans' Deductions		46,250.00
Marriage Licenses		1,150.00
Burial Permits		10.00
DCA Training Fees		6,293.00
Reserve for State Library Aid		3,427.00
Reserve for FEMA Reimbursements		23,371.19
Appropriation Refunds		76,180.89
		<u>28,762,486.34</u>
		<u>30,892,621.86</u>
Decreased by Disbursements:		
2013 Appropriation Expenditures		11,054,571.12
2012 Appropriation Reserve Expenditures		323,582.74
Regional School District Taxes		11,693,276.00
County Taxes		5,045,254.08
Due from Federal and State Grant Fund:		
Appropriated Reserves Expenditures		187,632.86
Due to Other Trust Funds:		
Open Space Tax Levy		101,482.06
Prior Year Interfund Returned		39,673.16
Due to General Capital Fund:		
Prior Year Interfund Returned		133,102.17
Due from Sewer Utility Operating Fund:		
Prior Year Interfund Returned		298,983.69
Due to State of New Jersey:		
Marriage Licenses		1,125.00
Burial Permits		5.00
DCA Training Fees		4,528.00
Reserve for State Library Aid		3,512.55
Reserve for Storm Damage		13,190.00
Reserve for Hurricane Sandy Damage		43,366.24
Community Center Fees Refunds Payable		816.58
Refund of Prior Year Taxes		9,417.66
Tax Overpayment Refunds		20,478.58
		<u>28,973,997.49</u>
Balance December 31, 2013	A	<u>\$ 1,918,624.37</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:		
Taxes Receivable	\$ 23,789,802.33	
2014 Prepaid Taxes	75,012.50	
Interest and Costs on Taxes	31,858.82	
Tax Overpayments	<u>2,716.19</u>	
		\$ 23,899,389.84
Decreased by:		
Payments to Municipal Treasurer		<u>\$ 23,899,389.84</u>

SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2013 Levy	Added Taxes	Collections		Over-payments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Balance
	Dec. 31, 2012			2012	2013				Dec. 31, 2013
2011	\$ 0.01				\$ 0.01				
2012	352.04		\$ 8,954.68		8,954.82			\$ 351.90	
	352.05		8,954.68		8,954.83			351.90	
2013		\$ 24,050,128.05		\$ 85,797.56	23,780,847.50	\$ 8,954.68	\$ 45,750.00	128,749.84	\$ 28.47
	\$ 352.05	\$ 24,050,128.05	\$ 8,954.68	\$ 85,797.56	\$ 23,789,802.33	\$ 8,954.68	\$ 45,750.00	\$ 129,101.74	\$ 28.47
Ref.	A								A

Analysis of 2012 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 24,030,982.66
Added and Omitted Taxes	19,145.39

\$ 24,050,128.05

Tax Levy:

Regional School District Taxes	\$ 11,693,276.00
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County Taxes:

General Tax	\$ 5,041,272.89
Due County for Added and Omitted Taxes	2,113.32
Municipal Open Space Taxes	101,439.34
Additional Open Space - Municipal	42.72

5,144,868.27

16,838,144.27

Local Tax for Municipal Purposes Levied	6,847,383.79
Municipal Library Taxes	342,889.71
Add: Additional Tax Levied	21,710.28

7,211,983.78

\$ 24,050,128.05

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued In</u> <u>2013</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Licenses:				
Alcoholic Beverages		\$ 7,049.00	\$ 7,049.00	
Other		56,413.50	56,413.50	
Fees and Permits		36,679.25	36,679.25	
Fines and Costs:				
Other	\$ 18,033.79	301,502.88	298,493.75	\$ 21,042.92
Parking Meters		144,053.04	144,053.04	
Rent - Grover Cleveland Senior Citizens Center		11,049.96	11,049.96	
Sewer Utility Operating Fund - Administration Charge		99,022.00	99,022.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland		36,500.00	36,500.00	
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing		156,300.00	156,300.00	
Lease of Municipal Property - Wastewater Treatment Plant		220,374.75	220,374.75	
Cablevision Franchise Fees (N.J.S. 48:5A-30)		117,954.96	117,954.96	
Sewer User Charges		158,139.26	158,139.26	
Consolidated Municipal Property Tax Relief Aid		18,881.00	18,881.00	
Energy Receipts Tax		667,993.76	667,993.76	
Uniform Construction Code Fees		125,279.00	125,279.00	
Township of West Caldwell - Welfare Services		8,000.00	8,000.00	
Community Center - Membership & Program Fees		1,492,594.15	1,492,594.15	
Utility Operating Surplus of Prior Year		28,212.00	28,212.00	
Water Utility Operating Fund - Administration Charges		27,332.00	27,332.00	
Escrow Fees (Due from Other Trust)		5,600.00	5,600.00	
Capital Fund Balance		8,194.15	8,194.15	
Reserve for Open Space Trust to Offset Debt Service		67,341.22	67,341.22	
Reserve for Payment of Debt Service		14,417.17	14,417.17	
Additional Sewer User Charges		24,270.09	24,270.09	
Additional Cablevision Franchise Fees		2,920.00	2,920.00	
Lease of Municipal Property (Wastewater Treatment Plant) - Additional 2013	73,458.25	30,492.00	103,950.25	
Lease of Municipal Property (Wastewater Treatment Plant) - 2012		88,098.00	88,098.00	
Due from Water Utility Operating Fund		100,000.00	100,000.00	
	<u>\$ 91,492.04</u>	<u>\$ 4,054,663.14</u>	<u>\$ 4,125,112.26</u>	<u>\$ 21,042.92</u>
<u>Ref.</u>	A			A

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Salaries and Wages	\$ 10,988.29	\$ 10,988.29		\$ 10,988.29
Other Expenses	3,808.56	3,808.56	\$ 3,076.26	732.30
Mayor and Council:				
Other Expenses	565.70	565.70	237.40	328.30
Municipal Clerk:				
Salaries and Wages	902.69	902.69		902.69
Elections:				
Other Expenses	135.33	135.33		135.33
Financial Administration:				
Salaries and Wages	370.58	370.58		370.58
Other Expenses	2,394.64	2,394.64	61.15	2,333.49
Audit Services:				
Other Expenses	8,791.96	8,791.96		8,791.96
Collection of Taxes:				
Other Expenses	774.07	774.07	398.00	376.07
Assessment of Taxes:				
Salaries and Wages	1,146.91	1,146.91		1,146.91
Other Expenses	596.28	596.28		596.28
Legal Services and Costs:				
Salaries and Wages	2,764.00	2,764.00	468.75	2,295.25
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Other Expenses	318.00	318.00		318.00
Zoning Board of Adjustment:				
Other Expenses	393.00	393.00		393.00
Police:				
Salaries and Wages	13,722.60	13,722.60		13,722.60
Other Expenses	21,767.24	21,767.24	13,696.21	8,071.03
Parking Meter Maintenance:				
Other Expenses	1,341.29	1,341.29	326.47	1,014.82
Office of Emergency Management:				
Other Expenses	855.00	855.00		855.00
Aid to West Essex First Aid Organization - Contribution	5,000.80	5,000.80	5,000.00	0.80
Fire Department:				
Other Expenses	10,349.29	10,369.29	9,575.79	793.50
Municipal Court:				
Salaries and Wages	4,100.04	4,100.04		4,100.04
Other Expenses	3,884.73	3,884.73	204.75	3,679.98
Streets and Roads Maintenance:				
Salaries and Wages	2,442.93	2,442.93		2,442.93
Other Expenses	6,840.05	6,840.05	6,728.50	111.55

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Recycling:				
Other Expenses	\$ 2,736.05	\$ 2,736.05	\$ 100.00	\$ 2,636.05
Solid Waste Collection:				
Other Expenses	27,018.93	27,018.93	24,947.83	2,071.10
Building and Grounds:				
Other Expenses	12,498.22	12,498.22	9,966.23	2,531.99
Shade Tree Division:				
Other Expenses	9,270.00	9,270.00	2,500.00	6,770.00
Vehicle Repair/Maintenance (Including Police):				
Other Expenses	6,089.82	6,089.82	2,642.01	3,447.81
Snow Removal:				
Other Expenses	13,772.58	11,652.58	11,630.60	21.98
Board of Health:				
Other Expenses	6,128.18	6,128.18	2,625.50	3,502.68
Environmental Commission:				
Other Expenses	304.09	304.09		304.09
Animal Control:				
Other Expenses	1.00	1.00		1.00
Welfare/Administration of Public Assistance:				
Salaries and Wages	0.56	0.56		0.56
Other Expenses	150.00	150.00		150.00
Senior Citizens' Transportation:				
Salaries and Wages	1,052.58	1,052.58		1,052.58
Other Expenses	60.00	60.00		60.00
Special Events				
Other Expenses	843.79	843.79		843.79
Uniform Construction Code:				
Salaries and Wages	3,351.16	3,351.16		3,351.16
Other Expenses	3,549.91	3,549.91		3,549.91
Utility Expenses and Bulk Purchases:				
Electric & Gas	5,794.59	7,394.59	7,305.05	89.54
Street Lighting	21,781.40	21,781.40	13,169.16	8,612.24
Telephone	122.66	622.66	559.01	63.65
Gasoline	8,197.30	8,197.30	6,350.95	1,846.35
Insurance:				
Worker's Compensation/General Liability	95.14	95.14		95.14
Group Insurance for Employees	20,222.37	20,222.37		20,222.37
Statutory Expenditures:				
Social Security System (O.A.S.I.)	3,604.94	3,604.94		3,604.94
Defined Contribution Retirement Program	20.11	20.11		20.11
Refund Tax Appeals	105,000.00	105,000.00	18,065.16	86,934.84
Sewerage Treatment:				
Other Expenses	333.60	333.60		333.60

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Length of Service Awards Program:				
Fire Department	\$ 48,300.00	\$ 48,300.00	\$ 43,962.24	\$ 4,337.76
West Essex First Aid Squad	15,000.00	15,000.00	15,000.00	
Municipal Library:				
Salaries and Wages	9,884.99	9,884.99		9,884.99
Other Expenses	11,161.80	11,161.80	9,588.13	1,573.67
Shared Service Agreements:				
Borough of Essex Fells - Library:				
Other Expenses	1,333.00	1,333.00		1,333.00
Township of West Caldwell - Welfare:				
Salaries and Wages	500.00	500.00		500.00
Community Center:				
Salaries and Wages	93,560.84	93,560.84	75,000.00	18,560.84
Other Expenses	95,078.81	95,078.81	45,184.41	49,894.40
	<u>\$ 631,072.40</u>	<u>\$ 631,072.40</u>	<u>\$ 328,369.56</u>	<u>\$ 302,702.84</u>

	<u>Ref.</u>	
<u>Analysis of Balance December 31, 2012:</u>		
Encumbered	A	\$ 15,257.87
Unencumbered	A	<u>615,814.53</u>
		<u>\$ 631,072.40</u>

Cash Disbursed	\$ 323,582.74
Accounts Payable	4,786.82
	<u>\$ 323,582.74</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Increased by:

Levy - School Year 2013

\$ 11,693,276.00

Decreased by:

Payments to Regional School District

\$ 11,693,276.00

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Revenue Realized</u>	<u>Cash Received</u>	<u>Transferred from Unappropriated Reserves</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2013</u>
Body Armor Grant:						
Prior Years		\$ 2,009.15		\$ 2,009.15		
2013		3,011.63	\$ 3,011.63			
Drunk Driving Enforcement Fund:						
2011		4,908.00		4,908.00		
2012		4,033.44		4,033.44		
2013		5,899.53	5,899.53			
Bulletproof Vest Program:						
Prior Year	\$ 2,340.00				\$ 2,340.00	
2012		4,542.50	2,315.63	1,042.50		\$ 1,184.37
2013		2,062.05				2,062.05
Clean Communities:						
2012	213.60				213.60	
2013		13,113.43	13,113.43			
NJ Transportation Trust Fund Authority Act:						
2008 - Park and Whitfield	14,134.35				14,134.35	
Alcohol Education and Rehabilitation Fund:						
2008	1,338.00				1,338.00	
2009	649.73				649.73	
2013		4,116.43	4,116.43			
Recycling Tonnage Grant:						
Prior Years	4,446.41				4,446.41	
2008	4,906.48				4,906.48	
2011		9,352.89		9,352.89		
2012		9,034.43		9,034.43		
2013		12,288.20	12,288.20			
Municipal Alliance for Alcohol and Drug Abuse:						
State Grant:						
2011	5,041.56				5,041.56	

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2012	2013 Budget Revenue Realized	Cash Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2013
Municipal Alliance for Alcohol and Drug Abuse:						
State Grant:						
2012	\$ 28,500.00		\$ 19,808.89		\$ 8,691.11	
West Caldwell Match:						
2011	5,500.00				5,500.00	
2012	5,500.00		5,500.00			
Over the Limit, Under Arrest:						
2008	3,600.00				3,600.00	
2010 Statewide Crackdown	1,450.00				1,450.00	
2011 Mobilization	4,400.00				4,400.00	
Hurricane Irene Disaster National Emergency Grant	18,832.80	\$ 31,082.00	30,401.80		18,832.80	\$ 680.20
Drive Sober or Get Pulled Over:						
2012		2,850.00		\$ 2,850.00		
2013		4,400.00	4,400.00			
Holiday Crackdown - 2013		4,400.00				4,400.00
FEMA Assistance to Firefighters Grant - 2013		72,818.00	72,818.00			
Click it or Ticket - 2013		2,900.00	2,900.00			
Yield to Pedestrians - 2013		600.00	600.00			
Green Communities - 2013		1,931.58	1,931.58			
	\$ 100,852.93	\$ 195,353.26	\$ 179,105.12	\$ 33,230.41	\$ 75,544.04	\$ 8,326.62
<u>Ref.</u>	A					A
		Federal	\$ 112,835.43			
		State	113,435.43			
		Local	5,500.00			
			\$ 231,770.86			

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transfer to</u> <u>2013 Budget</u> <u>Revenue</u>
Drunk Driving Enforcement Fund:		
2011	\$ 4,908.00	\$ 4,908.00
2012	4,033.44	4,033.44
Body Armor	2,009.15	2,009.15
Bulletproof Vest Program - 2012	1,042.50	1,042.50
Recycling Tonnage Grant:		
2011	9,352.89	9,352.89
2012	9,034.43	9,034.43
Drive Sober or Pull Over - 2012	<u>2,850.00</u>	<u>2,850.00</u>
	<u>\$ 33,230.41</u>	<u>\$ 33,230.41</u>

Ref.

A

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2012	Transfer from 2013 Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2013
Body Armor Grant:							
Prior Years							
2006	\$ 2,020.25	\$ 2,009.15	\$ 2,009.15				\$ 671.78
2011	1,531.78		306.47	\$ 1,042.00			1,531.78
2013		3,011.63					3,011.63
Division of Aging - Preventative Health - 2010	1,717.70					\$ 1,717.70	
Domestic Preparedness Equipment Grant	94,258.90						94,258.90
NJ Transportation Trust Fund Authority Act:							
2008 - Park and Whitfield	21,924.46					21,924.46	
Alcohol Education and Rehabilitation Grant:							
2008	5.63						5.63
2009	649.73						649.73
2010	351.91						351.91
2011	1,024.76						1,024.76
2012	2,008.52		150.00				1,858.52
2013		4,116.43					4,116.43
Clean Communities:							
Prior Years	12,225.00						12,225.00
2006	1,998.93						1,998.93
2007	8,972.00						8,972.00
2011	11,349.13						11,349.13
2012	11,382.70					213.60	11,169.10
2013		13,113.43					13,113.43
Green Communities:							
Prior Year	3,000.00						3,000.00
2013		1,931.58					1,931.58
Bulletproof Vest Partnership Grant:							
2011	2,340.00					2,340.00	
2012		4,542.50	2,315.63				2,226.87
2013		2,062.05					2,062.05

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2012	Transfer from 2013 Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2013
Drunk Driving Enforcement Fund:							
2006	\$ 312.92		\$ 312.92				
2007	2,900.00		2,018.24				\$ 881.76
2008	1,738.69						1,738.69
2011		\$ 4,908.00					4,908.00
2012		4,033.44	395.00				3,638.44
2013		5,899.53	5,899.53				
Municipal Alliance for Alcohol and Drug Abuse:							
State Share:							
2008	10,639.26					\$ 10,639.26	
2009	1,566.51					1,566.51	
2010	28,500.00					28,500.00	
2011	5,041.56		5,041.56				
2012	18,579.55		433.44			18,146.11	
Municipal Share:							
2012					\$ 5,500.00	5,500.00	
2013		5,500.00	5,500.00				
Recycling Tonnage Grant:							
2004	759.63		759.63				
2005	3,263.46		3,263.46				
2006	4,341.80		4,341.80				
2007	3,691.19		3,691.19				
2008	4,906.48		4,906.48				
2009	9,986.48		9,986.48				
2010	10,806.68		10,806.68				
2011	4,342.31	9,352.89	13,695.20				
2012		9,034.43					9,034.43
2013		12,288.20					12,288.20
Over the Limit, Under Arrest:							
2008	3,600.00					3,600.00	
2009 Statewide Crackdown	4,400.00					4,400.00	

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2012	Transfer from 2013 Budget Appropriations	Expended	Encumbrances Payable	Prior Year Encumbrances Cancelled	Cancelled	Balance Dec. 31, 2013
Over the Limit, Under Arrest:							
2010 Statewide Crackdown	\$ 1,450.00					\$ 1,450.00	
2011 Mobilization	3,000.00					3,000.00	
Drive Sober or Get Pulled Over:							
2012		\$ 2,850.00				2,850.00	
2013		4,400.00	\$ 4,400.00				
Holiday Crackdown - 2013		4,400.00					\$ 4,400.00
Housing Services - Special Purpose Grant	50,000.00					50,000.00	
Division of Highway Safety - "Click It or Ticket":							
2012	4,000.00					4,000.00	
2013		2,900.00	2,900.00				
Hurricane Irene Disaster National Emergency Grant	5,487.60	31,082.00	31,082.00			5,487.60	
Comcast Grant - 2012	25,000.00			\$ 25,000.00			
Safety Incentive Program Award - 2012	171.00					171.00	
FEMA Assistance to Firefighters Grant - 2013		72,818.00	72,818.00				
Yield to Pedestrians - 2013		600.00	600.00				
	<u>\$ 385,246.52</u>	<u>\$ 200,853.26</u>	<u>\$ 187,632.86</u>	<u>\$ 26,042.00</u>	<u>\$ 5,500.00</u>	<u>\$ 165,506.24</u>	<u>\$ 212,418.68</u>
<u>Ref.</u>	A			A			A
Original Budget		\$ 33,230.41					
Added by NISA 40A:4-87		162,122.85					
		<u>195,353.26</u>					
Local Match		5,500.00					
		<u>\$ 200,853.26</u>					
Federal			\$ 113,515.63				
State			68,617.23	\$ 1,042.00			
Local Grants				25,000.00			
Local Matching Funds			5,500.00				
			<u>\$ 187,632.86</u>	<u>\$ 26,042.00</u>			

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
TRUST FUNDS

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2012	B	\$ 8,940.00	\$ 515,849.67
Increased by Receipts:			
Animal Control Collector		\$ 3,321.00	
2013 Budget Appropriation		8,004.00	
Change Fund Returned		25.00	
Reserve for:			
Community Development Block Grant			\$ 8,397.50
State Unemployment Insurance:			
Employee Contributions			7,413.17
Open Space:			
Interest Earned			154.71
Open Space Tax Levy			101,482.06
Due From Current Fund:			
Prior Year Interfund Returned			39,673.16
Escrow Fees			36,992.66
Tax Sale Premiums			44,500.00
Outside Tax Liens			101,775.73
Parking Offense Adjudication Act			1,860.00
Police Outside Duty Traffic Assignment			132,448.50
Recycling			40,714.63
Confiscated Funds			787.30
Accumulated Absences			75,000.00
Debt Service - 2005 Sinking Fund Bonds			25,000.00
Police Donations			10,000.00
Snow Removal			10,000.00
		11,350.00	636,199.42
		20,290.00	1,152,049.09

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses		\$ 11,854.50	
State Board of Health		396.00	
Due to/from Current Fund:			
Settlement of Prior Year Interfund		5,015.40	
Cancellation of Prior Year Due to State of New Jersey DCA Fees			\$ 4,923.00
Cancellation of Reserve for LOSAP Surrender Funds			10,758.55
Due to State of New Jersey - DCA Fees			1,237.00
Reserve for:			
Community Development Block Grant			8,397.50
State Unemployment Insurance			13,705.54
Open Space			144,785.12
Escrow Fees			22,287.73
Tax Sale Premiums			45,500.00
Outside Tax Liens			101,531.63
Parking Offense Adjudication Act			1,387.50
Police Outside Duty Traffic Assignment			132,306.00
Recycling			14,523.39
Accumulated Leave			38,071.00
Confiscated Funds			1,124.00
		<u>\$ 17,265.90</u>	<u>\$ 540,537.96</u>
Balance December 31, 2013	B	<u>\$ 3,024.10</u>	<u>\$ 611,511.13</u>

BOROUGH OF CALDWELL
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by:

Animal Control License Fees:

Dogs	\$ 2,820.60	
Late Fees	90.00	
State Registration Fees	410.40	
	<u> </u>	
		<u>\$ 3,321.00</u>

Decreased by:

Paid to Treasurer

		<u>\$ 3,321.00</u>
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BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF CALDWELL
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 3,884.00
Increased by:		
Animal Control License Fees:		
Dog Licenses		\$ 2,820.60
Late Fees		90.00
2013 Budget Appropriation		8,004.00
		10,914.60
		14,798.60
Decreased by:		
Animal Control Expenditures (R.S. 4:19-15.11):		
Cash Disbursed		11,854.50
		11,854.50
Balance December 31, 2013	B	\$ 2,944.10

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 3,167.40
2011	1,858.00
	5,025.40
Maximum Allowable Reserve	\$ 5,025.40

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 498,487.12
Increased by:		
Capital Improvement Fund:		
2013 Budget Appropriation		\$ 85,000.00
Capital Fund Balance:		
Premium on Bond Anticipation Notes Issued		1,366.40
Bond Anticipation Notes Issued		1,326,605.00
Township of West Caldwell - Shared Services Agreement		3,783.33
Due to Current Fund:		
Settlement of Prior Year Interfund		133,102.17
Due to Water Utility Operating Fund:		
Settlement of Prior Year Interfund		34,425.00
Reserve for Payment of Debt Service:		
NJ Department of Transportation Grant Receipts - Brookside Avenue		183,268.88
		1,767,550.78
		2,266,037.90
Decreased by:		
Due to Current Fund:		
Anticipated as Current Year Revenue:		
Capital Fund Balance		8,194.15
Reserve to Pay Debt Service		14,417.17
Due to Water Utility Capital Fund:		
Settlement of Prior Year Interfund		36,168.00
Prior Year Encumbrances		690.00
Improvement Authorization Expenditures		1,304,857.81
		1,364,327.13
Balance December 31, 2013	C	\$ 901,710.77

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2012	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2013		
		Miscellaneous	Bond	Budget	Miscellaneous	Improvement Authorization Expenditures	Transfers			
			Anticipation Notes	Appropriation			From		To	
Fund Balance	\$ 8,194.15	\$ 1,366.40			\$ 8,194.15			\$ 1,366.40		
Capital Improvement Fund	37,568.00			\$ 85,000.00		\$ 7,150.00		115,418.00		
Due to/from Current Fund	(133,102.17)	133,102.17								
Due from Water Utility Operating Fund	(34,425.00)	34,425.00								
Due to Water Utility Capital Fund	36,168.00				36,168.00					
NJ Department of Community Affairs Grants Receivable	(150,000.00)							(150,000.00)		
Township of West Caldwell - Shared Services Agreement	(30,618.60)	3,783.33						(26,835.27)		
Community Development Block Grants Receivable	(224.06)							(224.06)		
NJ Department of Transportation Grants Receivable	(66,827.43)							(66,827.43)		
Reserve for Payment of Debt Service	68,032.83	183,268.88			14,417.17			236,884.54		
Reserve for Encumbrances	690.00				690.00		\$ 38,209.30	38,209.30		
<u>Ord. No.</u>	<u>Improvement Description</u>									
1092-00	Various Capital Improvements	1,452.90						1,452.90		
1100-01	Various Capital Improvements	72.00						72.00		
1110-02	Various Capital Improvements	3,298.70						3,298.70		
1123-03	Various Capital Improvements	9,003.75						9,003.75		
1141-04	Various Capital Improvements	6,460.67						6,460.67		
1153-05	Various Capital Projects	133,833.34						133,833.34		
1161-05	Various Capital Projects	13,441.46						13,441.46		
1185-08	Various Capital Projects	60,288.12				\$ 600.00	10,827.55	48,860.57		
1189-08;										
1190-08	Acquisition of Fire Truck	377.87						377.87		
1192-08	Acquisition of Property	278,716.80						278,716.80		
1197-09	Various Road Improvements	(209,245.50)						(209,245.50)		
1207-10	Improvements to Kiwanis Oval	95,438.66						95,438.66		
1225-10	Various Capital Improvements	132,946.94				36,130.48	9,496.61	87,319.85		
1226-10	Emergency Repairs to the Elgin Street Sweeper	5,028.31						5,028.31		
1227-10	Various Street Improvements	99,909.33						99,909.33		
1228-10	Capital Improvements to the Municipal Parking Facility	90,359.21				13,473.94		76,885.27		
1232-11	Improvements to Forest Avenue	115,393.56						115,393.56		
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters	823.00						823.00		
1248-12;										
1278-13;										
1283-13	Various Street Improvements	1,139.71	\$ 1,326,605.00			1,184,446.39	17,885.14	7,150.00	132,563.18	
1252-12	Various Capital Improvements	(75,707.43)				70,207.00			(145,914.43)	
		<u>\$ 498,487.12</u>	<u>\$ 355,945.78</u>	<u>\$ 1,326,605.00</u>	<u>\$ 85,000.00</u>	<u>\$ 59,469.32</u>	<u>\$ 1,304,857.81</u>	<u>\$ 45,359.30</u>	<u>\$ 45,359.30</u>	<u>\$ 901,710.77</u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013		
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1092-00	Various Capital Improvements	\$ 600.00		\$ 600.00			\$ 600.00
1197-09	Various Road Improvements	451,500.00		451,500.00		\$ 209,245.50	242,254.50
1207-10	Improvements to Kiwanis Oval	250.00		250.00			250.00
1225-10	Various Capital Improvements	260.00		260.00			260.00
1248-12; 1278-13;							
1283-13	Various Street Improvements	1,326,605.00	\$ 135,850.00	1,462,455.00	\$ 1,326,605.00		135,850.00
1252-12	Various Capital Improvements	156,750.00		156,750.00		145,914.43	10,835.57
		<u>\$ 1,935,965.00</u>	<u>\$ 135,850.00</u>	<u>\$ 2,071,815.00</u>	<u>\$ 1,326,605.00</u>	<u>\$ 355,159.93</u>	<u>\$ 390,050.07</u>
<u>Ref.</u>		C		C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded	\$ 522,613.25
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ord. #1248-12; 1278-13; 1283-13	<u>132,563.18</u>
	<u>\$ 390,050.07</u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations		Paid or Charged	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund		Funded	Unfunded
1092-00	Various Capital Improvements	02/08/00	\$ 250,000.00	\$ 1,452.90	\$ 600.00				\$ 1,452.90	\$ 600.00
1100-01	Various Capital Improvements	03/13/01	600,000.00	72.00					72.00	
1110-02	Various Capital Improvements	03/12/02	400,000.00	3,298.70					3,298.70	
1123-03	Various Capital Improvements	03/25/03	250,000.00	9,003.75					9,003.75	
1141-04	Various Capital Improvements	04/13/04	553,500.00	6,460.67					6,460.67	
1153-05	Various Capital Projects	08/09/05	806,000.00	133,833.34					133,833.34	
1161-05	Various Capital Projects	11/17/05	285,538.00	13,441.46					13,441.46	
1185-08	Various Capital Projects	02/26/08	908,500.00	60,288.12				\$ 11,427.55	48,860.57	
1189-08;										
1190-08	Acquisition of Fire Truck	10/04/08	550,000.00	377.87					377.87	
1192-08	Acquisition of Property	12/09/08	650,000.00	278,716.80					278,716.80	
1197-09	Various Road Improvements	08/25/09	475,456.00		242,254.50					242,254.50
1207-10	Improvements to Kiwanis Oval	04/27/10	2,000,000.00	95,438.66	250.00				95,438.66	250.00
1225-10	Various Capital Improvements	11/23/10	653,000.00	132,946.94	260.00			45,627.09	87,319.85	260.00
1226-10	Emergency Repairs to the Elgin Street Sweeper	11/23/10	26,915.90	5,028.31					5,028.31	
1227-10	Various Street Improvements	11/23/10	551,750.00	99,909.33					99,909.33	
1228-10	Capital Improvements to the Municipal Parking Facility	12/28/10	328,000.00	90,359.21				13,473.94	76,885.27	
1232-11	Improvements to Forest Avenue	03/22/11	410,000.00	115,393.56					115,393.56	
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters	12/27/11	32,500.00	823.00					823.00	
1248-12;		05/05/12;								
1278-13;		09/13/13;								
1283-13	Various Street Improvements	12/17/13	1,518,900.00	1,139.71	1,326,605.00	\$ 135,850.00	\$ 7,150.00	1,202,331.53		268,413.18
1252-12	Various Capital Improvements	05/15/12	165,000.00		81,042.57			70,207.00		10,835.57
				<u>\$ 1,047,984.33</u>	<u>\$ 1,651,012.07</u>	<u>\$ 135,850.00</u>	<u>\$ 7,150.00</u>	<u>\$ 1,343,067.11</u>	<u>\$ 976,316.04</u>	<u>\$ 522,613.25</u>
	<u>Ref.</u>			C	C				C	C
						Cash Disbursed		\$ 1,304,857.81		
						Encumbrances Payable	C	38,209.30		
								<u>\$ 1,343,067.11</u>		

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 37,568.00
Increased by:		
2013 Budget Appropriation		<u>85,000.00</u>
		122,568.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>7,150.00</u>
Balance December 31, 2013	C	<u><u>\$ 115,418.00</u></u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ord. No.	Improvement Description	Original Note	Date of		Interest Rate	Issued	Balance Dec. 31, 2013
			Issue	Maturity			
1248-12; 1278-13; 1283-13	Various Street Improvements	\$ 1,326,605.00	11/15/13	06/27/14	1.00%	<u>\$ 1,326,605.00</u>	<u>\$ 1,326,605.00</u>
						<u>\$ 1,326,605.00</u>	<u>\$ 1,326,605.00</u>
					<u>Ref.</u>		C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013			
			Outstanding Date	Dec. 31, 2013 Amount							
2005 Refunding Bonds	1/1/2005	\$ 7,325,000.00	7/1/2014	\$ 405,000.00	4.000%						
			7/1/2015	400,000.00	4.000%						
			7/1/2016	395,000.00	3.750%						
			7/1/2017	390,000.00	3.850%						
			7/1/2018	385,000.00	4.000%						
			7/1/2019	380,000.00	4.000%						
			7/1/2020	375,000.00	4.100%						
			7/1/2021	370,000.00	4.125%						
			7/1/2022	365,000.00	4.200%						
			7/1/2023	365,000.00	4.250%						
			7/1/2024	415,000.00	4.350%				\$ 4,655,000.00	\$ 410,000.00	\$ 4,245,000.00
			2005 ERI Refunding Bonds	1/1/2005	275,000.00				7/1/2014-15	20,000.00	4.000%
7/1/2016	25,000.00	3.750%									
7/1/2017	30,000.00	3.850%									
7/1/2018	30,000.00	4.000%									
7/1/2019	35,000.00	4.000%				180,000.00	20,000.00	160,000.00			
2007 General Obligation Bonds	4/1/2007	3,782,900.00	4/1/2014-20	310,000.00	4.000%						
			4/1/2021	307,900.00	4.000%				2,787,900.00	310,000.00	2,477,900.00
2011 General Improvement Bonds	7/27/2011	3,519,000.00	7/15/2014	175,000.00	3.000%						
			7/15/2015	200,000.00	3.000%						
			7/15/2016	210,000.00	3.000%						
			7/15/2017	220,000.00	3.000%						
			7/15/2018	225,000.00	4.000%						

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
			Outstanding Date	Dec. 31, 2013 Amount				
2011 General Improvement Bonds	7/27/2011	\$ 3,519,000.00	7/15/19	\$ 230,000.00	4.000%			
			7/15/20	240,000.00	5.000%			
			7/15/21	260,000.00	5.000%			
			7/15/22	275,000.00	3.125%			
			7/15/23	300,000.00	3.250%			
			7/15/24	285,000.00	3.400%			
			7/15/25	300,000.00	3.500%			
			7/15/26	299,000.00	3.650%			
						\$ 3,369,000.00	\$ 150,000.00	\$ 3,219,000.00
						<u>\$10,991,900.00</u>	<u>\$ 890,000.00</u>	<u>\$ 10,101,900.00</u>
					<u>Ref.</u>	C		C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2013
1092-00	Various Capital Improvements	\$ 600.00			\$ 600.00
1197-09	Various Road Improvements	451,500.00			451,500.00
1207-10	Improvements to Kiwanis Oval	250.00			250.00
1225-10	Various Capital Improvements	260.00			260.00
1248-12; 1278-13; 1283-13	Various Street Improvements	1,326,605.00	\$ 135,850.00	\$ 1,326,605.00	135,850.00
1252-12	Various Capital Improvements	156,750.00			156,750.00
		<u>\$ 1,935,965.00</u>	<u>\$ 135,850.00</u>	<u>\$ 1,326,605.00</u>	<u>\$ 745,210.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	D	\$ 1,193,408.57	\$ 759,071.76
Increased by Receipts:			
Water Utility Collector		\$ 1,557,946.76	
Miscellaneous Revenue		940.51	
Due from General Capital Fund:			
Settlement of Prior Year Interfund			\$ 36,168.00
Due from Water Utility Capital Fund:			
Settlement of Prior Year Interfund		52,935.18	
Bond Anticipation Note Proceeds			1,795,050.00
2013 Budget Appropriation:			
Capital Improvement Fund			24,750.00
Improvement Authorization Refunds			91,643.96
Capital Fund Balance:			
Premium on Sale of Notes			2,189.96
		<u>1,611,822.45</u>	<u>1,949,801.92</u>
		2,805,231.02	2,708,873.68
Decreased by Disbursements:			
2013 Appropriation Expenditures		1,277,080.01	
2012 Appropriation Reserve Expenditures		406,106.50	
Bond Anticipation Notes Matured			800,000.00
Accrued Interest on Bonds		41,650.00	
Accrued Interest on Notes		5,277.78	
Due to General Capital Fund:			
Settlement of Prior Year Interfund		34,425.00	
Due to Water Utility Operating Fund:			
Settlement of Prior Year Interfund			52,935.18
Due Current Fund:			
Settlement of Prior Year Interfund		200,038.91	
Due Sewer Utility Operating Fund:			
Settlement of Prior Year Interfund		120,725.33	
Improvement Authorizations			1,557,215.44
		<u>2,085,303.53</u>	<u>2,410,150.62</u>
Balance December 31, 2013	D	<u>\$ 719,927.49</u>	<u>\$ 298,723.06</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 1,529,988.23
Miscellaneous Revenue	26,714.73
	<u>1,556,702.96</u>

Water Rent Overpayments	<u>1,243.80</u>
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\$ 1,557,946.76

Decreased by:

Paid to Treasurer

\$ 1,557,946.76

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2012	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2013
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 45,622.00			\$ 2,189.96						\$ 47,811.96
Capital Improvement Fund	80,000.00		\$ 24,750.00							104,750.00
Due from General Capital Fund	(36,168.00)			36,168.00						
Due to Water Utility Operating Fund	52,935.18						\$ 52,935.18			
Reserve to Pay Debt Service	11,300.00									11,300.00
Reserve for Encumbrances								\$ 16,694.98		16,694.98
Miscellaneous	(950.00)									(950.00)
<u>Ord.</u>										
<u>No.</u>	<u>Improvement Description</u>									
1174-06	Water System Improvements			80,351.63						80,351.63
1178-07;										
1231-11	Water Capital Projects			(45,512.91)						(45,512.91)
1198-09;										
1245-12	Water System Improvements	\$ 250,000.00		56,561.93	\$ 198,941.11	\$ 250,000.00		\$ 16,694.98		(67,430.20)
1249-12;										
1276.-13	Water Main Improvements	1,545,050.00		514,931.93	1,358,274.33	550,000.00				151,707.60
		<u>\$ 1,795,050.00</u>	<u>\$ 24,750.00</u>	<u>\$ 130,001.92</u>	<u>\$ 1,557,215.44</u>	<u>\$ 800,000.00</u>	<u>\$ 52,935.18</u>	<u>\$ 16,694.98</u>	<u>\$ 16,694.98</u>	<u>\$ 298,723.06</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 574.39
Increased by:		
Billings		<u>1,532,927.10</u>
		<u>1,533,501.49</u>
Decreased by:		
Prior Year Overpayments Applied		\$ 2,932.45
Collections		<u>1,529,988.23</u>
		<u>1,532,920.68</u>
Balance December 31, 2013	D	<u><u>\$ 580.81</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 1,896,296.12</u>
Balance December 31, 2013	D	<u>\$ 1,896,296.12</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012	2013	Balance Dec. 31, 2013
		Date	Amount		Improvement Authorizations	
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 471,000.00		\$ 471,000.00
1178-07; 1231-11	Water Capital Projects	05/01/07; 03/08/11	810,000.00 150,000.00	960,000.00		960,000.00
1198-09; 1245-12	Water System Improvements	08/25/09; 04/03/12	180,000.00 175,000.00	355,000.00		355,000.00
1249-12; 1276-13	Water Main Improvements	05/15/12 05/07/13	975,000.00 570,050.00	975,000.00	\$ 570,050.00	975,000.00 570,050.00
				<u>\$ 2,761,000.00</u>	<u>\$ 570,050.00</u>	<u>\$ 3,331,050.00</u>
			<u>Ref.</u>	D		D

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 55,373.07	\$ 55,373.07		\$ 55,373.07
Other Expenses	558,026.30	558,026.30	\$ 378,807.50	179,218.80
Capital Improvements:				
Capital Outlay	34,665.00	34,665.00	27,299.00	7,366.00
Statutory Expenditures:				
Contribution to:				
Defined Contribution Retirement Plan	179.36	179.36		179.36
	<u>\$ 648,243.73</u>	<u>\$ 648,243.73</u>	<u>\$ 406,106.50</u>	<u>\$ 242,137.23</u>

Analysis of Balance December 31, 2012:

	<u>Ref.</u>	
Appropriation Reserves:		
Unencumbered	D	\$ 647,103.09
Encumbered	D	1,140.64
		<u>\$ 648,243.73</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded	Funded		Unfunded	
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 80,351.63				\$ 80,351.63	
1178-07; 1231-11	Water Capital Projects	05/01/07 03/08/11	810,000.00 150,000.00		\$ 104,487.09				\$ 104,487.09
1198-09; 1245-12	Water System Improvements	08/25/09 04/03/12	180,000.00 175,000.00		161,561.93		\$ 123,992.13		37,569.80
1249-12 1276-13	Water Main Improvements	05/15/12 05/07/13	975,000.00 575,050.00		939,931.93	\$ 570,050.00	1,358,274.33		151,707.60
				<u>\$ 80,351.63</u>	<u>\$ 1,205,980.95</u>	<u>\$ 570,050.00</u>	<u>\$ 1,482,266.46</u>	<u>\$ 80,351.63</u>	<u>\$ 293,764.49</u>
				<u>Ref.</u>	D	D		D	D
							<u>Ref.</u>		
								\$ 1,557,215.44	
								(91,643.96)	
							D	16,694.98	
								<u>\$ 1,482,266.46</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 80,000.00
Increased by:		
2013 Budget Appropriation		<u>24,750.00</u>
Balance December 31, 2013	D	<u>\$ 104,750.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 2,026,446.12
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>115,000.00</u>
Balance December 31, 2013	D	<u>\$ 2,141,446.12</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 9,900.00</u>
Balance December 31, 2013	D	<u>\$ 9,900.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Issue of Original Note</u>	<u>Date of</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance Dec. 31, 2013</u>
			<u>Issue</u>	<u>Maturity</u>					
Water System Improvements	1198-09; 1245-12	12/21/12	12/21/12 06/28/13	07/01/13 06/27/14	1.250% 1.000%	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Water Main Improvements	1249-12; 1276-13	12/21/12	12/21/12 06/28/13	07/01/13 06/27/14	1.250% 1.000%	550,000.00	1,545,050.00	550,000.00	1,545,050.00
						<u>\$ 800,000.00</u>	<u>\$ 1,795,050.00</u>	<u>\$ 800,000.00</u>	<u>\$ 1,795,050.00</u>
					<u>Ref.</u>	D			D
					New Issuance		\$ 995,050.00		
					Renewals		<u>800,000.00</u>	<u>\$ 800,000.00</u>	
							<u>\$ 1,795,050.00</u>	<u>\$ 800,000.00</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
			Date	Amount				
Water Utility Bonds	04/01/07	\$ 575,000.00	04/01/14-16	\$ 40,000.00	3.750%	\$ 405,000.00	\$ 40,000.00	\$ 365,000.00
			04/01/17	45,000.00	4.000%			
			04/01/18-21	50,000.00	4.000%			
Water Utility Bonds	07/27/11	810,000.00	07/15/14	75,000.00	3.000%	735,000.00	75,000.00	660,000.00
			07/15/15	75,000.00	3.000%			
			07/15/16	80,000.00	3.000%			
			07/15/17	80,000.00	3.000%			
			07/15/18	80,000.00	4.000%			
			07/15/19	90,000.00	4.000%			
			07/15/20	90,000.00	5.000%			
			07/15/21	90,000.00	5.000%			
						<u>735,000.00</u>	<u>75,000.00</u>	<u>660,000.00</u>
						<u>\$ 1,140,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 1,025,000.00</u>
<u>Ref.</u>						D		D

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Bond Anticipation Notes Matured</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
1198-09; 1245-12	Water System Improvements	\$ 105,000.00		\$ 250,000.00	\$ 250,000.00	\$ 105,000.00
1178-07; 1231-11	Water Capital Projects	150,000.00				150,000.00
1249-12; 1276-13	Water Main Improvements	<u>425,000.00</u>	<u>\$ 570,050.00</u>	<u>550,000.00</u>	<u>1,545,050.00</u>	
		<u>\$ 680,000.00</u>	<u>\$ 570,050.00</u>	<u>\$ 800,000.00</u>	<u>\$ 1,795,050.00</u>	<u>\$ 255,000.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	E	\$ 363,915.62	\$ 1,123,623.21
Increased by Receipts:			
Sewer Collector		\$ 4,883,251.74	
Interest Income		646.43	
Due from Current Fund:			
Settlement of Prior Year Interfund		298,983.69	
Due Water Utility Operating Fund:			
Settlement of Prior Year Interfund		120,725.33	
Due Sewer Capital Fund:			
Settlement of Prior Year Interfund		15,797.27	
Appropriation Refunds		164,943.59	
2013 Budget Appropriation:			
Capital Improvement Fund			\$ 115,000.00
		<u>5,484,348.05</u>	<u>115,000.00</u>
		5,848,263.67	1,238,623.21
Decreased by Disbursements:			
2013 Appropriation Expenditures		4,723,612.06	
2012 Appropriation Reserve Expenditures		42,271.94	
Accrued Interest on Bonds		20,720.70	
Accrued Interest on Loans		287,807.50	
Due to Current Fund:			
Anticipated Revenue - Operating Surplus		28,212.00	
Settlement of Prior Year Interfund			15,797.27
Improvement Authorizations			367,743.55
		<u>5,102,624.20</u>	<u>383,540.82</u>
Balance December 31, 2013	E	<u>\$ 745,639.47</u>	<u>\$ 855,082.39</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Sewer Connection Fees	\$ 179,400.00	
Sewer Application Fees	1,750.00	
KMOS Lease of Wastewater Plant Property	162,998.25	
Additional KMOS Lease of Wastewater Plant Property	54,332.75	
Consumer Accounts Receivable:		
Sewer Rents/Additional Sewer Rents	<u>4,484,770.74</u>	
		\$ 4,883,251.74

Decreased by:

Paid to Treasurer		<u>\$ 4,883,251.74</u>
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BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2012	Receipts	Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2013
		Budget Appropriation	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 930,215.54	\$ 115,000.00					\$ 1,045,215.54
Due from NJ Environmental Infrastructure Loan					\$ 421,500.00		(421,500.00)
Due Sewer Utility Operating Fund	15,797.27			\$ 15,797.27			
<u>Ord.</u>							
<u>No.</u>	<u>Improvement Description</u>						
1175-06	Sewer Utility Improvements	328,940.53					328,940.53
1177-07	Wastewater Treatment Plant Upgrades	(151,330.13)	\$ 367,743.55			\$ 421,500.00	(97,573.68)
		<u>\$ 1,123,623.21</u>	<u>\$ 115,000.00</u>	<u>\$ 367,743.55</u>	<u>\$ 15,797.27</u>	<u>\$ 421,500.00</u>	<u>\$ 421,500.00</u>
							<u>\$ 855,082.39</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 130,318.36
Increased by:		
Billings		<u>4,485,650.42</u>
		4,615,968.78
Decreased by:		
Prepaid Rents Applied	\$ 879.68	
Collected in Sewer Utility Operating Fund	<u>4,484,770.74</u>	
		<u>4,485,650.42</u>
Balance December 31, 2013	E	<u>\$ 130,318.36</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2012	E	<u>\$ 28,882,151.97</u>
Balance December 31, 2013	E	<u>\$ 28,882,151.97</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2012	Dec. 31, 2013
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 480,300.00	\$ 480,300.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00	16,000,000.00	16,000,000.00
				<u>\$ 16,480,300.00</u>	<u>\$ 16,480,300.00</u>
			<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 108,961.66	\$ 108,961.66		\$ 108,961.66
Other Expenses	139,666.01	139,666.01	\$ 42,271.94	97,394.07
Statutory Expenditures:				
Contribution to:				
Defined Contribution Retirement Plan	100.00	100.00		100.00
	<u>\$ 248,727.67</u>	<u>\$ 248,727.67</u>	<u>\$ 42,271.94</u>	<u>\$ 206,455.73</u>

Ref.

Analysis of Balance December 31, 2012:

Appropriation Reserves:				
Unencumbered	E	<u>\$ 248,727.67</u>		
		<u>\$ 248,727.67</u>		

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		Paid or Charged	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 328,940.53	\$ 16,720.00		\$ 328,940.53	\$ 16,720.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00		691,669.87	\$ 367,743.55		323,926.32
				<u>\$ 328,940.53</u>	<u>\$ 708,389.87</u>	<u>\$ 367,743.55</u>	<u>\$ 328,940.53</u>	<u>\$ 340,646.32</u>
		<u>Ref.</u>		E	E		E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 930,215.54
Increased by:		
2013 Budget Appropriation		<u>115,000.00</u>
Balance December 31, 2013	E	<u>\$ 1,045,215.54</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 31,510,947.16
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds Payable	\$	70,000.00
New Jersey Environmental Infrastructure Trust Loans		718,468.96
		<u>788,468.96</u>
Balance December 31, 2013	E	<u>\$ 32,299,416.12</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	\$ 179,551.11	\$ 179,551.11
			<u>\$ 179,551.11</u>	<u>\$ 179,551.11</u>
		<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
			Date	Amount				
2005 Sewer Utility Refunding Bonds	01/01/05	\$ 335,000.00	07/01/14-15	\$ 30,000.00	4.000%	\$ 145,000.00	\$ 30,000.00	\$ 115,000.00
			07/01/16	30,000.00	3.750%			
			07/01/17	25,000.00	3.850%			
2007 Sewer Utility Bonds	04/01/07	564,580.00	04/01/14-16	40,000.00	3.750%	404,580.00	40,000.00	364,580.00
			04/01/17	40,000.00	4.000%			
			04/01/18-20	50,000.00	4.000%			
			04/01/21	54,580.00	4.000%			
						<u>\$ 549,580.00</u>	<u>\$ 70,000.00</u>	<u>\$ 479,580.00</u>
<u>Ref.</u>						E		E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 12,262,653.70
Increased by:		
2013 NJEIT Loan Issued		421,500.00
		12,684,153.70
Decreased by:		
Principal Matured:		
Paid by Sewer Utility Operating Budget		718,468.96
		718,468.96
Balance December 31, 2013	E	\$ 11,965,684.74

Schedule of Principal and Interest Payments Outstanding December 31, 2013

Trust Loan - 2007 Issue

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 6,110,000.00
12	02/01/14		\$ 138,478.75	6,110,000.00
13	08/01/14	\$ 320,000.00	138,478.75	5,790,000.00
14	02/01/15		132,718.75	5,790,000.00
15	08/01/15	335,000.00	132,718.75	5,455,000.00
16	02/01/16		124,343.75	5,455,000.00
17	08/01/16	350,000.00	124,343.75	5,105,000.00
18	02/01/17		115,593.75	5,105,000.00
19	08/01/17	365,000.00	115,593.75	4,740,000.00
20	02/01/18		106,468.75	4,740,000.00
21	08/01/18	385,000.00	106,468.75	4,355,000.00
22	02/01/19		96,843.75	4,355,000.00
23	08/01/19	405,000.00	96,843.75	3,950,000.00
24	02/01/20		88,743.75	3,950,000.00
25	08/01/20	420,000.00	88,743.75	3,530,000.00
26	02/01/21		80,343.75	3,530,000.00
27	08/01/21	435,000.00	80,343.75	3,095,000.00
28	02/01/22		69,468.75	3,095,000.00
29	08/01/22	460,000.00	69,468.75	2,635,000.00
30	02/01/23		57,968.75	2,635,000.00
31	08/01/23	480,000.00	57,968.75	2,155,000.00
32	02/01/24		47,768.75	2,155,000.00
33	08/01/24	505,000.00	47,768.75	1,650,000.00

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2013

Trust Loan - 2007 Issue

(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
34	02/01/25		\$ 36,406.25	\$ 1,650,000.00
35	08/01/25	\$ 525,000.00	36,406.25	1,125,000.00
36	02/01/26		24,593.75	1,125,000.00
37	08/01/26	550,000.00	24,593.75	575,000.00
38	02/01/27		12,218.75	575,000.00
39	08/01/27	575,000.00	12,218.75	-0-
		<u>\$ 6,110,000.00</u>	<u>\$ 2,263,920.00</u>	

Schedule of Principal Payments Outstanding December 31, 2013

Fund Loan - 2007 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 5,453,343.83
12	02/01/14	\$ 90,181.44	5,363,162.39
13	08/01/14	298,574.88	5,064,587.51
14	02/01/15	86,430.36	4,978,157.15
15	08/01/15	304,592.24	4,673,564.91
16	02/01/16	80,976.31	4,592,588.60
17	08/01/16	308,906.64	4,283,681.96
18	02/01/17	75,278.06	4,208,403.90
19	08/01/17	312,976.82	3,895,427.08
20	02/01/18	69,335.59	3,826,091.49
21	08/01/18	320,058.94	3,506,032.55
22	02/01/19	63,067.50	3,442,965.05
23	08/01/19	326,815.45	3,116,149.60
24	02/01/20	57,792.54	3,058,357.06
25	08/01/20	331,308.93	2,727,048.13
26	02/01/21	52,322.22	2,674,725.91
27	08/01/21	335,607.05	2,339,118.86
28	02/01/22	45,240.09	2,293,878.77
29	08/01/22	344,805.67	1,949,073.10
30	02/01/23	37,750.96	1,911,322.14

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2013

Fund Loan - 2007 Issue

(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
31	08/01/23	\$ 350,341.12	\$ 1,560,981.02
32	02/01/24	31,108.41	1,529,872.61
33	08/01/24	359,979.31	1,169,893.30
34	02/01/25	23,708.82	1,146,184.48
35	08/01/25	365,604.31	780,580.17
36	02/01/26	16,016.17	764,564.00
37	08/01/26	374,192.40	390,371.60
38	02/01/27	7,957.21	382,414.39
39	08/01/27	382,414.39	-0-
		<u>\$ 5,453,343.83</u>	

Schedule of Principal Payments Outstanding December 31, 2013

Fund Loan - 2013 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 402,340.91
2	02/01/14	\$ 9,579.54	392,761.37
3	08/01/14	19,159.09	373,602.28
4	02/01/15	9,579.54	364,022.74
5	08/01/15	19,159.09	344,863.65
6	02/01/16	9,579.54	335,284.11
7	08/01/16	19,159.09	316,125.02
8	02/01/17	9,579.54	306,545.48
9	08/01/17	19,159.09	287,386.39
10	02/01/18	9,579.54	277,806.85
11	08/01/18	19,159.09	258,647.76
12	02/01/19	9,579.54	249,068.22
13	08/01/19	19,159.09	229,909.13
14	02/01/20	9,579.54	220,329.59
15	08/01/20	19,159.09	201,170.50
16	02/01/21	9,579.54	191,590.96

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2013
Fund Loan - 2013 Issue
(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
17	08/01/21	\$ 19,159.09	\$ 172,431.87
18	02/01/22	9,579.54	162,852.33
19	08/01/22	19,159.09	143,693.24
20	02/01/23	9,579.54	134,113.70
21	08/01/23	19,159.09	114,954.61
22	02/01/24	9,579.54	105,375.07
23	08/01/24	19,159.09	86,215.98
24	02/01/25	9,579.54	76,636.44
25	08/01/25	19,159.09	57,477.35
26	02/01/26	9,579.54	47,897.81
27	08/01/26	19,159.09	28,738.72
28	02/01/27	9,579.54	19,159.18
29	08/01/27	19,159.18	-0-
		<u>\$ 402,340.91</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>New Jersey Environmental Infrastructure Loan Issued</u>	<u>Balance Dec. 31, 2013</u>
1175-06	Sewer Utility Improvements	\$ 16,720.00		\$ 16,720.00
1177-07	Wastewater Treatment Plant Upgrades	843,000.00	\$ 421,500.00	421,500.00
		<u>\$ 859,720.00</u>	<u>\$ 421,500.00</u>	<u>\$ 438,220.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. I</u>	<u>Total</u>
Balance December 31, 2012	F	\$ 27,753.29	\$ 27,753.29
Increased by Receipts:			
Donations		<u>31,576.13</u>	<u>31,576.13</u>
		<u>59,329.42</u>	<u>59,329.42</u>
Decreased by Disbursements:			
Ineligible Assistance		<u>24,031.76</u>	<u>24,031.76</u>
		<u>24,031.76</u>	<u>24,031.76</u>
Balance December 31, 2013	F	<u>\$ 35,297.66</u>	<u>\$ 35,297.66</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2013
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF CALDWELL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Federal Department	Federal Program	C.F.D.A. Account Number	State Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
					From	To			Cumulative Total Expenditures
U.S. Department of Transportation: (Passed through NJ Department of Transportation)	Highway Planning and Construction: Municipal Aid Program - Brookside Avenue	20.205	480-078-6320- ALC-609162	\$ 265,000.00	01/01/12	12/31/14	\$ 183,268.88	\$ 183,268.88	\$ 183,268.88
(Passed through NJ Department of Law and Public Safety)	Click It or Ticket	20.614	N/A	2,900.00	01/01/13	12/31/13	2,900.00	2,900.00	2,900.00
	Drive Sober or Get Pulled Over	20.601	100-066-1160- 057-034100	4,400.00	01/01/13	12/31/13	4,400.00	4,400.00	4,400.00
Total U.S. Department of Transportation							190,568.88	190,568.88	190,568.88
U.S. Department of Justice: (Passed through NJ Dept. of Law and Public Safety)	Bulletproof Vest Program	16.607	N/A	4,542.50	01/01/12	12/31/14	2,315.63	2,315.63	2,315.63
Total US Department of Justice							2,315.63	2,315.63	2,315.63
U.S. Department of Housing and Urban Development: (Passed through the County of Essex)	Community Development Block Block Grants Entitlement Cluster: Public Library Parking Garage Ramps	14.228	N/A	96,303.72	01/01/12	12/31/14	8,397.50	8,397.50	8,397.50
Total U.S. Department of Housing and Urban Development							8,397.50	8,397.50	8,397.50
U.S. Department of Labor: (Passed through the County of Essex)	Workforce Investment Act - National Emergency Grant: Hurricane Irene Emergency Grant	17.277	N/A	31,082.00	12/17/12	04/29/13	30,401.80	31,082.00	31,082.00
Total U.S. Department of Labor							30,401.80	31,082.00	31,082.00
U.S. Department of Homeland Security: (Passed through N.J. Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA: October 2011 Snowstorm	97.036	N/A	115,812.97	01/01/11	12/31/11	96,636.82	96,636.82 *	115,812.97
	Super Storm Sandy	97.036	N/A	76,961.79	01/01/12	12/31/12	76,961.79	76,961.79 *	76,961.79
							173,598.61	173,598.61	192,774.76
	Assistance to Firefighters Grant - FEMA	97.044	N/A	72,818.00	05/24/13	05/23/14	72,818.00	72,818.00	72,818.00
Total U.S. Department of Homeland Security							246,416.61	246,416.61	265,592.76
TOTAL FEDERAL AWARDS							\$ 478,100.42	\$ 478,780.62	\$ 497,956.77

* Expended in 2011 and 2012.

N/A - Not Available/Applicable

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

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
				From	To			Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Grant	765-042-4900-004-178900	\$ 13,113.43	01/01/13	12/31/14	\$ 13,113.43		
	Green Communities	N/A	1,931.58	01/01/13	12/31/14	1,931.58		
	Recycling Tonnage Grant	752-042-4900-004-178840	4,003.00	01/01/04	12/31/13		\$ 759.63	\$ 4,003.00
			3,263.46	01/01/05	12/31/13		3,263.46	3,263.46
			4,341.80	01/01/06	12/31/13		4,341.80	4,341.80
			3,691.19	01/01/07	12/31/13		3,691.19	3,691.19
			4,906.48	01/01/08	12/31/13		4,906.48	4,906.48
			9,986.48	01/01/09	12/31/13		9,986.48	9,986.48
			10,806.68	01/01/10	12/31/13		10,806.68	10,806.68
			13,695.20	01/01/11	12/31/13		13,695.20	13,695.20
12,288.20	01/01/13	12/31/14	12,288.20					
Total Department of Environmental Protection						27,333.21	51,450.92	54,694.29
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-040000	2,158.52	01/01/12	12/31/14		150.00	300.00
			4,116.43	01/01/13	12/31/14	4,116.43		
Total Department of Health and Senior Services						4,116.43	150.00	300.00
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110-260-YYYY	\$ 2,457.14	01/01/06	12/31/13		312.92	2,457.14
			2,900.00	01/01/07	12/31/14		2,018.24	2,018.24
			4,033.44	01/01/12	12/31/14		395.00	395.00
			5,899.53	01/01/13	12/31/13	5,899.53	5,899.53	5,899.53
						5,899.53	8,625.69	10,769.91

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO
				From	To			Cumulative Total Expenditures
Department of Law and Public Safety (Cont'd)	Body Armor Replacement Fund	718-066-1020-001-6120	\$ 8,422.65	01/01/06	12/31/14		\$ 3,357.62	\$ 7,750.87
			3,011.63	01/01/13	12/31/14	\$ 3,011.63	3,357.62	7,750.87
	Yield to Pedestrians	N/A	600.00	01/01/13	12/31/13	600.00	600.00	600.00
Total Department of Law and Public Safety						9,511.16	12,583.31	19,120.78
Department of Treasury (Passed through the County of Essex)	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	28,500.00	01/01/11	12/31/13		5,041.56	28,500.00
			28,500.00	01/01/12	12/31/13	19,808.89	433.44	10,353.89
Total Department of Treasury						19,808.89	5,475.00	38,853.89
TOTAL STATE AWARDS						\$ 60,769.69	\$ 69,659.23	\$ 112,968.96

N/A - Not Available

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

BOROUGH OF CALDWELL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Borough of Caldwell under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

C. 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.

D. STATE LOANS OUTSTANDING

The Borough of Caldwell has the following loans outstanding as of December 31, 2013:

Sewer Utility Capital Fund:

New Jersey Environmental Infrastructure Trust Loans

\$ 11,965,684.74

Currently, the Borough is in the process of repaying the loan balances on the 2007 loans. There have been no expenditures or receipts on the project related to the \$421,500 2013 loan. At December 31, 2013, the Borough has received and expended \$15,113,500.00 of the \$15,535,000.00. Loan funds are for the upgrades to the wastewater treatment system.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
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Report on Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with Government Auditing Standards

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated May 29, 2014. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough'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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2013-01, that we consider to be a significant deficiency.

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

Compliance and Other Matters

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

The Borough's Response to the Finding

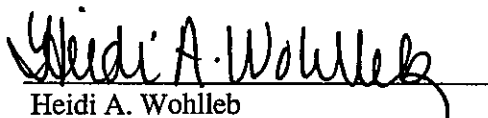
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mount Arlington, New Jersey
May 29, 2014

NISIVOC CIA LLP



Heidi A. Wohlleb

Certified Public Accountant

Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2013 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2013-01

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments or offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Tax Collector is responsible for collecting, depositing and posting all cash receipts to the Borough's finance software. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

This finding will be evaluated by the governing body and administration in 2014.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF CALDWELL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2013

The Borough's prior year audit finding regarding segregation of duties was not resolved in 2013 and is therefore included as current year finding 2013-01.

BOROUGH OF CALDWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS

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

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

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

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

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

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

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

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

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

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

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Collection of Interest on Delinquent Taxes, Utility Rents and Assessments

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

On January 1, 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ pursuant to R.S. 54:4-67, as amended and supplemented, that the rate of interest to be charged for the non-payment of taxes or assessments on or after the date when they become delinquent shall be as follows:

1. No interest shall be charged if payment of any installment so due is made within ten (10) days of the date the same shall be payable; and
2. Upon expiration of the ten (10) day period as aforesaid, the rate of interest shall be eight (8) percent on the first \$1,500.00 of the delinquency and eighteen (18) percent thereafter on any amount in excess of \$1,500; and
3. A penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year in the amount of 6% of the delinquency.

FURTHER, BE IT RESOLVED that

4. Any water or sewer account remaining unpaid after due date on each billing shall be subject to a penalty of ten (10) percent of the unpaid balance."

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

Delinquent Taxes and Tax Title Liens

An accelerated tax sale was held on December 20, 2013.

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

<u>Year</u>	<u>Number of Liens</u>
2013	-0-
2012	-0-
2011	-0-

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2013 and 2014 Taxes	30
Payment of 2013 and 2014 Water Rents	20
Payment of 2013 Excess Sewer Rents	15

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. They are as follows:

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

The Borough maintains encumbrance, fixed assets and general ledger accounting systems.

Finance Records

Capital Ordinances

There are several ordinances over five years old that have unexpended balances at December 31, 2013 which had no activity during the year. As the Borough has reviewed these ordinances and has adopted a resolution to cancel these unexpended ordinance balances in 2014, a formal recommendation is not deemed necessary.

Internal Controls

During our review of vouchers, we noted that certain vouchers were approved after goods were received or services performed. It is recommended that extra care be taken to ensure all vouchers are approved before goods are ordered or services are performed.

Management's Response

The Borough has already taken steps to ensure that prior approval is obtained before orders are placed or services performed.

The Borough has not prepared formal standard operating policies and procedures with respect to the accounting functions. However, as the Borough is in the process of drafting formal standard operating policies and procedures, a formal recommendation is not deemed necessary.

Outside Offices

During our review of the Community Center operations, we noted that individual log-ons are not assigned for each employee who utilizes the same Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are approved by either the Community Center Director or the Front Desk Supervisor, who are not independent of collections. However, their involvement with cash collections is kept to a minimum. In 2012, the Borough installed security cameras in certain areas of the Community Center, including the front desk where cash is collected. It is recommended that each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Outside Offices (Cont'd)

Management's Response

The Borough will continue to evaluate job duties and systems controls at the Community Center, including the possibility of a central cashier.

Sewer Utility Operating

The Borough does not have formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings. It is recommended that the Borough implement formal written contracts with the various municipalities for sewer fees.

Management's Response

The Borough is in the process of negotiating contract terms with the various municipalities.

As of December 31, 2013, the Borough has a large sewer rents receivable balance that has not been collected as of the date of this audit. However, since the Borough has subsequently passed a resolution to cancel this receivable, a formal recommendation is not warranted.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2013.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Receipts	Disbursements	Balance Dec. 31, 2013
Municipal Treasurer:				
Fines and Costs	\$ 18,033.79	\$ 301,502.88	\$ 298,493.75	\$ 21,042.92
P.O.A.A. Fines	132.00	1,850.00	1,860.00	122.00
Public Defender				
State Treasurer	14,021.71	209,272.62	207,347.25	15,947.08
County Treasurer	3,785.50	70,563.50	69,281.00	5,068.00
Conditional Discharge Fee	173.00		173.00	
Weights and Measures		500.00	500.00	
Restitution		50.00	50.00	
Cash Bail	1,659.00	28,130.00	29,294.00	495.00
	<u>\$ 37,805.00</u>	<u>\$ 611,869.00</u>	<u>\$ 606,999.00</u>	<u>\$ 42,675.00</u>

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

During our review of the Municipal Court records, we noted the following:

- a. There were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. Also, certain tickets selected for testing could not be located.
- b. During our review of the bank reconciliations for the regular account, we noted that there are reconciling differences beginning in September of 2013. Also, a list of outstanding checks was not available with the December 2013 bank reconciliation.
- c. During our review of the Bail account, we noted that there are a number of items of bail held on account that related to cases that appeared to have been closed in prior years. We also noted that the total outstanding bail on account does not agree with the reconciled book balance for the bail account.

It is recommended that:

- a. The Court Administrator pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.
- b. Reconciling differences be investigated and resolved and a list of outstanding checks be available for review for the regular account.
- c. Older items of bail held on account be investigated and refunded or forfeited as deemed appropriate. Also, the total outstanding bail on account be reconciled with the bail account book balance on a monthly basis.

Management's Response

The Court Administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report so they may be voided and pursue disposition of any tickets which cannot be located. Also, the Court Administrator will review and resolve the reconciling differences and ensure that a list of outstanding checks is available for each month's bank reconciliation. Additionally, the Court Administrator will review and resolve older bail items held on account and ensure that the total outstanding bail on account is reconciled with the bail cash balance on a monthly basis.

Management Suggestion

Outside Departments

Not all outside departments prepare and submit monthly reports to the Finance Office. It is suggested that all outside departments prepare and submit monthly reports to the Finance Office to ensure reconciliation with the Treasurer's records.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Status of Prior Year Recommendations (Cont'd)

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2012 audit report. The following prior year recommendations were resolved during the current year: 2a (with respect to cancellation of older grant receivable and appropriated reserve balances), 2b (with respect to the reconciliation of cash disbursement records with the general ledger), 2c (with respect to the liquidation of interfunds), 3 (with respect to cancellation of older capital ordinances), 4a (with respect to obtaining required signatures on vouchers), 4b (with respect to formal standard operating policies and procedures), 5a (with respect to reconciliation of pension withholdings), 5b (with respect to net payroll balances), 5c (with respect to proper charge of salaries and fringe benefits) and 7b (with respect to the cancellation of the sewer rents receivable). The remaining prior year recommendations have been repeated in the current year's audit and corrective action with respect to these recommendations is in the process of being implemented.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. Internal Controls:
 - a. All vouchers are approved before goods are ordered or services are performed.
3. Each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.
4. Sewer Operating Utility:
 - a. The Borough implement formal written contracts with the various municipalities for sewer fees.
5. Municipal Court:
 - a. The Court Administrator pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.
 - b. Reconciling differences be investigated and resolved and a list of outstanding checks be available for review for the regular account.
 - c. Older items of bail held on account be investigated and refunded or forfeited as deemed appropriate. Also, the total outstanding bail on account be reconciled with the bail account book balance on a monthly basis.
