

*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
***Town of Clinton***  
*in the*  
*County of Hunterdon*  
*New Jersey*  
*for the*  
*Year Ended*  
*December 31, 2012*



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TOWN OF CLINTON

PART I

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2012 AND 2011



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Town Council  
Town of Clinton  
County of Hunterdon  
Clinton, New Jersey 08809

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

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

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

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

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

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the provisions of U.S. Office of Management and Budget (OMB) Circular 133, "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Town of Clinton as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2012.

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

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

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

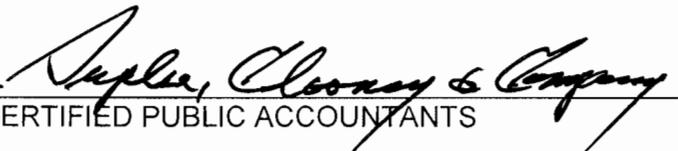
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Clinton's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and data in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2013 on our consideration of the Town of Clinton'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 Town of Clinton's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

April 12, 2013

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

CURRENT FUND

TOWN OF CLINTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
Cash-Treasurer	A-4	\$ 917,147.12	\$ 844,484.46
Change Fund	A-25	50.00	50.00
Due State of New Jersey-Chapter 20, PL 1971	A-8	7,071.68	7,071.68
		<u>\$ 924,268.80</u>	<u>\$ 851,606.14</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 158,345.91	\$ 482,882.22
Tax Title Liens	A-6	2,132.00	54.97
Revenue Accounts Receivable	A-9	5,704.72	8,098.28
Interfunds Receivable	A-10	84,834.14	13,135.13
	A	<u>\$ 251,016.77</u>	<u>\$ 504,170.60</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)	A-26	<u>125,000.00</u>	<u></u>
		<u>\$ 1,300,285.57</u>	<u>\$ 1,355,776.74</u>
Grant Fund:			
Grants Receivable	A-19	\$ 177,014.96	\$ 285,376.26
Due Current Fund	A-24	<u></u>	<u>30,346.45</u>
		<u>\$ 177,014.96</u>	<u>\$ 315,722.71</u>
		<u>\$ 1,477,300.53</u>	<u>\$ 1,671,499.45</u>

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

TOWN OF CLINTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 171,416.79	\$ 131,947.64
Prepaid Taxes	A-17	30,298.01	52,171.16
Special Emergency Note	A-27	125,000.00	
Interfunds Payable	A-10	391,376.88	86,859.30
Sale of Municipal Assets	A-4	10,195.14	
Outside Liens	A-12	1,943.75	1,943.75
County Taxes-Payable	A-14	944.39	30,569.51
Local District School Taxes	A-15	50,720.04	408,361.21
Regional School Taxes Payable	A-16	50.00	49.99
Reserve for Encumbrances	A-20	113,710.46	19,054.23
		\$ <u>895,655.46</u>	\$ <u>730,956.79</u>
Reserve for Receivables and Other Assets	A	251,016.77	504,170.60
Fund Balance	A-1	153,613.34	120,649.35
		\$ <u>1,300,285.57</u>	\$ <u>1,355,776.74</u>
Grant Fund:			
Reserve for Grants Unappropriated	A-22	\$ 11,768.82	\$ 3,664.41
Due Current Fund	A-24	1,638.61	
Due Sewer Utility Operating Fund			72,000.00
Encumbrances Payable	A-21		77,744.77
Appropriated Reserves	A-23	163,607.53	162,313.53
		\$ <u>177,014.96</u>	\$ <u>315,722.71</u>
		\$ <u>1,477,300.53</u>	\$ <u>1,671,499.45</u>

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

## TOWN OF CLINTON

## CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 100,000.00	\$ 425,000.00
Miscellaneous Revenue Anticipated	A-2	923,747.32	1,284,011.66
Receipts From Delinquent Taxes	A-2	482,220.53	169,601.78
Receipts From Current Taxes	A-2	10,193,518.87	10,040,856.70
Non-Budget Revenue	A-2	174,972.68	40,974.58
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	93,285.11	30,632.09
Encumbrances Canceled	A-20	5,682.79	
<u>Total Income</u>		<u>\$ 11,973,427.30</u>	<u>\$ 11,991,076.81</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 2,665,838.00	\$ 2,523,304.00
Deferred Charges and Regulatory Expenditures	A-3	348,153.00	369,120.00
Operations Excluded From "CAPS":			
Operating	A-3	217,274.90	374,542.06
Capital Improvements	A-3	15,000.00	40,000.00
Municipal Debt Service	A-3	119,082.80	124,378.73
County Taxes	A-14	1,366,128.30	1,369,722.16
County Share of Added Taxes	A-14	944.39	30,566.40
Local District School Taxes	A-15	4,933,546.00	4,934,915.08
Regional High School Taxes	A-16	2,189,587.54	2,185,868.91
Interfunds Advanced		71,699.01	1,780.83
Refund of Prior Year Revenue	A-4	38,209.37	239.36
<u>Total Expenditures</u>		<u>\$ 11,965,463.31</u>	<u>\$ 11,954,437.53</u>
Excess in Revenue		\$ 7,963.99	\$ 36,639.28
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>125,000.00</u>	
Statutory Excess to Fund Balance		\$ 132,963.99	\$ 36,639.28
<u>Fund Balance</u>			
Balance, January 1	A	120,649.35	509,010.07
		<u>\$ 253,613.34</u>	<u>\$ 545,649.35</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>100,000.00</u>	<u>425,000.00</u>
Fund Balance, December 31	A	<u>\$ 153,613.34</u>	<u>\$ 120,649.35</u>

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 100,000.00	\$ 100,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	\$ 7,000.00	\$ 7,500.00	\$ 500.00
Fees and Permits:				
Construction Code Official	A-9	55,000.00	74,825.00	19,825.00
Fines:				
Municipal Court	A-9	108,000.00	105,163.59	(2,836.41)
Interest and Costs on Taxes	A-9	50,000.00	95,278.04	45,278.04
Interest on Investment	A-9	1,500.00	751.19	(748.81)
Anticipated Utility Surplus	A-9	250,000.00	7,135.97	(242,864.03)
Rental Income - Sewer Department	A-9	140,000.00	140,000.00	
Rental Income - Water Department	A-9	100,000.00	100,000.00	
Consolidated Municipal Property Tax Relief Act	A-9	13,719.00	13,719.00	
Energy Receipts Tax	A-9	147,046.00	147,046.00	
Uniform Fire Safety	A-9	14,000.00	16,593.09	2,593.09
Hotel and Motel Occupancy	A-9	70,000.00	69,102.54	(897.46)
Body Armor Replacement Fund	A-19	1,352.07	1,352.07	
Clean Communities Program	A-19		4,417.99	4,417.99
Open Space Trust Grant - Gebhardt Field	A-19		14,500.00	14,500.00
Recycling Tonnage Grant	A-19	1,362.84	1,362.84	
Trust Surplus	A-9	115,000.00	115,000.00	
Capital Surplus	A-9	10,000.00	10,000.00	
	A-1	\$ 1,083,979.91	\$ 923,747.32	\$ (179,150.58)
Receipts From Delinquent Taxes	A-1	\$ 470,000.00	\$ 482,220.53	\$ 12,220.53
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-7	\$ 1,962,468.00	\$ 2,098,312.64	\$ 135,844.64
<u>Budget Totals</u>		\$ 3,616,447.91	\$ 3,604,280.49	\$ (31,085.41)
Non-Budget Revenue	A-1:A-2		174,972.68	174,972.68
		\$ 3,616,447.91	\$ 3,779,253.17	\$ 143,887.27
REF.		A-3	A-3	

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collections Realized on a Cash Basis	A-1:A-7	\$ 10,193,518.87
Allocated to:		
School and County Taxes		<u>8,490,206.23</u>
Balance for Support of Municipal Budget Appropriations		\$ 1,703,312.64
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>395,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>2,098,312.64</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-7	\$ <u>482,220.53</u>
	A-2	\$ <u>482,220.53</u>
 <u>Analysis of Non-Budget Revenues</u>		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Miscellaneous		\$ 13,967.87
Clerks Fees		10,011.29
Recycling		4,273.00
Senior Citizen and Veterans Administrative Fee		370.00
Cable T.V. Franchise Fee		2,761.84
Affordable Housing Fees		11,745.00
FEMA Reimbursements		24,406.73
Payment in Lieu of Taxes		788.05
Police Outside Duty Administrative Fees		11,668.00
Miscellaneous Reimbursement		<u>92,681.90</u>
	A-4	\$ 172,673.68
Tax Collector	A-5	<u>2,299.00</u>
	A-1:A-2	\$ <u>174,972.68</u>

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$ 11,134.00	\$ 11,134.00	\$ 11,133.34	\$ 0.66	
Other Expenses	9,450.00	7,950.00	6,493.01	1,456.99	
Communications	5,000.00	5,000.00	4,686.25	313.75	
Municipal Clerk:					
Salaries and Wages	51,000.00	51,000.00	50,019.23	980.77	
Other Expenses	19,300.00	17,800.00	15,776.84	2,023.16	
Financial Administration:					
Salaries and Wages	41,130.00	41,130.00	41,130.00		
Other Expenses	6,545.00	6,545.00	6,201.97	343.03	
Audit Services	10,000.00	10,000.00	10,000.00		
Assessment of Taxes:					
Salaries and Wages		10,500.00	9,999.99	500.01	
Other Expenses	18,100.00	134,100.00	123,199.38	10,900.62	
Revenue Administration:					
Salaries and Wages	18,426.00	18,426.00	16,672.82	1,753.18	
Other Expenses	6,650.00	6,650.00	6,220.58	429.42	
Legal Services and Costs:					
Other Expenses	60,750.00	81,550.00	78,541.97	3,008.03	
Engineering Services and Costs:					
Other Expenses	6,885.00	16,485.00	16,010.56	474.44	
Planning Board:					
Salaries and Wages	7,637.00	7,637.00	7,529.16	107.84	
Other Expenses	3,000.00	2,000.00	1,344.29	655.71	
Board of Adjustment:					
Salaries and Wages	7,637.00	7,637.00	7,529.16	107.84	
Other Expenses	2,250.00	1,850.00	1,808.75	41.25	
Environmental Commission:					
Other Expenses	500.00	500.00	300.00	200.00	
Public Defender:					
Salaries and Wages	6,737.00	6,737.00	6,736.60	0.40	
Insurance:					
General Liability	79,984.00	80,784.00	80,130.00	654.00	
Workers Compensation	37,633.00	37,633.00	37,633.00		
Employee Group Health	279,230.00	279,230.00	279,230.00		
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	51,500.00	51,500.00	51,500.00		
Fire Prevention:					
Salaries and Wages	16,728.00	16,728.00	16,728.00		
Other Expenses	2,200.00	2,200.00	2,015.22	184.78	
Police:					
Salaries and Wages	975,980.00	975,980.00	944,882.19	31,097.81	
Other Expenses	72,955.00	73,955.00	66,713.03	7,241.97	
First Aid Organization Contribution	51,500.00	51,500.00	51,500.00		
Emergency Management Services:					
Salaries and Wages	1,365.00	1,365.00	1,282.10	82.90	
Other Expenses	3,500.00	3,500.00	2,024.55	1,475.45	
Municipal Prosecutor:					
Salaries and Wages	16,033.00	16,033.00	16,032.12	0.88	
Fire Hydrant Rental	24,240.00	24,240.00	18,180.00	6,060.00	
<u>PUBLIC WORKS:</u>					
Streets and Road Maintenance:					
Salaries and Wages	77,625.00	67,625.00	54,408.37	13,216.63	
Other Expenses	34,530.00	34,530.00	22,246.12	12,283.88	
Shade Tree Commission:					
Other Expenses	9,750.00	9,750.00	8,900.00	850.00	
Solid Waste Collection:					
Other Expenses	73,000.00	73,000.00	66,759.00	6,241.00	

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC WORKS (CONTINUED):</u>					
Public Building and Grounds:					
Salaries and Wages	\$ 39,665.00	\$ 39,665.00	\$ 34,262.59	\$ 5,402.41	
Other Expenses	35,900.00	35,900.00	29,693.39	6,206.61	
Community Center:					
Salaries and Wages	7,859.00	7,859.00	7,548.24	310.76	
Other Expenses	5,400.00	2,400.00	949.50	1,450.50	
Safety Administration:					
Other Expenses	1,000.00	1,000.00	408.33	591.67	
Vehicle Maintenance:					
Other Expenses	20,000.00	25,500.00	17,560.76	7,939.24	
Recycling:					
Salaries and Wages	1,150.00	1,150.00	974.79	175.21	
Other Expenses	17,000.00	17,000.00	16,313.21	686.79	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Salaries and Wages	4,292.00	4,292.00	4,217.34	74.66	
Other Expenses	1,170.00	1,170.00	582.15	587.85	
Visiting Homemaker Service of Hunterdon County:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Animal Control:					
Other Expenses	1.00	1.00		1.00	
<u>PARKS AND RECREATION:</u>					
Recreation Services:					
Other Expenses	1,900.00	1,900.00	1,592.75	307.25	
Aid to Museum	1.00	1.00		1.00	
Aid to Privately Owned Art Center	1.00	1.00		1.00	
Historical Commission:					
Other Expenses	500.00	500.00	24.08	475.92	
Senior Citizens:					
Other Expenses	300.00	300.00	300.00		
Maintenance of Parks:					
Other Expenses	4,500.00	2,500.00	199.85	2,300.15	
<u>STATE UNIFORM CONSTRUCTION CODE</u> <u>(N.J.S.A.52:270-120 et seq.)</u>					
Construction Officials:					
Salaries and Wages	53,965.00	53,965.00	53,181.54	783.46	
Other Expenses	2,000.00	2,000.00	741.87	1,258.13	
Housing/Rental Officer:					
Salaries and Wages	12,850.00	12,850.00	12,850.00		
<u>UTILITIES:</u>					
Gasoline	35,000.00	38,500.00	35,184.22	3,315.78	
Natural Gas	9,500.00	9,500.00	5,166.69	4,333.31	
Electricity	35,000.00	28,000.00	18,417.20	9,582.80	
Telephone	14,000.00	14,000.00	13,083.52	916.48	
Street Lighting	34,500.00	29,500.00	27,510.87	1,989.13	
Water	1,600.00	1,600.00	1,597.00	3.00	
Solid Waste Disposal Cost	100,000.00	89,100.00	77,134.16	11,965.84	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 2,539,938.00</u>	<u>\$ 2,665,338.00</u>	<u>\$ 2,500,991.65</u>	<u>\$ 164,346.35</u>	
Contingent	\$ 500.00	\$ 500.00	\$	\$ 500.00	
<u>TOTAL OPERATIONS INCLUDING</u> <u>CONTINGENT WITHIN "CAPS"</u>	<u>\$ 2,540,438.00</u>	<u>\$ 2,665,838.00</u>	<u>\$ 2,500,991.65</u>	<u>\$ 164,846.35</u>	

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	\$ 50,033.00	\$ 50,033.00	\$ 50,032.33	\$ 0.67	
Social Security System (OASI)	105,000.00	104,400.00	103,019.89	1,380.11	
Police and Firemen's Retire System of NJ	191,720.00	191,720.00	191,720.00		
Unemployment Insurance	1,000.00	1,000.00	522.29	477.71	
Defined Contribution Plan	1,000.00	1,000.00	421.41	578.59	
<u>TOTAL DEFERRED CHARGES AND REGULATORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 348,753.00</u>	<u>\$ 348,153.00</u>	<u>\$ 345,715.92</u>	<u>\$ 2,437.08</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 2,889,191.00</u>	<u>\$ 3,013,991.00</u>	<u>\$ 2,846,707.57</u>	<u>\$ 167,283.43</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Fair Housing Plan Ch 222 PI 1985:					
Administrative and Executive:					
Other Expenses	\$ 500.00	\$ 700.00	\$ 673.34	\$ 26.66	
Length of Service Award Program (LOSAP):					
Other Expenses	10,000.00	10,000.00	10,000.00		
Recycling Tax	3,500.00	3,500.00	3,093.18	406.82	
Group Health Insurance	16,550.00	16,550.00	13,351.11	3,198.89	
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 30,550.00</u>	<u>\$ 30,750.00</u>	<u>\$ 27,117.63</u>	<u>\$ 3,632.37</u>	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
North Hunterdon Municipal Court:					
Other Expenses	\$ 164,392.00	\$ 164,392.00	\$ 164,391.01	\$ 0.99	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	<u>\$ 164,392.00</u>	<u>\$ 164,392.00</u>	<u>\$ 164,391.01</u>	<u>\$ 0.99</u>	
<u>PUBLIC PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
Matching Funds for Grants	\$ 500.00	\$ 500.00	\$	\$ 500.00	
Body Armor Replacement Fund	1,352.07	1,352.07	1,352.07		
Recycling Tonnage Grant	1,362.84	1,362.84	1,362.84		
Clean Communities Program (N.J.S. 40A:4-87 +\$4,417.99)		4,417.99	4,417.99		
Open Space - County of Hunterdon (N.J.S. 40A.4-87 +\$14,500.00)		14,500.00	14,500.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUE</u>	<u>\$ 3,214.91</u>	<u>\$ 22,132.90</u>	<u>\$ 21,632.90</u>	<u>\$ 500.00</u>	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 198,156.91</u>	<u>\$ 217,274.90</u>	<u>\$ 213,141.54</u>	<u>\$ 4,133.36</u>	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund					
Reserve For:					
Public Works Equipment	5,000.00	5,000.00	5,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$</u>	
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Anticipation Notes and Capital Notes					
Interest on Notes	\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	\$	
	17,100.00	17,100.00	17,082.80		17.20
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	<u>\$ 119,100.00</u>	<u>\$ 119,100.00</u>	<u>\$ 119,082.80</u>	<u>\$</u>	<u>17.20</u>

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

TOWN OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 332,256.91	\$ 351,374.90	\$ 347,224.34	\$ 4,133.36	\$ 17.20
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 3,221,447.91	\$ 3,365,365.90	\$ 3,193,931.91	\$ 171,416.79	\$ 17.20
RESERVE FOR UNCOLLECTED TAXES	395,000.00	395,000.00	395,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 3,616,447.91</u>	<u>\$ 3,760,365.90</u>	<u>\$ 3,588,931.91</u>	<u>\$ 171,416.79</u>	<u>\$ 17.20</u>
	REF.	A-2	A-1	A:A-1	
Reserve for Encumbrances	A-20		\$ 113,710.46		
Reserve for Uncollected Taxes	A-2		395,000.00		
Reserve for Grants Appropriated	A-23		21,632.90		
Cash Disbursements	A-4		<u>3,058,588.55</u>		
			<u>\$ 3,588,931.91</u>		
Budget	A-3	\$ 3,616,447.91			
Special Emergency	A:A-26	125,000.00			
Appropriation by 40A:4-87	A-2	<u>18,917.99</u>			
		<u>\$ 3,760,365.90</u>			

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

TRUST FUND

TOWN OF CLINTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-2	\$ 6,635.25	\$ 10,803.42
Deficit to be Raised in Succeeding Years' Budget	B-2	<u>2,795.01</u>	<u>                    </u>
		<u>\$ 9,430.26</u>	<u>\$ 10,803.42</u>
Other Funds:			
Cash	B-2	<u>767,194.57</u>	<u>982,044.97</u>
		<u>\$ 767,194.57</u>	<u>\$ 982,044.97</u>
		<u>\$ 776,624.83</u>	<u>\$ 992,848.39</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Due Current Fund	B-6	\$ 8,240.69	\$ 8,240.69
Due to State of New Jersey	B-4		4.80
Encumbrances Payable	B-3	1,189.57	20.00
Reserve for Animal Control Trust Fund Expenditures	B-3		<u>2,537.93</u>
		<u>\$ 9,430.26</u>	<u>\$ 10,803.42</u>
Other Funds:			
Interfund Payable	B-8	\$ 72,651.76	\$ 53,000.00
Due County of Hunterdon	B-7	17,410.46	19,890.26
Reserve For:			
Various Reserves and Deposits	B-5	670,283.43	787,783.64
Encumbrances Payable	B-9	3,000.00	2,522.15
Fund Balance	B-1	<u>3,848.92</u>	<u>118,848.92</u>
		<u>\$ 767,194.57</u>	<u>\$ 982,044.97</u>
		<u>\$ 776,624.83</u>	<u>\$ 992,848.39</u>

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

TOWN OF CLINTON

TRUST FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	118,848.92
Decreased by:			
Payment to Current Fund as Anticipated Revenue	B-2		<u>115,000.00</u>
Balance, December 31, 2012	B	\$	<u><u>3,848.92</u></u>

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

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GENERAL CAPITAL FUND

TOWN OF CLINTONGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Cash	C-2	\$ 105,137.88	\$ 131,429.58
Deferred Charges to Future Taxation - Unfunded	C-5	2,621,634.98	2,518,942.98
Grants Receivable	C-11	181,381.76	397,381.76
		<u>\$ 2,908,154.62</u>	<u>\$ 3,047,754.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-8	\$ 1,892,068.00	\$ 1,525,250.00
Contracts Payable	C-6		611,950.51
Interfunds Payable	C-10	50,305.10	20,000.00
Improvement Authorizations:			
Funded	C-7	45,525.12	54,436.92
Unfunded	C-7	601,808.05	671,383.27
Capital Improvement Fund	C-9	103,947.25	49,507.52
Reserve For:			
Miscellaneous Reserves	C-4	108,807.00	103,807.00
Fund Balance	C-1	105,694.10	11,419.10
		<u>\$ 2,908,154.62</u>	<u>\$ 3,047,754.32</u>

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

TOWN OF CLINTON

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	11,419.10
Increased by:			
Receipts on Fully Funded Ordinances	C-2	\$	100,000.00
Premium on Sale of Notes	C-2		<u>4,275.00</u>
			104,275.00
		\$	<u>115,694.10</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>10,000.00</u>
Balance, December 31, 2012	C	\$	<u><u>105,694.10</u></u>

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

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WATER UTILITY FUND

TOWN OF CLINTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
Operating Fund:			
Cash - Treasurer	D-5	\$ 440,753.10	\$ 743,684.28
Cash - Change Fund	D-8	25.00	25.00
Interfunds Receivable	D-23	266,253.46	56,028.46
		<u>\$ 707,031.56</u>	<u>\$ 799,737.74</u>
Receivables and Inventories With Full Reserves:			
Consumer Accounts Receivable	D-7	\$ 104,235.24	\$ 122,460.50
Inventory	D-9	53,473.84	58,099.44
	D	<u>\$ 157,709.08</u>	<u>\$ 180,559.94</u>
<u>Total Operating Fund</u>		<u>\$ 864,740.64</u>	<u>\$ 980,297.68</u>
Capital Fund:			
Cash	D-5	\$ 98,669.43	\$ 514,245.21
Fixed Capital	D-20	8,741,732.03	8,734,232.03
Fixed Capital Authorized and Uncompleted	D-21	11,429,949.14	11,084,949.14
Interfunds Receivable	D-24	50,000.00	50,000.00
New Jersey Environment Infrastructure Loan Receivable	D-13	<u>1,673,187.00</u>	<u>1,824,651.00</u>
<u>Total Capital Fund</u>		<u>\$ 21,993,537.60</u>	<u>\$ 22,208,077.38</u>
		<u>\$ 22,858,278.24</u>	<u>\$ 23,188,375.06</u>

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

TOWN OF CLINTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 293,991.41	\$ 115,197.85
Accrued Interest	D-12	69,676.99	56,824.61
Encumbrances Payable	D-11	13,915.40	10,594.25
Reserve for Various Deposits	D-14	4,847.00	4,847.00
Interfunds Payable	D-23	1,997.98	1,894.44
		\$ <u>384,428.78</u>	\$ <u>189,358.15</u>
Reserve for Receivables and Inventory	D	157,709.08	180,559.94
Fund Balance	D-1	<u>322,602.78</u>	<u>610,379.59</u>
<u>Total Operating Fund</u>		\$ <u>864,740.64</u>	\$ <u>980,297.68</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-15	\$ 164,229.90	\$ 674,662.65
Unfunded	D-15	2,761,453.05	4,034,452.57
Capital Improvement Fund	D-18	49,169.08	49,169.08
Bond Anticipation Notes	D-19	4,401,867.00	4,701,867.00
New Jersey Environmental Infrastructure Loan	D-26	4,801,637.23	3,893,718.84
Interfunds Payable	D-24	266,108.46	55,883.46
Reserve For:			
Contracts Payable	D-17	373,023.64	423,083.15
Amortization	D-16	6,405,475.27	6,325,708.27
Deferred Amortization	D-25	1,410,682.77	824,337.16
Miscellaneous Deposits	D-22	1,347,979.20	1,213,283.20
Fund Balance	D-2	<u>11,912.00</u>	<u>11,912.00</u>
<u>Total Capital Fund</u>		\$ <u>21,993,537.60</u>	\$ <u>22,208,077.38</u>
		\$ <u><u>22,858,278.24</u></u>	\$ <u><u>23,188,375.06</u></u>

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

TOWN OF CLINTON

WATER UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2012</u>	YEAR ENDED DECEMBER <u>31, 2011</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 491,315.00	\$ 132,000.00
Rents	D-3	2,270,802.51	2,237,909.26
Fire Hydrant Service	D-3	175,059.19	172,419.49
Miscellaneous	D-3	30,871.19	112,973.36
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	<u>55,200.50</u>	<u>2,313.10</u>
<u>TOTAL INCOME</u>		<u>\$ 3,023,248.39</u>	<u>\$ 2,657,615.21</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 1,745,035.00	\$ 1,685,301.00
Capital Improvements	D-4	490,000.00	158,000.00
Debt Service	D-4	479,962.61	345,817.16
Regulatory Expenditures and Deferred Charges	D-4	103,533.00	97,980.00
Refund of Prior Years' Revenue	D-5	<u>1,179.59</u>	
<u>TOTAL EXPENDITURES</u>		<u>\$ 2,819,710.20</u>	<u>\$ 2,287,098.16</u>
Excess in Revenue		\$ 203,538.19	\$ 370,517.05
<u>Fund Balance</u>			
Balance, January 1	D	<u>610,379.59</u>	<u>371,862.54</u>
		\$ 813,917.78	\$ 742,379.59
Decreased by:			
Utilization by Water Operating Budget	D-1:D-3	<u>491,315.00</u>	<u>132,000.00</u>
Balance, December 31	D	<u>\$ 322,602.78</u>	<u>\$ 610,379.59</u>

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

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2012 and  
December 31, 2011

D

\$ 11,912.00

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

TOWN OF CLINTON

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 491,315.00	\$ 491,315.00	\$
Water Use Charges	D-1:D-7	2,127,363.00	2,270,802.51	143,439.51
Hydrant Fees	D-1:D-6	150,000.00	175,059.19	25,059.19
Miscellaneous	D-1:D-3	<u>50,000.00</u>	<u>30,871.19</u>	<u>(19,128.81)</u>
	D-4	\$ <u>2,818,678.00</u>	\$ <u>2,968,047.89</u>	\$ <u>149,369.89</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:

Treasurer:

Connection Fees

\$ 10,650.00

Miscellaneous

13,203.38

Interest on Investments

744.24

D-5

\$ 24,597.62

Collector:

Interest on Delinquent Accounts

D-6

\$ 6,248.57

\$ 30,871.19

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

## TOWN OF CLINTON

## WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 695,225.00	\$ 645,225.00	\$ 575,638.08	\$ 69,586.92	
Other Expenses	1,099,810.00	1,099,810.00	917,170.77	182,639.23	
<u>Total Operating</u>	<u>\$ 1,795,035.00</u>	<u>\$ 1,745,035.00</u>	<u>\$ 1,492,808.85</u>	<u>\$ 252,226.15</u>	
Capital Improvements:					
Capital Improvement Fund	\$ 345,000.00	\$ 345,000.00	\$ 345,000.00	\$	
Capital Outlay	40,000.00	40,000.00	7,500.00	32,500.00	
Reserve for Main Replacement	100,000.00	100,000.00	100,000.00		
Reserve (Public Works Equipment)	5,000.00	5,000.00	5,000.00		
<u>Total Capital Improvements</u>	<u>\$ 490,000.00</u>	<u>\$ 490,000.00</u>	<u>\$ 457,500.00</u>	<u>\$ 32,500.00</u>	
Debt Services:					
Payment of Loan	\$ 169,410.00	\$ 213,760.00	\$ 213,612.61	\$	147.39
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00		
Interest on Loans	95,500.00	101,150.00	101,150.00		
Interest on Notes	65,200.00	65,200.00	65,200.00		
<u>Total Debt Services</u>	<u>\$ 430,110.00</u>	<u>\$ 480,110.00</u>	<u>\$ 479,962.61</u>	<u>\$</u>	<u>147.39</u>
Regulatory Expenditures:					
Contributions To:					
Public Employees' Retirement System	\$ 50,033.00	\$ 50,033.00	\$ 50,032.34	\$ 0.66	
Social Security System (O.A.S.I.)	53,000.00	53,000.00	43,908.30	9,091.70	
Unemployment Compensation Insurance	500.00	500.00	327.10	172.90	
<u>Total Regulatory Expenditures</u>	<u>\$ 103,533.00</u>	<u>\$ 103,533.00</u>	<u>\$ 94,267.74</u>	<u>\$ 9,265.26</u>	
	<u>\$ 2,818,678.00</u>	<u>\$ 2,818,678.00</u>	<u>\$ 2,524,539.20</u>	<u>\$ 293,991.41</u>	<u>\$ 147.39</u>
	REF.	D-3	D-1	D:D-1	
Cash Disbursements	D-5		\$ 2,344,273.80		
Encumbrances Payable	D-11		13,915.40		
Accrued Interest	D-12		166,350.00		
			<u>\$ 2,524,539.20</u>		

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

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SEWER UTILITY FUND

TOWN OF CLINTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2012	BALANCE DECEMBER 31, 2011
Operating Fund:			
Cash - Treasurer	E-5	\$ 302,475.60	\$ 293,566.30
Cash - Change Fund	E-10	25.00	25.00
Interfund Receivable	E-13	392,864.03	150,000.00
		<u>\$ 695,364.63</u>	<u>\$ 443,591.30</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	\$ 113,049.99	\$ 69,149.73
Inventory	E-9	254,866.37	320,803.70
	E	<u>\$ 367,916.36</u>	<u>\$ 389,953.43</u>
<u>Total Operating Fund</u>		<u>\$ 1,063,280.99</u>	<u>\$ 833,544.73</u>
Capital Fund:			
Cash	E-5	\$ 356,346.81	\$ 569,036.15
Fixed Capital	E-16	5,525,479.96	5,525,479.96
Fixed Capital Authorized and Uncompleted	E-15	9,933,205.00	9,808,205.00
Loans Receivable	E-24	588,530.00	
Interfund Receivable	E-25	533,749.51	198,749.51
<u>Total Capital Fund</u>		<u>\$ 16,937,311.28</u>	<u>\$ 16,101,470.62</u>
		<u>\$ 18,000,592.27</u>	<u>\$ 16,935,015.35</u>

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

TOWN OF CLINTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4:E-8	\$ 102,406.60	\$ 55,128.43
Encumbrances Payable	E-11	39,942.52	51,216.59
Interfunds Payable	E-13	535,381.66	200,381.66
Accrued Interest on Loans	E-12	2,095.58	2,031.35
		<u>\$ 679,826.36</u>	<u>\$ 308,758.03</u>
Reserve for Receivables	E	367,916.36	389,953.43
Fund Balance	E-1	<u>15,538.27</u>	<u>134,833.27</u>
<u>Total Operating Fund</u>		<u>\$ 1,063,280.99</u>	<u>\$ 833,544.73</u>
Capital Fund:			
New Jersey Wastewater Treatment Loans Payable	E-21	\$ 1,057,798.45	\$ 306,357.03
Bond Anticipation Notes	E-23	400,000.00	
Improvement Authorizations:			
Funded	E-18	354,288.69	80,961.51
Unfunded	E-18	2,727,858.00	3,979,653.98
Capital Improvement Fund	E-19	53,402.97	178,402.97
Reserve for:			
Miscellaneous Reserves	E-17	1,971,686.20	1,914,842.20
Deferred Amortization	E-22	5,205,744.55	4,474,419.97
Amortization	E-20	5,125,479.96	5,125,479.96
Contracts Payable	E-14	40,936.46	41,237.00
Fund Balance	E-2	<u>116.00</u>	<u>116.00</u>
<u>Total Capital Fund</u>		<u>\$ 16,937,311.28</u>	<u>\$ 16,101,470.62</u>
		<u>\$ 18,000,592.27</u>	<u>\$ 16,935,015.35</u>

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

## TOWN OF CLINTON

## SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-1:E-3	\$ 119,295.00	\$ 140,000.00
Rents	E-3	1,585,813.00	1,775,000.00
Additional Rents			76,678.49
Capital Surplus			67,000.00
Service Agreements	E-3	69,811.43	
Miscellaneous	E-3	266,802.16	299,049.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-8	14,174.91	67,598.17
Accrued Interest Canceled			8.23
		<u>2,055,896.50</u>	<u>2,425,334.66</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E-4	\$ 1,625,442.00	\$ 1,636,657.00
Deferred Charges and Regulatory Expenditures	E-4	94,383.00	97,908.00
Capital Improvements	E-4	10,000.00	
Municipal Debt Service	E-4	318,935.53	313,445.25
Surplus - General Budget	E-4	7,135.97	250,000.00
		<u>2,055,896.50</u>	<u>2,298,010.25</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$	\$ 127,324.41
<u>Fund Balance</u>			
Balance, January 1	E	134,833.27	147,508.86
		<u>\$ 134,833.27</u>	<u>\$ 274,833.27</u>
Decreased by:			
Utilization by Sewer Operating Budget	E-1:E-3	<u>119,295.00</u>	<u>140,000.00</u>
Balance, December 31	E	<u>\$ 15,538.27</u>	<u>\$ 134,833.27</u>

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

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2011	E	\$	116.00
Balance, December 31, 2012	E	\$	<u>116.00</u>

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

TOWN OF CLINTON

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	E-1	\$ 119,295.00	\$ 119,295.00	
Sewer Use Charges	E-1:E-3	1,850,000.00	1,585,813.00	(264,187.00)
Service Agreement	E-1:E-3	40,000.00	69,811.43	29,811.43
Miscellaneous	E-1:E-3	<u>290,000.00</u>	<u>266,802.16</u>	<u>(23,197.84)</u>
	E-4	\$ <u>2,299,295.00</u>	\$ <u>2,041,721.59</u>	<u>(257,573.41)</u>

ANALYSIS OF REALIZED REVENUE

Consumer Accounts Receivable	E-7		\$ <u>1,585,813.00</u>
	E-3		\$ <u>1,585,813.00</u>
Miscellaneous:			
Treasurer:			
Interest Earned			\$ 534.95
Share of Debt Service - Outside Users			218,409.52
Miscellaneous			<u>46,080.92</u>
Total Treasurer	E-5		265,025.39
Sewer Collector:			
Penalties on Delinquent Accounts	E-6		<u>1,776.77</u>
	E-3		\$ <u>266,802.16</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF CLINTON

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2012</u>	<u>DECEMBER</u> <u>31, 2011</u>
General Fixed Assets:		
Sites	\$ 3,907,376.00	\$ 3,907,376.00
Site Improvements	62,988.00	62,988.00
Buildings and Building Improvements	6,370,466.18	6,370,466.18
Machinery and Equipment	<u>11,008,469.43</u>	<u>10,860,592.41</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 21,349,299.61</u>	<u>\$ 21,201,422.59</u>
Investment in General Fixed Assets	<u>\$ 21,349,299.61</u>	<u>\$ 21,201,422.59</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWN OF CLINTON

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Town of Clinton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Town of Clinton are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Town accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - 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.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Town's regulatory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Town as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$300.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Town has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Town's most recent property revaluation.

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

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

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility and Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Town presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Town considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Town of Clinton has the following cash and cash equivalents at December 31, 2012:

Fund Type:	Bank Balance	Reconciling Items:		Reconciled Balance
		Additions	Deletions	
Current Fund	\$ 950,708.31	\$ 24,178.99	\$ 57,690.18	\$ 917,197.12
Animal Control Fund	6,637.65		2.40	6,635.25
Other Trust Fund	778,751.61	0.04	11,557.08	767,194.57
General Capital Fund	128,836.96		23,699.08	105,137.88
Water Utility Operating Fund	452,372.19	25.00	11,619.09	440,778.10
Water Utility Capital Fund	228,439.92		129,770.49	98,669.43
Sewer Utility Operating Fund	327,242.65	25.00	24,767.05	302,500.60
Sewer Utility Capital Fund	360,561.81		4,215.00	356,346.81
<b>TOTAL DECEMBER 31, 2012</b>	<b>\$3,233,551.10</b>	<b>\$ 24,229.03</b>	<b>\$263,320.37</b>	<b>\$2,994,459.76</b>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Town does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,000.00 was covered by Federal Depository Insurance and \$2,733,551.10 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Town is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (c.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c.17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Town of Clinton had no investments outstanding at December 31, 2012.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Town is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Town are general obligation bonds, based by the full faith and credit of the Town. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.



NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2012	\$ <u>394,887,663.00</u>
3-1/2% of Equalized Valuation Basis	\$ 13,821,068.21
Net Debt	<u>2,521,634.98</u>
Remaining Borrowing Power	\$ <u>11,299,433.23</u>

\*Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Town for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

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

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus	\$2,968,047.89
Deduction:	
Operating and Maintenance Cost	\$1,848,568.00
Debt Service Per Water Utility Account	<u>479,962.61</u>
	<u>2,328,530.61</u>
Excess in Revenue - Self Liquidating	<u>\$639,517.28</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$ 2,041,721.59
Deduction:		
Operating and Maintenance Cost	\$ 1,719,825.00	
Debt Service Per Sewer Utility Account	<u>318,935.53</u>	<u>2,038,760.53</u>
Excess in Revenue - Self Liquidating		<u><u>\$ 2,961.06</u></u>

Long-Term Debt

WATER CAPITAL FUND

New Jersey Environmental Infrastructure Trust:

\$1,910,000.00 of 2010 Trust Loan due in annual installments of \$65,000.00 and \$150,000.00 through August 2030 at an interest rate of 5.00%.	\$ 1,845,000.00
\$2,053,323.00 of 2010 Trust Fund due in annual installments of principal only of \$104,406.24 through August 2025	1,291,755.60
\$405,000.00 of 2012 Trust Loan due in annual installments of \$10,000.00 and \$30,000.00 through August 2031 at variable interest rates of 2.00% to 5.00%.	405,000.00
\$1,304,088.00 of 2012 Trust Fund due in annual installments of principal only of \$66,309.55 through August 2031	<u>1,259,881.63</u>
	<u><u>\$ 4,801,637.23</u></u>

SEWER CAPITAL FUND

New Jersey Wastewater Treatment Trust:

\$515,000.00 of 2012 Trust Loan due in final annual installment of \$20,000.00 to \$40,000.00 through August 2031 at a variable interest rate of 2.00% to 5.00%.	\$ 515,000.00
\$561,844.00 of 2012 Trust Fund due in annual installments of principal only \$28,568.32 through August 2013	<u>542,798.45</u>
	<u><u>\$ 1,057,798.45</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUED DATE</u>	<u>AMOUNT</u>
General Capital	1.50%	1/29/2004	\$ 210,762.00
	1.50%	1/29/2004	119,776.00
	1.50%	8/29/2007	649,645.00
	1.50%	1/22/2009	324,885.00
	1.50%	8/23/2012	412,000.00
	1.50%	8/23/2012	75,000.00
	2.73%	8/23/2012	<u>100,000.00</u>
			\$ <u>1,892,068.00</u>
Water Utility Capital	1.50%	1/29/2004	\$ 62,390.00
	1.50%	8/27/2009	1,349,365.00
	1.50%	8/27/2009	231,578.00
	1.50%	1/24/2008	1,724,214.00
	1.50%	8/28/2008	309,320.00
	1.50%	8/26/2010	<u>725,000.00</u>
			\$ <u>4,401,867.00</u>
Sewer Utility Capital	1.50%	12/11/2012	\$ <u>400,000.00</u>

Bonds and Notes Authorized but not Issued

At December 31, 2012, the Town has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$729,568.00</u>
Water Utility Capital Fund	<u>\$2,688,967.59</u>
Sewer Utility Capital Fund	<u>\$3,669,662.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL  
AND INTEREST FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE  
TRUST LOAN AS OF DECEMBER 31, 2012

WATER CAPITAL UTILITY FUND

<u>CALENDAR YEAR</u>	<u>STATE PRINCIPAL</u>	<u>TRUST PRINCIPAL</u>	<u>TRUST INTEREST</u>	<u>TOTAL</u>
2013	\$ 170,715.79	\$ 75,000.00	\$ 109,122.50	\$ 354,838.29
2014	170,715.79	80,000.00	105,672.50	356,388.29
2015	170,715.79	85,000.00	101,872.50	357,588.29
2016	170,715.79	90,000.00	97,772.50	358,488.29
2017	170,715.79	100,000.00	93,272.50	363,988.29
2018	170,715.79	105,000.00	88,272.50	363,988.29
2019	170,715.79	110,000.00	83,022.50	363,738.29
2020	170,715.79	115,000.00	77,522.50	363,238.29
2021	170,715.79	115,000.00	71,772.50	357,488.29
2022	170,715.79	120,000.00	66,022.50	356,738.29
2023	170,715.79	125,000.00	60,022.50	355,738.29
2024	170,715.79	130,000.00	53,772.50	354,488.29
2025	105,190.27	145,000.00	47,272.50	297,462.77
2026	66,309.55	150,000.00	40,022.50	256,332.05
2027	66,309.55	155,000.00	32,522.50	253,832.05
2028	66,309.55	165,000.00	25,272.50	256,582.05
2029	66,309.55	175,000.00	17,622.50	258,932.05
2030	66,309.55	180,000.00	9,435.00	255,744.55
2031	66,309.73	30,000.00	975.00	97,284.73
	<u>\$ 2,551,637.23</u>	<u>\$ 2,250,000.00</u>	<u>\$ 1,181,242.50</u>	<u>\$ 5,982,879.73</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL  
AND INTEREST FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE  
TRUST LOAN AS OF DECEMBER 31, 2012

SEWER CAPITAL UTILITY FUND

CALENDAR YEAR	STATE PRINCIPAL	TRUST PRINCIPAL	TRUST INTEREST	TOTAL
2013	\$ 28,568.32	\$ 20,000.00	\$ 21,163.76	\$ 69,732.08
2014	28,568.32	20,000.00	20,763.76	69,332.08
2015	28,568.32	20,000.00	20,163.76	68,732.08
2016	28,568.32	20,000.00	19,363.76	67,932.08
2017	28,568.32	20,000.00	18,363.76	66,932.08
2018	28,568.32	20,000.00	17,363.76	65,932.08
2019	28,568.32	25,000.00	16,363.76	69,932.08
2020	28,568.32	25,000.00	15,113.76	68,682.08
2021	28,568.32	25,000.00	13,863.76	67,432.08
2022	28,568.32	25,000.00	12,613.76	66,182.08
2023	28,568.32	25,000.00	11,363.76	64,932.08
2024	28,568.32	30,000.00	10,113.76	68,682.08
2025	28,568.32	30,000.00	8,613.76	67,182.08
2026	28,568.32	30,000.00	7,113.76	65,682.08
2027	28,568.32	35,000.00	5,613.76	69,182.08
2028	28,568.32	35,000.00	4,563.76	68,132.08
2029	28,568.32	35,000.00	3,513.76	67,082.08
2030	28,568.32	35,000.00	2,420.00	65,988.32
2031	28,568.69	40,000.00	1,300.00	69,868.69
	<u>\$ 542,798.45</u>	<u>\$ 515,000.00</u>	<u>\$ 229,753.92</u>	<u>\$ 1,287,552.37</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013, were as follows:

Current Fund	\$125,000.00*
Water Operating Fund	\$150,000.00*
Sewer Operating Fund	\$10,000.00*

\*Per introduced budget

NOTE 5: PROPERTY TAXES

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

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Prepaid Taxes	<u>\$30,298.01</u>	<u>\$52,171.16</u>

NOTE 6: PENSION PLANS

Town employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Town's share of pension costs, which is based upon the annual billings received from the State, amounted to \$302,577.00 for 2010, \$360,579.00 for 2011 and \$341,817.00 for 2012.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

The Town has created an accrued sick leave and vacation benefits policy as part of their personnel policy. Employees receive one sick day per month of service, which may be accumulated from year to year if unused. Upon retirement, an employee having a minimum of 14 years of service with the Town is compensated one day's pay for every four days of accrued sick leave for maximum compensation of \$10,000.00. The maximum compensation for employees covered under the PBA contract is \$15,000.00.

A maximum of three unused vacation days at the end of the year may be carried forward and taken prior to April 1<sup>st</sup> of the following year. If an employee voluntarily terminates employment with the Town and gives proper notice of at least two weeks, they are paid for entitled vacation days not yet taken at time of termination. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but has been calculated to be \$189,733.39. The Town has established a Trust Fund Reserve which has accumulated \$149,767.96 for this purpose.

NOTE 8: LITIGATION

The Town Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Town's insurance carrier or would have a material financial impact on the Town.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2012. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 10: CONTINGENT LIABILITIES

The Town participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2012 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2012, the Town does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Town maintains commercial insurance coverage through the Statewide Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Town has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Town 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 Town is billed quarterly for amounts due to the State. The following table is a summary of Town contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Town's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employer Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 93.25	\$ 3,298.65	\$ 1,163.44	\$ 114,428.93
2011	158.19	3,245.86	9,069.90	112,200.47
2010	282.22	3,233.37	1,482.49	117,866.32

NOTE 12: DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salaries until future years. The Town does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

The Plan is administered by Axa Equitable.

The accompanying financial statements do not include the Town's Deferred Compensation Plan activities. The Town's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 84,834.14	\$ 391,376.88
Grant Fund		1,638.61
Animal Control Trust Fund		8,240.69
Trust Other Fund		72,651.76
General Capital Fund		50,305.10
Water Utility Operating Fund	266,253.46	1,997.98
Water Utility Capital Fund	50,000.00	266,108.46
Sewer Utility Operating Fund	392,864.03	535,381.66
Sewer Utility Capital Fund	<u>533,749.51</u>	<u>                    </u>
	\$ <u>1,327,701.14</u>	\$ <u>1,327,701.14</u>

All balances resulted from the time lag between the dates that payments between funds are made.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Town of Clinton adopted an ordinance establishing a Length of Service Awards Program for the members of the volunteer Fire Department and the First Aid and Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each eligible volunteer of the Fire Department or First Aid and Rescue Squad will have an annual contribution deposited into a tax deferred income account that will earn interest for the volunteer. The estimated annual cost of this program is \$15,000.00.

The accompanying financial statements do not include the Town's Length of Service Awards Program's activities. The Town's Length of Service Awards Program's financial statements are contained in a separate review report as required by state regulation.

NOTE 15: POST-RETIRMENT HEALTH BENEFITS

The Town of Clinton contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and their dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in SHBP. In 2006, the Town of Clinton authorized participation in the SHBP post-retirement benefit program through resolution 112-05. The Town of Clinton covers all retirees with the following requirements: 15 years of service with the Town and 25 years in the pension system.

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, N.J. 08625-0295.

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

Contributions to pay for the health benefit premiums of the participating retirees in the SHBP are billed to the Town of Clinton on a monthly basis. Currently there is no cost-sharing requirement for retirees.

The Town of Clinton contributions for SHBP for the years ended December 31, 2012, 2011 and 2010 were \$90,530.04, \$84,545.79 and \$64,323.72 respectively. There were eight retired participants eligible at December 31, 2012.

TOWN OF CLINTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2012

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2011	A	\$ 844,484.46	\$
Increased by Receipts:			
Collector	A-5	\$ 10,966,324.54	\$
State of New Jersey-Chapter 20, P.L. 1971	A-8	18,500.00	
Revenue Accounts Receivable	A-9	806,836.38	
Miscellaneous Revenue Not Anticipated	A-2	172,673.68	
Interfunds Received	A-10	9,077,536.28	
Petty Cash	A-11	350.00	
Special Emergency Note	A-27	125,000.00	
Sale of Municipal Assets		10,195.14	
Grants Receivable	A-19		128,642.13
Reserve for Grants Unappropriated	A-22		9,456.48
Due Current Fund	A-24		170,083.67
		<u>21,177,416.02</u>	
		\$ <u>22,021,900.48</u>	\$ <u>308,182.28</u>
Decreased by Disbursements:			
2012 Appropriations	A-3	\$ 3,058,588.55	\$
2011 Appropriation Reserves	A-13	52,033.97	
County Taxes	A-14	1,396,697.81	
Local District School Tax	A-15	5,291,187.17	
Regional High School Tax	A-16	2,189,587.53	
Tax Overpayments	A-18	26,465.18	
Interfunds Payable	A-10	8,844,717.71	72,000.00
Petty Cash	A-11	350.00	
Encumbrances Payable	A-21		77,744.77
Reserve for Grants Appropriated	A-23		20,338.90
Due Current Fund	A-24		138,098.61
Redemption of Outside Liens	A-12	206,916.07	
Refund of Prior Year Revenues	A-1	38,209.37	
		<u>21,104,753.36</u>	\$ <u>308,182.28</u>
Balance, December 31, 2012	A	\$ <u>917,147.12</u>	



TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2012 LEVY	COLLECTED		TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE
	DECEMBER 31, 2011		IN 2011	IN 2012			DECEMBER 31, 2012
2010	\$ 0.02		\$	\$ 0.02	\$		\$
2011	482,882.20			482,220.51	661.69		
	482,882.22			482,220.53	661.69		
2012		10,461,889.74	52,171.16	10,141,347.71	1,368.14	108,656.82	158,345.91
	\$ 482,882.22	\$ 10,461,889.74	\$ 52,171.16	\$ 10,623,568.24	\$ 2,029.83	\$ 108,656.82	\$ 158,345.91
REF.	A		A-2-A-17	A-2	A-6		A
Collector	A-5			\$ 10,604,818.24			
State of New Jersey	A-8			18,750.00			
				\$ 10,623,568.24			

ANALYSIS OF 2012 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 10,454,699.41
Added Taxes (54:4-63.1 et seq.)	7,190.33
	\$ 10,461,889.74

TAX LEVY

Regional High School Tax (Abstract)	A-16	\$ 2,189,587.54
Local District School Tax (Abstract)	A-15	4,933,546.00
County Taxes:		
County Tax (Abstract)	A-14	\$ 1,366,128.30
Due County for Added Taxes (54:4-63.1 et seq.)	A-14	944.39
Total County Taxes		1,367,072.69
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 1,962,468.00
Add: Additional Tax Levied		9,215.51
		1,971,683.51
		\$ 10,461,889.74

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	7,071.68
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	1,000.00
Veterans			17,250.00
Allowed by Tax Collector:			
Senior Citizens and Veterans			<u>750.00</u>
			<u>19,000.00</u>
		\$	<u>26,071.68</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	18,500.00
Sr. Citizens Deductions Disallowed By Tax Collector			250.00
Sr. Citizens Deductions Disallowed By Tax Collector-2011	A-5		<u>250.00</u>
			<u>19,000.00</u>
Balance, December 31, 2012	A	\$	<u><u>7,071.68</u></u>

SUMMARY OF 2012 EXEMPTIONS

Senior Citizens and Veterans Exemptions Per Tax Billings		\$	18,250.00
Senior Citizens and Veterans Exemptions Allowed by Tax Collector			<u>750.00</u>
	A-7	\$	<u><u>18,750.00</u></u>

## TOWN OF CLINTON

## CURRENT FUND

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2011	ACCRUED IN 2012	COLLECTED BY		BALANCE DECEMBER 31, 2012
			COLLECTOR	TREASURER	
Clerk:					
Alcoholic Beverage Licenses	A-2	\$ 7,500.00	\$	7,500.00	\$
Municipal Court:					
Fines and Costs	A-2	7,967.28	102,901.03	105,163.59	5,704.72
Interest and Costs on Taxes	A-2		95,278.04	95,278.04	
Interest on Investment	A-2		751.19	751.19	
Anticipated Utility Surplus	A-2		7,135.97	7,135.97	
Rental Income - Sewer Department	A-2		140,000.00	140,000.00	
Rental Income - Water Department	A-2		100,000.00	100,000.00	
Consolidated Municipal Property Tax Relief Act	A-2		13,719.00	13,719.00	
Energy Receipts Tax	A-2		147,046.00	147,046.00	
Construction Code Official:					
Fees and Permits	A-2	131.00	74,694.00	74,825.00	
Uniform Fire Safety	A-2		16,593.09	16,593.09	
Hotel and Motel Occupancy	A-2		69,102.54	69,102.54	
Trust Fund Surplus	A-2		115,000.00	115,000.00	
Capital Fund Balance	A-2		10,000.00	10,000.00	
		\$ 8,098.28	\$ 774,720.86	\$ 95,278.04	\$ 806,836.38
					\$ 5,704.72
REF.	A		A-5	A-4	A

TOWN OF CLINTON  
 CURRENT FUND  
 SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	ANIMAL CONTROL FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	WATER UTILITY OPERATING FUND	WATER UTILITY CAPITAL FUND	SEWER UTILITY OPERATING FUND	SEWER UTILITY CAPITAL FUND
Balance, December 31, 2011:										
Due From	A	\$ 13,135.13	\$	8,240.69	\$ 3,000.00	\$	1,894.44	\$		\$
Due To	A	<u>86,859.30</u>	<u>30,346.45</u>						<u>56,512.85</u>	
Receipts - Treasurer	A-4	9,077,536.28	138,098.61			6,952,210.00	502,363.64	500,000.00	334,864.03	650,000.00
Disbursements	A-4	<u>8,844,717.71</u>	<u>170,083.67</u>		<u>69,651.76</u>	<u>6,952,515.10</u>	<u>502,467.18</u>	<u>500,000.00</u>		<u>650,000.00</u>
Balance, December 31, 2012:										
Due From	A	\$ 84,834.14	\$ 1,638.61	\$ 8,240.69	\$ 72,651.76	\$ 305.10	\$ 1,997.98	\$		\$
Due To	A	<u>391,376.88</u>							<u>391,376.88</u>	

"A-11"

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>DEPARTMENT</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSED</u>
Town Clerk	\$ 100.00	\$ 100.00
Police	250.00	250.00
	<u>\$ 350.00</u>	<u>\$ 350.00</u>
<u>REF.</u>	A-4	A-4

"A-12"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2011	A	\$ 1,943.75
Increased by:		
Cash Receipts	A-5	206,916.07
		<u>\$ 208,859.82</u>
Decreased by:		
Cash Disbursements	A-4	206,916.07
Balance, December 31, 2012	A	<u>\$ 1,943.75</u>

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2011	BALANCE AFTER TRANSFERS	CASH	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Municipal Clerk	\$ 6,292.56	\$ 6,292.56	\$	6,292.56
Revenue Administration	1,803.64	1,803.64		1,803.64
Planning Board	60.62	60.62		60.62
Board of Adjustment	60.62	60.62		60.62
Public Defender	0.52	0.52		0.52
Police	16,734.10	16,734.10		16,734.10
Emergency Management Services	40.19	40.19		40.19
Municipal Prosecutor	2,173.31	2,173.31		2,173.31
Streets and Roads	5,446.48	1,946.48		1,946.48
Building and Grounds	172.13	172.13		172.13
Community Center	340.36	340.36		340.36
Board of Health	50.29	50.29		50.29
Construction Officials	1,044.16	1,044.16		1,044.16
Housing/Rental Officer	15.29	15.29		15.29
<u>OTHER EXPENSES</u>				
Mayor and Council	1,009.60	1,182.70	642.29	540.41
Communications	156.53	156.53		156.53
Municipal Clerk	5,368.51	5,375.93	562.72	4,813.21
Financial Administration		1,206.45	1,206.45	
Assessment of Taxes	456.41	456.41	456.41	
Revenue Administration		22.97	22.97	
Legal Services and Costs	873.89	873.89	873.89	
Engineering Services and Costs	423.80	423.80	423.80	
Planning Board	962.77	1,162.77	220.00	942.77
Board of Adjustment	1,445.27	1,645.27	200.00	1,445.27
Environmental Commission	900.00	900.00		900.00
Fire Prevention	340.32	340.32	42.22	298.10
Police	1,194.53	7,491.37	7,453.88	37.49
Fire Hydrant Rental	6,060.00	6,060.00	6,060.00	
Emergency Management Services	338.72	581.54	284.84	296.70
Streets and Roads	531.61	4,112.29	3,523.05	589.24
Shade Tree Commission	4,102.00	4,102.00	1,650.00	2,452.00
Solid Waste Collection	21,400.00	21,400.00	5,400.00	16,000.00
Public Buildings and Grounds	520.33	3,204.07	2,611.98	592.09
Community Center	746.20	746.20		746.20
Safety Administration	213.17	213.17		213.17
Vehicle Maintenance	198.90	2,311.07	1,164.41	1,146.66
Recycling	2,616.93	2,847.12	2,581.08	266.04
Board of Health	1,170.00	170.00		170.00
Animal Control	1.00	1.00		1.00
Parks and Recreation	37.64	37.64		37.64
Historical Commission	582.14	582.14	55.14	527.00
Visiting Homemaker Service of Hunterdon County	1,000.00	1,000.00		1,000.00
Aid to Privately Owned Art Center	1.00	1.00		1.00
Maintenance of Parks	1,396.28	1,396.28		1,396.28
Construction Officials	228.56	451.50	153.90	297.60
Gasoline	3,762.50	3,762.50	1,003.80	2,758.70
Electricity	6,919.04	6,919.04	4,738.35	2,180.69
Telephone	2,117.89	2,117.89	1,232.14	885.75
Water	54.66	154.66	106.54	48.12
Natural Gas	2,793.87	3,485.99	1,354.60	2,131.39
Solid Waste Disposal Cost	13,842.14	13,842.14	6,535.96	7,306.18
Street Lighting	6,930.90	6,930.90	1,385.79	5,545.11
Contingent	500.00	500.00		500.00
Social Security System	2,845.14	2,845.14		2,845.14
Matching Funds for Grants	500.00	500.00		500.00
Affordable Housing Administration	87.76	87.76	87.76	
Public Employee Retirement System	0.34	0.34		0.34

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

<u>OTHER EXPENSES (CONTINUED)</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>CASH</u>	<u>BALANCE LAPSED</u>
Insurance General Liability	\$ 294.08	\$ 294.08	\$	\$ 294.08
Unemployment Insurance	477.44	377.44		377.44
Worker's Compensation	1,729.00	1,729.00		1,729.00
Recycling Tax	<u>582.50</u>	<u>582.50</u>		<u>582.50</u>
	<u>\$ 131,947.64</u>	<u>\$ 145,319.08</u>	<u>\$ 52,033.97</u>	<u>\$ 93,285.11</u>
REF.	A			A-1

Balance, December 31, 2012	A-13	\$ 131,947.64
Encumbrances Payable	A-20	<u>13,371.44</u>
		<u>\$ 145,319.08</u>

"A-14"

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	30,569.51
2012 Tax Levy:			
County Taxes	A-1:A-7	\$	1,366,128.30
County Share of Added Taxes	A-1:A-7		<u>944.39</u>
			1,367,072.69
		\$	<u>1,397,642.20</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,396,697.81</u>
Balance, December 31, 2012	A	\$	<u><u>944.39</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2011	A	\$	408,361.21
Increased by:			
2012 Levy	A-1:A-7		<u>4,933,546.00</u>
		\$	<u>5,341,907.21</u>
Decreased by:			
Cash Disbursements	A-4		<u>5,291,187.17</u>
Balance, December 31, 2012	A	\$	<u><u>50,720.04</u></u>

"A-16"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Balance, December 31, 2011	A	\$	49.99
Increased by:			
2012 Levy	A-1:A-7		<u>2,189,587.54</u>
		\$	<u>2,189,637.53</u>
Decreased by:			
Cash Disbursements	A-4		<u>2,189,587.53</u>
Balance, December 31, 2012	A	\$	<u><u>50.00</u></u>

"A-17"

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2011 (2012 Taxes)	A	\$	52,171.16
Increased by:			
Collection of 2013 Taxes	A-5	\$	<u>30,298.01</u>
			82,469.17
Decreased by:			
Application to 2012 Taxes Receivable	A-7		<u>52,171.16</u>
Balance, December 31, 2012 (2013 Taxes)	A	\$	<u><u>30,298.01</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:			
Cash Receipts	A-5	\$	26,465.18
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>26,465.18</u></u>

TOWN OF CLINTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	BALANCE DECEMBER 31, 2011	2012 REVENUE ANTICIPATED	CASH RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2012
Body Armor Replacement Fund	\$	\$ 1,352.07	\$	\$ 1,352.07	\$
Clean Communities Program		4,417.99	4,417.99		
Hart Community Grant	2,381.38				2,381.38
Highlands Plan Conformance Grant	193,500.11		30,616.83		162,883.28
Highlands TDR Receiving Zone Feasibility	11,750.00				11,750.00
Open Space Trust-Gebhardt	77,744.77	14,500.00	92,244.47		0.30
Recycling Tonnage Grant		1,362.84	1,362.84		
	<u>\$ 285,376.26</u>	<u>\$ 21,632.90</u>	<u>\$ 128,642.13</u>	<u>\$ 1,352.07</u>	<u>\$ 177,014.96</u>
<u>REF.</u>	A	A-2	A-4	A-22	A

"A-20"

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	19,054.23
Increased by:			
Charged to 2012 Appropriations	A-3		113,710.46
		\$	<u>132,764.69</u>
Decreased by:			
Transferred to Appropriation Reserves	A-13	\$	13,371.44
Canceled	A-1		<u>5,682.79</u>
			<u>19,054.23</u>
Balance, December 31, 2012	A	\$	<u><u>113,710.46</u></u>

"A-21"

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - GRANT FUND

Balance, December 31, 2011	A	\$	77,744.77
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>77,744.77</u></u>

TOWN OF CLINTON

GRANT FUND

SCHEDULE OF RESERVE  
FOR GRANTS UNAPPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>APPLIED TO RECEIVABLES</u>	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2012</u>
Body Armor Replacement Fund	\$ 1,352.07	\$ 1,352.07	\$ 1,288.09	1,288.09
Clean Communities Program	410.22			410.22
Alcohol Education and Rehabilitation	23.20			23.20
EMMA - Due Clinton Township			5,000.00	5,000.00
Recycling Tonnage Grant	<u>1,878.92</u>	<u></u>	<u>3,168.39</u>	<u>5,047.31</u>
	\$ <u>3,664.41</u>	\$ <u>1,352.07</u>	\$ <u>9,456.48</u>	<u>11,768.82</u>
<u>REF.</u>	A	A-19	A-4	A

TOWN OF CLINTON

GRANT FUND

SCHEDULE OF RESERVE  
FOR GRANTS APPROPRIATED

GRANT	BALANCE DECEMBER 31, 2011	2012 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2012
Clean Communities Program - 2010	\$ 465.31	\$ 4,417.99	\$ 65.00	\$ 4,818.30
Body Armor Replacement Fund	1,538.86	1,352.07		2,890.93
Highlands Council Water Protection Grant - 2007	1,105.00			1,105.00
Highlands Grant - Plan Conformance	142,710.34		3,308.03	139,402.31
TDR Receiving Zone Feasibility Study - 2008	8,000.00			8,000.00
Hart Community Grant	5,754.54			5,754.54
Smart Future - 2007	3.94			3.94
County Open Space - 2007	200.57			200.57
Open Space Trust-Gebhardt Field		14,500.00	14,160.00	340.00
Recycling Tonnage Grant - 2009	2,442.97	1,362.84	2,805.87	999.94
Green Communities Grant - 2008	92.00			92.00
	<u>\$ 162,313.53</u>	<u>\$ 21,632.90</u>	<u>\$ 20,338.90</u>	<u>\$ 163,607.53</u>
<u>REF.</u>	A	A-3	A-4	A

"A-24"

TOWN OF CLINTON

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2011 (Due From)	A	\$ (30,346.45)
Increased by:		
Cash Receipts	A-4	<u>170,083.67</u>
		\$ <u>139,737.22</u>
Decreased by:		
Cash Disbursements	A-4	<u>138,098.61</u>
Balance, December 31, 2012 (Due To)	A	\$ <u><u>1,638.61</u></u>

"A-25"

SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>		BALANCE DECEMBER 31, 2011 AND DECEMBER 31, 2012
Town Clerk	A	\$ <u><u>50.00</u></u>

"A-26"

TOWN OF CLINTON

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES  
N.J.S.40A:4-53 SPECIAL EMERGENCY - REVALUATION PROGRAM

<u>DATE</u> <u>AUTHORIZED</u>	<u>PURPOSE</u>		<u>NET AMOUNT</u> <u>AUTHORIZED</u>		<u>1/5 OF NET AMOUNT</u> <u>AUTHORIZED</u>		<u>INCREASED</u> <u>IN 2012</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
7/24/2012	Revaluation Program	\$	125,000.00	\$	25,000.00	\$	<u>125,000.00</u>	\$	<u>125,000.00</u>
	<u>REF.</u>						A-3		A

"A-27"

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

<u>DATE OF</u> <u>ISSUE</u>	<u>DATE OF</u> <u>MATURITY</u>		<u>INTEREST</u> <u>RATE</u>		<u>INCREASED</u> <u>IN 2012</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	
8/23/12	8/23/13		2.73%	\$	<u>125,000.00</u>	\$	<u>125,000.00</u>	
	<u>REF.</u>						A-4	A

## TOWN OF CLINTON

## TRUST FUND

## SCHEDULE OF CASH-TREASURER

	REF.	ANIMAL CONTROL		TRUST OTHER	
Balance, December 31, 2011	B	\$	10,803.42	\$	982,044.97
Increased by Receipts:					
Animal Control License Fees	B-3	\$	2,595.05	\$	
Due From State of New Jersey	B-4		380.40		
Various Reserves and Deposits	B-5				2,350,262.06
Due County of Hunterdon	B-7				8,761.20
Interfunds	B-8				119,651.76
			<u>2,975.45</u>		<u>2,478,675.02</u>
		\$	<u>13,778.87</u>	\$	<u>3,460,719.99</u>
Decreased by Disbursements:					
Expenditures Under R.S. 4:19-15.11	B-3	\$	3,943.41	\$	
Due From State of New Jersey	B-4		385.20		
Due County of Hunterdon	B-7				11,241.00
Various Reserves and Deposits	B-5				2,464,762.27
Deficit to be Raised	B		2,795.01		
Encumbrances Payable	B-9		20.00		2,522.15
Fund Balance	B-1				115,000.00
Interfunds	B-8				100,000.00
			<u>7,143.62</u>		<u>2,693,525.42</u>
Balance, December 31, 2012	B	\$	<u>6,635.25</u>	\$	<u>767,194.57</u>

"B-3"

TOWN OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2011	B		\$ 2,537.93
Increased by:			
Dog License Fees Collected		\$ 2,032.05	
Cat License Fees Collected		<u>563.00</u>	
	B-2		\$ <u>2,595.05</u>
			\$ <u>5,132.98</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-2	\$ 3,943.41	
Accounts Payable	B	<u>1,189.57</u>	
			\$ <u><u>5,132.98</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2010	\$	2,945.80
2011		<u>2,744.90</u>
	\$	<u><u>5,690.70</u></u>

"B-4"

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2011	B		\$ 4.80
Increased by:			
Cash Receipts	B-2		<u>380.40</u>
			\$ <u>385.20</u>
Decreased by:			
Cash Disbursements	B-2		\$ <u><u>385.20</u></u>

TOWN OF CLINTON

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	EXPENDED	BALANCE DECEMBER 31, 2012
Special Deposits	\$ 137,334.00	\$ 173,163.03	\$ 196,145.56	\$ 114,351.47
State Unemployment Insurance	112,200.47	3,391.90	1,163.44	114,428.93
Parks and Playground Commission	47,918.85	59,720.35	55,964.36	51,674.84
Developer's Escrow	190,479.20	34,628.16	72,944.25	152,163.11
Accrued Sick Leave	149,645.42	122.54		149,767.96
Municipal Alliance	6,920.82		6,920.82	
Length of Service Award Program	25,084.96	10,000.00	13,700.00	21,384.96
Payroll Agency	77,364.32	2,053,847.81	2,108,104.57	23,107.56
Water Tenant's Deposits	40,835.60	15,388.27	12,819.27	43,404.60
	<u>\$ 787,783.64</u>	<u>\$ 2,350,262.06</u>	<u>\$ 2,467,762.27</u>	<u>\$ 670,283.43</u>
REF.	B	B-2		B
Cash Disbursements	B-2		\$ 2,464,762.27	
Encumbrances Payable	B-9		<u>3,000.00</u>	
			<u>\$ 2,467,762.27</u>	

"B-6"

TOWN OF CLINTON

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2011: Due To	B	\$ 8,240.69	\$ 8,240.69
Balance, December 31, 2012: Due To	B	\$ <u>8,240.69</u>	\$ <u>8,240.69</u>

"B-7"

SCHEDULE OF DUE COUNTY OF HUNTERDON

Balance, December 31, 2011	B	\$	19,890.26
Increased by: Cash Receipts	B-2	\$	<u>8,761.20</u> 28,651.46
Decreased by: Cash Disbursements	B-2		<u>11,241.00</u>
Balance, December 31, 2012	B	\$	<u>17,410.46</u>

TOWN OF CLINTON  
TRUST FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER UTILITY CAPITAL FUND</u>
Balance, December 31, 2011: Due To	B	\$ <u>53,000.00</u>	\$ <u>3,000.00</u>	\$ _____	\$ <u>50,000.00</u>
Receipts	B-2	119,651.76	69,651.76	50,000.00	
Disbursements	B-2	<u>100,000.00</u>	_____	<u>50,000.00</u>	<u>50,000.00</u>
Balance, December 31, 2012: Due To	B	\$ <u><u>72,651.76</u></u>	\$ <u><u>72,651.76</u></u>	\$ _____	\$ _____

TOWN OF CLINTON

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	2,522.15
Increased by:			
Charges to Trust Reserves	B-5	\$	<u>3,000.00</u>
		\$	5,522.15
Decreased by:			
Cash Disbursements	B-2		<u>2,522.15</u>
Balance, December 31, 2012	B	\$	<u><u>3,000.00</u></u>

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2011	C		\$ 131,429.58
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-9	\$ 10,000.00	
Reimbursements	C-9	79,947.73	
Interfunds	C-10	506,740.10	
Grants Receivable	C-11	216,000.00	
Miscellaneous Deposits	C-4	5,000.00	
Premium on Sale of Notes	C-1	4,275.00	
Receipts on Fully Funded Ordinances	C-1	100,000.00	
Bond Anticipation Notes	C-8	<u>1,892,068.00</u>	
			<u>2,814,030.83</u>
			\$ <u>2,945,460.41</u>
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	\$ 1,423,250.00	
Contracts Payable	C-6	930,637.53	
Fund Balance	C-1	10,000.00	
Interfunds	C-10	<u>476,435.00</u>	
			<u>2,840,322.53</u>
Balance, December 31, 2012	C		\$ <u><u>105,137.88</u></u>

"C-3"

TOWN OF CLINTON

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
Capital Improvement Fund	\$ 103,947.25
Capital Fund Balance	105,694.10
Grants Receivable	(181,381.76)
Improvement Authorizations Funded as Set Forth On "C-7"	45,525.12
Improvement Authorizations Expended as Set Forth on "C-5"	(145,365.85)
Cash on Hand to Pay Notes	1.02
Interfunds Payable	50,305.10
Miscellaneous Reserves	108,807.00
Unexpended Proceeds of Bond Anticipation Notes Issued as Set Forth on "C-5"	<u>17,605.90</u>
	<u>\$ 105,137.88</u>

REF.

C-2

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	BALANCE DECEMBER 31, 2012
Offsite Improvements	\$ 28,000.00	\$	\$ 28,000.00
Road Construction and Reconstruction	35,855.00		35,855.00
Sidewalk Construction and Reconstruction	24,952.00		24,952.00
DPW Equipment	5,000.00	5,000.00	10,000.00
Fire Equipment	10,000.00		10,000.00
	<u>\$ 103,807.00</u>	<u>\$ 5,000.00</u>	<u>\$ 108,807.00</u>
<u>REF.</u>	C	C-2	C

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	ANALYSIS OF BALANCE, DECEMBER 31, 2012		UNEXPENDED IMPROVEMENT AUTHORIZATIONS
			BOND ANTICIPATION NOTES	EXPENDITURES	
1999-02	Reconst. of Lakeview Avenue, Lingert Avenue and Kinter Street	\$ 302,358.00	\$ 210,762.00	\$ 91,596.00	\$
1999-07	Acquisition of Fire Truck and Related Equipment	35,000.00		35,000.00	
2003-20	Acquisition of Emergency Rescue Vehicle	119,776.00	119,776.00		
2005-17	Acquisition of a Ladder Truck for the Fire Department	649,644.09	649,644.09		
2006-05	Clinton Mills Dam and Dike Project	18,280.00		18,280.00	
2007-02	Clinton Mills Dam and Dike Project	450,000.00		489.85	449,510.15
2008-11	Clinton Knolls Replacement Project Phase II	324,884.89	324,884.89		
2010-06	Improvements to Gebhardt Field and Rachel Court	105,000.00			105,000.00
2011-12	Improvements to Various Roads	412,000.00	412,000.00		
2012-03	11 West Main Street for Taxes Levied	100,000.00	100,000.00		
2012-08	Various Improvements	104,692.00	75,000.00		29,692.00
		<u>\$ 2,621,634.98</u>	<u>\$ 1,892,066.98</u>	<u>\$ 145,365.85</u>	<u>\$ 584,202.15</u>
		C		C-3	
	Bond Anticipation Notes		C-8	\$ 1,892,068.00	
	Cash on Hand to Pay Notes- Ord. 2005-17 and 2008-11		C-3	<u>1.02</u>	
				<u>\$ 1,892,066.98</u>	
	Improvement Authorizations-Unfunded		C-7		\$ 601,808.05
	Less: Unexpended Proceeds of Bond Anticipation Notes - 08-11		C-3		<u>17,605.90</u>
					<u>\$ 584,202.15</u>

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	611,950.51
Increased by:			
Contracts Payable	C-7		<u>319,287.02</u>
		\$	<u>931,237.53</u>
Decreased by:			
Cash Disbursements	C-2	\$	930,637.53
Canceled	C-7		<u>600.00</u>
		\$	<u><u>931,237.53</u></u>

TOWN OF CLINTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE		BALANCE DECEMBER 31, 2011		2012 AUTHORIZATIONS	PAID OR CHARGED	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2012	
			AMOUNT		FUNDED	UNFUNDED				FUNDED	UNFUNDED
General Improvements:											
07-02	Clinton Mills Dam and Dike Project	02/27/07	450,000.00	\$	\$	449,510.15	\$	\$	\$		449,510.15
									600.00	600.00	
08-11	Clinton Knolls	08/26/08	580,000.00			1,200.00					1,200.00
10-06	Imp. to Gebhardt Field and Rachel Court	05/11/10	295,000.00		44,388.65	105,000.00				44,388.65	105,000.00
11-09	Various Improvements	05/24/11	159,500.00		10,048.27			9,511.80		536.47	
11-12	improvements to Various Roads	09/13/11	700,000.00			115,673.12		112,457.39			3,215.73
12-03	11 West Main Street for Taxes Levied	03/27/12	100,000.00				100,000.00	98,510.17			1,489.83
10-11/12-5	Amend Ord. 10-11 Various Improvements	04/24/12	30,000.00				30,000.00	30,000.00			
12-08	Various improvements	06/26/12	110,200.00				110,200.00	68,807.66			41,392.34
				\$	\$	54,436.92	\$	319,287.02	\$	45,525.12	\$
						671,383.27		240,200.00		600.00	601,808.05
				REF.	C	C		C-6	C-6	C:C-3	C:C-5
	Capital Improvement Fund						\$	35,508.00			
	Deferred Charges to Future Taxation - Unfunded							204,692.00			
							\$	240,200.00			



TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2011	C		\$ 49,507.52
Increased by:			
2012 Budget Appropriation	C-2	\$ 10,000.00	
Reimbursements	C-2	<u>79,947.73</u>	
			<u>89,947.73</u>
			\$ <u>139,455.25</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-7		<u>35,508.00</u>
Balance, December 31, 2012	C		\$ <u><u>103,947.25</u></u>

TOWN OF CLINTON  
GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>	<u>WATER CAPITAL FUND</u>	<u>SEWER OPERATING FUND</u>
Balance, December 31, 2011: Due To	C	\$ <u>20,000.00</u>	\$ _____	\$ _____	\$ _____	\$ <u>20,000.00</u>
Receipts	C-2	\$ <u>506,740.10</u>	\$ <u>256,740.10</u>	\$ <u>50,000.00</u>	\$ <u>200,000.00</u>	\$ _____
Disbursements	C-2	\$ <u>476,435.00</u>	\$ <u>256,435.00</u>	\$ <u>50,000.00</u>	\$ <u>150,000.00</u>	\$ <u>20,000.00</u>
Balance, December 31, 2012: Due To	C	\$ <u><u>50,305.10</u></u>	\$ <u><u>305.10</u></u>	\$ _____	\$ <u><u>50,000.00</u></u>	\$ _____

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	397,381.76
Decreased by:			
Cash Receipts	C-2		<u>216,000.00</u>
Balance, December 31, 2012	C	\$	<u>181,381.76</u>

TOWN OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2012</u>
1999-02	Reconstruction of Lakeview Avenue, Lingert Avenue and Kinter Street	\$ 91,596.00
1999-07	Acquisition of Fire Truck and Related Equipment	35,000.00
2006-05	Clinton Mills Dam and Dike Project	18,280.00
2007-02	Clinton Mills Dam and Dike Project	450,000.00
2010-06	Improvement to Gebhardt Field and Rachel Court	105,000.00
2012-08	Various Improvements	<u>29,692.00</u>
		<u>\$ 729,568.00</u>

TOWN OF CLINTONWATER UTILITY FUNDSCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2011	D	\$ 743,684.28	\$ 514,245.21
Increased by Receipts:			
Collector	D-6	\$ 2,452,135.27	\$
Capital Improvement Fund	D-18		345,000.00
Bond Anticipation Notes	D-19		4,401,867.00
Interfunds	D-23:D-24	2,172,043.54	1,710,225.00
Miscellaneous Reserves	D-22		105,000.00
Loans Receivable	D-13		1,302,691.00
Miscellaneous	D-3	<u>24,597.62</u>	
		<u>4,648,776.43</u>	<u>7,864,783.00</u>
		\$ <u>5,392,460.71</u>	\$ <u>8,379,028.21</u>
Decreased by Disbursements:			
2012 Appropriations	D-4	\$ 2,344,273.80	\$
2011 Appropriation Reserves	D-10	70,591.60	
Bond Anticipation Notes	D-19		4,601,867.00
Contracts Payable	D-17		2,178,491.78
Refund of Current Years' Revenue	D-1	1,179.59	
Accrued Interest	D-12	153,497.62	
Interfunds	D-23:D-24	<u>2,382,165.00</u>	<u>1,500,000.00</u>
		<u>4,951,707.61</u>	<u>8,280,358.78</u>
Balance, December 31, 2012	D	\$ <u><u>440,753.10</u></u>	\$ <u><u>98,669.43</u></u>

"D-6"

TOWN OF CLINTON

WATER UTILITY OPERATING FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		<u>OPERATING</u>
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$	2,270,802.51
Interest on Delinquent Accounts	D-3		6,248.57
Miscellaneous	D-3		25.00
Fire Hydrant Fees	D-3		175,059.19
			<u>\$ 2,452,135.27</u>
Decreased by Disbursements:			
Payment to Treasurer:			
Water Operating Fund	D-5	\$	<u>2,452,135.27</u>

"D-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2011	D	\$	122,460.50
Increased by:			
Water Rents Levied - Net			<u>2,252,577.25</u>
		\$	<u>2,375,037.75</u>
Decreased by:			
Collection	D-3:D-6		<u>2,270,802.51</u>
Balance, December 31, 2012	D	\$	<u>104,235.24</u>

"D-8"

TOWN OF CLINTON

WATER UTILITY OPERATING FUND

SCHEDULE OF CHANGE FUND-  
WATER OPERATING FUND

REF.

Balance, December 31, 2011  
and December 31, 2012

D

\$ 25.00

"D-9"

SCHEDULE OF INVENTORY

Balance, December 31, 2011

D

\$ 58,099.44

Decreased by:

Adjustment to Actual Inventory

4,625.60

Balance, December 31, 2011

D

\$ 53,473.84

## TOWN OF CLINTON

## WATER UTILITY OPERATING FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 45,576.62	\$ 45,576.62	\$ 12,269.78	\$ 33,306.84
Other Expenses	63,108.15	70,102.40	54,721.82	15,380.58
Capital Improvement:				
Capital Outlay	4,307.00	7,907.00	3,600.00	4,307.00
Regulatory Expenditures:				
Contributions to:				
Public Employees' Retirement System	0.33	0.33		0.33
Social Security System (O.A.S.I.)	2,021.99	2,021.99		2,021.99
Unemployment Compensation	183.76	183.76		183.76
	<u>\$ 115,197.85</u>	<u>\$ 125,792.10</u>	<u>\$ 70,591.60</u>	<u>\$ 55,200.50</u>
	REF. D		D-5	D-1
Balance December 31, 2010	D-10	\$ 115,197.85		
Encumbrances Payable	D-11	<u>10,594.25</u>		
		<u>\$ 125,792.10</u>		

"D-11"

TOWN OF CLINTON  
WATER UTILITY OPERATING FUND  
SCHEDULE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	10,594.25
Increased by:			
Charges to 2012 Appropriations	D-4		13,915.40
		\$	<u>24,509.65</u>
Decreased by:			
Transferred to Appropriation Reserves	D-10		<u>10,594.25</u>
Balance, December 31, 2012	D	\$	<u><u>13,915.40</u></u>

"D-12"

SCHEDULE OF ACCRUED INTEREST

Balance, December 31, 2011	D	\$	56,824.61
Increased by:			
Charges to Budget Appropriations	D-4		166,350.00
		\$	<u>223,174.61</u>
Decreased by:			
Cash Disbursements	D-5		<u>153,497.62</u>
Balance, December 31, 2012	D	\$	<u><u>69,676.99</u></u>

"D-13"

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF LOANS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	1,824,651.00
Increased by:			
New Loans Awarded	D-22;D-26		<u>1,738,784.00</u>
		\$	3,563,435.00
Decreased by:			
Cash Receipts	D-5	\$	1,302,691.00
Canceled	D-26		<u>587,557.00</u>
			<u>1,890,248.00</u>
Balance, December 31, 2012	D	\$	<u><u>1,673,187.00</u></u>

"D-14"

WATER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

			BALANCE DECEMBER 31, 2011 AND DECEMBER 31, 2012
Preparation of Water Maps		\$	1,246.00
Purchase of Public Works Vehicles			<u>3,601.00</u>
	D	\$	<u><u>4,847.00</u></u>

TOWN OF CLINTON  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2011		2012 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2012	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
<u>General Improvements:</u>									
07-08	Various Acquisitions	05/22/07	\$ 61,000.00	\$ 3,753.53			\$ 603.05	\$ 3,150.48	
07-14	Various Improvements	08/28/07	2,000,000.00		7,817.39				7,817.39
08-09	Various Improvements	07/22/08	855,000.00		15,037.62		10,669.65		4,367.97
09-11	Various Improvements	08/25/09	4,775,000.00	670,909.12	1,351,677.00		1,081,939.70		940,646.42
10-09	Various Improvements	06/22/10	2,675,000.00		1,756,558.82		109,278.41		1,647,280.41
11-08	Various Improvements	05/24/11	1,035,000.00		903,361.74		742,020.88		161,340.86
12-07	Various Improvements	06/12/12	345,000.00			345,000.00	183,920.58	161,079.42	
				\$ 674,662.65	\$ 4,034,452.57	\$ 345,000.00	\$ 2,128,432.27	\$ 164,229.90	\$ 2,761,453.05
		<u>REF.</u>		D	D		D-17	D	D
	Capital Improvement Fund					\$ 345,000.00			
						\$ 345,000.00			

"D-16"

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2011	D		\$	6,325,708.27
Increased by:				
Bond Anticipation Notes Paid by Budget	D-19	\$	72,267.00	
Capital Outlay Expenditures	D-20		<u>7,500.00</u>	
				<u>79,767.00</u>
Balance, December 31, 2012	D		\$	<u><u>6,405,475.27</u></u>

"D-17"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2011	D		\$	423,083.15
Increased by:				
Charges to Improvement Authorizations	D-15			<u>2,128,432.27</u>
			\$	<u>2,551,515.42</u>
Decreased by:				
Cash Disbursements	D-5			<u>2,178,491.78</u>
Balance, December 31, 2012	D		\$	<u><u>373,023.64</u></u>

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	49,169.08
Increased by:			
2012 Budget Appropriation	D-5		345,000.00
		\$	<u>394,169.08</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	D-15		<u>345,000.00</u>
Balance, December 31, 2012	D	\$	<u><u>49,169.08</u></u>

TOWN OF CLINTON  
 WATER UTILITY CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
95-08	Improvement to Water System	01/29/04 01/29/04	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	\$ 101,195.00 \$	\$ 62,390.00	\$ 101,195.00 \$	62,390.00
02-12	Improvement to Water System	08/29/07 08/29/07	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	1,468,353.00	1,349,365.00	1,468,353.00	1,349,365.00
06-15	Refurbish Water Offices	08/29/07 08/29/07	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	246,052.00	231,578.00	246,052.00	231,578.00
07-14	Various Improvements	01/24/08 01/24/08	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	1,746,607.00	1,724,214.00	1,746,607.00	1,724,214.00
08-09	Refurbish Water Offices	08/28/08 08/28/08	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	414,660.00	309,320.00	414,660.00	309,320.00
10-09	Various Improvements	08/26/10 08/26/10	08/25/11 08/23/12	08/24/12 08/23/13	1.12% 1.50%	725,000.00	725,000.00	725,000.00	725,000.00
						<u>\$ 4,701,867.00</u> \$	<u>\$ 4,401,867.00</u> \$	<u>\$ 4,701,867.00</u> \$	<u>\$ 4,401,867.00</u>
						REF.	D	D-5	D
								\$ 4,601,867.00	
								<u>100,000.00</u>	
								<u>\$ 4,701,867.00</u>	

Cash Disbursements  
 Notes Paid by Budget

D-5  
 D-16:D-26

\$ 4,601,867.00  
100,000.00  
\$ 4,701,867.00

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>ADDITIONS</u>	<u>BALANCE DECEMBER 31, 2012</u>
Water Diversion Rights	\$ 7,500.00	\$	\$ 7,500.00
Pumping System Land	5,400.00		5,400.00
Water Storage Land	1,200.00		1,200.00
Springs and Wells	13,014.00		13,014.00
Collecting Reservoirs	16,835.00		16,835.00
Intake and Supply Mains	14,414.00		14,414.00
Chemical and Treatment Plant	1,200.00		1,200.00
Pumping Station Structures	5,001.00		5,001.00
Electric Power Pumping Equipment	40,367.00		40,367.00
Distribution Mains and Accessories	660,711.00		660,711.00
Service Pipes, Stops and Taps	54,452.00		54,452.00
Meters, Meter Boxes and Stops	377,735.00		377,735.00
Fire Hydrant and Fire Cisterns	43,340.00		43,340.00
General Equipment and Structures	44,669.00		44,669.00
Engineering and Surveying	18,174.00		18,174.00
Bond Advertising	338.00		338.00
Bond Printing	292.00		292.00
Realtor Fees	50.00		50.00
Legal and Review Fees	2,830.00		2,830.00
Easement Right of Way	1,825.00		1,825.00
Vehicles	253,303.00		253,303.00
Wellhouse # 12	51,048.00		51,048.00
Fencing - Lilac Drive	2,831.00		2,831.00
Office Equipment	1,879.00		1,879.00
Barn Improvements	3,714.00		3,714.00
Communication Equipment	3,629.00		3,629.00
Electrical System - Lilac Drive	210.00		210.00
Meter Cleaning Machine	2,988.00		2,988.00
Chlorine Tank and Fittings	934.00		934.00
Automotive Equipment	101,189.00		101,189.00
Improvement - Water System - Ord. 11/03/79	149,405.00		149,405.00
Improvement - Water System - Ord. 11/03/71	200,000.00		200,000.00
Improvement - Water Supply and Distribution System - Ord. 04/01/77	698,225.00		698,225.00
Miscellaneous Equipment	38,807.70		38,807.70
12" Sea Gate Valves	1,222.00		1,222.00
Power Operator	1,095.00		1,095.00
Chlorinators	5,504.00		5,504.00
Snow Thrower	1,713.00		1,713.00
Screw Plugs and Tapping Machines	1,058.00		1,058.00
Copper Tubing	790.00		790.00
Contribution in Aid of Construction	472,220.00		472,220.00
Test Wells	34,336.00		34,336.00
Flow Meter	3,080.00		3,080.00
Replacement Pumps	23,759.00		23,759.00
Renovation of the Lebanon Well and Complete Construction of New Well Located at the Municipal Building	115,065.00		115,065.00
Aqua Scope Equipment	1,600.00		1,600.00

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2011	<u>ADDITIONS</u>	BALANCE DECEMBER 31, 2012
Backhoe	\$ 34,192.00	\$	34,192.00
Trash Pump	2,585.00		2,585.00
Pipe and Cable Locator	4,418.00		4,418.00
Rotating Assemblies	1,933.00		1,933.00
Pipe Saw	799.00		799.00
York Rake	1,181.00		1,181.00
Blower Heater	308.00		308.00
Cleaning Equipment	3,045.00		3,045.00
Magnetic Locators	2,978.00		2,978.00
Photocopier	1,295.00		1,295.00
Accu Punch	4,975.00		4,975.00
Tapping Machine	746.00		746.00
Telephone System	7,493.00		7,493.00
Computer System	11,996.00		11,996.00
Computer Billing Software	6,000.00		6,000.00
Test Tanks	1,109.00		1,109.00
Improvements - Water System - Ord. 08/05/80	350,000.00		350,000.00
Generator	46,723.00		46,723.00
Leak Detector	6,972.00		6,972.00
Renovations to the Clinton Point Well and Replacement of Pump West End - Ord. 04/27/82	25,597.00		25,597.00
Public Works Equipment and Water Leak Survey - Ord. 02/12/85	19,266.00		19,266.00
Construction of Well # 15	42,662.00		42,662.00
Fire Hose	1,248.00		1,248.00
Chem-O-Feeders	4,180.00		4,180.00
Vibrator Wacker	10,950.00		10,950.00
Pipe Threader	3,017.00		3,017.00
Pavement Breaker	7,442.00		7,442.00
Portable Air Compressor	10,750.00		10,750.00
Meter Reading Computer System	8,800.00		8,800.00
Survey Instruments	902.00		902.00
Tank Inspections	2,450.00		2,450.00
Computer Monitoring Hardware and Software	9,950.00		9,950.00
Transceiver Unit and Part Expanders	13,743.00		13,743.00
2 Used Four Wheel Tractors	5,000.00		5,000.00
2 Digital Loggers	4,004.00		4,004.00
Pipe Meter Rebuilding Kit	2,631.00		2,631.00
High Street Bridge Water Line Reconstruction	80,000.00		80,000.00
Improvement to the Water Supply System - Ord. 09/11/84	500,000.00		500,000.00
Improvement to the Water Supply System - Ord. 06/10/87	250,000.00		250,000.00
Exploration and Development of Water Storage Facilities - Ord. 05/22/90	250,000.00		250,000.00

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2011	<u>ADDITIONS</u>	BALANCE DECEMBER 31, 2012
Improvement to the Water Supply System - Ord. 05/23/95	\$ 750,000.00	\$	\$ 750,000.00
Painting of Water Tanks - Ord. # 01-09	44,605.00		44,605.00
Construction of Well # 15 - Ord. # 02-11	285,076.00		285,076.00
Vehicles	74,466.00		74,466.00
Refurbish Office - 47 Leigh St. - Ord # 06-15	275,000.00		275,000.00
Improvements to DeMott Pond - Ord # 06-09	120,000.00		120,000.00
Capital Outlay - 2008	70,000.00		70,000.00
Capital Outlay - 2009	15,000.00		15,000.00
Capital Outlay - 2010	20,093.00		20,093.00
Capital Outlay - 2012		7,500.00	7,500.00
Improvements to Water System - Ord. 02-12	1,491,731.76		1,491,731.76
Well Improvements - Ord. 09-02	249,150.00		249,150.00
Pipe Replacements - Ord. 10-03	118,818.57		118,818.57
	<u>\$ 8,734,232.03</u>	<u>\$ 7,500.00</u>	<u>\$ 8,741,732.03</u>
	<u>REF.</u>	D	D
Transferred from Capital Outlay	D-16	\$ 7,500.00	
		<u>\$ 7,500.00</u>	

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE DECEMBER 31, 2011</u>	<u>ADDITIONS</u>	<u>BALANCE DECEMBER 31, 2012</u>
		<u>DATE</u>	<u>AMOUNT</u>			
07-08	Various Acquisitions	05/30/07	\$ 61,000.00	\$ 61,000.00	\$	61,000.00
07-14	Various Improvements	08/28/07	2,000,000.00	2,000,000.00		2,000,000.00
08-09	Various Improvements	07/22/08	855,000.00	538,949.14		538,949.14
09-11	Various Improvements	08/25/09	4,775,000.00	4,775,000.00		4,775,000.00
10-09	Various Improvements	06/22/10	2,675,000.00	2,675,000.00		2,675,000.00
11-08	Various Improvements	05/24/11	1,035,000.00	1,035,000.00		1,035,000.00
12-07	Various Improvements	06/12/12	345,000.00		345,000.00	345,000.00
				\$ 11,084,949.14	\$ 345,000.00	\$ 11,429,949.14
		<u>REF.</u>		D	D-15	D

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2011	PREMIUMS RECEIVED	CASH RECEIPTS	BALANCE DECEMBER 31, 2012
Improvement of Water Storage Facility	\$ 191,984.20			\$ 191,984.20
Purchase of Public Works Equipment	19,000.00		5,000.00	24,000.00
Painting of Water Tanks	30,395.00			30,395.00
New Wells	6,212.00			6,212.00
Capital Improvements	78,500.00			78,500.00
Contribution in Aid of Construction	787,192.00			787,192.00
Main Replacement	100,000.00		100,000.00	200,000.00
Reserve for Payment of Debt - NJEIT		29,696.00		29,696.00
	<u>\$ 1,213,283.20</u>	<u>\$ 29,696.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,347,979.20</u>

REF.

D

D-13

D-5

D

TOWN OF CLINTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>SEWER OPERATING FUND</u>	<u>WATER CAPITAL FUND</u>
Balance, December 31, 2011:					
Due From	D	\$ 56,028.46	\$	\$ 145.00	\$ 55,883.46
Due To	D	<u>1,894.44</u>	<u>1,894.44</u>	<u>                    </u>	<u>                    </u>
Increased by:					
Cash Receipts	D-5	\$ <u>2,172,043.54</u>	\$ <u>350,103.54</u>	\$ <u>                    </u>	\$ <u>1,821,940.00</u>
Decreased by:					
Cash Disbursements	D-5	\$ <u>2,382,165.00</u>	\$ <u>350,000.00</u>	\$ <u>                    </u>	\$ <u>2,032,165.00</u>
Balance, December 31, 2012:					
Due From	D	\$ 266,253.46	\$	\$ 145.00	\$ 266,108.46
Due To	D	<u><u>1,997.98</u></u>	<u><u>1,997.98</u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER OPERATING FUND</u>
Balance, December 31, 2011:						
Due From	D	\$ 50,000.00	\$	\$ 50,000.00	\$	\$
Due To	D	<u>55,883.46</u>	<u></u>	<u></u>	<u></u>	<u>55,883.46</u>
Increased by:						
Cash Receipts	D-5	<u>\$ 1,710,225.00</u>	<u>\$ 500,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 1,010,225.00</u>
Decreased by:						
Cash Disbursements	D-5	<u>\$ 1,500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$</u>	<u>\$ 200,000.00</u>	<u>\$ 800,000.00</u>
Balance, December 31, 2012:						
Due From	D	\$ 50,000.00	\$	\$	\$ 50,000.00	\$
Due To	D	<u>266,108.46</u>	<u></u>	<u></u>	<u></u>	<u>266,108.46</u>

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>INCREASED BY</u>			<u>BALANCE DECEMBER 31, 2012</u>
		<u>BALANCE DECEMBER 31, 2011</u>	<u>NEW ORDINANCES</u>	<u>LOANS/NOTES PAID BY BUDGET</u>	
General Improvements:					
07-08 Various Acquisitions	05/30/07	\$ 61,000.00	\$	\$	61,000.00
07-14 Various Improvements	08/28/07	253,393.00		22,393.00	275,786.00
08-09 Various Improvements	07/22/08	440,340.00		5,340.00	445,680.00
09-11/10-09 Various Improvements	06/22/10	69,604.16		193,277.68	262,881.84
12-07 Various Improvements	06/12/12		345,000.00		345,000.00
11-08 Various Improvements	05/24/11			20,334.93	20,334.93
		<u>\$ 824,337.16</u>	<u>\$ 345,000.00</u>	<u>\$ 241,345.61</u>	<u>\$ 1,410,682.77</u>
<u>REF.</u>		D	D-16	D-19:D-26	D

TOWN OF CLINTON  
WATER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2012		INTEREST RATE	BALANCE DECEMBER 31, 2011	ISSUED	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT					
Replacement of Water Mains, Leigh Street, Construction of Storage Tank (Trust Loan)	12/2/2010	\$ 1,910,000.00	8/01/13	\$ 65,000.00	5.00%	\$ 1,910,000.00			\$ 1,845,000.00
			8/01/14-15	70,000.00					
			8/01/16	75,000.00					
			8/01/17	80,000.00					
			8/01/18	85,000.00					
			8/01/19	90,000.00					
			8/01/20-21	95,000.00					
			8/01/22	100,000.00					
			8/01/23	105,000.00					
			8/01/24	110,000.00					
			8/01/25	120,000.00					
			8/01/26	125,000.00					
			8/01/27	130,000.00					
			8/01/28	135,000.00					
			8/01/29	145,000.00					
8/01/30	150,000.00								
Replacement of Water Mains, Leigh Street, Construction of Storage Tank (Fund Loan)	12/2/2010	2,053,323.00	2013-2024	104,406.24	0%	1,983,718.84		691,963.24	1,291,755.60
			2025	38,880.72					
Replacement of Water Mains, Leigh Street, Construction of Storage Tank (Trust Loan)	05/03/12	405,000.00	8/01/13-14	10,000.00	Variable		405,000.00		405,000.00
			8/01/15-16	15,000.00					
			8/01/17-24	20,000.00					
			8/01/25-27	25,000.00					
			8/01/28-31	30,000.00					
Replacement of Water Mains, Leigh Street, Construction of Storage Tank (Fund Loan)	05/03/12	1,304,088.00	2013-2030	66,309.55	0%		1,304,088.00	44,206.37	1,259,881.63
			2031	66,309.73					
						\$ 3,893,718.84	\$ 1,709,088.00	\$ 801,169.61	\$ 4,801,637.23
REF.						D	D-13	D-25	D

TOWN OF CLINTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2012</u>
95-08	Improvements to the Water System	\$	13,821.59
09-11/10-09	Various Improvements		2,455,678.00
11-08	Various Improvements		<u>219,468.00</u>
		\$	<u><u>2,688,967.59</u></u>

TOWN OF CLINTON  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2011	E	\$ 293,566.30	\$ 569,036.15
Increased by Receipts:			
Collector	E-6	\$ 1,587,589.77	\$
Interfunds	E-13:E-25	427,125.00	650,000.00
Miscellaneous Reserves	E-17		10,000.00
Bond Anticipation Notes	E-23		400,000.00
Loans Receivable	E-24		816,080.00
Service Agreements	E-3	69,811.43	
Miscellaneous	E-3	<u>265,025.39</u>	
		2,349,551.59	<u>1,876,080.00</u>
		\$ <u>2,643,117.89</u>	\$ <u>2,445,116.15</u>
Decreased by Disbursements:			
2012 Appropriations	E-4	\$ 1,902,549.44	\$
2011 Appropriation Reserves	E-8	90,073.05	
Accrued Interest on Loans	E-12	13,030.77	
Interfunds	E-13:E-25	334,989.03	985,000.00
Contracts Payable	E-14		<u>1,103,769.34</u>
		<u>2,340,642.29</u>	<u>2,088,769.34</u>
Balance, December 31, 2012	E	\$ <u><u>302,475.60</u></u>	\$ <u><u>356,346.81</u></u>

TOWN OF CLINTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR

	REF.	<u>OPERATING</u>
Increased by Receipts:		
Consumer Accounts Receivable	E-7	\$ 1,585,813.00
Penalties on Delinquent Accounts	E-3	<u>1,776.77</u>
		\$ <u>1,587,589.77</u>
		<u>1,587,589.77</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Sewer Operating Fund	E-5	\$ <u><u>1,587,589.77</u></u>

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2011	E	\$ 69,149.73
Increased by:		
Sewer Rents Levied - Net		<u>1,629,713.26</u>
		\$ <u>1,698,862.99</u>
Decreased by:		
Collection	E-3:E-6	<u>1,585,813.00</u>
Balance, December 31, 2012	E	\$ <u><u>113,049.99</u></u>

TOWN OF CLINTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 21,784.43	\$ 1,784.43	\$ 1,708.65	75.78
Other Expenses	28,399.06	97,518.59	88,364.40	9,154.19
Regulatory Expenses:				
Public Employees' Retirement System	0.33	0.33		0.33
Social Security	4,769.81	4,769.81		4,769.81
Unemployment Compensation	174.80	174.80		174.80
	<u>\$ 55,128.43</u>	<u>\$ 104,247.96</u>	<u>\$ 90,073.05</u>	<u>\$ 14,174.91</u>
	REF. E			E-1
Balance, December 31, 2011	E-8	\$ 55,128.43		
Encumbrances Payable	E-11	49,119.53		
Cash Disbursements	E-5		90,073.05	
		<u>\$ 104,247.96</u>	<u>\$ 90,073.05</u>	

"E-9"

TOWN OF CLINTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>REF.</u>		
Balance, December 31, 2011	E	\$	320,803.70
Decreased by:			
Adjustment to Actual Inventory			<u>65,937.33</u>
Balance, December 31, 2012	E	\$	<u><u>254,866.37</u></u>

"E-10"

SCHEDULE OF CHANGE FUND -  
SEWER OPERATING FUND

Balance, December 31, 2011 and December 31, 2012	E	\$	<u><u>25.00</u></u>
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"E-11"

TOWN OF CLINTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2011	E	\$	51,216.59
Increased by:			
Transferred from Budget	E-4	\$	<u>37,845.46</u>
			89,062.05
Decreased by:			
Transferred to Appropriation Reserves	E-8		<u>49,119.53</u>
Balance, December 31, 2012	E	\$	<u><u>39,942.52</u></u>

"E-12"

SCHEDULE OF ACCRUED INTEREST ON LOANS

Balance, December 31, 2011	E	\$	2,031.35
Increased by:			
Budget Appropriation	E-4	\$	<u>13,095.00</u>
			15,126.35
Decreased by:			
Cash Disbursements	E-5		<u>13,030.77</u>
Balance, December 31, 2012	E	\$	<u><u>2,095.58</u></u>

TOWN OF CLINTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>	<u>TRUST OTHER</u>	<u>GENERAL CAPITAL</u>	<u>WATER UTILITY OPERATING</u>	<u>SEWER CAPITAL FUND</u>
Balance, December 31, 2011:								
Due From	E	\$ 150,000.00	\$ 58,000.00	\$ 72,000.00	\$	\$ 20,000.00	\$	\$
Due To	E	<u>200,381.66</u>			<u>1,487.15</u>		<u>145.00</u>	<u>198,749.51</u>
Receipts	E-5	<u>427,125.00</u>		<u>72,000.00</u>	<u>125.00</u>	<u>20,000.00</u>		<u>335,000.00</u>
Disbursements	E-5	<u>334,989.03</u>	<u>334,864.03</u>		<u>125.00</u>			
Balance, December 31, 2012:								
Due From	E	\$ 392,864.03	\$ 392,864.03	\$	\$	\$	\$	\$
Due To	E	<u>535,381.66</u>			<u>1,487.15</u>		<u>145.00</u>	<u>533,749.51</u>

TOWN OF CLINTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2011	E	\$ 41,237.00
Increased by:		
Charges to Improvement Authorizations	E-18	1,103,468.80
		\$ <u>1,144,705.80</u>
Decreased by:		
Cash Disbursements	E-5	<u>1,103,769.34</u>
Balance, December 31, 2012	E	\$ <u><u>40,936.46</u></u>

TOWN OF CLINTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>ADDITIONS</u>	<u>BALANCE DECEMBER 31, 2012</u>
General Improvements:						
89-10	Renovation and Upgrade of the Clinton Sewerage Treatment Plant	08/22/89	\$ 8,000,000.00	\$ 8,000,000.00		\$ 8,000,000.00
07-08	Various Acquisitions	05/30/07	60,000.00	60,000.00		60,000.00
08-10	Clinton Knolls	08/26/08	125,000.00	66,205.00		66,205.00
11-04	Sewer Utility Improvements	04/12/11	1,545,000.00	1,545,000.00		1,545,000.00
11-10	Sewer Utility Improvements	05/24/11	137,000.00	137,000.00		137,000.00
12-06	Sewer Utility Improvements	06/12/12	125,000.00		125,000.00	125,000.00
				<u>\$ 9,808,205.00</u>	<u>\$ 125,000.00</u>	<u>\$ 9,933,205.00</u>
		<u>REF.</u>		E	E-18	E

TOWN OF CLINTONSEWER UTILITY CAPITAL FUNDSCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2012</u>
Construction of Garage	\$ 3,129.00	\$ 3,129.00
Office Equipment	25,171.00	25,171.00
Automotive Equipment	161,126.00	161,126.00
Equipment Repairs	1,534.00	1,534.00
Engineering Services	12,764.00	12,764.00
Architect Services	4,800.00	4,800.00
Miscellaneous Equipment	107,495.00	107,495.00
Miscellaneous Repairs to Sewer Plant	29,413.00	29,413.00
Sewer Line Repairs	153,151.00	153,151.00
Telephone System	11,108.00	11,108.00
Incubator Lab Kit	2,484.00	2,484.00
Backhoes	33,441.00	33,441.00
Computer Equipment and Software	51,690.00	51,690.00
Leigh Street Bridge Rehabilitation	9,464.00	9,464.00
Fencing and Gates	5,298.00	5,298.00
Alarm System	25,851.00	25,851.00
Trash pump	4,000.00	4,000.00
Gasoline Tank Upgrade	3,000.00	3,000.00
New Boiler	9,200.00	9,200.00
Testing Machine for Ammonia	8,359.00	8,359.00
Improvement Authorizations:		
Construction of Sewer System 06/67	1,800,000.00	1,800,000.00
Construction of Sewer System 08/70	251,580.00	251,580.00
Sewer Plant Addition 09/75	353,152.00	353,152.00
Improvement to Sewer Plant 11/83 and 03/87	1,476,746.00	1,476,746.00
Water Quality Monitoring Program and Study the Feasibility of an Expansion of the Sewer Treatment Plant 07/86	99,683.00	99,683.00
Mandated Expansion in the Closure of the Sludge Disposal Site 01/87	47,439.00	47,439.00
Waste Water Treatment Plant Restoration 08/98	71,314.00	71,314.00
Four Wheel Drive Vehicle 01/02	9,958.00	9,958.00
Capital Outlay 2007	161,117.83	161,117.83
Capital Outlay 2008	30,621.50	30,621.50
Capital Outlay 2009	11,589.60	11,589.60
Refurbish Office - 47 Leigh St. - Ord # 06-15	400,000.00	400,000.00
Improvements to Sanitary Sewer - Ord. #07-01	149,801.03	149,801.03
	<u>\$ 5,525,479.96</u>	<u>\$ 5,525,479.96</u>

REF.

E

E

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER <u>31, 2011</u>	PREMIUMS RECEIVED	CASH RECEIPTS	BALANCE DECEMBER <u>31, 2012</u>
Capital Outlay	\$ 10,000.00	\$	\$	\$ 10,000.00
Purchase of Public Works Equipment	6,042.00		10,000.00	16,042.00
Plant Expansion	1,310,989.20			1,310,989.20
Future Replacements	492,811.00			492,811.00
Pole Barn	45,000.00			45,000.00
Collection System Replacement	50,000.00			50,000.00
Reserve for Payment of Debt - NJEIT		<u>46,844.00</u>		<u>46,844.00</u>
	<u>\$ 1,914,842.20</u>	<u>\$ 46,844.00</u>	<u>\$ 10,000.00</u>	<u>\$ 1,971,686.20</u>

REF.

E

E-24

E-5

E

TOWN OF CLINTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2011		AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2012	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
<u>General Improvements:</u>									
89-10	Renovation and Upgrade of the Clinton Sewerage Treatment Plant	08/22/89	\$ 8,000,000.00	\$	2,540,624.00	\$	\$	\$	2,540,624.00
07-08	Various Acquisitions	05/22/07	60,000.00	4,531.75			603.05	3,928.70	
08-10	Clinton Knolls	08/26/08	125,000.00	40.53				40.53	
11-04	Sewer Utility Improvements	4/12/11	1,545,000.00		1,439,029.98		1,080,566.97	171,229.01	187,234.00
11-10	Sewer Utility Improvements	5/24/11	137,000.00	76,389.23			22,282.50	54,106.73	
12-06	Sewer Utility Improvements	6/12/12	125,000.00			125,000.00	16.28	124,983.72	
			\$ 80,961.51	\$ 3,979,653.98	\$ 125,000.00	\$ 1,103,468.80	\$ 354,288.69	\$ 2,727,858.00	
		REF.		E	E		E-14	E	E
	Capital Improvement Fund	E-19			\$ 125,000.00				

"E-19"

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2011	E	\$	178,402.97
Decreased by:			
Appropriation to Finance Improvement Authorizations	E-18:E-22		<u>125,000.00</u>
Balance, December 31, 2012	E	\$	<u><u>53,402.97</u></u>

"E-20"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2011	E	\$	5,125,479.96
Balance, December 31, 2012	E	\$	<u><u>5,125,479.96</u></u>

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT TRUST FUND LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2012		INTEREST RATE	BALANCE DECEMBER 31, 2011	INCREASED	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT					
Renovation and Upgrading of the Clinton Sewerage Treatment Plant (Trust Loan Portion)	11/01/1992	\$ 2,345,000.00		\$	6.25%	\$ 195,000.00	\$	\$ 195,000.00	\$
Renovation and Upgrading of the Clinton Sewerage Treatment Plant (Fund Loan Portion)	11/01/1992	2,172,572.00				111,357.03		111,357.03	
Improvement to Sewer Utility (Ordinance 2011-4)	05/03/2012	515,000.00	08/01/13-18	20,000.00	2% -5%				
			08/01/19-23	25,000.00	5.00%				
			08/01/24-26	30,000.00	5.00%				
			08/01/27-30	35,000.00	3-3.2%				
			08/01/31	40,000.00	3.25%	515,000.00	515,000.00		
Improvement to Sewer Utility (Ordinance 2011-4)	05/03/2012	561,844.00	2013-30 2031	28,568.32 28,568.69			561,844.00	19,045.55	542,798.45
Principal Forgiveness							280,922.00	280,922.00	
						\$ 306,357.03	1,357,766.00	\$ 606,324.58	\$ 1,057,798.45
					REF.	E	E-24	E-22	E

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>INCREASED BY</u>		<u>BALANCE DECEMBER 31, 2012</u>
			<u>NEW ORDINANCES</u>	<u>LOANS PAID BY BUDGET</u>	
General Improvements:					
Ord. 89-10 Renovation of Sewer Treatment	08/22/89	\$ 4,211,214.97		\$ 306,357.03	4,517,572.00
Ord. 07-08 Various Acquisitions	05/30/07	60,000.00			60,000.00
Ord. 08-10 Clinton Knolls	08/26/08	66,205.00			66,205.00
Ord. 11-04 Sewer Utility Improvements	05/24/11			299,967.55	299,967.55
Ord. 11-10 Sewer Utility Improvements	05/24/11	137,000.00			137,000.00
Ord. 12-06 Sewer Utility Improvements	06/12/12		125,000.00		125,000.00
		<u>\$ 4,474,419.97</u>	<u>\$ 125,000.00</u>	<u>\$ 606,324.58</u>	<u>\$ 5,205,744.55</u>
	<u>REF.</u>	E		E-21	E
Capital Improvement Fund	E-19		<u>\$ 125,000.00</u>		

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
06-15	Refurbishing of Offices - 47 Leigh Street	12/11/12	12/11/12	08/23/13	1.50%	\$ 400,000.00	\$ 400,000.00
						<u>\$ 400,000.00</u>	<u>\$ 400,000.00</u>
						<u>REF.</u>	<u>E</u>

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF LOANS RECEIVABLE

	<u>REF.</u>		
Increased by:			
New Loans Awarded	E-17:E-21	\$	1,404,610.00
Decreased by:			
Cash Receipts	E-5		<u>816,080.00</u>
Balance, December 31, 2012	E	\$	<u><u>588,530.00</u></u>

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>SEWER UTILITY OPERATING</u>
Balance, December 31, 2011:				
Due From	E	\$ <u>198,749.51</u>	\$ _____	\$ <u>198,749.51</u>
Receipts	E-5	<u>650,000.00</u>	<u>650,000.00</u>	_____
Disbursements	E-5	<u>985,000.00</u>	<u>650,000.00</u>	<u>335,000.00</u>
Balance, December 31, 2012:				
Due From	E	\$ <u><u>533,749.51</u></u>	\$ <u>_____</u>	\$ <u><u>533,749.51</u></u>

TOWN OF CLINTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2012</u>
89-10	Renovation and Upgrading of the Clinton Sewerage Treatment Plant	\$	3,482,428.00
11-04	Various Improvements		<u>187,234.00</u>
		\$	<u><u>3,669,662.00</u></u>

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TOWN OF CLINTON

PART II

REPORTS ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AND STATE  
FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH U.S. OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04

SCHEDULE OF EXPENDITURES OF  
FEDERAL FINANCIAL AWARDS

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
FINANCIAL AWARDS AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

The Honorable Mayor and Members  
of the Town Council  
Town of Clinton  
County of Hunterdon  
Clinton, New Jersey 08809

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Town of Clinton, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's regulatory financial statements, and have issued our report thereon dated April 12, 2013. Our report disclosed that, as described in Note 1 to the financial statements, the Town of Clinton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

April 12, 2013



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable Mayor and Members  
of the Town Council  
Town of Clinton  
County of Hunterdon  
Clinton, New Jersey 08809

***Report on Compliance for Each Major Federal and State Program***

We have audited the Town of Clinton's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Town of Clinton's major federal and state programs for the year ended June 30, 2012. The Town's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Clinton's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town of Clinton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Town of Clinton's compliance.

**Opinion on Each Major Federal and State Program**

In our opinion, the Town of Clinton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

**Report on Internal Control Over Compliance**

Management of the Town of Clinton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Clinton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Clinton's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey OMB 04-04. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

April 12, 2103

TOWN OF CLINTON

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2012 RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012		
			FROM	TO						
					\$	\$	\$	\$		
Department of Environmental Protection										
Capitalization Grants for Drinking Water State Revolving Fund- Indirect Programs - Passed Through the New Jersey Department of Environmental Protection (Fund Portion)										
Tertiary Filter Sewer Project (S340924-04)	66.458	707-042-4840-011-xxxxxx	05/03/12	To Completion	842,766.00	489,648.00	489,648.00	489,648.00		
Water System Improvements (1005001-001/002)	66.468	707-042-4840-011-xxxxxx	12/02/10	To Completion	1,465,766.00	305,134.00	305,134.00	1,374,469.50		
Downtown Water Mains (1005001-003)	66.468	707-042-4840-011-xxxxxx	05/03/12	To Completion	611,649.00	368,590.50	368,590.50	368,590.50		
Rehabilitation of Existing Water Tank (10005001-004)	66.468	707-042-4840-011-xxxxxx	05/03/12	To Completion	692,439.00	150,727.50	150,727.50	150,727.50		
					\$	\$	\$	\$		
					\$	1,314,100.00	\$	1,314,100.00	\$	2,383,435.50
Totals					\$	1,314,100.00	\$	1,314,100.00	\$	2,383,435.50

SCHEDULE 2

TOWN OF CLINTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2012 RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
		FROM	TO				
<u>Department of Environmental Protection</u>							
Rehabilitation of Clinton Mills Dam and Dike	4895-703-042-4895-003-V28B-6120	07/01/05	07/01/09	\$ 914,000.00	\$	\$	895,720.00
Recycling Tonnage Grant	4900-753-042-4900-001-V42Y-6020		Continuous	2,636.37		1,443.03	1,636.43
Recycling Tonnage Grant	4900-753-042-4900-001-V42Y-6020		Unappropriated	3,168.39	3,168.39		
Recycling Tonnage Grant	4900-753-042-4900-001-V42Y-6020		Unappropriated	1,878.92			
Recycling Tonnage Grant	4900-753-042-4900-001-V42Y-6020		Continuous	1,362.84	1,362.84	1,362.84	1,362.84
Green Communities Grant	08-100-042-4870-074	01/01/08	12/31/08	3,000.00			2,908.00
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Unappropriated	410.22			
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/12	12/31/12	4,417.99	4,417.99		
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	01/01/11	12/31/11	4,304.22		65.00	3,903.91
Capitalization Grants for Drinking Water State Revolving Fund (Trust Portion)							
Tertiary Filter Sewer Project (S340924-04)	707-042-4840-011-xxxxxx	05/03/12	To Completion	561,844.00	326,432.00	326,432.00	326,432.00
Water System Improvements (1005001-001/002)	707-042-4840-011-xxxxxx	12/02/10	To Completion	1,465,766.00	305,133.00	305,133.00	1,374,469.50
Downtown Water Mains (1005001-003)	707-042-4840-011-xxxxxx	05/03/12	To Completion	203,883.00	122,863.50	122,863.50	122,863.50
Rehabilitation of Existing Water Tank (10005001-004)	707-042-4840-011-xxxxxx	05/03/12	To Completion	230,813.00	50,242.50	50,242.50	50,242.50
				\$	813,620.22	\$ 807,541.87	\$ 2,779,538.68
<u>Highlands Water Protection and Planning Council</u>							
Water Management Grant	06-100-082-2078-033	06/01/07	12/31/07	\$ 35,000.00	\$	\$	33,895.00
Highlands Plan Conformance Grant	10-100-082-2078-033	01/01/10	12/31/10	100,000.00			96,450.50
TDR Receiving Zone Feasibility	08-100-082-2078-033	04/18/08	09/18/08	23,500.00			15,500.00
Plan Conformance Grant	11-100-082-2078-033	01/01/11	12/31/11	143,200.00	30,616.83	3,308.03	7,347.19
				\$	30,616.83	\$ 3,308.03	\$ 153,192.69
<u>Department of Transportation</u>							
Main St. Lower Center St. E. Main (Ord. 2011-12)	6320-480-078-6320-AKN-TCAP-6010		Continuous	\$ 288,000.00	\$ 216,000.00	\$ 216,000.00	\$ 216,000.00
Union Road (Ord. 2009-07)	6320-480-078-6320-AKC-TCAP-6010		Continuous	150,000.00			117,782.35
Rachel Court (Ord. 2010-06)	6320-480-078-6320-AKL-TCAP-6010		Continuous	140,000.00			62,835.89
				\$	216,000.00	\$ 216,000.00	\$ 396,618.24
<u>Department of Community Affairs</u>							
Smart Future Grant	2007-100-022-8049-006-FSMR-6120	02/01/07	02/01/09	45,000.00			44,996.06
<u>Department of Law and Public Safety</u>							
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020		Unappropriated	\$ 23.20	\$	\$	
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120		Unappropriated	1,288.09	1,288.09		
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	1/1/12	12/31/12	1,352.07			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	1/1/10	12/31/10	744.18			493.79
Body Armor Replacement Fund	1020-718-066-1020-001-VCJS-6120	01/01/11	12/31/11	1,288.47			
				\$	1,288.09	\$	493.79
Totals				\$	1,061,525.14	\$ 1,026,849.90	\$ 3,374,839.46

TOWN OF CLINTON

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL FINANCIAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Financial Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Town of Clinton, County of Hunterdon, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Financial Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of financial assistance is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Town's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule agree with amounts reported in the Town's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, General Capital Fund or Utility Capital Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS-REGULATORY BASIS  
(CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$	\$ 40,854.14	\$ 97,244.47	\$ 138,098.61
General Capital Fund		216,000.00		216,000.00
Water Utility Capital Fund	489,648.00	326,432.00		816,080.00
Sewer Utility Capital Fund	<u>824,452.00</u>	<u>478,239.00</u>		<u>1,302,691.00</u>
	<u>\$ 1,314,100.00</u>	<u>\$ 1,061,525.14</u>	<u>\$ 97,244.47</u>	<u>\$ 2,472,869.61</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$	\$ 6,178.90	\$ 91,904.77	\$ 98,083.67
General Capital Fund		216,000.00		216,000.00
Water Utility Capital Fund	489,648.00	326,432.00		816,080.00
Sewer Utility Capital Fund	<u>824,452.00</u>	<u>478,239.00</u>		<u>1,302,691.00</u>
	<u>\$ 1,314,100.00</u>	<u>\$ 1,026,849.90</u>	<u>\$ 91,904.77</u>	<u>\$ 2,432,854.67</u>

NOTE 5. OTHER

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

TOWN OF CLINTON  
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |  |               |
|--|---------------|
| (1) Type of Auditor Report Issued:   | Unqualified   |
| (2) Internal Control Over Financial Reporting:                                 |               |
| (a) Material weakness(es) identified?  | No            |
| (b) Significant deficiencies identified?                                       | None Reported |
| (3) Noncompliance material to the financial statements noted during the audit? | None Reported |

**Federal Program(s)**

- |   |               |
|---|---------------|
| (1) Internal Control Over Major Federal Programs:   |               |
| (a) Material weakness(es) identified?   | No            |
| (b) Significant deficiencies identified?  | None Reported |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unqualified   |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | None Reported |

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>C.F.D.A. #</u>
U.S. Department of Environmental Protection: Capitalization Grants for Clean Water State Revolving Fund	66.468

- |   |     |
|---|-----|
| (5) Program Threshold Determination:<br>Type A Federal Program Threshold > \$300,000.00<br>Type B Federal Program Threshold <= \$300,000.00 |     |
| (6) Auditee qualified as a low-risk auditee under OMB Circular A-133?   | Yes |

TOWN OF CLINTON  
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

**Section I - Summary of Auditor's Results (Continued)**

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
  - (b) Significant deficiencies identified? None Reported
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? None Reported

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
New Jersey Department of Environmental Protection: Capitalization Grants for Clean Water State Revolving Fund	707-042-4840-011

Program Threshold Determination:  
 Type A State Program Threshold > \$300,000.00  
 Type B State Program Threshold <= \$300,000.00

- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

TOWN OF CLINTON  
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

**Section III - Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs - None Reported

State Programs - None Reported

**Status of Prior Year Audit Findings** - Not Applicable

PART III

TOWN OF CLINTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012



COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-WATER UTILITY FUND

	YEAR 2012		YEAR 2011	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 491,315.00	16.25%	\$ 132,000.00	
Collection of Water Rents	2,270,802.51	75.11%	2,237,909.26	84.21%
Miscellaneous-From Other Than Water Rents	261,130.88	8.64%	287,705.95	10.83%
<u>TOTAL INCOME</u>	<u>\$ 3,023,248.39</u>	<u>100.00%</u>	<u>\$ 2,657,615.21</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,745,035.00	61.89%	\$ 1,685,301.00	73.69%
Deferred Charges and Regulatory Expenditures	103,533.00	3.67%	97,980.00	4.28%
Capital Improvements	490,000.00	17.38%	158,000.00	6.91%
Debt Service	479,962.61	17.02%	345,817.16	15.12%
Other Expenditures	1,179.59	0.04%		
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,819,710.20</u>	<u>100.00%</u>	<u>\$ 2,287,098.16</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	\$ 203,538.19		\$ 370,517.05	
Fund Balance, January 1	610,379.59		371,862.54	
	<u>\$ 813,917.78</u>		<u>\$ 742,379.59</u>	
Less: Utilization as Anticipated Revenue	491,315.00		132,000.00	
Fund Balance, December 31	<u>\$ 322,602.78</u>		<u>\$ 610,379.59</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-SEWER UTILITY FUND

	YEAR 2012		YEAR 2011	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 119,295.00	5.80%	\$ 140,000.00	5.77%
Collection of Sewer Rents	1,585,813.00	77.13%	1,851,678.49	76.35%
Miscellaneous - From Other Than Sewer Rents	350,788.50	17.05%	433,656.17	17.87%
<u>TOTAL INCOME</u>	<u>\$ 2,055,896.50</u>	<u>100.00%</u>	<u>\$ 2,425,334.66</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,625,442.00	79.06%	\$ 1,636,657.00	71.22%
Deferred Charges and Regulatory Expenditures	94,383.00	4.59%	97,908.00	4.26%
Capital Improvements	10,000.00	0.49%		
Debt Service	318,935.53	15.51%	313,445.25	13.64%
Surplus (General Budget)	7,135.97	0.35%	250,000.00	10.88%
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,055,896.50</u>	<u>100.00%</u>	<u>\$ 2,298,010.25</u>	<u>100.00%</u>
Excess in Revenue	\$		\$ 127,324.41	
Fund Balance, January 1	134,833.27		147,508.86	
	\$ 134,833.27		\$ 274,833.27	
Less: Utilization as Anticipated Revenue	119,295.00		140,000.00	
Fund Balance, December 31	<u>\$ 15,538.27</u>		<u>\$ 134,833.27</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	<u>\$2.543</u>	<u>\$2.461</u>	<u>\$2.453</u>
Appointment of Tax Rate:			
Municipal	0.477	0.455	0.455
County	0.277	0.273	0.285
County Open Space	0.029	0.029	0.03
County Library	0.028	0.023	0.024
Local District School	1.200	1.165	1.15
Regional High School	<u>0.532</u>	<u>0.516</u>	<u>0.509</u>

Assessed Valuations:

2012	\$ <u>411,116,749.00</u>		
2011		\$ <u>423,618,897.00</u>	
2010			\$ <u>425,970,974.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2012	\$ 10,461,889.74	\$ 10,193,518.87	97.43%
2011	10,638,766.65	10,040,856.70	94.38%
2010	10,456,541.93	10,188,833.85	97.44%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER</u> <u>31, YEAR</u>	<u>TAX</u> <u>TITLE</u> <u>LIENS</u>	<u>AMOUNT OF</u> <u>DELINQUENT</u> <u>TAXES</u>	<u>TOTAL</u>	<u>PERCENTAGE</u> <u>OF TAX</u> <u>LEVY</u>
2012	\$ 2,132.00	\$ 158,345.91	\$ 160,477.91	1.53%
2011	54.97	482,882.22	482,937.19	4.54%
2010	50.05	173,335.27	173,385.32	1.66%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The Town has no outstanding foreclosed property.

COMPARISON OF WATER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH</u> <u>COLLECTIONS *</u>
2012	\$ 2,252,577.25	\$ 2,270,802.51
2011	2,255,713.56	2,237,909.26
2010	2,035,756.81	1,999,868.77

\*Includes collection of prior year levies

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH</u> <u>COLLECTIONS *</u>
2012	\$ 1,629,713.26	\$ 1,585,813.00
2011	1,861,805.21	1,851,678.49
2010	1,773,881.58	1,775,835.85

\*Includes collection of prior year levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2012	\$ 153,613.34	\$ 125,000.00
	2011	120,649.35	100,000.00
	2010	509,010.07	425,000.00
	2009	488,763.75	400,000.00
Water Utility Operating Fund	2012	\$ 322,602.78	\$ 150,000.00
	2011	610,379.59	491,315.00
	2010	371,862.54	132,000.00
	2009	33,661.80	-0-
	2008	135,931.80	102,270.00
Sewer Utility Operating Fund	2012	\$ 15,538.27	\$ 10,000.00
	2011	134,833.27	119,295.00
	2010	147,508.86	140,000.00
	2009	384,502.26	300,000.00
	2008	662,909.09	608,267.29

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Janice Kovach	Mayor		
Richard Duffy	Councilman		
Laurie Insel	Councilwoman		
Robert B. Smith	Councilman		
Marty Pendergast	Councilman		
Daniel Shea	Councilman		
Maria Valenta	Councilwoman (To 6/12/12)		
Brad Cohen	Councilman (7/10/12-11/27/12)		
Ken Carberry	Councilman (From 11/27/12)		
Cecilia Covino	Town Clerk Sewer Collector	*	Statewide Insurance Fund
Kathy Olsen	Chief Financial Officer/ Tax Collector	*	Statewide Insurance Fund
Nancy Burgess	Water Collector	*	Statewide Insurance Fund
Joy Wilson	Deputy Tax Collector, Deputy Treasurer	*	Statewide Insurance Fund
James T. Naples	Town Administrator, Public Works Administrator (To 2/28/12)	*	Statewide Insurance Fund
Richard Phelan	Town Administrator, Public Works Administrator (From 3/1/12)	*	Statewide Insurance Fund
Richard P. Cushing	Municipal Attorney		
Fran Kuczynski	Tax Assessor		

\*There is a Blanket Bond provided by Public Employees' Blanket Bond in the amount of \$1,000,000.00. This bond covered employees or officials handling cash other than those specifically bonded.

All bonds were examined and were properly executed.

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED  
TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$26,000.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution dated April 12, 2011 of the governing body, the bid threshold for all purchases made by the Town's qualified purchasing agent is \$36,000.00.

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

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

- Rehabilitation of Water Tank
- Wastewater Treatment Plant Filter Replacement
- Downtown Water Main Replacement Project
- Well # 4 Repairs
- Water Meter Replacement
- Garbage Removal Contract

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. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2012 for the following professional services:

- Municipal Auditor
- Legal Services
- Insurance Agent
- Tree Care Expert

- Municipal Engineer
- Bond Counsel
- Municipal Planner

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes.

RESOLVED, that pursuant to the authority set forth in N.J.R.S. 54:4-67 the Common Council of the Town of Clinton does hereby fix the rate of interest to be charged for non-payment of taxes, assessments, sewer use charges and water charges, on or before the date when they would become delinquent at 8% and 18% per annum on any amount in excess of \$1,500.00.

In addition to the interest resolution, on January 2, 2012 the governing body adopted a resolution implementing PL 1996, Ch 75 which allows a municipality to charge an additional penalty of six percent (6%) to tax-payers with a delinquency in excess of \$10,000.00.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on April 25, 2012 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2012	2
2011	1
2010	1

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

CONFIRMATION OF DELINQUENT TAXES  
AND OTHER CHARGES

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

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	25
Delinquent Utility Rent Positive Confirmation	25
Information Tax Current Positive Confirmation	25
Information Utility Rent Positive Confirmation	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Town's policy to review and liquidate all interfund balances on a periodic basis.

## RECOMMENDATIONS

None



