

TOWNSHIP OF CHESTERFIELD

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF CHESTERFIELD

REPORT OF AUDIT - DECEMBER 31, 2013

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TOWNSHIP OF CHESTERFIELD
OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year ended December 31, 2013:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE SURETY</u>
Richard T. LoCascio	Mayor		
Michael Hlubik	Committeeman		
Jeremy Liedtka	Committeeman		
Caryn M. Hoyer	Township Clerk, Registrar, Operations Manager, Recycling Coordinator, TDR Coordinator and Assessment Search Officer		
Aggie Napoleon	Dog Registrar, Planning Board Secretary, Environmental Commission Secretary and Police Secretary		
Wendy A. Wulstein	Chief Financial Officer		
Wendy A. Wulstein	Treasurer, Deputy Tax Collector		
Caryn M. Hoyer	Tax Search Officer, Tax Collector	\$1,000,000	A
ERI (Joseph Hirsh)	Township Engineer		
John C. Gillespie	Township Attorney		
Glenn McMahon	Tax Assessor		
Glenn McMahon	Housing Inspector and Construction Clerk, Zoning Officer		
Glenn Riccardi	Construction Official, Building and Fire Inspector		

All statutory position bonds and all other insurance policies were covered under the Burlington County Joint Insurance Fund (A).

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Township Committee
Township of Chesterfield
County of Burlington
Chesterfield, New Jersey

I have audited the accompanying financial statements of each fund of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2013 and 2012, and the related notes to the financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion of U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2013 and 2012 or the results of operations of such funds and changes in funds balances for the years then ended.

Unmodified Opinion

In my opinion, the statutory financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2013 and 2012, and the results of operations of such funds and changes in fund balances for the years then ended in conformity with the basis of accounting described in the Note 1.

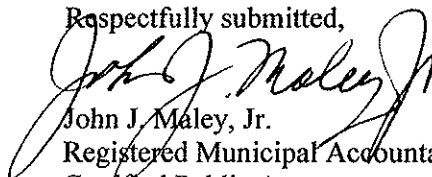
Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 14, 2014 on my consideration of the Township of Chesterfield's internal control over financial reporting and my 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 my 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 Township of Chesterfield's internal control over financial reporting and compliance.

Respectfully submitted,



John J. Maley, Jr.
Registered Municipal Accountant No. 218
Certified Public Accountant

April 14, 2014

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

**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
Township Committee
Township of Chesterfield
County of Burlington
Chesterfield, New Jersey

I have audited 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2013, and related notes to the financial statements, which collectively comprise the Township of Chesterfield's financial statements, and have issued my report thereon dated April 14, 2014. In my report my opinion was adverse because the financial statements were prepared on a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. As 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.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, listed as 2013-01 2013-02, 2013-04 and 2013-06, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies.

Compliance and Other Matters

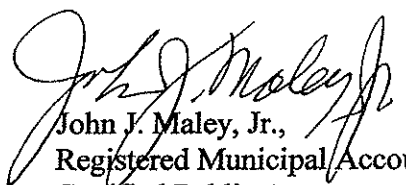
As part of obtaining reasonable assurance about whether the Township of Chesterfield's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2013-03 and 2013-5.

The Township of Chesterfield's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the Township of Chesterfield's responses and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.

Respectfully submitted,



John J. Maley, Jr.,
Registered Municipal Accountant No. 218
Certified Public Accountant

April 14, 2014

TOWNSHIP OF CHESTERFIELD
COUNTY OF BURLINGTON

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2013

<u>ASSETS</u>	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Regular Fund:			
Cash	A-4	\$ 5,591,378.94	\$ 4,082,652.40
Cash - Change Funds		100.00	100.00
		<u>5,591,478.94</u>	<u>4,082,752.40</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	286,292.29	325,995.65
Revenue Accounts Receivable	A-6	68,703.23	60,221.47
Tax Title Lien Receivable		33,586.56	53,059.60
Property Acquired for Taxes - Assessed Valuation		302,800.00	38,000.00
Due from Grant Fund	A	114,149.66	305,322.09
Due from Payroll Trust Fund	B	2,083.04	-
Due from Animal Control Fund	B	180.64	-
Due from Sewer Operating Fund	D	1,295.91	-
		<u>809,091.33</u>	<u>782,598.81</u>
Deferred Charges		-	1,033.84
Total Regular Fund		<u>6,400,570.27</u>	<u>4,866,385.05</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	887,852.58	831,786.10
Total Federal and State Grant Funds		<u>887,852.58</u>	<u>831,786.10</u>
TOTAL ASSETS		<u>\$ 7,288,422.85</u>	<u>\$ 5,698,171.15</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2013

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-7	428,531.24	369,809.92
Reserve for Encumbrances	A-3:A-7	69,689.89	97,662.22
Accounts Payable	A-7	8,176.29	-
Due to State of New Jersey:			
Senior Citizen and Veterans Deductions		4,076.42	3,826.42
Marriage License Fees & Training Fees		2,701.00	1,870.00
Due County for Added & Omitted Taxes		25,890.82	20,801.63
Taxes Collected in Advance	A-4	97,584.45	115,855.12
Tax Overpayments		50,516.98	48,416.68
Reserve for Special Law Enforcement Fund		128.16	128.16
Reserve for Reassessment Program		-	34,447.22
Regional High School Tax Payable	A-9	115,927.00	100,000.00
Reserve for Tax Appeals		30,732.00	15,732.00
Interfund - General Capital Fund	C	2,145,324.02	24,064.45
Interfund - Other Trust Fund	B	3,758.59	-
Prepaid Fees		200.00	200.00
Unallocated Receipt		2,500.00	2,500.00
		<u>2,985,736.86</u>	<u>835,313.82</u>
Reserves for Receivables and Other Assets	A	809,091.33	782,598.81
Fund Balance	A-1	2,605,742.08	3,248,472.42
		<u>6,400,570.27</u>	<u>4,866,385.05</u>
Federal and State Grant Fund:			
Due Current Fund	A	114,149.66	305,322.09
Appropriated Reserves	A-11	767,078.74	520,481.43
Unappropriated Reserves	A-12	6,624.18	5,982.58
		<u>887,852.58</u>	<u>831,786.10</u>
Total Federal and State Grant Funds		<u>887,852.58</u>	<u>831,786.10</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 7,288,422.85</u>	<u>\$ 5,698,171.15</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
STATUTORY BASIS
2013

	<u>Year 2013</u>	<u>Year 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	1,688,000.00	750,000.00
Miscellaneous Revenue Anticipated	1,648,183.92	1,630,581.53
Receipts From Delinquent Taxes	316,415.83	280,934.51
Receipts From Current Taxes	16,617,881.29	17,708,205.57
Non-Budget Revenue	96,451.94	57,962.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	273,617.53	219,245.47
Prior Year Reserve Cancelled	34,447.22	-
Interfunds Cleared	196,413.84	761,972.85
	<u>\$ 20,871,411.57</u>	<u>\$ 21,408,902.05</u>
<u>EXPENDITURES</u>		
Budget and Emergency Appropriations		
Operations		
Salaries and Wages	1,453,625.00	1,496,348.00
Other Expenses	1,847,484.20	1,809,670.15
Capital Improvements	629,864.00	795,280.00
Municipal Debt Service	188,000.00	144,974.98
Deferred Charges and Statutory Expenditures - Municipal	129.00	11,623.78
County Taxes	2,731,922.68	2,809,116.06
Due County for Added and Omitted Taxes	25,890.82	25,781.70
Local District School Tax	7,993,293.00	8,210,801.00
Regional High School Tax	4,279,885.29	3,828,565.25
Special District Tax	671,988.00	655,458.00
Prior Year Senior Citizens Disallowed	500.00	500.00
Prior Year Revenue	-	24,903.26
Interfund Advances	3,559.92	-
	<u>\$ 19,826,141.91</u>	<u>\$ 19,813,022.18</u>
Excess in Revenues (Expenditures)	1,045,269.66	1,595,879.87
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which Are by Statute, Deferred Charges to Budget of Succeeding Year	-	-
Statutory Excess to Fund Balance	1,045,269.66	1,595,879.87
Fund Balance - January 1	<u>3,248,472.42</u>	<u>2,402,592.55</u>
	4,293,742.08	3,998,472.42
Decreased by:		
Utilization as Anticipated Revenue	<u>1,688,000.00</u>	<u>750,000.00</u>
Balance, December 31	<u>\$ 2,605,742.08</u>	<u>\$ 3,248,472.42</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF REVENUES
2013

	Anticipated Budget	Special NJSA 40A:4-87	Realized	Excess Or (Deficit)
Fund Balance Anticipated	\$ 1,688,000.00		\$ 1,688,000.00	\$ -
MISCELLANEOUS REVENUES				
Local Revenues				
Licenses				
Alcoholic Beverages	5,000.00		5,000.00	-
Other	1,200.00		1,021.00	(179.00)
Fees and Permits	57,000.00		64,445.29	7,445.29
Fines and Costs				
Municipal Court	86,000.00		117,005.53	31,005.53
Interest and Costs on Taxes	61,000.00		60,454.90	(545.10)
Interest on Investments and Deposits	16,000.16		30,625.16	14,625.00
State Aid Without Offset Appropriations				
Energy Receipts Tax	512,715.00		512,715.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	137,000.00		122,065.00	(14,935.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Public & Private Revenues Offset with Appropriations:				
N.J. Transportation Trust Fund Authority Act		206,631.00	206,631.00	-
Safe and Secure Communities Program - PL1994 Ch220	25,000.00		25,000.00	-
Municipal Alliance on Alcoholism & Drug Abuse	13,500.00		13,500.00	-
Clean Communities Entitlement Program		12,661.20	12,661.20	-
Recycling Tonnage Grant	3,040.02		3,040.02	-
Drunk Driving Enforcement Fund	1,391.77		1,391.77	-
Body Armor Grant	1,550.79		1,550.79	-
Bullet Proof Vest		2,887.00	2,887.00	-
NJ Turnpike Reforestation Grant		423,233.00	423,233.00	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Other Special Items				
Reserve to Pay Debt Service - General Capital Fund	25,000.00		25,000.00	-
Reserve for Open Space- General Capital Fund	19,957.26		19,957.26	-
TOTAL MISCELLANEOUS REVENUES	965,355.00	645,412.20	1,648,183.92	37,416.72
Receipts from Delinquent Taxes	300,000.00		316,415.83	16,415.83
Subtotal General Revenues	2,953,355.00	645,412.20	3,652,599.75	53,832.55
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local tax for Municipal Purposes Including Reserve for Uncollected Taxes	939,472.00		908,793.79	(30,678.21)
BUDGET TOTALS	3,892,827.00	645,412.20	4,561,393.54	23,154.34
Non-Budget Totals	-		96,451.94	96,451.94
TOTAL REVENUES	\$ 3,892,827.00	\$ 645,412.20	\$ 4,657,845.48	\$ 119,606.28
Ref.	A-3	A-3		

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF REVENUES
2013

ANALYSIS OF REALIZED REVENUE

ALLOCATION OF CURRENT TAX COLLECTIONS

Revenue from Collections		\$ 16,617,881.29
Allocated To:		
Local District School Tax	8,400,484.00	
Regional High School Tax	4,297,802.00	
County Taxes	2,757,813.50	
Special District Taxes	<u>671,988.00</u>	
		<u>16,128,087.50</u>
Balance for Support of Municipal Budget Appropriations		489,793.79
ADD: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>419,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 908,793.79</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections		307,451.40
Tax Title Lien Collections		<u>8,964.43</u>
	A-2	<u>\$ 316,415.83</u>
Fees and Permits:		
Housing Inspection Fees		3,575.00
Cable Franchise Fees		53,140.29
Road Opening, Zoning and Subdivision Fees		<u>7,730.00</u>
		64,445.29
Less: Refunds		<u>-</u>
	A-2	<u>\$ 64,445.29</u>
ANALYSIS OF NON-BUDGET REVENUE:		
MISCELLANEOUS REVENUE NOT ANTICIPATED:		
Treasurer:		
Return Check Fees		20.00
Certified Lists		262.77
Duplicate Bill Fees, Postage, Copies and Buckets		1,478.91
Land Rental		8,525.00
Miscellaneous Licenses		25.00
Discovery Fees		162.05
Police Fees		639.38
Prior Year Budget Reimbursements		11,495.47
Tax Collector:		
Tax Search Fees		10.00
FEMA Reimbursements		36,387.18
TDR Fees		620.00
Recycling Buckets		210.00
Driveway Permits		300.00
Outside Police Fees		24,810.00
Septic/Well Permit		225.00
Solicitor's Permit		550.00
Towing Fees		1,960.00
Architectural Reviews		1,560.00
Senior Citizen and Veteran Administration Fees		760.00
Miscellaneous		<u>6,451.18</u>
		96,451.94
Less: Refunds		<u>-</u>
	A-2	<u>\$ 96,451.94</u>
Total Miscellaneous Revenue Not Anticipated		<u>\$ 96,451.94</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2013

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
GENERAL GOVERNMENT						
Administrative and Executive						
Salaries and Wages	\$ 27,000.00	\$ 27,000.00	\$ 23,695.11		\$ 3,304.89	
Other Expenses	28,700.00	29,700.00	20,587.28	3,753.45	5,359.27	
Mayor and Council						
Salaries and Wages	19,500.00	19,500.00	19,500.00		-	
Other Expenses	675.00	675.00	675.00		-	
Municipal Clerk						
Salaries and Wages	33,600.00	33,600.00	33,600.00		-	
Other Expenses	875.00	875.00	250.00		625.00	
Financial Administration						
Salaries and Wages	50,000.00	50,000.00	49,999.82		0.18	
Other Expenses	16,700.00	16,700.00	11,319.07	299.85	5,081.08	
Audit Services						
Other Expenses	22,900.00	22,900.00	22,900.00		-	
Assessment of Taxes						
Salaries and Wages	23,000.00	23,000.00	20,999.89		2,000.11	
Other Expenses:						
Maintenance of Tax Map	1,600.00	1,600.00	826.50		773.50	
Miscellaneous Other Expenses	19,210.00	15,210.00	11,379.58	1,334.88	2,495.54	
Collection of Taxes						
Salaries and Wages	25,700.00	25,700.00	25,676.08		23.92	
Other Expenses	8,000.00	8,000.00	2,252.94	61.00	5,686.06	
Legal Services and Costs						
Other Expenses	105,000.00	105,000.00	96,989.07		8,010.93	
Engineering Services and Costs						
Other Expenses	60,000.00	60,000.00	41,269.19		18,730.81	
Public Buildings and Grounds						
Salaries and Wages	13,000.00	13,000.00	10,957.50		2,042.50	
Other Expenses	13,350.00	17,350.00	14,487.99	941.26	1,920.75	
Municipal Land Use Law (N.J.S. 40:55D-1):						
Planning Board						
Salaries and Wages	6,000.00	6,000.00	6,000.00		-	
Other Expenses	31,450.00	18,450.00	14,223.32	213.54	4,013.14	
Environmental Commission (RS 40:56A-1, et seq)						
Salaries and Wages	1,000.00	1,000.00	999.96		0.04	
Other Expenses	2,500.00	2,500.00	948.43		1,551.57	
Recycling Program						
Salaries and Wages	225.00	225.00	225.00		-	
Other Expenses	1,000.00	3,000.00	806.05	264.00	1,929.95	
Insurance						
Liability Insurance	38,444.00	38,444.00	37,944.00		500.00	
Workers Compensation Insurance	96,649.00	96,649.00	96,649.00		-	
Employees Group Insurance	295,000.00	275,000.00	230,847.82		44,152.18	
Health Benefit Waiver - Buy Back	9,000.00	9,000.00	8,000.00		1,000.00	
PUBLIC SAFETY						
Police						
Salaries and Wages	347,600.00	347,600.00	275,138.26		72,461.74	
Other Expenses	33,100.00	48,100.00	24,177.18	22,974.36	948.46	
Acquisition of Police Car	35,000.00	35,000.00	29,659.35	3,700.95	1,639.70	
First Aid Organization - Contribution	18,500.00	18,500.00	3,762.91	487.97	14,249.12	
Animal Control Officer						
Salaries and Wages	500.00	500.00	500.00		-	
Other Expenses	500.00	500.00			500.00	
Emergency Management Services						
Salaries and Wages	3,750.00	3,750.00	3,750.00		-	
Other Expenses	1,000.00	1,000.00	852.48		147.52	

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2013

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
STREETS AND ROADS						
Road Repair and Maintenance						
Salaries and Wages	235,000.00	235,000.00	232,573.67		2,426.33	
Other Expenses	39,250.00	39,250.00	19,863.30	9,880.64	9,506.06	
Vehicle Maintenance						
Other Expenses	21,500.00	21,500.00	13,120.67	2,599.19	5,780.14	
HEALTH AND WELFARE						
Board of Health						
Salaries and Wages	4,850.00	4,850.00	4,525.00	325.00	-	
Other Expenses	300.00	300.00	190.50		109.50	
RECREATION AND EDUCATION						
Parks and Playgrounds						
Other Expenses	30,000.00	30,000.00	20,325.60	7,144.59	2,529.81	
Senior Citizens Programs						
Other Expenses	1,000.00	1,000.00	1,000.00		-	
UNCLASSIFIED						
Utilities						
Electricity	28,000.00	28,000.00	15,327.67	1,513.63	11,158.70	
Street Lighting	95,000.00	95,000.00	72,920.08	7,947.24	14,132.68	
Telephone	11,500.00	11,500.00	9,672.66	116.32	1,711.02	
Natural Gas	9,000.00	9,000.00	4,102.43	392.29	4,505.28	
Telecommunications Costs	1,500.00	1,500.00	1,059.54	186.99	253.47	
Gasoline	85,000.00	85,000.00	59,503.18	4,786.17	20,710.65	
APPROPRIATIONS OFFSET BY DEDICATED REVENUES						
State Uniform Construction Official						
Salaries and Wages	135,500.00	135,500.00	132,205.52		3,294.48	
Other Expenses	4,000.00	4,000.00	3,215.28	766.57	18.15	
Property Maintenance Code Enforcement						
Other Expenses	15,000.00	15,000.00	8,586.36		6,413.64	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
DEFERRED CHARGES						
Overexpenditure of Appropriation Reserves	1,033.84	1,033.84	1,033.84		-	
Contribution to:						
Public Employees' Retirement System	72,164.00	72,164.00	66,080.00		6,084.00	
Social Security System (O.A.S.I.)	128,966.58	116,966.58	102,492.59		14,473.99	
Police and Firemen's Retirement System of N.J.	192,348.00	192,348.00	182,364.00		9,984.00	
Defined Contribution Retirement Program	1,000.00	1,000.00	-		1,000.00	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	2,501,940.42	2,474,940.42	2,092,010.67	69,689.89	313,239.86	-
Detail:						
Salaries and Wages	926,225.00	926,225.00	840,345.81	325.00	85,554.19	-
Other Expenses	1,575,715.42	1,548,715.42	1,251,664.86	69,364.89	227,685.67	-

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2013

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAPS":						
PUBLIC SAFETY						
General Government						
Statutory Expenditures						
Group Health Insurance Plan for Employees		-			-	
Length of Service Award Program						
Other Expenses	10,000.00	10,000.00	8,050.00		1,950.00	
Aid to Crosswicks Library	18,000.00	18,000.00	18,000.00		-	
Reserve for Tax Appeals Refunds	15,000.00	15,000.00	15,000.00		-	
APPROPRIATION "CAP" WAIVER PER N.J.S.A. 40A:4-45.3ee						
Public Safety:						
Police						
Salaries and Wages	517,400.00	502,400.00	444,381.40		58,018.60	
Ambulance Service						
Contractual	80,500.00	80,500.00	80,500.00		-	
Total Other Operations - Excluded from "CAPS"	640,900.00	625,900.00	565,931.40	-	59,968.60	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
North Hanover Township - Municipal Court	135,000.00	135,000.00	79,677.22		55,322.78	
Total Interlocal Municipal Service Agreements	135,000.00	135,000.00	79,677.22	-	55,322.78	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Municipal Drug Alliance						
Other Expenses	13,500.00	13,500.00	13,500.00		-	
Matching Funds	3,375.00	3,375.00	3,375.00		-	
Safe and Secure Communities Program:						
Police						
Salaries and Wages	25,000.00	25,000.00	25,000.00		-	
Drunk Driving Enforcement Fund	1,391.77	1,391.77	1,391.77		-	
Recycling Tonnage Grant	3,040.02	3,040.02	3,040.02		-	
Clean Communities Program (N.J.S.A. 40A:4-87)		12,661.20	12,661.20		-	
Body Armor Program	1,550.79	1,550.79	1,550.79		-	
Supplemental Fire Services Program	2,000.00	2,000.00	1,863.00		-	137.00
Bulletproof Vest Partnership Grant (N.J.S.A. 40A:4-87)		2,887.00	2,887.00		-	
	-	-	-		-	
Total Public & Private Programs Offset by Revenues	49,857.58	65,405.78	65,268.78	-	-	137.00
Total Operations Excluded from "CAPS"	825,757.58	826,305.78	710,877.40	-	115,291.38	137.00
Detail:						
Salaries and Wages	542,400.00	527,400.00	469,381.40	-	58,018.60	-
Other Expenses	283,357.58	298,905.78	241,496.00	-	57,272.78	137.00

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2013

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund		-			-	
New Jersey Transportation Trust Fund - Ward Avenue/Ellisdale Rd. (C.159 \$206,631.00)		206,631.00	206,631.00		-	
NJ Turnpike Authority Reforestation Grant (C.159 \$423,233.00)		423,233.00	423,233.00		-	
Total Capital Improvements	-	629,864.00	629,864.00	-	-	-
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	70,000.00	111,000.00	111,000.00		-	
Payment of Bond Anticipation Notes and Capital Notes		-			-	
Interest on Bonds	76,000.00	77,000.00	77,000.00		-	
Interest on Notes		-			-	
Total Municipal Debt Service	146,000.00	188,000.00	188,000.00	-	-	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL						
Deferred Charges:						
Emergency Authorizations	-	-	-		-	
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	-	-	-		-	
Deferred Charges to Future Taxation Unfunded:						
Milling of Newbold Lane - 2009-16	129.00	129.00	129.00		-	
Acquisition of Security Camera - 2009-16		-			-	
Preliminary Costs - 2009-16		-			-	
Total Deferred Charges & Statutory Expenditures - Municipal	129.00	129.00	129.00	-	-	-
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"	971,886.58	1,644,298.78	1,528,870.40	-	115,291.38	137.00
SUB-TOTAL GENERAL APPROPRIATIONS	3,473,827.00	4,119,239.20	3,620,881.07	69,689.89	428,531.24	137.00
Reserve for Uncollected Taxes	419,000.00	419,000.00	419,000.00		-	
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,892,827.00</u>	<u>\$ 4,538,239.20</u>	<u>\$ 4,039,881.07</u>	<u>\$ 69,689.89</u>	<u>\$ 428,531.24</u>	<u>\$ 137.00</u>
Budget		3,892,827.00				
Emergency Appropriation					Canceled	137.00
Appropriated by N.J.S. 40A:4-87		645,412.20			Overexpended	-
		<u>\$ 4,538,239.20</u>				<u>\$ 137.00</u>

ANALYSIS OF PAID OR CHARGED:

Reserve for Uncollected Taxes	419,000.00
Deferred Charges- Overexpenditure of Appropriation Reserves	1,033.84
Reserve for Tax Appeals	15,000.00
Due to General Capital Fund:	
Capital Improvement Fund	-
Reserve for State and Federal Grant Funds	693,269.78
Cash Disbursed	<u>2,911,577.45</u>
	<u>\$ 4,039,881.07</u>

TOWNSHIP OF CHESTERFIELD
TRUST FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2013

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
<u>ASSETS</u>			
Dog License Fund:			
Cash	B-1	\$ 13,524.62	\$ 11,403.90
		<u>\$ 13,524.62</u>	<u>\$ 11,403.90</u>
Other Funds:			
Cash	B-1	\$ 1,531,576.88	\$ 1,400,634.77
Due from Current Fund	A	3,758.59	-
Due from Payroll Fund	E	1,566.41	2,166.41
		<u>\$ 1,536,901.88</u>	<u>\$ 1,402,801.18</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund:			
Reserve for Dog Fund Expenditures	B-2	\$ 13,342.78	\$ 11,394.30
Due to State of New Jersey	B-1	1.20	9.60
Due to Current Fund	A	180.64	-
		<u>\$ 13,524.62</u>	<u>\$ 11,403.90</u>
Other Funds:			
Due to Current Fund	A	\$ -	\$ 5,341.41
Due to Sewer Operating Fund		110.00	-
Tax Sale Premiums		22,600.00	21,100.00
Reserve for Escrow Deposits		780,602.11	620,726.38
Reserve for Unemployment Compensation Insurance		18,772.23	39,141.80
Reserve for TDR Credits - Turnpike		168,750.00	168,750.00
Reserve for Public Defender Fees		7,955.89	15,663.44
Reserve for Police Outside Duty		58,770.54	58,555.54
Reserve for Basin Maintenance		435,285.99	435,285.99
Reserve for Municipal Drug Alliance		29,078.94	18,920.55
Reserve for Snow		9,000.00	-
Reserve for Police Donations		1,101.00	-
Reserve for Housing Trust		4,875.18	19,316.07
		<u>\$ 1,536,901.88</u>	<u>\$ 1,402,801.18</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
 GENERAL CAPITAL FUND
 COMPARATIVE BALANCE SHEET
 STATUTORY BASIS
 2013

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 827,928.47	\$ 730,439.33
Deferred Charges to Future Taxation - Funded	C	2,375,000.00	578,000.00
Deferred Charges to Future Taxation - Unfunded	C-3	2,487,588.04	5,332,193.39
Grants Receivable	C-13	626,274.65	643,668.74
Due From Current Fund	C-8	2,145,324.02	24,064.45
TOTAL ASSETS		\$ 8,462,115.18	\$ 7,308,365.91
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-6	\$ 2,375,000.00	\$ 578,000.00
Reserve for Encumbrances	C-5	21,254.00	-
Improvement Authorizations:			
Funded	C-5	1,038,745.03	354,351.24
Unfunded	C-5	2,486,320.87	3,882,155.83
Capital Improvement Fund	C-4	122,649.67	152,649.67
Reserve for Recreation Improvements - Unappropriated	C-10	494,741.41	409,640.48
Reserve for Transportation Improvements - Unappropriated	C-11	34,524.94	22,136.73
Reserve for Needs Assessment Study	C-12	-	4,033.75
Reserve for Grants Receivable	C-13	626,274.65	643,668.74
Reserve for Open Space	C-14	404,351.39	448,587.00
Reserve to Pay Debt Service	C-15	22,917.74	19,957.26
Due to Sewer Utility	C-9	724,000.00	724,000.00
Fund Balance	C-1	111,335.48	69,185.21
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 8,462,115.18	\$ 7,308,365.91

There were bonds and notes authorized but not issued on December 31, 2013 in the amount of \$2,487,588.04 and on December 31, 2012 in the amount of \$5,332,193.39 as shown on Exhibit C-16.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
 GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE
 STATUTORY BASIS
 2013

Balance December 31, 2012		\$ 69,185.21
Increased By:		
Funded Reserve Canceled	4,033.75	
Premium on Bond Sale	277,479.45	
Premium on Refunding Bonds	<u>87,080.85</u>	
		<u>368,594.05</u>
		<u>437,779.26</u>
Decreased By:		
Improvement Authorizations Funded by Premiums	240,000.00	
Refunding Bonds Funded by Premiums	<u>86,443.78</u>	
		<u>326,443.78</u>
Balance December 31, 2013		<u><u>\$ 111,335.48</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
2013

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Operating Fund:			
Cash	D-5	\$ 3,603,213.73	\$ 3,588,582.36
Due From Other Trust Fund	B	110.00	-
Due From General Capital Fund	C	724,000.00	724,000.00
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-9	44,336.23	35,170.46
Total Sewer Operating Fund		4,371,659.96	4,347,752.82
Capital Fund:			
Fixed Capital Authorized & Uncompleted	D-10	5,700,000.00	5,700,000.00
Fixed Capital	D-7	19,495.00	19,495.00
Due From Sewer Operating Fund	D-8	1,514,425.53	1,514,425.53
Total Sewer Capital Fund		7,233,920.53	7,233,920.53
Total Sewer Utility Fund		\$ 11,605,580.49	\$ 11,581,673.35
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4; D-14	\$ 37,311.45	\$ 62,203.57
Reserve for Encumbrances	D-4	1,566.90	6,914.00
Accrued Interest on Bonds and Notes	D-17	32,065.63	35,440.21
Due To Current Fund	A	1,295.91	-
Due To Sewer Capital Fund	D-8	1,514,425.53	1,514,425.53
Due To Payroll Trust	E	1,853.29	-
Total Reserves and Liabilities		1,588,518.71	1,618,983.31
Reserve for Receivables	D	44,336.23	35,170.46
Fund Balance	D-1	2,738,805.02	2,693,599.05
Total Sewer Operating Fund		4,371,659.96	4,347,752.82
Capital Fund:			
NJ Environmental Infrastructure Trust Payable	D-13	2,815,228.87	3,111,229.71
Improvement Authorizations:			
Funded	D-11	1,022,785.53	1,022,785.53
Reserve for Treatment Plant Improvements	D-6	400,000.00	400,000.00
Deferred Reserve For Amortization	D-12	2,826,411.13	2,530,410.29
Reserve For Amortization	D-16	19,495.00	19,495.00
Capital Improvement Fund	D-15	140,505.00	140,505.00
Fund Balance	D-2	9,495.00	9,495.00
Total Capital Fund		7,233,920.53	7,233,920.53
Total Sewer Utility Fund		\$ 11,605,580.49	\$ 11,581,673.35

These were bonds and notes authorized but not issued on December 31, 2013 and 2012 in the amount of \$58,360.00.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS
2013

	Year 2013	Year 2012
<u>REVENUES AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 127,650.00	\$ 209,100.00
Rents	338,841.13	344,430.64
Miscellaneous	44,507.97	45,650.28
Connection Fees	201,275.00	44,698.18
Non-Budget Revenue	110.00	-
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	16,804.79	53,070.96
	<hr/>	<hr/>
Total Income	729,188.89	696,950.06
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Operating	177,000.00	177,000.00
Capital Improvements	-	20,000.00
Debt Service	377,682.92	382,364.17
Deferred Charges and Statutory Expenditures	1,650.00	1,650.00
	<hr/>	<hr/>
Total Expenditures	556,332.92	581,014.17
	<hr/>	<hr/>
Excess (Deficit) In Revenue	172,855.97	115,935.89
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	172,855.97	115,935.89
Fund Balance - January 1	2,693,599.05	2,786,763.16
	<hr/>	<hr/>
	2,866,455.02	2,902,699.05
Decreased By:		
Utilization as Anticipated Revenue	127,650.00	209,100.00
	<hr/>	<hr/>
Fund Balance - December 31	\$ 2,738,805.02	\$ 2,693,599.05
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
STATUTORY BASIS
2013

Balance - December 31, 2012 and 2013

\$ 9,495.00

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
2013

	Anticipated Budget	Realized	Excess Or (Deficit)
Surplus Anticipated	\$ 127,650.00	\$ 127,650.00	\$ -
Sewer Rents	344,000.00	338,841.13	(5,158.87)
Miscellaneous	45,000.00	44,507.97	(492.03)
Connection Fees	40,000.00	201,275.00	161,275.00
BUDGET TOTALS	556,650.00	712,274.10	155,624.10
Non-Budget Totals	-	110.00	110.00
TOTAL REVENUES	\$ 556,650.00	\$ 712,384.10	\$ 155,734.10

MISCELLANEOUS REVENUE:

Interest Income	\$ 33,558.52
Penalties on Delinquent Payments	4,961.09
NJEIT Savings credit	3,677.27
Other	2,311.09
	<u>44,507.97</u>
	<u>\$ 44,507.97</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
2013

	APPROPRIATIONS		EXPENDED			Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid Or Charged	Encumbrances	Reserved		
Operating							
Salaries and Wages	\$ 21,000.00	\$ 28,500.00	\$ 27,655.63		\$ 844.37	\$ -	
Other Expenses	156,000.00	148,500.00	110,466.02	1,566.90	36,467.08	-	
	<u>177,000.00</u>	<u>177,000.00</u>	<u>138,121.65</u>	<u>1,566.90</u>	<u>37,311.45</u>	<u>-</u>	<u>-</u>
Debt Service:							
Payment of Bond Principal	296,000.00	296,000.00	296,000.00		-	-	
Interest on Bonds	82,000.00	82,000.00	81,682.92		-	317.08	
Total Debt Service	<u>378,000.00</u>	<u>378,000.00</u>	<u>377,682.92</u>	<u>-</u>	<u>-</u>	<u>317.08</u>	<u>-</u>
Deferred Charges & Statutory Expenditures:							
Statutory Expenditures:							
Contribution To:							
Social Security System (OASI)	1,650.00	1,650.00	1,650.00		-	-	
	<u>1,650.00</u>	<u>1,650.00</u>	<u>1,650.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Budget	<u>\$ 556,650.00</u>	<u>\$ 556,650.00</u>	<u>\$ 517,454.57</u>	<u>\$ 1,566.90</u>	<u>\$ 37,311.45</u>	<u>\$ 317.08</u>	<u>\$ -</u>
Budget		<u>\$ 556,650.00</u>					

Analysis of Paid or Charged

Interest on Bonds	81,682.92
Due to Current Fund	-
Cash Disbursed	<u>435,771.65</u>
	<u>\$ 517,454.57</u>

TOWNSHIP OF CHESTERFIELD
 PAYROLL FUND
 COMPARATIVE BALANCE SHEET
 STATUTORY BASIS
 2013

		Balance		Balance
<u>ASSETS</u>	Ref.	Dec. 31, 2013		Dec. 31, 2012
Cash	E-1	\$ 31,936.30	\$	26,151.68
Due Sewer Operating Fund	D	1,853.29		-
		\$ 33,789.59	\$	26,151.68
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Due Current Fund	A	\$ 2,083.04	\$	-
Due Other Trust Fund	B	1,566.41		2,166.41
Payroll Taxes Payable		30,140.14		23,985.27
		\$ 33,789.59	\$	26,151.68

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
 STATUTORY BASIS
 2013

	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
General Fixed Assets:		
Land	\$ 3,682,445.00	\$ 3,682,445.00
Buildings	574,285.00	574,285.00
Improvements Other than Buildings	127,500.00	127,500.00
Machinery and Equipment	1,368,842.86	1,333,552.67
	<hr/>	<hr/>
Total General Fixed Assets	\$ 5,753,072.86	\$ 5,717,782.67
	<hr/> <hr/>	<hr/> <hr/>
 Investment in General Fixed Assets	 \$ 5,753,072.86	 \$ 5,717,782.67
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
COUNTY OF BURLINGTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Chesterfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Chesterfield, as required by N.J.S.A. 40A:5-5.

B. Description of Funds

The accounting policies of the Township of Chesterfield 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 Township of Chesterfield accounts for its financial transactions through the following separate funds. This fund structure is not intended to present financial information in accordance with generally accepted accounting principles (GAAP).

Current Fund - Resources and expenditures for governmental operations of 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. This fund is also used to account for current fund debt authorized.

Payroll Fund - Receipts and disbursement of funds to cover salary and wage expense and related payroll deductions and payroll taxes.

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

GAAP requires the use of governmental fund types, proprietary fund types, and fiduciary fund types and capital assets are reported in government-wide financial statements.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 governmental units. The more significant policies in New Jersey follow.

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

Under GAAP however, governmental fund-based financial statements are based on the modified accrual accounting basis and the flow of current financial resources. Government-wide financial statements are based on the accrual basis of accounting and on a flow of all economic resources.

Revenues - Revenues are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Revenues are recognized under GAAP when they become both measurable and available.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts that 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.

Expenditures are recognized under GAAP in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the local school district and the regional school district. Expenditures are recorded for the full amount paid to the school districts from January 1 to December 31.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Expenditures are recorded for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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 Asset Account Group at the lower of cost or fair market value.

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 offsetting reserves by charges to operations for Current Fund interfunds receivable. Revenues would not be recognized in the year of liquidation.

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

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years. GAAP does not recognize deferred charges for amounts expended in excess of budgeted or for emergency appropriations.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts that 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. GAAP does not provide for the reservation of unexpended budget appropriations.

Reserve for Uncollected Taxes - The Reserve for Uncollected Taxes is a non-spending budget appropriation. The amount is calculated based on the percentage of taxes collected in the preceding year. The inclusion of the Reserve for Uncollected Taxes in the amount to be raised by taxes assures the Township, based on its prior year collection percentage, it will collect enough taxes to pay its current year obligations. A Reserve for Uncollected Taxes is not provided under GAAP.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets - Property and equipment purchased by the current and the general capital funds are recorded as expenditures at the time of purchase and are not capitalized.

The Township has developed a fixed assets accounting system in accordance with 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.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation has been provided for in the financial statements.

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

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

Budgets and Budgetary Accounting - In accordance with N.J.S.A. 40A:4-5 et al the Township must adopt an annual budget. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Property Taxes

Assessment of Tax: New Jersey statutes require that taxable valuation of real property be prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

by the Township, Regional and Local School Districts and the County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Tax Collector on or before May 13th.

Collection of Tax: Tax bills are prepared and mailed by the Collector of Taxes of the Township of Chesterfield annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

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

Note 2: CASH AND INVESTMENTS

Deposits - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as (Cash).

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to adopt a cash management plan and shall deposit or invest, or both deposit and invest its funds pursuant to that plan. Deposits of public funds are permitted in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund.

The Township deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.