

**TOWNSHIP OF TEWKSBURY
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2011**

TOWNSHIP OF TEWKSBURY

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2011

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
County of Hunterdon, New Jersey

I have audited the accompanying balance sheets-statutory basis of the various funds of the Township of Tewksbury as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-statutory basis for the year then ended and the related statement of revenues-statutory basis and statement of expenditures-statutory basis of the various funds for the year then ended. These financial statements are the responsibility of the Township of Tewksbury's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Government Audit Standards, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

As described in Note 1, the Township of Tewksbury prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

-Continued-

In my opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles in the United States of America, the financial position of the Township of Tewksbury at December 31, 2011 and 2010, or the results of its operations.

However, in my opinion, the financial statements-statutory basis referred to above present fairly, in all material respects, the financial position-statutory basis of the various funds of the Township of Tewksbury, as of December 31, 2011 and 2010, and the results of operations and changes in fund balance-statutory basis of such funds for the year then ended and the statement of revenues-statutory basis and statement of expenditures-statutory basis of the various funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued my report dated March 30, 2012, on my consideration of the Township of Tewksbury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of the audit.

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



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
March 30, 2012



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

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
County of Hunterdon, New Jersey
Califon, New Jersey 07830

We have audited the financial statements of the Township of Tewksbury in the County of Hunterdon, State of New Jersey, as of and for the fiscal year ended December 31, 2011 and 2010, and have issued our report thereon dated March 30, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our 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 audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

-Continued-

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Mayor and Members of the Township Committee, and to meet filing requirements for filing with the Division of Local Government Services, and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
March 30, 2012

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 7,787,487	\$ 7,923,105
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-17	<u>5,989</u>	<u>5,989</u>
		<u>7,793,476</u>	<u>7,929,094</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	308,997	315,400
Tax Title Liens Receivable	A-7	41,299	38,940
Penalties & Interest on Taxes	A	9,591	-
Amount Due from Other Agencies	A	23,686	32,449
Amount Due From Grants Fund	A	-	4,351
Amount Due From Dog License Fund	B	<u>24</u>	<u>28</u>
Subtotal		<u>383,597</u>	<u>391,168</u>
Federal And State Grant Fund:			
Federal/State Grants Receivable	A-18	4,998	26,488
Due From Current Fund	A	<u>28,931</u>	<u>-</u>
Subtotal		<u>33,929</u>	<u>26,488</u>
TOTAL ASSETS		<u>\$ 8,211,002</u>	<u>\$ 8,346,750</u>

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Reserve For Encumbrances	A-10	\$ 126,731	\$ 143,066
Appropriation Reserves	A-3:9	246,409	202,707
Amount Due To Grants Fund	A	28,931	-
Amount Due To General Capital Fund	C	109,505	88,792
Taxes Collected In Advance	A-11	194,382	229,438
Tax Overpayments	A-12	7,015	12,833
County Taxes Payable	A-13	19,959	20,170
Local District School Taxes Payable	A-14	511,896	588,132
Regional School Tax Payable	A-15	265,554	-
Due Other Trust - Municipal Open Space Tax Payable	A-16	2,125	-
Reserve for Trees	A-21	45,356	45,356
Due Other Trust - Premium on Tax Sales and Outside Liens	A-22	150,250	80,050
Reserve for Police	A-23	-	1,278
Reserve for Various	A-24	4,474	2,680
Reserve for Additional Aid to Fire Companies	A-25	39,747	39,747
Amount Due to State of New Jersey for Marriage License Fees	A-26	75	100
Amount Due to State of New Jersey for DCA Training	A-27	4,548	3,995
Subtotal		<u>1,756,957</u>	<u>1,458,344</u>
Reserve For Receivables And Other Assets	A	383,597	391,168
Fund Balance	A-1	<u>6,036,519</u>	<u>6,470,750</u>
Subtotal		<u>8,177,073</u>	<u>8,320,262</u>
Federal And State Grant Fund:			
Due to Current Fund	A	-	4,351
Amount Due State of New Jersey	A	1,761	1,761
Reserve For State Grants - Appropriated	A-19	26,652	19,088
Reserve For State Grants - Unappropriated	A-20	<u>5,516</u>	<u>1,288</u>
Subtotal		<u>33,929</u>	<u>26,488</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 8,211,002</u>	<u>\$ 8,346,750</u>

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2011</u>	<u>YEAR</u> <u>2010</u>
Fund Balance Utilized	A-2	\$ 2,368,000	\$ 3,368,000
Miscellaneous Revenue Anticipated	A-2	2,628,066	2,103,580
Receipts From Delinquent Taxes	A-2	318,824	437,513
Receipts From Current Taxes	A-2	29,802,043	29,303,277
Non-Budget Revenues	A-2	47,065	103,974
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-9	162,046	175,725
Tax Overpaid Cancelled	A-12	5,355	
Refund of Prior Year Expenditures	A-4	12,757	2,027
Interfunds Returned	A	4,806	1,120
TOTAL INCOME		<u>35,348,962</u>	<u>35,495,216</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	2,569,778	2,857,531
Other Expenses	A-3	2,321,974	2,320,590
Deferred Charges and Statutory Expenditures	A-3	612,519	536,406
Operations Excluded from "CAPS":			
Other Expenses	A-3	177,833	288,890
Capital Improvements	A-3	450,000	400,000
Municipal Debt Service	A-3	1,588,994	1,685,071
Deferred Charges to Future Taxation	A-3	110,313	110,353
County Taxes	A-13	6,077,381	6,269,516
Amount Due County For Added and Omitted Taxes	A-13	19,959	20,170
Local District School Taxes	A-14	11,807,002	11,799,998
Regional School Tax	A-15	6,985,439	6,551,448
Municipal Open Space Tax	A-16	684,891	683,540
Refund of Prior Year Revenue	A-4	9,110	-
Interfund Advances	A:C	-	1,162
TOTAL EXPENDITURES		<u>33,415,193</u>	<u>33,524,675</u>
Excess (Deficit) Revenue Over Expenditures		1,933,769	1,970,541
 Fund Balance January 1	 A	 <u>6,470,750</u>	 <u>7,868,209</u>
		8,404,519	9,838,750
Decreased by:			
Utilization as Anticipated Revenue	A-1	2,368,000	3,368,000
Fund Balance December 31	A	\$ 6,036,519	\$ 6,470,750

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	<u>ANTICIPATED BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REVENUE RECEIVED</u>	<u>EXCESS OR DEFICIT</u>
SURPLUS ANTICIPATED		\$ 2,368,000		\$ 2,368,000	
LICENSES:					
ALCOHOLIC BEVERAGES - CLERK	A-8	4,000		4,000	
OTHER - CLERK	A-8	2,000		1,736	\$ 264
FEEES AND PERMITS - TRAILER COURT FEES	A-8	56,918		64,826	(7,908)
FINES AND COSTS:					
MUNICIPAL COURT	A-8	65,000		52,586	12,414
INTEREST AND COSTS ON TAXES	A-5	79,369		83,370	(4,001)
INTEREST ON INVESTMENTS	A-8	43,000		29,783	13,217
JR. POLICE ACADEMY	A-8	1,300		-	1,300
CONSOLIDATED MUN PROPERTY TAX RELIEF	A-8	4,827		4,827	
EMERGENCY RECEIPTS TAX	A-8	511,276		511,276	
UNIFORM CONSTRUCTION CODES FEES	A-8	220,000		299,991	(79,991)
CLEAN COMMUNITIES PROGRAM	A-19	21,055		21,055	
STATE FORESTRY GRANT	A-19	7,000		7,000	
BODY ARMOR	A-19	1,288		1,288	
RECYCLING TONNAGE	A-19		\$ 3,724	3,724	
CLINTON TOWNSHIP - UNIFORM CONST CODE SER	A-8	17,000		17,352	(352)
CALIFON BOROUGH - UNIFORM CONST CODE SER	A-8	65,000		65,060	(60)
HUNTERS GLEN SEWER UTILITY - DEBT SERVICE	A-8	30,000		30,327	(327)
RESERVE CAPITAL FUND - DEBT SERVICE	A-8	1,373,527		1,373,527	
LEASE OF MUNICIPAL FACILITIES	A-8	35,000		43,383	(8,383)
FIRE SAFETY FEES	A-8	10,000		12,955	(2,955)
		<u>2,547,560</u>	<u>3,724</u>	<u>2,628,066</u>	<u>(76,782)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1	<u>300,000</u>	<u>-</u>	<u>318,824</u>	<u>(18,824)</u>
AMOUNT TO BE RAISED BY TAXES	A-6	<u>4,548,354</u>	<u>-</u>	<u>5,228,389</u>	<u>(680,035)</u>
TOTAL GENERAL REVENUES		<u>9,763,914</u>	<u>3,724</u>	<u>10,543,279</u>	<u>(775,641)</u>
NON-BUDGET REVENUE	A-2			<u>47,065</u>	<u>(47,065)</u>
		<u>\$ 9,763,914</u>	<u>\$ 3,724</u>	<u>\$ 10,590,344</u>	<u>\$ (822,706)</u>

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES

REF.

Allocation Of Current Tax Collections:

Revenue from Collections		\$ 29,756,959
State of New Jersey, Senior Citizens and Veterans Deductions		<u>45,084</u>
		29,802,043

Allocated To:

School, County and Municipal Open Space Taxes		25,574,672
Balance for Support of Municipal Budget		4,227,371
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>1,001,018</u>
Amount For Support Of Municipal Budget Appropriations	A-2	<u>\$ 5,228,389</u>

ANALYSIS OF NON-BUDGET REVENUES

REF

Miscellaneous Revenue Not Anticipated:

Treasurer:

Stavola Annual Permits		\$ 7,564	
Sale of Equipment		3,719	
FEMA reimbursements		5,106	
Interlocal Reimbursement - E. Amwell		3,333	
Interlocal Reimbursement - Lebanon		12,091	
Interlocal Reimbursement - Califon		4,275	
Senior Citizens and Veterans' Administrative Fee		902	
Miscellaneous		<u>6,563</u>	
	A-4	43,553	
Tax Collector			
Miscellaneous	A-5	<u>3,512</u>	<u>\$ 47,065</u>

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 225,307	\$ 213,307	\$ 212,422	\$ 885	-
Other Expenses:					
Lease of Equipment	8,000	13,000	11,019	1,981	
Miscellaneous Other Expenses	38,235	29,418	20,409	9,009	
Mayor and Council:					
Salaries and Wages	22,435	21,335	21,251	84	
Other Expenses	9,690	6,190	4,598	1,592	
Financial Administration (Treasury):					
Salaries and Wages	144,420	144,420	136,800	420	7,200
Other Expenses	9,218	9,218	6,170	548	2,500
Audit Services:					
Other Expenses	16,800	16,800	16,800		
Computerized Data Services:					
Other Expenses	44,625	44,625	38,736	5,889	
Revenue Administration (Tax Collection):					
Salaries and Wages	46,573	43,973	43,901	72	
Other Expenses	4,526	4,526	4,199	327	
Tax Assessment Administration:					
Salaries and Wages	34,459	34,459	31,670	89	2,700
Other Expenses	6,924	6,924	1,960	964	4,000
Legal Services (Legal Dept.):					
Other Expenses	263,000	263,000	39,936	11,064	\$ 212,000
Engineering Services:					
Other Expenses	58,140	73,140	71,426	1,714	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	137,904	137,904	130,477	427	7,000
Other Expenses:					
Wastewater Management Study	4,080	1,020	1,020		
Bartles Wastewater	117,663	118,413	58,548	4,865	55,000
Special Projects	10,200	10,200	1,408	792	8,000
Miscellaneous Other Expenses	20,095	20,095	17,015	3,080	

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>			
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		
CODE ENFORCEMENT AND ADMINISTRATION:					
Uniform Construction Code Enforcement Functions:					
Building Sub Code Officials:					
Salaries and Wages	209,100	209,100	174,534	2,566	32,000
Other Expenses	12,699	12,699	2,556	2,643	7,500
INSURANCE:					
General Liability Insurance	135,500	135,500	119,718	282	15,500
Workmens Compensation Insurance	104,160	105,160	105,152	8	
Employee Group Insurance	613,040	593,040	563,140	29,900	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	1,128,000	1,128,000	993,074	34,926	100,000
Other Expenses:					
Purchase of Police Cars	30,000	30,000	-		30,000
PBA Contract Benefits	89,559	89,559	76,499	460	12,600
Miscellaneous Other Expenses	49,445	49,445	19,033	10,412	20,000
Office of Emergency Management:					
Other Expenses	12,000	1,328	1,311	17	
Contribution to First Aid Organizations	72,731	72,731	67,476		5,255
Aid to Volunteer Fire Companies:					
Other Expenses - Oldwick Fire Company	90,000	90,000	90,000		
Aid to Volunteer Fire Companies in Adjoining Municipalities	155,500	155,500	155,500		
Fire Department Office:					
Salaries and Wages	9,384	8,384	5,700	184	2,500
Other Expenses:					
Other Expenses:	500	500	498	2	
Fire Hydrant Services	40,870	40,870	18,167	4,203	18,500
Municipal Prosecutor's Office:					
Salaries and Wages	5,100	5,100	4,876	224	

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>			
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	826,200	826,200	722,923	28,277	75,000
Other Expenses	178,536	178,536	160,819	2,717	15,000
Solid Waste Collection(Recycling Program):					
Other Expenses	17,850	17,850	5,976	1,874	10,000
Buildings and Grounds:					
Other Expenses	47,654	47,654	43,953	3,701	
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	95,013	95,013	93,062	1,951	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	3,168	3,168	1,275	393	1,500
Other Expenses	2,754	2,754	1,741	263	750
Contribution to Social Services Agencies:					
Senior Citizens Centers	3,060	3,060	2,632	428	
PARK AND RECREATION FUNCTIONS:					
Maintenance of Parks:					
Other Expenses:					
Miscellaneous Other Expenses	34,747	34,747	26,209	3,038	5,500
OTHER COMMON OPERATING FUNCTIONS:					
(Unclassified):					
Reserve for Sick Leave	165,000	165,000	81,955	23,045	60,000

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	33,150	33,150	25,061	8,089	
Street Lighting	6,120	7,120	5,960	1,160	
Telephone (excluding equipment acquisition)	29,886	33,386	27,946	5,440	
Gas (natural or propane)	15,300	16,300	13,465	2,835	
Fuel Oil	2,550	7,550	4,031	3,519	
Telecommunications Costs	23,970	23,970	21,345	2,625	
Gasoline	85,000	115,000	103,172	11,828	
MUNICIPAL COURT:					
Municipal Court:					
Salaries and Wages	21,828	22,328	22,024	304	
Other Expenses	30,088	30,088	26,366	3,722	
Total Operations - Within "CAPS "	5,601,756	5,601,757	4,656,914	234,838	710,005
Detail:					
Salaries and Wages	2,813,878	2,797,678	2,500,927	68,851	227,900
Other Expenses	2,787,878	2,804,079	2,155,987	165,987	482,105
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Statutory Expenditures :					
Social Security System (O.A.S.I.)	220,320	220,320	201,469	8,851	10,000
Contribution to:					
PERS	178,448	178,448	178,448		
PFRS	183,751	183,751	183,751		
Deferred Compensation-Employers' Share	50,000	50,000	39,625	375	10,000
Total Deferred Charges and Statutory Expenditures-within "CAPS"	632,519	632,519	603,293	9,226	20,000
Total General Appropriations for Municipal Purposes Within "CAPS"	6,234,275	6,234,276	5,260,207	244,064	730,005

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>		
OPERATIONS-EXCLUDED from "CAPS"					
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Employee Group Health			-		
Aid to Library	57,200	57,200	57,200		
Contribution to:					
PERS			-		
PFRS			-		
Affordable Housing	22,936	22,936	8,091	2,345	12,500
LOSAP	61,200	61,200	61,200		
Total Other Operations-Excluded from "CAPS"	141,336	141,336	126,491	2,345	12,500
Interlocal Municipal Service Agreements Excluded from "CAPS":					
Clinton Township Interlocal Agreement	17,000	17,000	15,836		1,164
Califon Borough Interlocal Agreement	66,361	66,361	94		66,267
Total Interlocal Municipal Service Agreements	83,361	83,361	15,930	0	67,431
Public and Private Programs Offset by Revenues-: Excluded from "CAPS"					
Clean Communities Program:					
Other Expenses	21,055	21,055	21,055		
Body Armor Grant:	1,288	1,288	1,288		
Other Expenses			-		
State Forestry Grant:					
Other Expenses ARRA	7,000	7,000	7,000		
Recycling Tonnage Grant:					
Other Expenses		3,724	3,724		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	29,343	33,067	33,067		
Total Operations-Excluded from "CAPS"	254,040	257,764	175,488	2,345	79,931
Detail:					
Other Expenses	254,040	257,764	175,488	2,345	79,931

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	450,000	450,000	450,000		
Total Capital Improvements-Excluded from "CAPS"	450,000	450,000	450,000		
Municipal Debt Service-Excluded from "CAPS":					
Payment of Bond Principal	843,000	843,000	843,000		
Payment of Bond Anticipation and Capital Notes	125,000	125,000	-		125,000
Interest on Bonds	456,842	456,842	456,842		
Interest on Bond Anticipation and Capital Notes	158,238	158,238	158,238		
Loan Payments for Principal and Interest	100,860	100,859	100,858		1
NJ Wastewater Treatment Trust	30,328	30,328	30,056		272
Total Municipal Debt Service	1,714,268	1,714,267	1,588,994		125,273
Deferred Charges-Excluded from "CAPS":					
Ordinance # 22-2003	47,700	47,700	47,700		
Ordinance # 23-2003	3,749	3,749	3,749		
Ordinance # 16-2003	42,664	42,664	42,664		
Ordinance # 15-2005	16,200	16,200	16,200		
Total Deferred Charges	110,313	110,313	110,313		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	2,528,621	2,532,344	2,324,795	2,345	205,204
Subtotal General Appropriations	8,762,896	8,766,620	7,585,002	246,409	935,209
Reserve For Uncollected Taxes	1,001,018	1,001,018	1,001,018		
TOTALS	\$ 9,763,914	\$ 9,767,638	\$ 8,586,020	\$ 246,409	\$ 935,209

A A-1

	<u>REF.</u>	
Appropriation 40A:4-87	A-2	\$ 3,724
Budget	A-2	9,763,914
		<u>\$ 9,767,638</u>

	<u>REF.</u>	
Reserve for State Grants	A-19	\$ 33,067
Deferred Charges	C	110,313
Reserve for Encumbrances	A-10	7,441,622
Reserve for Uncollected Taxes	A-2	1,001,018
		<u>\$ 8,586,020</u>

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 5,503	\$ 1,041
Total Dog License Fund		<u>5,503</u>	<u>1,041</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	1,216,931	723,212
Amount Due from Current Fund	B-6	<u>152,375</u>	<u>-</u>
Total Other Trust Funds		<u>1,369,306</u>	<u>723,212</u>
TOTAL ASSETS		<u>\$1,374,809</u>	<u>\$ 724,253</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 5,471	\$ 1,001
Amount Due State of New Jersey	B-4	8	12
Amount Due Current Fund	B-5	<u>24</u>	<u>28</u>
Total Dog License Fund		<u>5,503</u>	<u>1,041</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-7	585,791	224,858
Reserve for State Unemployment Insurance	B-8	55,201	43,801
Reserve for Whittemore Trust	B-9	964	28
Reserve for Accumulated Leave	B-10	214,034	213,887
Reserve for Developers Housing	B-11	40,713	46,526
Reserve for Open Space Trust Fund	B-12	321,116	193,551
Reserve for Outside Police Duty	B-13	678	2
Reserve for Ruthe Mueller Trust	B-14	559	559
Reserve for Tax Sale Premiums	B-15	<u>150,250</u>	<u>-</u>
Total Other Trust Fund		<u>1,369,306</u>	<u>723,212</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$1,374,809</u>	<u>\$ 724,253</u>

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
Cash and Cash Equivalents	C-2	\$ 917,549	\$ 2,101,416
Due Current Fund	C-3	109,505	88,792
Accounts Receivable	C-4	313,000	313,000
Deferred Charges to Future Taxation:			
Funded	C-5	10,889,368	11,852,939
Unfunded	C-6	<u>10,380,604</u>	<u>11,040,917</u>
TOTAL ASSETS		<u>\$22,610,026</u>	<u>\$25,397,064</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-8	155,910	155,910
Loans Payable - State of New Jersey	C-9	381,368	501,939
Bond Anticipation Notes Payable	C-10	9,999,181	10,549,181
Serial Bonds Payable	C-12	10,508,000	11,351,000
Encumbrances	C-7	8,312	118,851
Improvement Authorizations:			
Funded	C-11	108,870	24,045
Unfunded	C-11	48,367	482,492
Various Reserves	C-13	293,897	1,484,248
Fund Balance	C-1	<u>1,106,121</u>	<u>729,398</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$22,610,026</u>	<u>\$25,397,064</u>

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>		
Balance December 31, 2010	C	\$	729,398
Increased by:			
Canceled Improvement Authorizations	C-11	\$	291,828
Bond Anticipation Note Premium	C-2	<u>84,895</u>	<u>376,723</u>
			1,106,121
Balance December 31, 2011	C	<u>\$</u>	<u>1,106,121</u>

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	REF.	HUNTERS GLEN	OLDWICK	TOTALS DECEMBER 31,	
				<u>2011</u>	<u>2010</u>
Operating Fund:					
Cash and Cash Equivalents	D-4	\$ 34,347	\$ 50,098	\$ 84,445	\$ 73,028
Receivables with Full Reserves:					
Consumer Accounts Receivable and Liens	D-6	<u>644</u>	<u>4,228</u>	<u>4,872</u>	<u>2,830</u>
Total Operating Fund		<u>34,991</u>	<u>54,326</u>	<u>89,317</u>	<u>75,858</u>
Capital Fund:					
Cash and Cash Equivalents	D-4	23,100	72,609	95,709	115,709
Fixed Capital	D-8	36,000	931,115	967,115	967,115
Fixed Capital - Authorized and Uncompleted	D-9		<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Capital Fund		<u>59,100</u>	<u>1,023,724</u>	<u>1,082,824</u>	<u>1,102,824</u>
 TOTAL ASSETS		 <u>\$ 94,091</u>	 <u>\$ 1,078,050</u>	 <u>\$ 1,172,141</u>	 <u>\$ 1,178,682</u>
 LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves :					
Encumbered	D-3	\$ 4,240	\$ 13,821	\$ 18,061	\$ 4,282
Unencumbered	D-3	7,920	13,433	21,353	19,523
Sewer Rent Prepaid	D-5	2,021	17	2,038	1,961
Reserve for Receivables	D	644	4,228	4,872	2,830
Fund Balance	D-1	<u>20,166</u>	<u>22,827</u>	<u>42,993</u>	<u>47,262</u>
Total Operating Fund		<u>34,991</u>	<u>54,326</u>	<u>89,317</u>	<u>75,858</u>
Capital Fund:					
General Electric Loan Payable	D-14		134,366	134,366	147,784
Capital Improvement Fund	D-11	23,100	46,000	69,100	89,100
Improvement Authorization - Funded	D-10		26,609	26,609	26,609
Deferred Reserve for Amortization	D-13		20,000	20,000	20,000
Reserve for Amortization	D-12	<u>36,000</u>	<u>796,749</u>	<u>832,749</u>	<u>819,331</u>
Total Capital Fund		<u>59,100</u>	<u>1,023,724</u>	<u>1,082,824</u>	<u>1,102,824</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 <u>\$ 94,091</u>	 <u>\$ 1,078,050</u>	 <u>\$ 1,172,141</u>	 <u>\$ 1,178,682</u>

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

D-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	HUNTERS		TOTALS	
		<u>GLEN</u>	<u>OLDWICK</u>	<u>2011</u>	<u>2010</u>
Operating Surplus	D-2	\$ 8,150	\$ 19,000	\$ 27,150	\$ 56,187
Rents	D-2	65,998	108,625	174,623	175,469
Miscellaneous					
Interest Earned	D-2	176	419	595	1,496
Interest/Penalties on Rent	D-2	43	2,803	2,846	506
Other Credits to Income					
Balance of Reserved Budget	D-7	2,138	13,729	15,867	41,488
Refund of Prior Year Revenue	D-4	-	-	-	82
Total Income		<u>76,505</u>	<u>144,576</u>	<u>221,081</u>	<u>275,228</u>
 EXPENDITURES					
Operating	D-3	76,100	102,490	178,590	190,229
Capital Improvements	D-3			-	30,000
Debt Service	D-3	-	19,610	19,610	21,258
Interfund Advance	D-4	-	-	-	2,136
Total Expenditures		<u>76,100</u>	<u>122,100</u>	<u>198,200</u>	<u>243,623</u>
Excess (Deficit) Revenue Over Expenditures		405	22,476	22,881	31,605
Balance January 1	D	<u>27,911</u>	<u>19,351</u>	<u>47,262</u>	<u>71,844</u>
		28,316	41,827	70,143	103,449
Decreased by:					
Utilized as Anticipated Revenue	D-1	<u>8,150</u>	<u>19,000</u>	<u>27,150</u>	<u>56,187</u>
Balance December 31	D	<u>\$ 20,166</u>	<u>\$ 22,827</u>	<u>\$ 42,993</u>	<u>\$ 47,262</u>

SEWER UTILITY FUND
STATEMENT OF REVENUES

D-2

HUNTERS GLEN

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 8,150	\$ 8,150	
Rents	D-1	66,000	65,998	\$ (2)
Delinquent Penalties	D-1	1,950	43	(1,907)
Miscellaneous - Interest	D-1		176	176
 Total Sewer Utility Revenue		<u>\$ 76,100</u>	<u>\$ 74,367</u>	<u>\$ (1,733)</u>
REF.		D-3	D-1	

OLDWICK

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 19,000	\$ 19,000	
Rents	D-1	108,000	108,625	\$ 625
Delinquent Penalties	D-1	100	2,803	2,703
Miscellaneous - Interest	D-1		419	419
 Total Sewer Utility Revenue		<u>\$ 127,100</u>	<u>\$ 130,847</u>	<u>\$ 3,747</u>
REF.		D-3	D-1	

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

D-3

HUNTERS GLEN

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 6,500	\$ 6,500	\$ 4,774	\$ 1,726
Other Expenses	69,150	69,150	62,956	6,194
DEP Permits	450	450	450	-
Total Sewer Utility Appropriations	\$ 76,100	\$ 76,100	\$ 68,180	\$ 7,920

REF.

D-2

D

	Paid	D-4	\$ 63,940
Charged - Encumbered		D	<u>4,240</u>
			<u>\$ 68,180</u>

OLDWICK

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>	<u>RESERVED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>			
OPERATING:						
Salaries and Wages	\$ 17,000	\$ 17,000	\$ 13,178			\$ 3,822
Other Expenses	87,190	87,164	72,553	\$ 5,000		9,611
Debt Service - Principal	13,418	13,418	13,418			
Debt Service - Interest	6,192	6,192	6,192			
DEP Permits	3,300	3,326	3,326			0
Total Sewer Utility Appropriations	\$ 127,100	\$ 127,100	\$ 108,667	\$ 5,000		\$ 13,433

REF.

D-2

D-1

D

	Paid	D-4	\$ 94,846
Charged - Encumbered		D	<u>13,821</u>
			<u>\$ 108,667</u>

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
Cash and Cash Equivalents	E-1	\$ 8,682	\$ 8,652
TOTAL ASSETS		<u>\$ 8,682</u>	<u>\$ 8,652</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance		\$ 8,682	\$ 8,652
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,682</u>	<u>\$ 8,652</u>

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2011

F

	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
General Fixed Assets:		
Land and Buildings	\$ 37,075,102	\$ 37,075,102
Machinery and Equipment	9,423,196	9,423,196
Total General Fixed Assets	<u>\$ 46,498,298</u>	<u>\$ 46,498,298</u>
 Investment In General Fixed Assets	 <u>\$ 46,498,298</u>	 <u>\$ 46,498,298</u>

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

ASSETS	<u>BALANCE</u> <u>12/31/11</u>	<u>BALANCE</u> <u>12/31/10</u>
Cash and Cash Equivalents	\$ (134)	\$ 2,838
TOTAL ASSETS	<u>\$ (134)</u>	<u>\$ 2,838</u>
 LIABILITIES AND RESERVES 		
Payroll Deductions Payable	\$ (134)	\$ 2,838
TOTAL LIABILITIES AND RESERVES	<u>\$ (134)</u>	<u>\$ 2,838</u>

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Tewksbury include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

The accounting policies of the Township of Tewksbury 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 Tewksbury accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

General Capital Fund

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

B. Description of Funds (Continued)

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

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 policies in New Jersey follow.

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

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from 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 of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT 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 Township's statutory 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 cancelled by the governing body.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15,

May 15, August 15 and November 15. Open Space Levy, to be paid quarterly to the Township's other trust funds, on February 15, May 15, August 15 and November 15. When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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

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

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

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

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 except for land which is valued at estimated market value.

No depreciation is to be 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.

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.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

General Capital Fund
Public Assistance Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing

body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2011, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 2: CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2011, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	\$ 10,116,172	\$10,116,172

The carrying amount of the municipality's cash and cash equivalents at December 31, 2011, was \$10,949,001 and the bank balance was \$10,172,957. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,559 was covered by federal depository insurances and \$9,672,398 was covered by collateral pool.

Note 3: LONG-TERM DEBT

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

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2011</u>	YEAR <u>2010</u>	YEAR <u>2009</u>
Issued			
General:			
Bonds and Notes	\$ 20,888,549	\$ 22,402,120	\$ 23,376,695
Sewer Utility:			
Bonds and Notes	134,366	147,784	160,556
Net Debt Issued	21,022,915	22,549,904	23,537,251
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	381,423	491,736	602,089
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	381,423	491,736	602,089
Total Deductions	(341,959)	(1,479,174)	(1,498,197)
Net Bonds and Notes Issued and Authorized But Not Issued	\$ 21,062,379	\$ 21,562,466	\$ 22,641,143

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 3: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.19%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 9,611,396	\$ 9,611,396	
Utility Debt	134,366	134,366	\$ -
General Debt	21,404,338	341,959	21,062,379
	<u>\$ 31,150,100</u>	<u>\$ 10,087,721</u>	<u>\$ 21,062,379</u>

Net Debt \$ 21,062,379 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$1,774,332,836 equals 1.19%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 62,101,649
Net Debt	<u>21,062,379</u>
Remaining Borrowing Power	<u>\$ 41,039,270</u>

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

Calendar Year	<u>General</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 903,524	\$ 434,926	\$ 14,098	\$ 6,544
2013	969,565	398,481	14,811	5,831
2014	985,617	357,627	15,561	5,081
2015	1,000,692	313,645	16,349	4,393
2016	1,018,730	269,943	17,177	3,465
2017-2026	<u>6,011,240</u>	<u>1,070,323</u>	<u>56,370</u>	<u>5,000</u>
	<u>\$ 10,889,368</u>	<u>\$ 2,844,945</u>	<u>\$ 134,366</u>	<u>\$ 30,314</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans

The Township has outstanding at December 31, 2011, a New Jersey Green Trust Loan in the amount of \$280,532. This note matures on September 5, 2021. The interest rate on the note was 2%. Principal and interest on this note is paid on a semiannual basis from the current fund budget of the Township.

The Township has outstanding at December 31, 2011, a New Jersey Wastewater Loan in the amount of \$100,836. This note matures on August 1, 2021. The interest rate on the note is at zero interest. Principal on this note is paid on a semiannual basis from the current fund budget of the Township.

Refunding Bonds-Multi-Purposes-dated June 30, 2005, issued in the original amount of \$5,485,000 with interest rates ranging from 3.00% to 5.00% to advance refund \$5,269,000 bonds with interest rates of 5.00%. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments until the bonds are called on August 1, 2012. This refunding bond is payable in annual installments ranging from \$25,000 to \$500,000 through August 1, 2019. Interest is calculated at 3.0-5.0% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2011, was \$4,010,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated January 12, 2006, issued in the original amount of \$1,880,000. This bond is payable in annual installments ranging from \$117,000 to \$181,000 through January 1, 2019. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2011, was \$1,267,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Obligation Bonds-Open Space Purpose-dated January 12, 2006, issued in the original amount of \$6,396,000. This bond is payable in annual installments ranging from \$225,000 to \$1,590,000 through January 1, 2026. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2011, was \$5,231,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2011, bond anticipation notes in the amount of \$9,999,181 payable to Jefferies & Company, Inc. These notes mature on June 20, 2012. The interest rate on the notes are 1.25%. Principal and interest on this note is paid from the current fund or open space trust fund budget.

	Debt <u>Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 20,888,549
Total Sewer Utility Bonds, Loans and Notes Above	<u>134,366</u>
Total Debt Issued and Outstanding	<u>\$ 21,022,915</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/11</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/11</u>
Land and Buildings	\$ 37,075,102	\$ -		\$ 37,075,102
Machinery and Equipment	9,423,196	-	-	9,423,196
	<u>\$ 46,498,298</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 46,498,298</u>

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2011, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012, were as follows:

Current Fund	\$2,368,000	(Introduced Budget)
Sewer Utility Fund	\$28,884	(Introduced Budget)

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The Township elected to fund various capital ordinances over a five year period through the municipal operating budget. At December 31, 2011, the Township recorded the following deferred charges which are included in the following budgets:

	Balance <u>12/31/11</u>	Raised as 2012 Budget <u>Appropriation</u>	Balance to Succeeding Budgets
Capital Fund:			
Debt Authorized to be Raised as Budgeted Appropriations	\$ 330,939	\$ 110,313	\$ 220,626
	<u>\$ 330,939</u>	<u>\$ 110,313</u>	<u>\$ 220,626</u>

The appropriations in the 2012 Budget are not less than that required by statute.

Note 7: SCHOOL TAXES

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

	TOTAL DEFERRED TAX <u>12/31/11</u>	LOCAL DISTRICT SCHOOL TAX BALANCE <u>12/31/11</u>	BALANCE <u>12/31/10</u>	TOTAL DEFERRED TAX <u>12/31/10</u>	REGIONAL HIGH SCHOOL TAX BALANCE <u>12/31/11</u>	BALANCE <u>12/31/10</u>
Balance of Tax		\$ 6,031,900	\$ 6,108,136		\$ 3,492,720	\$ 3,227,166
Deferred		<u>5,520,004</u>	<u>5,520,004</u>		<u>3,227,166</u>	<u>3,227,166</u>
Tax Payable		<u>\$ 511,896</u>	<u>\$ 588,132</u>		<u>\$ 265,554</u>	<u>\$ -</u>
Tax Deferred	<u>\$ 8,747,170</u>			<u>\$ 8,747,170</u>		

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 8: PENSIONS

Description of Plans - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 8: PENSIONS-(Continued)

<u>Three-Year Trend Information for PERS and PFRS</u>			
Year	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
<u>Funding</u>			
2011	\$362,199	100%	-0-
2010	\$284,152	100%	-0-
2009	\$274,543	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension.

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon amount as determined by the Township Committee. At the time of audit the cost of such unpaid compensation totaled \$160,117. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The Township is involved with various litigation matters. We are advised by Township Counsel, that the Township is not involved in any current litigation that would have a material impact on the Financial Statements. However there is one matter of threatening litigation related to site improvements on COAH requirements, of which Counsel advises the impact is unknown at this time.

Note 12: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Summary disclosures of debt service requirements for all types of outstanding debt. This requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major asset class. This requirement is met by Note 4.
- C. Summary disclosures of changes in general long-term debt. This requirement is met by Note 3.
- D. Excesses of expenditures over appropriations in individual funds. There were no excess of expenditures over appropriations in any of the individual funds where budgets were required or employed as a management control device.
- E. Deficit fund balances or retained earnings balances of individual funds. There were no deficits in fund balances or retained earnings in any of the individual funds, except as noted in Note 6.
- F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2011:

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 12: OTHER REQUIRED DISCLOSURES (Continued)

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 24	\$ 290,811
Federal/State Grants Fund	28,931	-
General Capital Fund	109,505	-
Other Trust Funds	<u>152,375</u>	<u>24</u>
	<u>\$ 290,835</u>	<u>\$ 290,835</u>

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>		<u>CURRENT FUND</u>
Balance December 31, 2010	A		\$ 7,923,105
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 43,553	
Refund of Prior Year Expenditures	A-1	12,757	
Collector	A-5	30,336,153	
Revenue Accounts Receivable	A-8	2,511,629	
Senior Citizens/Veterans Deductions	A-17	45,084	
Federal/State Grant Funds	A-18	53,157	
Federal/State Grant Funds	A-20	5,516	
Reserve for Police	A-23	700	
Reserve for Various Reserves	A-24	1,794	
Marriage License Fees	A-26	325	
DCA Fees	A-27	<u>21,661</u>	<u>33,032,329</u>
			40,955,434
Decreased by Disbursements:			
2010 Appropriation Reserves	A-9	175,408	
Reserve for Encumbrances	A-10	7,421,354	
Tax Overpayments Refunded	A-12	14,878	
County Taxes	A-13	6,097,551	
Local District School Tax	A-14	11,883,238	
Regional District School Tax	A-15	6,719,885	
Municipal Open Space Tax to Trust Fund	A-16	682,766	
Federal/State Grant Funds	A-19	25,503	
Reserve for Liens and Tax Sale Premium Payments	A-22	123,928	
Reserve for Police	A-23	1,978	
Marriage License Fees	A-26	350	
DCA Fees	A-27	<u>21,108</u>	<u>33,167,947</u>
Balance December 31, 2011	A		<u>\$ 7,787,487</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$	83,370	
Miscellaneous	A-2		3,512	
Taxes Receivable	A-6		29,840,986	
2012 Prepaid Taxes	A-11		194,382	
Tax Overpayments	A-12		19,775	
Reserve for Tax Sale Premiums	A-22		92,900	
Reserve for Tax Outside Liens	A-22		<u>101,228</u>	<u>\$ 30,336,153</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			<u>\$ 30,336,153</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE	ADDED	2011	CASH COLLECTIONS		TRANSFERRED	OVERPAID	CANCELLED	BALANCE
	12/31/10	TAXES	LEVY	2010	2011	TO TAX TITLE LIENS	APPLIED		12/31/11
2005	\$ 1,240								\$ 1,240
2006	218								218
2007	168								168
2008	210								210
2009	167								167
2010	313,397	\$ 5,590			\$ 318,824				163
	315,400	5,590			318,824			-	2,166
2011			\$ 30,204,265	\$ 229,438	29,567,246	\$ 2,359	\$ 5,360	\$ 93,031	306,831
TOTALS	\$ 315,400	\$ 5,590	\$ 30,204,265	\$ 229,438	\$ 29,886,070	\$ 2,359	\$ 5,360	\$ 93,031	\$ 308,997

REF.	A		A-12		A-7		A-12		A
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REF.

State of New Jersey -- Senior Citizens
and Veterans Deductions
Received by Collector

A-2	\$ 45,084
A-5	<u>29,840,986</u>
	<u>\$ 29,886,070</u>

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax	\$ 29,427,204
Special Purpose Tax	682,766
Added Taxes (54.4-63.1 et.seq.)	<u>94,295</u>
	<u>\$ 30,204,265</u>

Tax Levy:

	REF.	
Local District School Tax	A-14	\$ 11,807,002
Regional High School Tax	A-15	6,985,439
Municipal Open Space Tax	A-16	684,891
County Taxes:		
County Tax (Abstract)	A-13	\$ 5,112,762
County Library Tax (Abstract)	A-13	431,075
County Open Space Tax	A-13	533,544
Due County for Added and Omitted Taxes(54.4-63.1,et.seq.)	A-13	<u>19,959</u>
Local Tax for Municipal Purposes	A-2	6,097,340
Add: Additional Tax Levied		4,548,354
		<u>81,239</u>
		<u>\$ 30,204,265</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 38,940
Increased by:		
Transfers from Taxes Receivable	A-6	<u>2,359</u> 41,299
Balance December 31, 2011	A	<u>\$ 41,299</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2011</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,000	\$ 4,000
Other - Clerk	A-2	1,736	1,736
Fees and Permits	A-2	64,826	64,826
Municipal Court:			
Fines and Costs	A-2	52,586	52,586
Interest on Investments and Deposits	A-2	29,783	29,783
Consolidated Municipal Property Tax Relief	A-2	4,827	4,827
Energy Receipts Tax	A-2	511,276	511,276
Uniform Construction Code Fees	A-2	299,991	299,991
Clinton Township - Uniform Construction Codes	A-2	17,352	17,352
Califon Borough - Uniform Construction Codes	A-2	65,060	65,060
Hunters Glen Sewer Utility - Debt Service	A-2	30,327	30,327
Reserve for Open Space	A-2	1,373,527	1,373,527
Municipal Lease	A-2	43,383	43,383
Fire Safety Fees	A-2	12,955	12,955
 Totals		<u>\$ 2,511,629</u>	<u>\$ 2,511,629</u>

REF.

A-2

A-4

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2010

A-9
Sheet 1

	<u>BALANCE</u> <u>12/31/10</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/10</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Other Expenses	\$ 3,847	\$ 4,209	\$ 4,209	-
Mayor and Committee:				
Other Expenses	2,617	2,919	2,866	\$ 53
Financial Administration:				
Other Expenses	221	655	634	21
Audit Services:				
Other Expenses		18,000	18,000	-
Computerized Data Processing	359	4,710	4,667	43
Tax Assessment:				
Other Expenses	554	575	38	537
Legal Services (Legal Dept.):				
Other Expenses	10,948	14,149	10,227	3,922
Engineering Services:				
Other Expenses	4,977	9,977	9,977	-
Public Building and Ground:				
Other Expenses	2,043	2,621	623	1,998
Bartles Wastewater:				
Other Expenses	4,913	9,913	6,893	3,020
Planning Board:				
Other Expenses	3,630	14,116	11,477	2,639
Building Official:				
Other Expenses	107	2,423	1,176	1,247
Insurance:				
Group Health	11,855	12,491	886	11,605
Police:				
Salaries and Wages	24,308	9,908		9,908
Other Expenses	2,077	10,161	9,004	1,157
PBA Contract Expenses	711	826	242	584
Emergency Management:				
Other Expenses	26	9,926	9,674	252
Streets and Road Maintenance:				
Other Expenses	25,582	26,882	6,379	20,503
Board of Health:				
Other Expenses	307	1,307	1,300	7
Senior Citizen Services	582	1,067	485	582
Park Maintenance:				
Other Expenses	1,336	4,538	3,430	1,108
Fleet Maintenance:				
Other Expenses	6,625	9,128	5,112	4,016
Garbage and Trash Removal:				
Other Expenses	2,957	2,957	378	2,579
Unclassified:				
Natural Gas	2,264	5,764	3,972	1,792
Telecommunications	2,196	2,196	1,757	439
Gasoline and Diesel	8,275	9,532	9,445	87
Telephone	2,674	3,115	2,709	406
Street Lighting	386	818	432	386
Electricity	1,526	7,195	5,179	2,016
Water and Hydrants	1,331	1,431	1,385	46

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2010 - (Continued)

A-9
Sheet 2

	<u>BALANCE</u> <u>12/31/10</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/10</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
Municipal Court:				
Other Expenses	2,812	2,812	2,081	731
Interlocal Agreements	11,849	11,888	39	11,849
Lease of Equipment	1,423	1,908	1,413	495
LOSAP		60,000	39,319	20,681
Other Accounts - No Change	57,389	57,337		57,337
TOTALS	<u>\$ 202,707</u>	<u>\$ 337,454</u>	<u>\$ 175,408</u>	<u>\$ 162,046</u>

A

A-4

A-1

Reserve	A	\$ 202,707
Encumbrances	A-10	<u>134,747</u>
		<u><u>\$ 337,454</u></u>

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-10

	<u>REF.</u>		
Balance December 31, 2010	A	\$	143,066
Increased by:			
Encumbrances Added	A-3	\$	98,144
Transfer from Current Year Appropriations	A-3	<u>7,441,622</u>	<u>7,539,766</u>
			7,682,832
Decreased by:			
Encumbrances Cancelled			
Transfer to Appropriations Reserve	A-9	134,747	
Cash Disbursements	A-4	<u>7,421,354</u>	<u>7,556,101</u>
Balance December 31, 2011	A	\$	<u>126,731</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-11

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 229,438
Increased by:		
2012 Taxes Collected in Advance	A-5	<u>194,382</u> 423,820
Decreased by:		
Applied to 2011 Taxes Receivable	A-6	<u>229,438</u>
Balance December 31, 2011	A	<u>\$ 194,382</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-12

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 12,833
Increased by:		
2011 Tax Overpayments	A-5	<u>19,775</u>
		32,608
Decreased by:		
Applied to 2011 Taxes	A-6	\$ 5,360
Cancelled	A-1	5,355
Refunded	A-4	<u>14,878</u> <u>25,593</u>
Balance December 31, 2011		<u>\$ 7,015</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-13

	<u>REF.</u>	
Balance December 31, 2010		\$ 20,170
Increased by:		
2011 Levy:		
County Taxes	A-1:6	\$5,112,762
County Library Taxes	A-1:6	431,075
County Open Space Tax	A-1:6	533,544
County Added and Omitted Taxes	A-1:6	<u>19,959</u>
		<u>6,097,340</u>
		6,117,510
Decreased by:		
Payments	A-4	<u>6,097,551</u>
Balance December 31, 2011		<u>\$ 19,959</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-14

	<u>REF.</u>		
Balance December 31, 2010:			
School Tax Payable		\$ 588,132	
School Tax Deferred	A	<u>5,520,004</u>	\$ 6,108,136
Increased by:			
Levy - School Year July 1, 2011 to June 30, 2012	A-6	<u>11,807,002</u>	<u>17,915,138</u>
Decreased by:			
Payments	A-4	<u>11,883,238</u>	
Balance December 31, 2011:			
School Tax Payable	A	\$ 511,896	
School Tax Deferred		<u>5,520,004</u>	<u>\$ 6,031,900</u>
2011 Liability for Local District School Tax:			
Tax Paid			\$ 11,883,238
Tax Payable 12/31/11			<u>6,031,900</u>
			17,915,138
Less -- Tax Payable 12/31/10			<u>6,108,136</u>
Amount Charged to 2011 Operations	A-1		<u>\$ 11,807,002</u>

CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2010:			
School Tax Payable	A	-	
School Tax Deferred		<u>\$ 3,227,166</u>	\$ 3,227,166
Increased by:			
Levy - School Year July 1, 2011 to June 30, 2012	A-6	<u>6,985,439</u>	
			10,212,605
Decreased by:			
Payments	A-4	<u>6,719,885</u>	
Balance December 31, 2011:			
School Tax Payable	A	265,554	
School Tax Deferred		<u>\$ 3,227,166</u>	<u>\$ 3,492,720</u>
2011 Liability for Regional District School Tax:			
Tax Paid			\$ 6,719,885
Add -- Tax Payable 12/31/11			<u>3,492,720</u>
			10,212,605
Less -- Tax Payable 12/31/10			<u>3,227,166</u>
Amount Charged to 2011 Operations	A-1		<u><u>\$ 6,985,439</u></u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-16

REF.

Increased by:

Levy - 2011
Added Levy

A-1:A-6	\$ 682,766	
A-1:A-6	<u>2,125</u>	<u>\$ 684,891</u>
		684,891

Decreased by:

Payments to Other Trust Fund

A-4		<u>682,766</u>
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Balance December 31, 2011

A		<u>\$ 2,125</u>
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CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-17

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 5,989
Increased by:		
Received in Cash From State	A-4	<u>45,084</u>
		51,073
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 2,834
Veterans Deductions per Tax Billings		42,250
Sr and Vet Disallowed		<u>-</u>
		<u>45,084</u>
Balance December 31, 2011	A	<u>\$ 5,989</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-18

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/10</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/11</u>
Clean Communities		\$ 21,055	\$ 20,943	\$ 112	
State Forestry Grant		7,000	7,000		
Recycling Grant - CH 159		3,724	3,724		
Body Armor Grant	\$ 278		278		
Highlands Grants	24,483		21,212		\$ 3,271
Juvenile Accountability Incentive Block Grant	1,727				1,727
Totals	26,488	\$ 31,779	\$ 53,157	\$ 112	\$ 4,998
REF.	A	A-2	A-4	A-1	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/10</u>	TRANSFER FROM 2011 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>12/31/11</u>
Clean Communities - CY 11		\$ 21,055	\$ 11,732	\$ 9,323
Clean Communities - CY 10	\$ 13,695			13,695
Tonnage Grant	1,370	3,724	3,724	1,370
Storm Water Management Grant - 2008	3,787		2,296	1,491
Body Armor Replacement Fund		1,288	751	537
US Forest Service Grant	236	7,000	7,000	236
Totals	\$ 19,088	\$ 33,067	\$ 25,503	\$ 26,652
	A	A-3	A-4	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/10</u>	TRANSFER TO 2011 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/11</u>
Body Armor Replacement Fund	\$ 1,288	\$ 1,288	\$ 1,074	\$ 1,074
Recycling Grant			4,442	4,442
Totals	<u>\$ 1,288</u>	<u>\$ 1,288</u>	<u>\$ 5,516</u>	<u>\$ 5,516</u>
	A	A-20	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TREES

	A-21
	<u>REF.</u>
Balance December 31, 2010	<u>\$ 45,356</u>
Balance December 31, 2011	A <u>\$ 45,356</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS AND OUTSIDE LIENS DUE OTHER TRUST FUND

A-22

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 80,050
Increased by:		
Receipts-Liens	A-5	\$ 101,228
Receipts-Premiums	A-5	<u>92,900</u> <u>194,128</u>
		274,178
Decreased by:		
Payments-Liens	A-4	101,228
Payments-Premiums	A-4	<u>22,700</u> <u>123,928</u>
Balance December 31, 2011	A	<u>\$ 150,250</u>
<u>Detail:</u>		
Tax Sale Premiums		\$ 150,250
Outside Liens		<u>-</u>
		<u>\$ 150,250</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE DONATIONS

A-23

REF.

Balance December 31, 2010	A	\$ 1,278
Increased by:		
Receipts	A-4	<u> 700</u> 1,978
Decreased by:		
Expenses	A-4	<u>\$ 1,978</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS

A-24

REF.

Balance December 31, 2010 A \$ 2,680

Increased by:

 Various A-4 1,794

Balance December 31, 2011 A \$ 4,474

Detail:

DDEF \$ 2,680

Various 1,794

\$ 4,474

CURRENT FUND
SCHEDULE OF RESERVE FOR ADDITIONAL AID TO FIRE COMPANIES

A-25

REF.

Balance December 31, 2010

A

\$ 39,747

Balance December 31, 2011

A

\$ 39,747

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

	A-26
	<u>REF.</u>
Balance December 31, 2010	A \$ 100
Increased by:	
Receipts	A-4 <u> 325</u>
	425
Decreased by:	
Expenditures	A-4 <u> 350</u>
Balance December 31, 2011	A \$ <u> 75</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - DCA FEES PAYABLE

A-27

	<u>REF.</u>	
Balance December 31, 2010	A	\$ 3,995
Increased by:		
Fees	A-4	<u>21,661</u>
		25,656
Decreased by:		
Payments - State of New Jersey	A-4	<u>21,108</u>
Balance December 31, 2011	A	<u>\$ 4,548</u>

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>		<u>OTHER</u>
	<u>REF.</u>	<u>LICENSES</u>		<u>OTHER</u>
Balance December 31, 2010	B	\$ 1,041	\$	723,212
Increased by Receipts:				
Dog License Fees	B-3	11,874		
State Dog License Fees	B-4	1,774		
Amount Due Current Fund	B-5	24		
Developers Escrow Deposits	B-7			579,685
Unemployment Trust	B-8			14,282
Whittemore Trust Deposits	B-9			26,143
Accumulated Leave Deposits	B-10			741
Developers Housing Deposits	B-11			49,904
Open Space Deposits	B-12			684,032
Outside Police Duty	B-13			3,039
		<hr/>		<hr/>
Total Receipts		13,672		1,357,826
		<hr/>		<hr/>
		14,713		2,081,038
Decreased by Disbursements:				
Administrative Expenses	B-3	7,404		
State Dog License Fees	B-4	1,778		
Amount Due Current Fund	B-5/6	28		
Developers Escrow Deposits	B-7			218,752
Unemployment Trust	B-8			2,882
Whittemore Trust Deposits	B-9			25,207
Accumulated Leave Deposits	B-10			594
Developers Housing Deposits	B-11			55,717
Open Space Deposits	B-12			558,592
Outside Police Duty	B-13			2,363
		<hr/>		<hr/>
Total Disbursements		9,210		864,107
		<hr/>		<hr/>
Balance December 31, 2011	B	\$ 5,503	\$	1,216,931

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>		
Balance December 31, 2010	B	\$	1,001
Increased by:			
Dog License Fees Collected	B-2		11,874
			12,875
Decreased by:			
Administrative Expenses	B-2		7,404
Balance December 31, 2011	B	\$	5,471

LICENSE FEES COLLECTED

CY 2009	\$		11,425
CY 2010			12,101
			\$ 23,526

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 12
Increased by:		
Collected in 2011:		
State Board of Health Fees	B-2	<u>1,774</u> 1,786
Decreased By:		
Payments	B-2	<u>1,778</u>
Balance December 31, 2011	B	<u>\$ 8</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 28
Increased by:		
Interest Credits Due Current Fund	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 40px; margin-right: 5px;"></div> 24 </div>
		52
Decreased by:		
Interfund Returned	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 40px; margin-right: 5px;"></div> 28 </div>
Balance December 31, 2011	B	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 3px double black; width: 40px; margin-right: 5px;"></div> 24 </div>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

REF.

Increased by:

Added/Omitted Taxes Due to Municipal Open Space Fund	B-12	\$ 2,125	
Tax Sale Premiums Received in Current Fund and Due Trust Fun	B-15	<u>150,250</u>	\$ <u>152,375</u>
			152,375
 Balance December 31, 2011	 B		 <u>\$ 152,375</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 224,858
Increased by:		
Escrow Deposits	B-2	<u>579,685</u>
		804,543
Decreased by:		
Escrow Refunds	B-2	<u>218,752</u>
Balance December 31, 2011	B	<u>\$ 585,791</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-8

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 43,801
Increased by:		
Receipts	B-2	<u>14,282</u>
		58,083
Decreased by:		
Quarterly Unemployment Charges	B-2	<u>2,882</u>
Balance December 31, 2011	B	<u>\$ 55,201</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WHITTEMORE TRUST DEPOSITS
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 28
Increased by:		
Escrow Deposits	B-2	<u>26,143</u>
		26,171
Decreased by:		
Escrow Refunds	B-2	<u>25,207</u>
Balance December 31, 2011	B	<u>\$ 964</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 213,887
Increased by:		
Escrow Deposits	B-2	<u> 741</u> 214,628
Decreased by:		
Escrow Refunds	B-2	<u> 594</u>
Balance December 31, 2011	B	<u>\$ 214,034</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 46,526
Increased by:		
Escrow Deposits	B-2	<u>49,904</u>
		96,430
Decreased by:		
Escrow Refunds	B-2	<u>55,717</u>
Balance December 31, 2011	B	<u>\$ 40,713</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

B-12

	<u>REF.</u>		
Balance December 31, 2010	B		\$ 193,551
Increased by:			
Open Space Levy	B-2	\$ 682,766	
Open Space Levy - Added	B-6	2,125	
Interest Credits	B-2	<u>1,266</u>	<u>686,157</u>
			879,708
Decreased by:			
Open Space Debt Service on Bond Anticipation Notes - Principal Only	B-2	550,000	
Open Space Expenses, net of Reimbursements	B-2	<u>8,592</u>	<u>558,592</u>
Balance December 31, 2011	B		<u>\$ 321,116</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE POLICE DUTY DEPOSITS

B-13

	<u>REF.</u>	
Balance December 31, 2010	B	\$ 2
Increased by:		
Police Deposits	B-2	<u>3,039</u>
		3,041
Decreased by:		
Police Refunds	B-2	<u>2,363</u>
Balance December 31, 2011	B	<u>\$ 678</u>

TRUST FUND
SCHEDULE OF RESERVE FOR RUTHE MUELLER TRUST

B-14

	<u>REF.</u>
Balance December 31, 2010	B <u>\$ 559</u>
Balance December 31, 2011	B <u><u>\$ 559</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS DEPOSITS

B-15

REF.

Increased by:

Tax Sale Premiums	B-6	<u>\$ 150,250</u> 150,250
Balance December 31, 2011	B	<u>\$ 150,250</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2010	C		\$ 2,101,416
Increased by Receipts:			
Premiums Received on Bon Anticipation Notes	C-1	\$ 84,895	
Reimbursements received for Debt Service Reserve	C-13	189,250	
Reimbursement from Current Fund - Prior Year Interfund Balance	C-3	88,792	
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-8	450,000	
Funding from Utility Capital Fund for Ordinance # 02-2011	C-8	20,000	
Interest Credits	C-3	5,744	<u>838,681</u>
			2,940,097
Decreased by Disbursements:			
Payment to Current Fund for Interest Credits	C-3	4,936	
Prior Year Encumbrances Paid	C-7	118,851	
Improvements Authorizations Paid	C-11	524,234	
Refund of Reserve - Overpayment	C-13	1,000	
Debt Service Reserve Anticipated as Revenue in Current Fund Budget	C-13	<u>1,373,527</u>	<u>2,022,548</u>
Balance December 31, 2011	C		<u><u>\$ 917,549</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>		
Balance December 31, 2010	C	\$	(88,792)
Increased by:			
Interest Credits	C-2	\$	5,744
Reimbursement from Current Fund - Prior Year Interfund Balance	C-2		<u>88,792</u>
			<u>94,536</u>
			5,744
Decreased by:			
Payment of Interest Credits to Current Fund	C-2		4,936
Deferred Charges Appropriated in Current Fund Budget	C-6		<u>110,313</u>
			<u>115,249</u>
Balance December 31, 2011	C	\$	<u>(109,505)</u>

GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

C-4

REF.

Balance December 31, 2010	C	<u>\$ 313,000</u>
Balance December 31, 2011	C	<u>\$ 313,000</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	C-5
Balance December 31, 2010	C	\$ 11,852,939
Decreased by:		
2011 Budget Appropriations - Loans Payable	C-9	\$ 120,571
2011 Budget Appropriations - Bond Principal	C-12	<u>843,000</u> <u>963,571</u>
Balance December 31, 2011	C	<u>\$ 10,889,368</u>

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

C-6

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/10	BUDGET APPROPRIATION DEFERRED CHARGES	PAID BY MUNICIPAL OPEN SPACE TRUST FUND	BALANCE 12/31/11	ANALYSIS OF BALANCE	
						BOND ANTI- ANTICIPATION NOTES	BONDS/NOTES AUTHORIZED NOT ISSUED
N/A	Acquisition of Development Easements	\$ 485			\$ 485		485
21-1998	Purchase of Gurasich Property	50,000			50,000		50,000
19-2005	Various Capital Improvements	1,187,000			1,187,000	1,187,000	-
21-2001	Various Road Improvements	0			-		-
16-2003	Acquisition of Easement in Real Property	873,100	42,664	\$ 100,000	730,436	602,443	127,993
22-2003	Purchase of Parcels of Real Estate	1,727,197	47,700	125,000	1,554,497	1,411,399	143,098
23-2003	Purchase of First Aid Squad Building	108,027	3,749		104,278	93,031	11,247
15-2005	Various Improvements	504,697	16,200		488,497	439,897	48,600
17-2005	Acquisition of Easement in Real Property	232,125		25,000	207,125	207,125	-
05-2006 (Amended by 03-2007)	Acquisition of Easements in Real Estate	892,646		75,000	817,646	817,646	-
07-2006	Various Improvements	677,226			677,226	677,226	-
14-2006	Acquisition of Easements in Real Property	1,410,750		125,000	1,285,750	1,285,750	-
06-2007	Acquisition of Easements in Real Property	758,370		100,000	658,370	658,370	-
07-2007	Various Capital Improvements	2,619,294			2,619,294	2,619,294	-
		\$ 11,040,917	\$ 110,313	\$ 550,000	\$ 10,380,604	\$9,999,181	\$381,423

REF.

C

C-3

C-10

C

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-7

	<u>REF.</u>	
Balance December 31, 2010	C	\$ 118,851
Increased by:		
Improvement Authorization Purchase Orders Issued	C-11	<u>8,312</u>
		127,163
Decreased by:		
Payment of Prior Year Encumbrances	C-2	<u>118,851</u>
Balance December 31, 2011	C	<u>\$ 8,312</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	<u>REF.</u>	
Balance December 31, 2010	C	\$ 155,910
Increased by:		
2011 Budget Appropriations	C-2	\$ 450,000
Funding from Utility Capital Fund for Ordinance # 02-2011	C-2	<u>20,000</u>
		<u>470,000</u>
		625,910
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-11	<u>470,000</u>
Balance December 31, 2011	C	<u>\$ 155,910</u>

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY LOAN PROGRAMS

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/10</u>	<u>DECREASED</u>	<u>BALANCE 12/31/11</u>
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2012-2012	\$133,427 to \$69,077	2.0%	\$ 69,077	\$ 69,077	
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2012-2021	\$24,124 to \$30,631	2.0%	305,636	25,104	\$ 280,532
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	11/1/1995	2012-2015	\$10,000 to \$15,000	None	75,000	15,000	60,000
New Jersey Wastewater Treatment Fund Loan Program New Jersey Environmental Infrastructure Trust	11/1/1995	2012-2015	\$9,158 to \$11,389	4.0% to 5.5%	52,226	11,390	40,836
					\$ 501,939	\$ 120,571	\$ 381,368
REF.					C	C-5	C

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE 12/31/10	DECREASED	BALANCE 12/31/11
16-2003	Acquisition of Easement in Real Property	11/19/03	6/21/11	6/20/12	1.25%	\$ 702,443	\$ 100,000	\$ 602,443
22-2003	Purchase of Parcels of Real Estate	11/19/03	6/21/11	6/20/12	1.25%	1,536,399	125,000	1,411,399
23-2003	Purchase of First Aid Squad Building	11/19/03	6/21/11	6/20/12	1.25%	93,031		93,031
19-2005	Various Improvements	6/17/09	6/21/11	6/20/12	1.25%	1,187,000		1,187,000
15-2005	Various Capital Improvements	8/09/05	6/21/11	6/20/12	1.25%	439,897		439,897
17-2005	Acquisition of Easement in Real Property	8/09/05	6/21/11	6/20/12	1.25%	232,125	25,000	207,125
5-2006	Acquisition of Easements in Real Estate	8/09/05	6/21/11	6/20/12	1.25%	563,371	50,000	513,371
7-2006	Various Capital Improvements	8/09/05	6/21/11	6/20/12	1.25%	677,226		677,226
14-2006	Acquisition of Easements in Real Estate	10/16/07	6/21/11	6/20/12	1.25%	1,410,750	125,000	1,285,750
05-2006 (Amended by 3- 2007)	Acquisition of Easements in Real Estate	10/16/07	6/21/11	6/20/12	1.25%	329,275	25,000	304,275
06-2007	Acquisition of Easements in Real Estate	10/16/07	6/21/11	6/20/12	1.25%	758,370	100,000	658,370
07-2007	Various Capital Improvements	10/16/07	6/21/11	6/20/12	1.25%	2,619,294		2,619,294
						\$ 10,549,181	\$ 550,000	\$ 9,999,181
REF.						C	C-6	C

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-11

<u>IMPROVEMENT DESCRIPTION</u>	<u>NO.</u>	<u>ORDINANCE DATE</u>	<u>AMOUNT</u>	<u>BALANCE 12/31/10</u>		<u>CAPITAL IMPROVEMENT FUND</u>	<u>CANCELED</u>	<u>PAID OR CHARGED</u>	<u>BALANCE 12/31/11</u>	
				<u>FUNDED</u>	<u>UNFUNDED</u>				<u>FUNDED</u>	<u>UNFUNDED</u>
Acquisition of Easements in Real Estate	14-2006	7/25/06	1,500,000		\$ 142,000		\$ 141,860	\$ 140		
Open Space Acquisition and Emergency Service Comm.	16-2006	9/12/06	310,000	\$ 24,045					\$ 24,045	
Acquisition of Easements in Real Estate	06-2007	5/22/07	806,350		143,000		149,968	(6,968)		
Various Capital Improvements	07-2007	5/22/07	3,085,000		197,492			149,125		\$ 48,367
Sanitary Sewer Force Main Repair	02-2011	2/22/11	20,000			\$ 20,000		20,000		
Road Improvements, Stormwater Improvements, Public Buildings and Grounds Improvements	06-2011	5/10/11	450,000			450,000		365,175	84,825	
				\$ 24,045	\$ 482,492	470,000	\$ 291,828	\$ 527,472	\$ 108,870	\$ 48,367
REF.				C	C	C-8	C-1		C	C

Cash Disbursements	C-2	\$ 524,234
Transfer from Reserves	C-13	(5,074)
Encumbrances	C-7	8,312
		<u>\$ 527,472</u>

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-12

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/10</u>	<u>DECREASED</u>	<u>BALANCE 12/31/11</u>
Refunding Bonds of 2005	6/30/05	\$ 5,485,000	8/1/12	310,000	4.500%	\$ 4,470,000	460,000	\$ 4,010,000
			8/1/12 *	145,000	3.375%			
			8/1/13	500,000	4.500%			
			8/1/14	500,000	5.000%			
			8/1/15	500,000	5.000%			
			8/1/16	525,000	5.000%			
			8/1/17	300,000	5.000%			
			8/1/17 *	225,000	4.000%			
			8/1/18	520,000	4.000%			
			8/1/19	485,000	4.000%			
General Improvement Bonds Series 2006	1/12/06	\$ 1,880,000	1/1/12	137,000	4.000%	1,400,000	133,000	1,267,000
			1/1/13	143,000	4.000%			
			1/1/14	149,000	4.000%			
			1/1/15	154,000	4.000%			
			1/1/16	161,000	3.600%			
			1/1/17	168,000	3.650%			
			1/1/18	174,000	3.700%			
1/1/19	181,000	3.750%						
Open Space Bonds Series 2006	1/12/06	\$ 6,396,000	1/1/12	260,000	4.000%	5,481,000	250,000	5,231,000
			1/1/13	275,000	4.000%			
			1/1/14	285,000	4.000%			
			1/1/15	295,000	4.000%			
			1/1/16	305,000	3.600%			
			1/1/17	320,000	3.650%			
			1/1/18	330,000	3.700%			
			1/1/19	345,000	3.750%			
			1/1/20	360,000	3.800%			
			1/1/24 *	1,590,000	3.950%			
			1/1/26 *	866,000	4.050%			

\$ 11,351,000	\$ 843,000	\$ 10,508,000
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C

C-5

C

* - Term Bond

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-13

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/10</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/11</u>
Municipal Facilities	\$ 74			\$ 74
Offsite/Ontract Improvements	5,000			5,000
Debt Service	1,479,174	\$ 189,250	\$ 1,379,601	288,823
	<u>\$ 1,484,248</u>	<u>\$ 189,250</u>	<u>\$ 1,379,601</u>	<u>\$ 293,897</u>

REF.

C

C-2

C

C-2	\$ 1,373,527
C-2	1,000
C-11	<u>5,074</u>
	<u><u>\$ 1,379,601</u></u>

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

<u>HUNTERS GLEN</u>	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2010	D	\$ 34,262	\$ 23,100
Increased by Receipts:			
Water Rents	D-5	\$ 66,419	
Capital Improvement Fund	D-3		
Interfunds Returned from Operating Fund	D		
Interest on Investment income	D-2	<u>219</u>	<u>66,638</u>
		100,900	- 23,100
Decreased by Disbursements:			
2010 Appropriation Reserve	D-7	2,613	
Interfund Advance	D-1	-	
2011 Appropriations	D-3	<u>63,940</u>	<u>66,553</u>
			- -
Balance December 31, 2011	D	<u>\$ 34,347</u>	<u>23,100</u>

<u>OLDWICK</u>	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2010	D	\$ 38,766	\$ 92,609
Increased by Receipts:			
Water Rents	D-5	\$ 108,282	
Capital Improvement Fund	D-3		
Interfunds Returned from Operating Fund	D		
To Finance Improvement Authorizations	D-11		
Interest on Investment income	D-2	<u>3,222</u>	<u>111,504</u>
		150,270	- 92,609
Decreased by Disbursements:			
2010 Appropriation Reserve	D-7	5,326	
To Finance Improvement Authorizations	D-11		\$ 20,000
Interfund Advance	D-1	-	
2011 Appropriations	D-3	<u>94,846</u>	<u>100,172</u>
			- 20,000
Balance December 31, 2011	D	<u>\$50,098</u>	<u>\$72,609</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Increased by Receipts:				
Prepaid Rents	D	\$ 2,021	\$ 17	\$ 2,038
Consumer Accounts Receivable Collections	D-6	<u>64,398</u>	<u>108,265</u>	<u>172,663</u>
		66,419	108,282	174,701
Decreased by Disbursements:				
Payment to Treasurer	D-4	<u>\$ 66,419</u>	<u>\$ 108,282</u>	<u>\$ 174,701</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

		HUNTERS			
	REF.	GLEN	OLDWICK	TOTAL	
Balance December 31, 2010	D	\$ 2	\$ 2,828	\$ 2,830	
Increased by:					
Water Rents Levied		66,641	110,025	176,666	
		66,643	112,853	179,496	
Decreased by:					
Pre-Paid in 2011	D-2	1,601	360	1,961	
Collection	D-2:5	64,398	108,265	172,663	
		65,999	108,625	174,624	
Balance December 31, 2011	D	644	4,228	4,872	

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2010

D-7

HUNTER'S GLEN

	<u>BALANCE</u> <u>12/31/10</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 2,060	\$ 2,060		\$ 2,060
Other Expenses	2,641	2,641	\$ 2,613	28
DEP Permits	50	50		50
TOTALS	<u>\$ 4,751</u>	<u>\$ 4,751</u>	<u>\$ 2,613</u>	<u>\$ 2,138</u>

REF. D D-4 D-1

Appropriation Reserves	\$ 4,138
Encumbrances	<u>613</u>
	<u>\$ 4,751</u>

OLDWICK

	<u>BALANCE</u> <u>12/31/10</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses	\$ 18,325	\$ 18,325	\$ 5,326	\$ 12,999
DEP Permits	730	730		730
TOTALS	<u>\$ 19,055</u>	<u>\$ 19,055</u>	<u>\$ 5,326</u>	<u>\$ 13,729</u>

REF. D D-4 D-1

Appropriation Reserves	\$ 15,386
Encumbrances	<u>3,669</u>
	<u>\$ 19,055</u>

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2011

D-8

	<u>Balance December 31, 2010</u>		<u>FIXED CAPITAL</u>	<u>Balance December 31, 2011</u>	
	<u>Hunters Glen</u>	<u>Oldwick</u>	<u>ADDITIONS</u>	<u>Hunters Glen</u>	<u>Oldwick</u>
Land Acquisition		\$ 91,720			\$ 91,720
Wind Monitoring Device		10,000			10,000
Monitoring Well	\$ 6,000			\$ 6,000	
Sanitary Sewer System		816,395			816,395
Emergency Power/Alarm		13,000			13,000
Hunter's Glen Generator	30,000			30,000	
	\$ 36,000	\$ 931,115	-	\$ 36,000	\$ 931,115

REF.	D	D		D	D
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SEWER UTILITTY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/10</u>	<u>BALANCE 12/31/11</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITTY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE FUNDED 12/31/10</u>	<u>BALANCE FUNDED 12/31/11</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
2010-07	Oldwick Sewer Improvements	9/14/10	6,609	6,609
			<u>\$ 26,609</u>	<u>\$ 26,609</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND

D-11

		HUNTERS		<u>TOTAL</u>
	<u>REF.</u>	<u>GLEN</u>	<u>OLDWICK</u>	
Balance December 31, 2010	D	\$ 23,100	\$ 66,000	\$ 89,100
Increased by:				
2011 Budget Appropriation	D-3	-	-	-
		23,100	66,000	89,100
Decreased by:				
Appropriation to Finance Improvement Authorizations	C-11	-	20,000	20,000
Balance December 31, 2011	D	<u>\$ 23,100</u>	<u>\$ 46,000</u>	<u>\$ 69,100</u>

SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2010	D	\$ 36,000	\$ 783,331	\$ 819,331
Increased by:				
General Electric Loan Paid by Sewer Operating Budget	D-3	-	13,418	13,418
		<u>36,000</u>	<u>796,749</u>	<u>832,749</u>
Balance December 31, 2011	D	<u>\$ 36,000</u>	<u>\$ 796,749</u>	<u>\$ 832,749</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/10</u>	<u>BALANCE 12/31/11</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF LOANS PAYABLE

D-14

	<u>REF.</u>	<u>OLDWICK</u>
Balance December 31, 2010	D	\$147,784
Decreased by:		
Principal Payments	D-12	<u>13,418</u>
Balance December 31, 2011	D	<u>\$134,366</u>

Schedule of Principal and Interest Payments

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 14,098	\$ 6,544	\$ 20,642
2013	14,812	5,831	20,643
2014	15,561	5,081	20,642
2015	16,349	4,393	20,742
2016	17,177	3,465	20,642
2017	18,046	2,596	20,642
2018	18,960	1,682	20,642
2019	19,363	722	20,085
	<u>\$ 134,366</u>	<u>\$ 30,314</u>	<u>\$ 164,680</u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2010	E	\$ 8,652	\$ 8,652
Increased by Receipts:			
Interest Credits		30	30
Total Receipts		30	30
		8,682	8,682
Balance December 31, 2011	E	\$ 8,682	\$ 8,682

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2011

F-1

	<u>BALANCE</u> <u>12/31/10</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/11</u>
General Fixed Assets:				
Land and Buildings	\$ 37,075,102			\$ 37,075,102
Machinery and Equipment	9,423,196			9,423,196
Total General Fixed Assets	<u>\$ 46,498,298</u>	-	-	<u>\$ 46,498,298</u>
 Investment In General Fixed Assets	 <u>\$ 46,498,298</u>	 -	 -	 <u>\$ 46,498,298</u>

**PART III
SUPPLEMENTARY INFORMATION**

GENERAL COMMENTS

SCHEDULE OF FEDERAL/STATE AWARDS

STATUS OF PRIOR AUDIT FINDINGS

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS-
GENERAL FINDINGS**

GENERAL COMMENTS

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Tewksbury, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

a.

When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b.

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

c.

Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection **a.** of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

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 determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory thresholds "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2010, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2011, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 1, 2011 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2011, include real property taxes from the 2011, 2010, 2009, 2008, 2007, 2006 and 2005 tax levy.

The last tax sale was held on October 27, 2011 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	8
2010	8
2009	8

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

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 17, 2011. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

<u>Verification Type</u>	<u>Type of Receivable - Real Property Tax</u>		<u>Date of Circulars - November 17, 2011-Real Estate</u>	
	<u>Request Form</u>	<u>Total No. of Items</u>	<u>Total No. of Circular</u>	<u>Total No. Returned</u>
2011 Property Tax	Positive	3,150	60	19
2012 Property Tax	Positive	3,150	60	19
2011 Delinquent Tax	Negative	348	25	7

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Tewksbury to these new directives are as follows:

<u>Requirement</u>	FY 2011 Required	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
CURRENT FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2011</u>	<u>%</u>	<u>YEAR 2010</u>	<u>%</u>
Fund Balance Utilized	\$ 2,368,000	6.70%	\$ 3,368,000	9.49%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,860,095	8.09%	2,386,426	6.72%
Collection of Delinquent Taxes and				
Tax Title Liens	318,824	0.90%	437,513	1.23%
Collection of Current Tax Levy	<u>29,802,043</u>	<u>84.31%</u>	<u>29,303,277</u>	<u>82.56%</u>
Total Income	<u>35,348,962</u>	<u>100.00%</u>	<u>35,495,216</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	7,721,098	23.11%	8,088,488	24.13%
County Taxes	6,097,340	18.25%	6,289,686	18.76%
Local and Regional Taxes	18,792,441	56.24%	18,351,446	54.74%
Municipal Open Space Tax	684,891	2.05%	683,540	2.04%
Deferred Charges	110,313	0.33%	110,353	0.33%
Other Expenditures	<u>9,110</u>	<u>0.03%</u>	<u>1,162</u>	<u>0.00%</u>

Total Expenditures	<u>\$33,415,193</u>	<u>100.00%</u>	<u>\$33,524,675</u>	<u>100.00%</u>
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Excess (Deficit) Revenue Over Expenditures	1,933,769		1,970,541	
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Fund Balance January 1	6,470,750		7,868,209	
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Less:

Utilization as Anticipated Revenue	<u>2,368,000</u>		<u>3,368,000</u>	
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Fund Balance December 31	<u>\$ 6,036,519</u>		<u>\$ 6,470,750</u>	
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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2011</u>	<u>%</u>	<u>YEAR 2010</u>	<u>%</u>
Operating Surplus	\$ 27,150	12.28%	\$ 56,187	20.41%
Rents	174,623	78.99%	175,469	63.75%
Miscellaneous	3,441	1.56%	2,002	0.73%
Other Credits to Income	<u>15,867</u>	<u>7.18%</u>	<u>41,570</u>	<u>15.10%</u>
Total Income	221,081	100.00%	275,228	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>198,200</u>	100.00%	<u>243,623</u>	100.00%
Excess in Revenue	22,881		31,605	
Fund Balance January 1	47,262		71,844	
Less:				
Utilization as Anticipated Revenue	<u>27,150</u>		<u>56,187</u>	
Fund Balance December 31	<u>\$ 42,993</u>		<u>\$ 47,262</u>	

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	<u>\$2.205</u>	<u>\$2.172</u>	<u>\$2.221</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.333	\$0.325	\$0.311
Municipal Open Space Tax	\$0.050	\$0.050	\$0.050
County	\$0.446	\$0.459	\$0.474
Local School	\$0.865	\$0.865	\$0.868
Regional High School	\$0.512	\$0.473	\$0.518

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2011	\$1,365,531,185
2010	\$1,364,689,619
2009	\$1,359,471,715

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>Collections</u>	<u>Percentage of Collections</u>
2011	\$30,204,265	\$29,802,044	98.66%
2010	\$29,735,461	\$29,303,277	98.54%
2009	\$30,336,059	\$29,860,845	98.43%

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$41,299	\$308,997	\$350,296	1.16%
2010	\$38,940	\$315,400	\$354,340	1.19%
2009	\$36,616	\$427,538	\$464,154	1.53%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2011 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

<u>Current Fund</u>		Utilized	
<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>In Budget of Succeeding Year</u>	
		<u>Regular</u>	
2011	\$ 6,036,519	\$	2,368,000
2010	\$ 6,470,750	\$	2,368,000
2009	\$ 7,868,209	\$	3,368,000
2008	\$ 9,681,336	\$	3,368,000
2007	\$ 11,641,950	\$	2,772,454

Sewer Utility Fund

2011	\$ 42,993	\$	28,884
2010	\$ 47,262	\$	27,150
2009	\$ 71,844	\$	56,187
2008	\$ 110,981	\$	59,799
2007	\$ 132,309	\$	52,999

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</u> <u>Bond</u>	<u>Name</u> <u>Of Corporate Surety</u>
Peter Melick	Mayor		
Louis DiMare	Committeeperson		
Dana Desiderio	Committeeperson		
Shaun C. Van Doren	Committeeperson		
William Voyce	Committeeperson		
Jesse W. Landon	Administrator		
Roberta Brassard	Township Clerk; Assessment Search Officer		
Katherine Winzenreid Ciarlariello	Tax Collector; Sewer Collector; Tax Search Officer	\$250,000	Selective Insurance Co.

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Judie A. McGrorey	Certified Municipal Finance Officer	\$250,000	Selective Insurance Co.
Ann Marie Obiedzinski	Assessor		
Michael Selvaggi	Attorney		
Charles Rogers	Construction Official		
Thomas Anderson	Fire Sub-Code Official		
Robert O'Conner	Plumbing Sub-Code Official		
Shana L. Goodchild	Land Use Administrator		
Randall Benson	Zoning/Housing Officer		

The minimum bond coverage required for the Tax Collector and the Municipal Court personnel based on their respective prior years' tax levies and Court income, would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2011	\$153,839

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$250,000. provided by the National Union Fire Insurance Company of Pittsburgh, Pa.

All the bonds were examined and were properly executed.

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
N/A

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/11	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/11
<u>DEPT. OF LAW AND PUBLIC SAFETY</u>									
Body Armor Grant	N/A	\$ 1,074	2010	A		\$ 1,074			\$ 1,074
Body Armor Grant	N/A		2010	A	\$ 1,010	278		\$ 751	537
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	20,943	2011 2010	A A		20,943	\$ 112	11,732	9,323 13,695
Storm Water Management Grant	N/A	N/A	2006	A	3,787			2,296	1,491
Recycling Tonnage Grant			2011 2008	A A		8,166 1,370		3,724	4,442 1,370
<u>DEPT. OF HUMAN SERVICES</u>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	8,652	30			8,682
<u>OTHER STATE AIDS</u>									
US Forest Service Grant	N/A	N/A	N/A	A	236	7,000		7,000	236
Juvinile Accountability Block Grant	N/A	N/A	N/A	A	(1,727)				(1,727)
Highlands Grant	N/A	N/A	N/A	A	(24,483)	21,212			(3,271)
TOTAL STATE ASSISTANCE					\$ 2,540	\$ 58,703	\$ 112	\$ 25,503	\$ 35,852

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY
Occurrence

N/A

SCHEDULE OF FINDINGS AND RECOMMENDATIONS-
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

GENERAL FINDINGS

Reportable Conditions

Segregation of Duties:

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Certain functions are handled by one person. While this situation is not unusual in operations the size of the municipality, management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. In order to mitigate segregation of duties control risk, the municipality has segregated the check signing and purchase order issuance functions.

My audit did not reveal any errors or irregularities resulting from lack of segregation of employees duties and responsibilities.

Findings and Recommendations

N/A

(*) Prior Year Finding