

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

WITH
REPORT OF INDEPENDENT AUDITORS

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**



**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

HODULIK & MORRISON, P.A.
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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Piscataway
County of Middlesex, New Jersey

We have audited the accompanying balance sheets – regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2011 and the related statements of operations and changes in fund balance – regulatory basis for the year then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2011, which collectively comprise of the Township's financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, The Township of Piscataway prepares its financial statements in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget, bonding and fiscal affairs laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, which practices differ from accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the prescribed regulatory basis of accounting as described in the preceding paragraph is utilized by the Township of Piscataway, County of Middlesex, New Jersey for the purpose of financial statement preparation, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Piscataway, County of Middlesex, New Jersey as of December 31, 2011, the changes in its financial position, or where applicable, its cash flows of its proprietary funds for the year then ended.

Further, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, New Jersey as of December 31, 2011 and the related statements of operations and changes in fund balance – regulatory basis for the year then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 2.

In accordance with Government Auditing Standards, we have also issued a report dated September 4, 2012 on our consideration of the Township of Piscataway's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.


Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part II – Supplementary Schedules and Part III – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The Part II – Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to 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, and in our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part III - Supplementary Data have not been subjected to auditing procedures applied in the audit of the financial statements and, accordingly we do not express an opinion, or provide any assurance on them.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.

Certified Public Accountants

Registered Municipal Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
September 4, 2012

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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

Honorable Mayor and Members
of the Township Council
Township of Piscataway
County of Middlesex, New Jersey

We have audited the financial statements – regulatory basis of the Township of Piscataway as of and for the year ended December 31, 2011, which collectively comprise the Township of Piscataway’s financial statements and have issued our report thereon dated September 4, 2012. Our report expressed an unqualified opinion on the financial statements in conformity with this regulatory basis. Our report also expressed a modified opinion on the conformity of the financial statements to accounting principles generally accepted in the United States of America, due to the differences between those principles and the prescribed regulatory basis, which is more fully described in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Piscataway is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Piscataway’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 of Piscataway’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Piscataway’s internal control over financial reporting.

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 reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis

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FINANCIAL STATEMENTS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2011

<u>ASSETS</u>		<u>BALANCE DEC. 31, 2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>BALANCE DEC. 31, 2011</u>
Cash and Investments - Treasurer	A- 4	\$ 21,310,256.95	Liabilities:		
Cash - Change Fund	A	535.00	Appropriation Reserves	A-3	\$ 2,745,502.01
Due from State of N.J. per Ch. 20, P.L. 1976	A- 6	<u>161,167.34</u>	Reserve for Encumbrances	A-3	2,856,816.91
		<u>21,471,959.29</u>	Prepaid Taxes	A- 7	738,159.34
			Various Payables	A-10	648,382.45
			Various Reserves	A-10	4,096,453.21
			Tax Overpayments	A-14	<u>548.66</u>
Receivables With Offsetting Reserves:					11,085,862.58
Taxes Receivable	A- 7	2,051,333.18	Reserve for Receivables	Reserve	5,221,938.09
Tax Title Liens	A- 7	507,792.66	Fund Balance	A- 1	<u>11,886,096.71</u>
Property Acquired for Taxes (At Assessed Valuation)	A- 7	2,592,900.00			
Revenue Accounts Receivable	A- 8	<u>69,912.25</u>			
		<u>5,221,938.09</u>	Total Regular Fund		<u>28,193,897.38</u>
Deferred Charges:					
Special Emergency	A-15	<u>1,500,000.00</u>			
Total Regular Fund		<u>28,193,897.38</u>			
State and Federal Grant Fund:			State and Federal Grant Fund:		
Cash and Investments - Treasurer	A-4	500,330.98	Reserve for State and Federal Grants:		
Grants Receivable	A-16	<u>1,550,595.22</u>	Appropriated	A-18	1,934,852.87
			Unappropriated	A-19	6,300.00
			Reserve for Encumbrances	A-18	<u>109,773.33</u>
Total State and Federal Grant Fund		<u>2,050,926.20</u>	Total State and Federal Grant Fund		<u>2,050,926.20</u>
		<u>\$ 30,244,823.58</u>			<u>\$ 30,244,823.58</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2011</u>
Fund Balance Utilized	A-1, A-2	\$ 5,817,370.23
Miscellaneous Revenues Anticipated	A-2	11,353,530.20
Receipts from Delinquent Taxes	A-2	2,774,169.58
Non-Budget Revenue	A-2	470,874.31
Receipts from Current Taxes	A-7	140,353,535.91
Other Credits to Income:		
Unexpended Balances of Approp. Reserves	A-9	2,325,648.25
Interfunds:		
Interfunds Returned - Net	A-11	<u>100.20</u>
Total Revenues		<u>163,095,228.68</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations and Emergency Appropriations		
Within "CAP"		
Operations:		
Salaries and Wages	A-3	16,430,995.44
Other Expenses	A-3	16,843,855.11
Deferred Charges and Statutory Expend.	A-3	5,228,899.84
Appropriations Excluded from "CAP"		
Operations:		
Salaries and Wages	A-3	583,209.00
Other Expenses	A-3	5,196,227.81
Capital Improvements	A-3	35,000.00
Municipal Debt Service	A-3	6,443,670.69
Special District Taxes	A-13	3,396,882.00
County Tax	A-13	19,766,605.43
County Open Space Fund	A-13	1,930,192.64
Due County for Added Taxes	A-13	152,958.67
Local District School Taxes	A-13	81,096,555.00
2010 Sr Citizens and Veteran Deductions Disallowed	A-6	9,020.70
Refund Prior Years Revenue	A-4	<u>134,562.47</u>
Total Expenditures		<u>157,248,634.80</u>
Excess in Revenue		5,846,593.88
 <u>FUND BALANCE</u>		
Balance - January 1		<u>11,856,873.06</u>
		17,703,466.94
Decreased by:		
Utilization as Anticipated Revenue	A-1	<u>5,817,370.23</u>
Balance - December 31	A	<u>\$ 11,886,096.71</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	ANTICIPATED CY 2011 <u>BUDGET</u>	APPROP. N.J.S.A. <u>40A:4-87</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 5,817,370.23	\$ _____	\$ 5,817,370.23	\$ _____
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	50,000.00		55,850.00	5,850.00
Other	A-8	74,600.00		94,969.00	20,369.00
Fees and Permits	A-8	281,500.00		535,970.89	254,470.89
Fines and Costs:					
Municipal Court	A-8	825,000.00		874,107.71	49,107.71
Interest and Costs on Taxes	A-5	380,000.00		523,340.72	143,340.72
Interest on Investments and Deposits	A-8	250,000.00		137,789.74	(112,210.26)
Cable Television Franchise Fees	A-8	130,000.00		145,780.56	15,780.56
Reserve for PCTV	A-10	14,000.00		14,000.00	
Hotel and Motel Tax	A-8	253,000.00		310,724.00	57,724.00
Library Fines and Fees	A-8	36,000.00		33,000.00	(3,000.00)
Consolidated Municipal Property Tax Relief Aid	A-8	833,833.00		833,833.00	
Energy Receipts Taxes	A-8	5,024,746.00		5,024,746.00	
Supplemental Energy Receipts Tax				211,494.00	211,494.00
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):					
Uniform Construction Code Fees	A-8	864,000.00		1,309,644.80	445,644.80
Uniform Fire Safety Act	A-8	68,000.00		85,897.06	17,897.06
Public and Private Revenues Offset with Approps.:					
Alcohol Education Rehabilitation Fund	A-11		2,211.32	2,211.32	
Body Armor Fund	A-11		7,657.43	7,657.43	
Clean Communities Program	A-11		77,135.41	77,135.41	
Click It or Ticket	A-11		4,000.00	4,000.00	
Community Development Block Grant	A-11		242,560.00	242,560.00	
COPS in Shop Grant	A-11		2,800.00	2,800.00	
Drive Sober or Get Pulled Over	A-11		5,000.00	5,000.00	
Drunk Driving Enforcement Grant	A-11		24,626.98	24,626.98	
FEMA	A-11		10,000.00	10,000.00	
Law Enforcement Response to Community Concerns Grant	A-11		5,000.00	5,000.00	
Middlesex County Cultural and Heritage Library	A-11	2,625.00		2,625.00	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED CY 2011 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Public and Private Revenues Offset with Approps. (cont'd.):					
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	A-11		6,000.00	6,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-11	44,587.00		44,587.00	
NJ DOT 2011 Municipal Aid Program - Centennial Ave	A-11	300,000.00		300,000.00	
NJ Historical Trust	A-11		150,000.00	150,000.00	
Over the Limit Under Arrest	A-11		4,400.00	4,400.00	
Recycling Tonnage Grant	A-11		221,306.58	221,306.58	
Safe and Secure Communities Program	A-11	<u>52,473.00</u>		<u>52,473.00</u>	
Total Miscellaneous Revenues	A-1	<u>9,484,364.00</u>	<u>762,697.72</u>	<u>11,353,530.20</u>	<u>1,106,468.48</u>
Receipts from Delinquent Taxes	A-1,A-7	<u>1,600,000.00</u>		<u>2,774,169.58</u>	<u>1,174,169.58</u>
Subtotal General Revenues		<u>16,901,734.23</u>	<u>762,697.72</u>	<u>19,945,070.01</u>	<u>2,280,638.06</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-7	33,737,773.00			
Minimum Library Tax	A-7	<u>2,204,133.00</u>			
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>35,941,906.00</u>		<u>36,805,191.66</u>	<u>863,285.66</u>
Budget Totals		<u>52,843,640.23</u>	<u>762,697.72</u>	<u>56,750,261.67</u>	<u>\$ 3,143,923.72</u>
Non-Budget Revenues	A-1,A-8			<u>470,874.31</u>	
		<u>\$ 52,843,640.23</u>	<u>\$ 762,697.72</u>	<u>\$ 57,221,135.98</u>	
	Ref.	A-3	A-3		

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Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>General Government:</u>						
Township Council						
Salaries and Wages	\$ 67,159.00	\$ 67,159.00	\$ 67,159.00	\$ -	\$ -	\$ -
Other Expenses	16,250.00	16,250.00	2,894.27	104.50	13,251.23	
Township Clerk						
Salaries and Wages	218,781.00	194,368.19	194,368.19	-	-	
Other Expenses	13,789.50	27,289.50	21,244.81	5,727.99	316.70	
Elections						
Salaries and Wages	5,000.00	10,000.00	4,693.20	-	5,306.80	
Other Expenses	5,200.00	15,200.00	1,520.97	400.00	13,279.03	
<u>Administration:</u>						
Dept. of Administration						
Salaries and Wages	331,115.05	331,115.05	284,241.32	-	46,873.73	
Other Expenses	75,380.00	75,380.00	72,308.72	737.80	2,333.48	
Division of Personnel						
Salaries and Wages	98,579.00	100,551.00	100,550.70	-	0.30	
Other Expenses	7,115.00	11,115.00	8,926.00	1,280.00	909.00	
Computer Center						
Other Expenses	260,000.00	260,000.00	96,886.91	120,914.30	42,198.79	
Division of Purchasing						
Salaries and Wages	54,385.00	54,385.00	41,489.99	-	12,895.01	
Other Expenses:						
Postage (All Depts.)	60,000.00	60,000.00	56,036.07	-	3,963.93	
Duplicating (All Depts.)	8,000.00	8,000.00	7,314.31	-	685.69	
Miscellaneous Other Expenses	56,036.00	58,036.00	52,509.18	2,908.78	2,618.04	
Municipal Land Use (N.J.S.A. 40:55 D-1):						
Planning Board						
Salaries and Wages	7,650.00	7,064.04	7,064.04	-	-	
Other Expenses	62,037.00	62,037.00	53,700.07	1,523.00	6,813.93	
Zoning Board of Adjustment						
Salaries and Wages	7,650.00	7,063.08	7,063.08	-	-	
Other Expenses	59,475.00	59,475.00	45,219.94	7,002.50	7,252.56	
Planning Development						
Salaries and Wages	402,280.00	395,236.96	395,236.96	-	-	
Other Expenses	34,185.00	39,185.00	16,171.06	19,519.83	3,494.11	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>Administration (cont'd):</u>						
Cable TV Studio						
Salaries and Wages	183,303.00	183,414.53	183,414.53	-	-	
Other Expenses	10,885.00	10,885.00	8,641.81	2,238.24	4.95	
<u>Finance and Revenue</u>						
Department of Finance						
Salaries and Wages	271,945.00	271,945.00	234,560.01	-	37,384.99	
Other Expenses	46,750.00	46,750.00	39,932.58	1,480.62	5,336.80	
Annual Audit	66,000.00	66,000.00	-	66,000.00	-	
Division of Assessment						
Salaries and Wages	144,550.00	150,222.17	150,222.17	-	-	
Other Expenses	184,800.00	169,800.00	144,589.04	20,380.58	4,830.38	
Division of Revenue						
Salaries and Wages	97,080.00	100,080.00	99,024.48	-	1,055.52	
Other Expenses	30,650.00	30,650.00	23,376.57	5,950.00	1,323.43	
Insurance						
Liability Insurance	1,171,000.00	1,106,642.00	1,030,990.55	-	75,651.45	
Worker's Compensation Insurance	10,000.00	10,000.00	10,000.00	-	-	
Health Insurance Waiver	58,350.00	58,350.00	58,058.00	-	292.00	
Employee Group Insurance	6,700,650.00	6,700,650.00	5,293,397.14	1,376,000.00	31,252.86	
<u>Municipal Court</u>						
Salaries and Wages	396,082.00	372,097.74	362,242.43	-	9,855.31	
Other Expenses	32,300.00	32,300.00	18,162.95	49.00	14,088.05	
Public Defender (P.L. 1997, Ch. 256)						
Other Expenses	26,000.00	26,000.00	-	-	26,000.00	
<u>Law</u>						
Department of Law						
Other Expenses	374,000.00	399,000.00	283,582.34	26,139.23	89,278.43	
Municipal Prosecutor						
Salaries and Wages	53,050.00	54,110.98	54,110.98	-	-	
<u>PUBLIC SAFETY:</u>						
Uniform Fire Safety Act (P.L. 1983 C. 383)						
Salaries and Wages	176,993.00	181,493.00	180,672.56	-	820.44	
Other Expenses	13,014.00	13,014.00	6,730.68	6,224.92	58.40	
Animal Control						
Salaries and Wages	81,422.00	81,422.00	69,806.22	-	11,615.78	
Other Expenses	17,650.00	17,650.00	5,310.92	1,884.50	10,454.58	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY (CONT'D):</u>						
Division of Schools Crossing Guards						
Salaries and Wages	265,000.00	270,000.00	255,855.09	-	14,144.91	
Other Expenses	1,524.00	1,524.00	1,524.00	-	-	
Police Department						
Salaries and Wages	9,980,961.00	10,037,461.00	9,737,522.35	-	299,938.65	
Other Expenses	358,977.00	358,977.00	103,744.20	131,461.54	123,771.26	
First Aid Organization - Contribution	94,800.00	94,800.00	84,039.00	1,749.00	9,012.00	
Office of Emergency Management						
Salaries and Wages	33,435.00	33,062.16	33,062.16	-	-	
Other Expenses	12,050.00	12,050.00	3,436.59	396.00	8,217.41	
<u>PUBLIC WORKS:</u>						
Department of Public Works						
Salaries and Wages	164,315.00	176,315.00	176,216.78	-	98.22	
Other Expenses	45,400.00	45,400.00	34,415.66	3,285.83	7,698.51	
Division of Engineering						
Salaries and Wages	354,098.00	348,098.00	340,962.26	-	7,135.74	
Other Expenses	57,144.00	32,144.00	15,920.11	9,436.88	6,787.01	
Public Building and Grounds						
Salaries and Wages	154,224.00	166,224.00	153,934.31	-	12,289.69	
Other Expenses	236,200.00	236,200.00	168,162.07	44,011.63	24,026.30	
Division of Property Maintenance						
Salaries and Wages	152,594.00	152,594.00	103,598.17	-	48,995.83	
Other Expenses	92,100.00	92,100.00	45,939.72	10,397.26	35,763.02	
Fleet Maintenance						
Salaries and Wages	326,505.00	369,505.00	357,050.78	-	12,454.22	
Other Expenses	372,100.00	372,100.00	247,778.09	104,093.01	20,228.90	
Division of Streets and Road Maintenance						
Salaries and Wages	722,503.00	647,503.00	590,866.69	-	56,636.31	
Other Expenses	47,000.00	47,000.00	31,816.10	10,643.33	4,540.57	
Snow Removal						
Salaries and Wages	100,000.00	100,000.00	66,930.30	-	33,069.70	
Other Expenses	183,500.00	183,500.00	72,498.12	63,339.34	47,662.54	
Municipal Services Act						
Other Expenses	30,000.00	30,000.00	28,949.27	-	1,050.73	
Shade Tree						
Other Expenses	900.00	900.00	900.00	-	-	
All Utilities	1,660,800.00	1,709,034.65	974,989.54	443,931.65	290,113.46	
Division of Parks						
Salaries and Wages	496,810.00	496,810.00	479,595.86	-	17,214.14	
Other Expenses	206,500.00	206,500.00	146,210.60	35,931.62	24,357.78	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>PUBLIC WORKS(CONT'D):</u>						
Division of Sanitation - Sewer System						-
Other Expenses	32,500.00	32,500.00	20,463.00	12,000.00		37.00
Solid Waste Collection						
Salaries and Wages	652,933.00	652,933.00	581,046.93	-		71,886.07
Other Expenses	7,100.00	7,100.00	4,317.25	-		2,782.75
Recycling Program						
Other Expenses	64,700.00	64,700.00	39,285.28	24,223.12		1,191.60
<u>HEALTH AND WELFARE:</u>						
Division of Public Assistance						
Salaries and Wages	6,000.00	6,000.00	-	-		6,000.00
Other Expenses	2,000.00	2,000.00	2,000.00	-		-
Office on Aging						
Salaries and Wages	425,130.00	425,130.00	344,354.58	-		80,775.42
Other Expenses	58,580.00	58,580.00	46,997.55	7,622.89		3,959.56
<u>RECREATION AND EDUCATION</u>						
Department of Recreation						
Salaries and Wages	243,795.00	243,795.00	216,537.53	-		27,257.47
Other Expenses	219,836.00	219,836.00	173,805.27	10,829.24		35,201.49
Accumulated Leave Compensation	850,000.00	980,000.00	850,000.00	-		130,000.00
Salary Adjustment						
Salaries and Wages	15,000.00	-	-	-		-
Celebration of Public Events	3,600.00	3,600.00	3,600.00	-		-
Reserve for Tax Appeals	2,000,000.00	2,000,000.00	2,000,000.00	-		-
<u>Uniform Construction Code</u>						
Constructon Official						
Salaries and Wages	365,141.00	365,141.00	339,541.30	-		25,599.70
Other Expenses	11,025.00	11,025.00	10,172.24	188.48		664.28
Boards and Commissions						
Salaries and Wages	7,000.00	6,792.50	6,792.50	-		-
Other Expenses	34,530.00	34,530.00	19,010.04	1,500.00		14,019.96
Total Operations Within "CAPS"	33,144,850.55	33,274,850.55	28,707,266.04	2,581,506.61		1,986,077.90
Contingent		-				-
Total Operations Including Contingent Within "CAPS"	33,144,850.55	33,274,850.55	28,707,266.04	2,581,506.61		1,986,077.90
<u>DETAIL:</u>						
Salaries and Wages	15,953,542.05	15,847,786.44	15,058,152.19	-		789,634.25
Other Expenses (Including Contingent)	17,191,308.50	17,427,064.11	13,649,113.85	2,581,506.61		1,196,443.65

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Social Security System (O.A.S.I.)	1,098,906.00	968,906.00	619,016.46		349,889.54	
Public Employees Retirement System	1,136,513.84	1,136,513.84	1,136,513.84	-	-	
Police and Firemen's Retirement System of N.J.	2,968,980.00	2,968,980.00	2,968,980.00		-	
Defined Contribution Retirement Program	4,500.00	4,500.00	1,728.52		2,771.48	
State Unemployment Insurance	150,000.00	150,000.00	150,000.00	-	-	
Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS"	5,358,899.84	5,228,899.84	4,876,238.82	-	352,661.02	
Total General Appropriations for Municipal Purposes Within "CAPS"	38,503,750.39	38,503,750.39	33,583,504.86	2,581,506.61	2,338,738.92	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
911 Emergency Telecommunication Services						
Salaries and Wages	583,209.00	583,209.00	571,139.26	-	12,069.74	
Other Expenses	184,279.00	184,279.00	157,589.69	6,861.71	19,827.60	
Maintenance of Free Public Library (NJSA 40:54-8)						
Other Expenses	2,258,191.09	2,258,191.09	2,112,691.09	132,539.56	12,960.44	
NJDES - Storm Water						
Other Expenses	74,000.00	74,000.00	26,240.82	14,837.18	32,922.00	
Supplemental Fire Districts						
Other Expenses	18,425.00	18,425.00	18,425.00	-	-	
MCIA Recycling Program	660,450.00	660,450.00	411,736.59	43,263.41	205,450.00	
MCUA Solid Waste Agreement	336,000.00	336,000.00	219,790.80	43,193.06	73,016.14	
Edison Animal Control Contract	50,000.00	50,000.00	39,480.50	9,520.78	998.72	
UMDNJ Agreements	27,500.00	27,500.00	26,740.20	-	759.80	
Interlocal Health Agreement: County of Middlesex	375,000.00	375,000.00	375,000.00	-	-	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS						
<u>OFFSET BY REVENUES</u>						
Alcohol Education Rehab Program		2,211.32	2,211.32			-
Body Armor Grant		7,657.43	7,657.43			-
Middlesex County Cultural & Heritage Grant: Library	2,625.00	2,625.00	2,625.00			-
Clean Communities Grant		77,135.41	77,135.41			-
Click It or Ticket Grant		4,000.00	4,000.00			-
CDBG		242,560.00	242,560.00			-
COPS in Shop		2,800.00	2,800.00			-
Drive Sober or Get Pulled Over		5,000.00	5,000.00			-
Drunk Driving Enforcement Fund	-	24,626.98	24,626.98			-
FEMA		10,000.00	10,000.00			-
NJ DOT: FY 2011 Centennial Avenue Roadway	300,000.00	300,000.00	300,000.00			-
Municipal Alliance and Drug Abuse	44,587.00	44,587.00	44,587.00			-
Law Enforcement Response to Community Concerns Grant		5,000.00	5,000.00			-
Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program		6,000.00	6,000.00			-
NJ Historical Trust		150,000.00	150,000.00			-
Over the Limit Under Arrest 2011 Statewide Crackdown		4,400.00	4,400.00			-
Recycling Tonnage Grant		221,306.58	221,306.58			-
Safe and Secure Communities Program	52,473.00	52,473.00	52,473.00			-
Matching Funds	50,000.00	50,000.00	11,146.75		38,853.25	-
Total Operations Excluded from "CAPS"	5,016,739.09	5,779,436.81	5,132,363.42	250,215.70	396,857.69	-
DETAIL:						
Salaries and Wages	583,209.00	583,209.00	571,139.26	-	12,069.74	-
Other Expenses	4,433,530.09	5,196,227.81	4,561,224.16	250,215.70	384,787.95	-

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Uniform Code Enforcement Trucks	35,000.00	35,000.00	-	25,094.60	9,905.40	
Total Capital Improvements Excl. from "CAPS"	<u>35,000.00</u>	<u>35,000.00</u>	-	<u>25,094.60</u>	<u>9,905.40</u>	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,590,000.00	4,590,000.00	4,590,000.00	-	-	-
Interest on Bonds	1,891,301.26	1,891,301.26	1,842,004.03	-	-	49,297.23
Interest on Notes	12,000.00	12,000.00	11,666.66	-	-	333.34
Total Municipal Debt Service - Excl. from "CAPS"	<u>6,493,301.26</u>	<u>6,493,301.26</u>	<u>6,443,670.69</u>	-	-	<u>49,630.57</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>11,545,040.35</u>	<u>12,307,738.07</u>	<u>11,576,034.11</u>	<u>275,310.30</u>	<u>406,763.09</u>	<u>49,630.57</u>
Subtotal General Appropriations	50,048,790.74	50,811,488.46	45,159,538.97	2,856,816.91	2,745,502.01	49,630.57
Reserve for Uncollected Taxes	<u>2,794,849.49</u>	<u>2,794,849.49</u>	<u>2,794,849.49</u>			-
Total General Appropriations	<u>\$ 52,843,640.23</u>	<u>\$ 53,606,337.95</u>	<u>\$ 47,954,388.46</u>	<u>\$ 2,856,816.91</u>	<u>\$ 2,745,502.01</u>	<u>\$ 49,630.57</u>
	<u>REF.</u>	A- 2	A- 1	A,A-1	A,A-1	A- 1
Adopted Budget	A- 2	\$ 52,843,640.23				
Approp. by N.J.S.A. 40A:4-87	A- 2	<u>762,697.72</u>				
		<u>\$ 53,606,337.95</u>				
Disbursed	A- 4		\$ 41,986,009.50			
Reserve for Uncollected Taxes	A- 7		2,794,849.49			
Reserve for Tax Appeals	A-10		2,000,000.00			
Due to State and Federal Grants Fund	A-12		<u>1,173,529.47</u>			
			<u>\$ 47,954,388.46</u>			

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Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2011

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31,2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31,2011</u>
Animal Control Fund:			Animal Control Fund:		
Cash and Investments - Treasurer	B- 1	\$ <u>28,571.35</u>	Due to State of New Jersey	B- 1	\$ 12.00
			Reserve for Animal Control Expenditures	B- 1	<u>28,559.35</u>
Total Animal Control Fund		<u>28,571.35</u>	Total Animal Control Fund		<u>28,571.35</u>
Self-Insurance Trust Fund:			Self-Insurance Trust Fund:		
Cash and Investments - Treasurer	B- 1	<u>850,069.98</u>	Reserve for Self Insurance	B- 1	<u>850,069.98</u>
Total Trust-Other Fund		<u>850,069.98</u>	Total Trust-Other Fund		<u>850,069.98</u>
Other Trust Funds:			Other Trust Funds:		
Cash and Investments - Treasurer	B- 1	9,388,908.18	Payroll Liabilities	B- 1	184,555.90
State and Federal Grants Receivable	B- 1	<u>166,424.09</u>	Unemployment Insurance Trust Fund	B- 1	157,258.85
			Reserve for CDBG	B- 1	131,700.51
Total Escrow Trust Fund		<u>9,555,332.27</u>	Miscellaneous Deposits	B- 1	4,747,396.19
			Affordable Housing	B- 1	521,398.96
			Recreation Trust	B- 1	100,451.92
			Schedule of Escrows	B- 2	<u>3,712,569.94</u>
			Total Escrow Trust Fund		<u>9,555,332.27</u>
Public Assistance Fund:			Public Assistance Fund:		
Cash and Investments - Treasurer	B- 1	<u>3,911.35</u>	Reserve for Public Assistance	B- 1	<u>3,911.35</u>
Total Public Assistance Fund		<u>3,911.35</u>	Total Public Assistance Fund		<u>3,911.35</u>
		<u>\$ 10,437,884.95</u>			<u>\$ 10,437,884.95</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2011

	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2011</u>
<u>ASSETS</u>		
Cash, Cash Equivalents and Investments	C- 2	\$ 2,836,614.99
Federal and State Grants Receivable	C- 4	160,200.00
Due from Sewer Utility Operating Fund	C-11	10,000.00
Deferred Charges to Future Taxation:		
Funded	C- 5	55,653,000.00
Unfunded	C- 6	<u>28,547,543.52</u>
		<u>\$ 87,207,358.51</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	C-10	\$ 55,653,000.00
Improvement Authorizations:		
Funded	C- 9	2,690,842.87
Unfunded	C- 9	14,738,885.47
Reserve for Encumbrances	C- 9	11,237,306.80
Capital Improvement Fund	C- 7	57,250.00
Contributions - Off-Site Improvements	C- 8	1,534,530.27
Reserve for Preliminary Expenses	C-12	457,906.90
Contributions - Tree Contributions	C-13	200.00
Reserve: Stelton Streetscape	C-14	20,250.00
Reserve: Community Center	C-15	5,000.00
Reserve: Debt Servie	C-16	308,748.56
Fund Balance	C- 1	<u>503,437.64</u>
		<u>\$ 87,207,358.51</u>
 Bonds & Notes Authorized but not Issued	 C-18	 <u>\$ 28,547,543.52</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Balance - December 31, 2010		\$ 110,912.79
Increased by:		
Premium on Sale of Bonds	C-2	<u>467,524.85</u>
		578,437.64
Decreased by:		
Improvement Authorizations	C-9	<u>75,000.00</u>
Balance - December 31, 2011	C	<u><u>\$ 503,437.64</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2011

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2011</u>
Operating Fund:			Operating Fund:		
Cash and Investments - Treasurer	D- 5	\$ 4,458,731.01	Appropriation Reserves	D-4	\$ 123,053.02
Change Fund - Collector	D	100.00	Reserve for Encumbrances	D-4	69,669.38
Due from Sewer Capital Fund	D-21	<u>615,279.42</u>	Accrued Interest Payable	D-12	38,059.90
		<u>5,074,110.43</u>	Prepaid Sewer Charges	D-13	18,825.65
Receivables and Inventory With			Sewer Overpayments	D-14	65,537.85
Offsetting Reserves:			Accounts Payable	D-15	59,132.71
Sewer Charges Receivable	D- 8	<u>878,516.24</u>	Due to General Capital Fund	D-23	<u>10,000.00</u>
		<u>878,516.24</u>			384,278.51
			Reserve for Receivables	Reserve	878,516.24
			Fund Balance	D-1	<u>4,689,831.92</u>
Total Operating Fund		<u>5,952,626.67</u>	Total Operating Fund		<u>5,952,626.67</u>
			Capital Fund:		
Capital Fund:			Serial Bonds Payable	D-23	3,906,000.00
Cash and Investments - Treasurer	D- 5	13,849.23	Reserve for Encumbrances	D-16	278,141.54
Fixed Capital	D- 9	13,107,561.49	Due to Sewer Operating Fund	D-22	615,279.42
Fixed Capital Authorized and Uncompleted	D-10	<u>9,030,000.00</u>	Improvement Authorizations:		
			Funded	D-16	70,095.47
Total Capital Fund		<u>22,151,410.72</u>	Unfunded	D-16	3,773,142.83
			Capital Improvement Fund	D-19	53,750.00
			Reserve for Amortization	D-20	13,029,561.49
			Deferred Reserve for Amortization	D-17	323,500.00
			Fund Balance	D- 2	<u>101,939.97</u>
			Total Capital Fund		<u>22,151,410.72</u>
		<u>\$ 28,104,037.39</u>			<u>\$ 28,104,037.39</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2011 in the amount of \$4,878,500.00 (Exhibit D-25).

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>REVENUE AND OTHER INCOME</u>	<u>CY 2011</u>
Sewer Charges	D- 3 \$ 8,884,181.93
Connection Fees	D- 3 826,740.00
Interest on Investments	D- 3 1,422.27
Interest on Delinquent Accounts	D- 3 63,172.43
Other Credits to Income:	
Miscellaneous Revenue	D- 3 320.00
Unexpend. Balance of Appropriation Reserves	
Lapsed and Reserve for Encumb. Canceled	D-11 <u>217,886.92</u>
 Total Revenues	 <u>9,993,723.55</u>
 <u>EXPENDITURES</u>	
Budget and Emergency Appropriations:	
Operating	D- 4 \$ 6,695,580.35
Capital Improvements	D- 4 25,000.00
Debt Service	D- 4 291,908.33
Deferred Charges and Statutory Expend.	D- 4 <u>282,979.16</u>
 Total Expenditures	 <u>7,295,467.84</u>
 Excess/(Deficit) in Revenues	 2,698,255.71
 <u>FUND BALANCE</u>	
Balance - January 1	<u>1,991,576.21</u>
Balance - Dec. 31	D \$ <u><u>4,689,831.92</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit D-2

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF</u>	
Balance December 31, 2010		\$ 80,113.41
Increased by:		
Premium on Sale of Bonds	D- 5	<u>21,826.56</u>
Balance December 31, 2011	D	<u>\$ 101,939.97</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>CY 2011 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Sewer Service Charges	D- 1	\$ 7,050,000.00	\$ 8,884,181.93	\$ 1,834,181.93
Sewer Connection Fees & Permits	D- 1	263,000.00	826,740.00	563,740.00
Miscellaneous	D- 1	2,072.01	1,422.27	(649.74)
Interest on Delinquencies	D- 1	<u>28,000.00</u>	<u>63,172.43</u>	<u>35,172.43</u>
		<u>\$ 7,343,072.01</u>	<u>\$ 9,775,516.63</u>	<u>\$ 2,432,444.62</u>

Ref. D- 4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-13		\$ 14,974.59	
Overpayments Applied	D-14		36,582.31	
Collected	D- 8		<u>8,832,625.03</u>	
	D- 1		<u>\$ 8,884,181.93</u>	

Connection Fees:

Received by Collector			\$ <u>826,740.00</u>	
	D-1,D-6		<u>\$ 826,740.00</u>	

Interest on Delinquent Accounts:

Collected			\$ <u>63,172.43</u>	
	D-1,D-6		<u>\$ 63,172.43</u>	

Interest on Investments:

Collected	D-5		\$ <u>1,422.27</u>	
	D-1		<u>\$ 1,422.27</u>	

Miscellaneous Revenue:

Received by Collector	D-6		\$ <u>320.00</u>	
	D-1		<u>\$ 320.00</u>	

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	CY 2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 1,124,728.35	\$ 1,124,728.35	\$ 1,102,862.84	\$	\$ 21,865.51	\$
Other Expenses	970,852.00	970,852.00	837,148.22	69,669.38	64,034.40	
Middlesex County Utilities Authority Service Charges - Contractual	4,600,000.00	4,600,000.00	4,562,846.89		37,153.11	
Capital Improvements:						
Down Payments on Improvements	25,000.00	25,000.00	25,000.00			
Debt Service:						
Payment on Bond Principle	190,000.00	187,604.17	140,000.00			47,604.17
Interest on Bonds	149,512.50	151,908.33	151,908.33			
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Public Employees' Retirement System	154,979.16	154,979.16	154,979.16			
Social Security System (O.A.S.I.)	<u>128,000.00</u>	<u>128,000.00</u>	<u>128,000.00</u>			
Total Sewer Utility Appropriations	\$ <u>7,343,072.01</u>	\$ <u>7,343,072.01</u>	\$ <u>7,102,745.44</u>	\$ <u>69,669.38</u>	\$ <u>123,053.02</u>	\$ <u>47,604.17</u>
	Ref.					
	D- 3	D- 3	D-1	D,D-1	D,D-1	
Cash Disbursements	D- 5		\$ 6,950,837.11			
Accrued Interest	D-12		<u>151,908.33</u>			
			\$ <u>7,102,745.44</u>			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SENIOR CITIZENS HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2011

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2011</u>
Operating Fund:			Operating Fund:		
Cash and Investments - Treasurer	E- 5	\$ 214,067.13	Appropriation Reserves	E-4	\$ 119,018.98
Due from Senior Housing Capital	E-17	<u>696,000.00</u>	Reserve for Encumbrances	E-4	243,852.71
			Accounts Payable	E- 7	90,625.20
		<u>910,067.13</u>	Accrued Interest on Bonds	E- 8	20,366.25
			Security Deposits	E- 9	<u>121,428.36</u>
					595,291.50
			Fund Balance	E- 1	<u>314,775.63</u>
Total Operating Fund		<u>910,067.13</u>	Total Operating Fund		<u>910,067.13</u>
Capital Fund:			Capital Fund:		
Cash and Investments - Treasurer	E- 5	15,731.14	Serial Bonds Payable	E-12	1,165,000.00
Fixed Capital	E-15	10,351,052.26	Due to Senior Housing Operating	E-18	696,000.00
Fixed Capital Authorized and Uncompleted	E-16	<u>1,483,000.00</u>	Improvement Authorizations:		
			Funded	E-11	18,348.05
Total Capital Fund		<u>11,849,783.40</u>	Unfunded	E-11	103,077.45
			Reserve for:		
			Encumbrances	E-11	107,092.15
			Capital Improvement Fund	E-13	89,035.75
			Amortization	E-10	9,186,052.26
			Deferred Amortization	E-14	483,000.00
			Fund Balance	E- 2	<u>2,177.74</u>
			Total Capital Fund		<u>11,849,783.40</u>
		<u>\$ 12,759,850.53</u>			<u>\$ 12,759,850.53</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2011 in the amount of \$1,000,000.00 (Exhibit E-19).

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E-1

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>REVENUE AND OTHER INCOME</u>	<u>CY 2011</u>
Fund Balance Utilized	E- 3 \$ 210,100.00
Rental Income	E- 3 1,336,131.79
Interest on Investments	E- 3 389.61
Other Credits to Income:	
Non-Budget Revenue	E- 3 14,410.36
Unexpend. Balance of Appropriation Reserves Lapsed	E- 7 <u>255,474.42</u>
 Total Revenues	 <u>1,816,506.18</u>
 <u>EXPENDITURES</u>	
Budget and Emergency Appropriations:	
Operating	E- 4 \$ 1,068,328.00
Capital Improvements	E- 4 279,344.00
Debt Service	E- 4 182,435.00
Deferred Charges and Statutory Expend.	E- 4 4,118.00
Refund of Prior Year Revenue	E- 5 <u>1,558.00</u>
 Total Expenditures	 <u>1,535,783.00</u>
 Excess/(Deficit) in Revenues	 280,723.18
 <u>FUND BALANCE</u>	
 Balance - January 1	 <u>244,152.45</u>
	524,875.63
Decreased by:	
Utilized as Anticipated Revenue	E- 1 <u>210,100.00</u>
 Balance - December 31	 E \$ <u><u>314,775.63</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Balance - December 31, 2010		\$ 2,177.74
Balance - December 31, 2011	E	<u>\$ 2,177.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	CY 2011 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance	E-1	\$ 210,100.00	\$ 210,100.00	\$
Rental Income	E-1,E-3	1,326,000.00	1,336,131.79	10,131.79
Interest on Investments	E-1,E-3		<u>389.61</u>	<u>389.61</u>
		<u>1,536,100.00</u>	<u>1,546,621.40</u>	<u>10,521.40</u>
Non-Budget Revenues	E-1,E-3		<u>14,410.36</u>	<u>14,410.36</u>
		<u>\$ 1,536,100.00</u>	<u>\$ 1,561,031.76</u>	<u>\$ 24,931.76</u>
	<u>Ref.</u>		E-4	

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income		\$ 1,316,481.79
Surcharge for Utilities:		
Aircondition Surcharge		<u>19,650.00</u>
	E-3,E-5	<u>\$ 1,336,131.79</u>

Analysis of Non-Budget Revenues:

Room Rental		\$ 6,100.00
Laundromat Income		7,860.36
Miscellaneous		215.00
Replacement Key		70.00
Return Check Fees		<u>165.00</u>
	E-3,E-5	<u>\$ 14,410.36</u>

Analysis of Interest on Investments:

Senior Citizen Operating Fund	E-5	<u>389.61</u>
	E-3	<u>\$ 389.61</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E-4

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>CY 2011</u>	<u>BUDGET AFTER</u>	<u>EXPENDED</u>			<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>BALANCE</u>
			<u>CHARGED</u>			<u>CANCELLED</u>
Operating:						
Salaries and Wages	\$ 36,100.00	\$ 36,100.00	\$ 36,100.00			\$
Other Expenses	1,032,228.00	1,032,228.00	871,270.28	117,224.74	43,732.98	
Debt Service:						
Payment on Bond Principle	125,000.00	125,000.00	125,000.00			
Interest on Bonds	59,310.00	59,310.00	57,435.00			1,875.00
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	4,118.00	4,118.00	4,118.00			
Capital Improvements:						
Capital Improvement Fund	244,344.00	244,344.00	42,430.03	126,627.97	75,286.00	
Down Payments on Improvements	<u>35,000.00</u>	<u>35,000.00</u>	<u>35,000.00</u>			
Total Senior Citizen Housing Appropriations	<u>\$ 1,536,100.00</u>	<u>\$ 1,536,100.00</u>	<u>\$ 1,171,353.31</u>	<u>\$ 243,852.71</u>	<u>\$ 119,018.98</u>	<u>\$ 1,875.00</u>
<u>Ref.</u>	E- 3	E- 3	E-1	E,E-1	E,E-1	
Cash Disbursements	E- 5		\$ 1,113,918.31			
Accrued Interest on Bonds	E- 8		<u>57,435.00</u>			
			<u>\$ 1,171,353.31</u>			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS
 REGULATORY BASIS
DECEMBER 31, 2011

	<u>BALANCE DEC. 31, 2011</u>
Governmental Fixed Assets:	
Land	\$ 23,686,300.00
Buildings and Improvements	16,850,200.00
Machinery and Equipments	<u>18,399,980.00</u>
Total Governmental Fixed Assets	<u><u>\$ 58,936,480.00</u></u>
Investment in Governmental Fixed Assets	<u><u>\$ 58,936,480.00</u></u>

Notes: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEAR ENDED DECEMBER 31, 2011

Note 1: FORM OF GOVERNMENT

The Township is managed under a Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government adopted in 1967 by Township voters provides for the direct election of the Mayor and seven Council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Piscataway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Piscataway, as required by the provisions of N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Piscataway do not include the operations of the municipal library, first aid organizations, fire districts or local school district.

B. Change in Reporting Period

The basic financial statements of the Township of Piscataway have been prepared to reflect the Township's financial position and the results of operations for the Six Month Transition Year (reversion) ended December 31, 2010. This reporting period was necessitated as part of the Township's conversion from its State Fiscal Year to a Calendar Year.

The Township, pursuant to the provisions of Chapter 75 of the Laws of 1991 of the State of New Jersey (Codified as N.J.S.A. 40A:4-3.1 et seq.) amended by P.L. 2000, c.126, s.16; and P.L. 2008, c.92, s.1, converted its reporting period during 2010. To effect this change, the Township reported operations for the six month period July 1, 2010 to December 31, 2010, the Transition Year (TY 2010), The period January 1, 2011 to December 31, 2011, is the Township's initial calendar year.

C. Description of Funds

The accounting policies of the Township of Piscataway 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 Piscataway accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including fiscal activity of Federal and State Grant Programs, except as otherwise noted.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Description of Funds (Cont'd.)

Trust Fund - The records of receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Dedicated Law Enforcement Trust Fund
- Workmen's Compensation Self-Insurance Fund
- Developer's Escrow Fund
- Disposal of Forfeited Property (P.L. 1985, Ch. 135)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund and Senior Citizens Housing Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility and Senior Citizens Housing Facility.

Governmental Fixed Assets - the Governmental Fixed Asset system is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation.

D. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The more significant differences are as follows:

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

D. Basis of Accounting and Measurement Focus (Cont'd.)

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Except for rental income receivable in the Senior Citizen Housing Utility, which is not recognized in the financial statements, other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these 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. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2011 is set forth in Note 7.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

D. Basis of Accounting and Measurement Focus (Cont'd.)

Compensated Absences - The Township has adopted a written policy which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility and Senior Citizens Housing Utility) fund on a full accrual basis.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation established by the last revaluation program in 1975 and is fully reserved. Additions since 1975 are recorded on the basis of the latest assessed value. GAAP requires such property to be recorded in the statement of governmental fixed assets at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

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 receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. 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 costs of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. The Township has reserved amounts of proceeds from property sales at December 31, 2011, totaling \$173,605.48. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

D. Basis of Accounting and Measurement Focus (Cont'd.)

Fixed Capital - Sewer Utility and Senior Citizens Housing Utility - Capital acquisitions, including utility infrastructure costs of the Utilities are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. Fixed Capital accounts are adjusted for dispositions or abandonment. The accounts include Moveable Fixed Assets of the Utilities but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The condition is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers and transferred to the Township are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities is offset by accumulations in Amortization Reserve Accounts. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utilities represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utilities.

The utilities do not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those investments.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34" in November 2010. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" in December 2010. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

D. Basis of Accounting and Measurement Focus (Cont'd.)

Recent Accounting Standards (Cont'd.)

GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" in June 2011. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53" in June 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of swap counterparty or swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. The adoption of these new standards will not adversely affect the reporting on the Township's financial condition.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental 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 provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital are not accounted for separately.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2011

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. SUMMARY OF MUNICIPAL DEBT - YEAR ENDED DECEMBER 31, 2011

	<u>CY 2011</u>
<u>Issued:</u>	
General:	
Bonds and Notes	\$ 55,653,000.00
Sewer Utility:	
Bonds and Notes	3,906,000.00
Senior Citizens Housing Utility:	
Bonds and Notes	<u>1,165,000.00</u>
Net Debt Issued	<u>\$ 60,724,000.00</u>
 <u>Authorized But Not Issued:</u>	
General:	
Bonds and Notes	28,547,543.52
Sewer Utility:	
Bonds and Notes	4,878,500.00
Senior Citizens Housing Utility:	
Bonds and Notes	<u>1,000,000.00</u>
Total Authorized But Not Issued	<u>34,426,043.52</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 <u>\$ 95,150,043.52</u>

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2011

	<u>CY 2011</u>
<u>General Debt:</u>	
\$9,659,000 General Improvement Bonds of 2004, due in annual installments of \$500,000 to \$1,040,000 through February 2017, interest at 3.125% to 3.750%.	\$ 5,359,000.00
\$15,500,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$800,000 to \$1,600,000 through November 2019, interest at 3.500% to 6.000%.	11,900,000.00
\$17,710,000 General Improvement Bonds of 2009, due in annual installments of \$1,000,000 to \$1,960,000 through March 2021, interest at 3.000% to 4.000%.	15,710,000.00

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2011</u>
\$2,290,000 Tax Appeal Bonds of 2009, due in annual installments of \$325,000 to \$340,000 through March 2016, interest at 3.000% to 3.250%.	\$ 1,640,000.00
\$4,564,000 General Improvement Bonds of 2011, due in annual installments of \$350,000 to \$564,000 through February 2021, interest at 2.000% to 4.000%.	4,564,000.00
\$2,610,000 Tax Appeal Refunding Bonds, Series A of 2011, due in annual installments of \$525,000 to \$510,000 through February 2016, interest at 2.000% to 4.000%.	2,610,000.00
\$7,820,000 Tax Appeal Refunding Bonds, Series B of 2011, due in annual installments of \$1,100,000 to \$1,220,000 through February 2018, interest at 2.000% to 4.000%.	7,820,000.00
\$6,050,000 General Improvement Refunding Bonds of 2011, due in annual installments of \$545,000 to \$975,000 through February 2017, interest at 3.000% to 4.000%.	<u>6,050,000.00</u>
Total General Capital Debt	<u>\$ 55,653,000.00</u>
<u>Sewer Utility Debt:</u>	
\$380,000 Sewer Utility Bond Bonds of 2004, due in annual intallments of \$25,000 to \$40,000 through August 2017, interest at 3.125% to 3.750%.	\$ 200,000.00
\$2,146,000 Sewer Utility Bond Bonds of 2007, due in annual intallments of \$60,000 to \$120,000 through November 2033, interest at 3.500% to 6.000%.	1,906,000.00
\$1,200,000 Sewer Utility Bond Bonds of 2009, due in annual intallments of \$50,000 to \$100,000 through March 2025, interest at 3.000% to 4.500%.	1,100,000.00
\$700,000 Sewer Utility Bond Bonds of 2011, due in annual intallments of \$50,000 to \$100,000 through February 2021, interest at 2.000% to 4.000%.	<u>700,000.00</u>
Total Sewer Utility Debt	<u>\$ 3,906,000.00</u>
<u>Senior Citizen Housing Utility Debt:</u>	
\$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual intallments of \$79,500 to \$180,000 through August 2019, interest at 3.5% to 5.0%.	<u>\$ 1,165,000.00</u>
Total Debt for Capital Projects outstanding at December 31	<u><u>\$ 60,724,000.00</u></u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION

ANNUAL DEBT STATEMENT (CONT'D.)

2011

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

3 1/2% of Equalized Valuation Basis Municipal	\$227,176,859.79
Net Debt	<u>84,200,543.52</u>

Remaining Borrowing Power	<u><u>\$142,976,316.27</u></u>
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Calculation of "Self-Liquidating Purpose"
Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$9,775,836.63
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Deductions:

Operating and Maintenance Cost	6,978,559.51
Debt Service per Sewer Account	<u>291,908.33</u>

Total Deductions	<u><u>7,270,467.84</u></u>
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Excess/(Deficit) in Revenues	<u><u>\$2,505,368.79</u></u>
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Deduction of Self-Liquidating Utility Debt for
Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48

The difference between the excess/(deficit) in revenues for debt statement purposes and the excess/(deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:

Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$2,698,255.71
Add: Capital Improvements	<u>25,000.00</u>

	2,723,255.71
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Less: Reserves Lapsed	<u>217,886.92</u>
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Excess/(Deficit) in Revenue per Debt Statement	<u><u>\$2,505,368.79</u></u>
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Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT (CONT'D.)

2011

Calculation of "Self-Liquidating Purpose"
Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$1,561,031.76
Deductions:		
Operating and Maintenance Cost	1,072,446.00	
Debt Service per Housing Account	<u>182,435.00</u>	
Total Deductions		<u>1,254,881.00</u>
Excess/(Deficit) in Revenues		<u>\$306,150.76</u>

Calculation of "Self-Liquidating Purpose"
Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)

The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:

Excess in Revenues - Cash Basis (E-1)		\$280,723.18
Add: Capital Improvement		279,344.00
Refund of Prior Year Revenue		<u>1,558.00</u>
		561,625.18
Less: Reserves Lapsed/Accounts Payable Canceled		<u>255,474.42</u>
Excess in Revenue per Debt Statement		<u>\$306,150.76</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General		Senior Housing		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$6,145,000.00	\$1,951,298.75	\$125,000.00	\$54,310.00	\$206,000.00	\$148,887.50	\$8,630,496.25
2013	6,925,000.00	1,745,123.75	120,000.00	49,185.00	210,000.00	142,387.50	9,191,696.25
2014	7,135,000.00	1,514,786.25	145,000.00	44,145.00	210,000.00	135,643.75	9,184,575.00
2015	7,400,000.00	1,269,073.75	140,000.00	37,910.00	220,000.00	128,625.00	9,195,608.75
2016	7,529,000.00	995,041.88	135,000.00	31,750.00	255,000.00	120,400.00	9,066,191.88
Subtotal	35,134,000.00	7,475,324.38	665,000.00	217,300.00	1,101,000.00	675,943.75	45,268,568.13
2017	6,750,000.00	721,510.00	160,000.00	25,000.00	265,000.00	110,850.00	8,032,360.00
2018	5,020,000.00	491,360.00	160,000.00	17,000.00	235,000.00	101,100.00	6,024,460.00
2019	3,800,000.00	310,460.00	180,000.00	9,000.00	235,000.00	91,500.00	4,625,960.00
2020	2,425,000.00	149,460.00			260,000.00	81,400.00	2,915,860.00
2021	2,524,000.00	50,480.00			280,000.00	70,800.00	2,925,280.00
Subtotal	20,519,000.00	1,723,270.00	500,000.00	51,000.00	1,275,000.00	455,650.00	24,523,920.00
2022					180,000.00	61,543.75	241,543.75
2023					180,000.00	54,175.00	234,175.00
2024					200,000.00	46,475.00	246,475.00
2025					200,000.00	38,037.50	238,037.50
2026					100,000.00	31,787.50	131,787.50
Subtotal					860,000.00	232,018.75	1,092,018.75
2027					100,000.00	27,787.50	127,787.50
2028					110,000.00	23,662.50	133,662.50
2029					110,000.00	19,125.00	129,125.00
2030					110,000.00	14,587.50	124,587.50
2031					120,000.00	10,050.00	130,050.00
Subtotal	-	-	-	-	550,000.00	95,212.50	645,212.50
2032					120,000.00	5,100.00	125,100.00
Subtotal	-	-	-	-	120,000.00	5,100.00	125,100.00
	\$55,653,000.00	\$9,198,594.38	\$1,165,000.00	\$268,300.00	\$3,906,000.00	\$1,463,925.00	\$71,654,819.38

Township of Piscataway General Improvement Refunding Bonds - Series 2011

The Township of Piscataway issued \$6,050,000 General Improvement Refunding Bonds - Series 2011, dated March 24, 2011. The Refunding Bonds advance refund \$2,390,000 aggregate principal amount of the Township's General Improvement Bonds, Series 2001, originally issued in the aggregate principal amount of \$5,765,000, dated October 15, 2001 and current refund \$3,720,000 aggregate principal amount of the Township's General Improvement Bonds, Series 2002, originally issued in the aggregate principal amount of \$7,520,000, dated February 1, 2002. The plan of refunding and restructuring was to provide level debt service in future years as opposed to the existing payment schedules. As a result, the refunding and restructuring provided for net present value costs of \$243,819.31 or 3.99% of the refunded principal. The General Improvement Refunding Bonds carry interest rates from 3.00% to 4.00% from 2011 to maturity on February 1, 2017, while Yields, which reflect premiums or discounts range from 0.850% to 2.500%. The Net Interest Cost (NIC) on the Bonds was 2.2715851%. The purchase price is \$6,365,789.20, which consists of the par amount of the Refunding Bonds of \$6,050,000, plus reoffering premium of \$352,089.20, less the underwriter's discount of \$36,300.

The outstanding debt service with respect to the Township of Piscataway's 2011 General Improvement Refunding Bonds is as follows:

Fiscal Year	Principal	Interest	Total
2012	\$545,000.00	\$206,525.00	\$751,525.00
2013	1,100,000.00	181,850.00	1,281,850.00
2014	1,085,000.00	149,075.00	1,234,075.00
2015	1,175,000.00	109,300.00	1,284,300.00
2016	1,170,000.00	62,400.00	1,232,400.00
2017	975,000.00	19,500.00	994,500.00
	\$6,050,000.00	\$728,650.00	\$6,778,650.00

Note 4: DEFERRED COMPENSATION TRUST FUND

The Township of Piscataway, County of Middlesex Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township of Piscataway, County of Middlesex has engaged a private contractor to administer the plan.

Note 5: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1, in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 6: FUND BALANCE APPROPRIATED

Fund balances at December 31, 2011 and December 31, 2010 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2011 and December 31, 2010 as follows:

	<u>FUND BALANCE DECEMBER 31,2011</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$11,886,096.71	\$6,855,000.00
Sewer Utility Fund	4,689,831.92	1,667,000.00
Senior Citizens Utility Fund	314,775.63	260,000.00
	<u>FUND BALANCE DECEMBER 31,2010</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$11,856,873.06	\$5,817,370.23
Sewer Utility Fund	1,991,576.21	None
Senior Citizens Utility Fund	244,152.45	210,100.00

NOTES TO FINANCIAL STATEMENTS

Note 7: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2010</u>	Amount in 2011 <u>Budget</u>	Amount Raised in <u>2011</u>	Balance December 31, <u>2011</u>
Current Fund:				
Special Emergency App.	<u>\$ 0.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 0.00</u>	<u>\$1,500,000.00</u>
Total	<u>\$ 0.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 0.00</u>	<u>\$1,500,000.00</u>

Note 8: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2011, and accordingly no future minimum annual rental payments disclosed.

Note 9: INTERFUNDS

The following interfund balances remained on the balance sheet date at December 31, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Capital Fund	\$10,000.00	
Sewer Utility Operating Fund	615,279.42	\$10,000.00
Sewer Utility Capital Fund		615,279.42
Senior Citizen Housing Utility Operating Fund	696,000.00	
Senior Citizen Housing Utility Capital Fund	<u> </u>	<u>696,000.00</u>
Total	<u>\$1,321,279.42</u>	<u>\$1,321,279.42</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to fund the appropriation and the statute or budget to expend them.

Note 10: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2011, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2011</u>
Cash (Demand Accts.)	\$38,501,108.11
Investments (CD's)	369,603.56
NJ Cash Management Fund	750,330.62
Change Funds (On-Hand)	<u>635.00</u>
Total	<u>\$39,621,677.29</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of the Township's deposits was \$38,870,711.67 and the bank balance was \$40,349,554.32. Of the bank balance, \$756,912.73 was covered by Federal depository insurance and \$39,592,641.59 was covered under the provisions of NJGUDPA.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Note 10: DEPOSITS AND INVESTMENTS (CONT'D.)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other Than State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2011, the Township had \$750,330.62 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 11: PENSION AND RETIREMENT PLANS

Employees of the Township of Piscataway are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen’s Retirement System (PFRS). The Division of Pensions in the Department of the Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plans are not available. The contributions in CY 2011 were \$1,330,802.00 for PERS and \$2,968,980.00 for PFRS, respectively, which represents contributions from the employees that are remitted on a quarterly basis. For TY 2010, the Township did not contribute any amounts for PERS or for PFRS.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Note 12: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS

The Township of Piscataway provides its retirees with health benefits, which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. In order to receive fully paid health benefits, retirees must have been enrolled in the Public Employees Retirement Fund for 25 years. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are approximately 194 retirees enrolled in health benefits programs, which are fully funded by the Township. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual’s age and plan status. This represents billings to the Township on an experience basis. The amount paid by the Township for retirees health benefits was \$2,819,340 and \$1,376,712 for CY2011 and TY 2010 respectively.

The contribution requirements of plan members and the participating agencies are established and may be amended by the MCJHIF Commissioners. The Township’s annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township’s annual OPEB cost for the year, any amounts contributed to the plan and the Township’s net OPEB obligation. For 2011, the Township’s annual OPEB cost (expense) of \$6,225,400 was greater than the ARC of \$6,222,400.

	<u>Total</u>
Net OPEB obligation – beginning of year	\$11,324,600
Annual required contribution (ARC)	6,225,400
Less: Contributions	<u>1,997,900</u>
Net OPEB obligation – end of year	<u>\$15,552,100</u>

NOTES TO FINANCIAL STATEMENTS

Note 12: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The funded status of the plan for the Township as of January 1, 2011, is as follows:

	<u>Total</u>
Actuarial accrued liability (AAL)	\$78,625,900
Actuarial value of plan assets	<u>- 0 -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$78,625,900</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$17,506,964
UAAL as a percentage of covered payroll	449.11%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the projected unit credit method was used. A rate of 4.00% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 13: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the Fund are calculated by the Fund's governing board based upon actuarial and budgetary requirements. Each participant in the Fund is jointly and severably obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2011. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

Note 13: RISK MANAGEMENT (CONT'D.)

At December 31, 2011, the Fund reported for all years combined, total assets of \$13,934,113, liabilities and reserves of \$12,581,871, which includes case reserves of \$9,059,176 and IBNR of \$2,708,289 and a fund balance for all years of \$1,352,242.

Self-Insurance – Worker’s Compensation

The Township maintains a self-insurance risk management program for claims relating to Worker’s Compensation for program periods beginning in 1985 and terminating with the state fiscal year ended June 30, 1998. The Township continued to engage an outside claims service bureau to serve as Fund Administrator. Reserves are established by the Administrator for estimated benefits and expenses for reported claims. The status of the Township’s self-insurance cash reserves, as compared to the reserve requirements established by the Fund Administrator for claims reported at the close of the year, is as follows:

	Estimated Reserve Requirement For Reported Claims	Cash Reserves
<u>CY 2011</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	<u>\$64,316.99</u>	<u>\$850,069.98</u>
<u>TY 2010</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	<u>\$901,058.08</u>	<u>\$752,865.82</u>

The Township has procured reinsurance coverage which limits the Township risk retention on a per occurrence and aggregate basis.

The following is an analysis of changes in cash reserves for the fiscal year ended December 31, 2011 and December 31, 2010:

<u>CY 2011</u>				
Cash Reserve Dec. 31, 2010	Township Appropriation	Refunds, Subrogation & Interest Earnings	Claims & Fees Paid	Cash Reserve Dec. 31, 2011
<u>\$752,865.82</u>	<u>\$45,000.00</u>	<u>\$165,391.03</u>	<u>\$113,186.87</u>	<u>\$850,069.98</u>

The following is an analysis of changes in the estimated reserve requirement for claims reported for all program years as at December 31, 2011:

Estimated Reserve Requirement Dec. 31, 2010	Estimated Reserves For Prior Period Adjustment	Net Claims/ Fees Paid	Estimated Reserve Requirement Dec. 31, 2011
<u>\$901,058.08</u>	<u>\$(723,554.22)</u>	<u>\$113,186.87</u>	<u>\$64,316.99</u>

Note 13: RISK MANAGEMENT (CONT'D):

Self-Insurance – Worker’s Compensation (Cont’d)

<u>TY 2010</u>				
Cash Reserve <u>June 30, 2010</u>	Township Appropriation	Refunds, Subrogation & Interest Earnings	Claims & Fees Paid	Cash Reserve <u>Dec. 31, 2010</u>
<u>\$697,987.77</u>	<u>\$5,000.00</u>	<u>\$130,417.56</u>	<u>\$80,539.51</u>	<u>\$752,865.82</u>

The following is an analysis of changes in the estimated reserve requirement for claims reported for all program years as at December 31, 2010:

Estimated Reserve Requirement <u>June 30, 2010</u>	Estimated Reserves For Prior Period Adjustment	Net Claims/ Fees Paid	Estimated Reserve Requirement <u>Dec. 31, 2010</u>
<u>\$883,255.29</u>	<u>\$98,342.30</u>	<u>\$80,539.51</u>	<u>\$901,058.08</u>

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Township Appropriation</u>	<u>Employee Contribution</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
CY 2011	\$150,000.00	-0-	-0-	\$175,794.28	\$157,258.85
TY 2010	200,000.00	-0-	-0-	71,623.33	183,053.13
SFY 2010	350,000.00	-0-	8.53	305,774.10	54,676.46
SFY 2009	100,000.00	-0-	102.33	99,579.17	10,442.03
SFY 2008	25,000.00	-0-	461.16	30,114.98	9,918.87

Note 14: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2011 and December 31, 2010 it is estimated that the current cost of such unpaid sick pay would approximate \$7,447,575 and \$5,325,659. These amounts represent the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP.

The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined.

The estimated value of accumulated unused vacation pay has not been calculated. Township policies generally require employees to utilize accrued vacation pay during the calendar year it accrues. With the written approval of the Business Administrator and Department Head, unused vacation benefits may be carried only until March 31st of the succeeding year.

Note 15: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Township does not believe that any material liabilities will result from such audits.

The Township has various payables in the Current Fund in the amount of \$648,382.45 as of December 31, 2011 and \$922,174.08 as of December 31, 2010, to meet the expected obligations as they become due, presently these amounts were provided for in the budget years prior to the year CY 2011. The Township operated on a "pay as you go" basis for amounts due to employees upon retirement.

As at December 31, 2011 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

NOTES TO FINANCIAL STATEMENTS

Note 16: SUBSEQUENT EVENTS

During the period subsequent to the balance sheet date, through the date of the auditor's report, the Township has authorized capital improvement projects, which provide for the issuance of bonds and notes to finance the costs thereof, as follows:

CY 2012 Programs/Projects:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Various Road Improvements	\$1,850,000.00	\$1,757,500.00
Various Roads and Engineering Projects	3,050,000.00	2,897,500.00

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**



**PART II
SUPPLEMENTARY SCHEDULES**

Current Fund

SCHEDULE OF CASH

		<u>CURRENT FUND</u>	<u>GRANT FUND</u>
	<u>Ref.</u>		
Cash Balance December 31, 2010.....		\$ 20,682,332.16	\$ 427,959.67
Increased by Cash Receipts			
Collector	A-5	143,624,695.90	
Due from State of State of NJ - Ch. 20	A-6	358,695.04	
Revenue Accounts Receivable	A-8	9,653,806.76	
Miscell. Revenue Not Anticipated	A-8	470,874.31	
Various Payables	A-10	149,285.20	
Various Reserves	A-10	2,478,018.70	
Interfunds Payable	A-12	7,752,763.08	
Federal and State Grants Receivable	A-16		860,050.58
Interfunds Advanced	A-17		11,046.55
Federal and State Grants Unappropriated	A-19		<u>6,000.00</u>
Total Cash Receipts.....		<u>164,488,138.99</u>	<u>877,097.13</u>
		185,170,471.15	1,305,056.80
Decreased by Disbursements			
Refund of Prior Year Revenue	A-1	134,562.47	
CY 2011 Appropriations	A-3	41,986,009.50	
TY 2010 Approp. Reserves	A-9	1,555,031.99	
Various Payables	A-10	600,977.99	
Various Reserves	A-10	3,461,057.51	
Interfunds Receivable	A-11	11,046.55	
Interfunds Payable	A-12	8,139,508.82	
County Tax	A-13	21,849,756.74	
Fire District Tax	A-13	3,396,882.00	
Local School District Tax	A-13	81,096,555.00	
Tax Overpayments	A-14	128,825.63	
Deferred Charges	A-15	1,500,000.00	
Federal and State Grants Appropriated	A-18		<u>804,725.82</u>
Total Cash Disbursements.....		<u>163,860,214.20</u>	<u>804,725.82</u>
Cash Balance December 31, 2011.....	A	<u>\$ 21,310,256.95</u>	<u>\$ 500,330.98</u>

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

	<u>Ref.</u>	
Increased by Receipts:		
Interest and Cost on Taxes	A-2	523,340.72
Taxes Receivable - Current Year	A-7	139,473,893.18
Taxes Receivable - Delinquent	A-7	2,222,046.20
Taxes Receivable - Arrears	A-7	552,123.38
Taxes Receivable -Prepaid Taxes	A-7	738,159.34
Tax Overpayment	A-14	<u>115,133.08</u>
		<u>\$ 143,624,695.90</u>
Decreased by:		
Deposited to Treasurer	A-4	<u><u>\$ 143,624,695.90</u></u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976
CURRENT FUND

	<u>REF.</u>		
Balance - December 31, 2010			\$ 158,766.86
Increased by:			
Allowable Deductions per			
Tax Billings	A- 6	362,000.00	
2011 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	9,375.00	
2010 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 1	<u>3,500.00</u>	
			<u>374,875.00</u>
			533,641.86
Decreased by:			
Collected	A- 4	358,695.04	
2011 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	1,258.78	
2010 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 1	<u>12,520.70</u>	
			<u>372,474.52</u>
Balance - December 31, 2011	A		<u><u>\$ 161,167.34</u></u>
Analysis of Sr. Citizens & Veterans			
<u>Deductions Allowed - 2011 Taxes</u>			
Per Tax Billings	A- 6		\$ 362,000.00
Allowed (Disallowed) by Tax Collector (Net)	A- 6		<u>8,116.22</u>
	A-7		<u><u>\$ 370,116.22</u></u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Total	2012 Prepaid	CY 11 Current	CY 10 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance 12/31/10.....	\$ 5,036,413.89	(509,526.51)		2,177,639.03	328,548.82	446,852.55	2,592,900.00
Billings / Levy:							
Original Levy.....	A- 7 142,147,972.90		142,147,972.90				
Added & Omitted.....	A- 7 1,008,849.65		539,580.90	205,205.80	264,062.95		
Reductions due to tax appeals..	(46,423.79)			(46,423.79)			
TTL Interest & Costs.....	4,573.11					4,573.11	
Canceled Taxes.....	(381,180.94)		(304,387.09)	(76,793.85)			
Transfers							
Tax Lien.....	-		(47,879.57)	(5,110.84)	(3,376.59)	56,367.00	
Revenue							
Sr.Citizens & Vets.....							
Original Levy.....	A- 6 (362,000.00)		(362,000.00)				
Allowed/Disallowed.....	A- 6 (8,116.22)		(8,116.22)				
Cash Receipts.....	A- 5 (142,986,222.10)	(738,159.34)	(139,473,893.18)	(2,222,046.20)	(552,123.38)		
Prepaid Applied.....	A- 7 -	509,526.51	(509,526.51)				
Balance 12/31/11.....	<u>\$ 4,413,866.50</u>	<u>\$ (738,159.34)</u>	<u>\$ 1,981,751.23</u>	<u>\$ 32,470.15</u>	<u>\$ 37,111.80</u>	<u>\$ 507,792.66</u>	<u>\$ 2,592,900.00</u>
	Ref.	A	A,A-7	A	A	A	A
<u>Analysis of CY 2011 Property Tax Levy:</u>							
<u>Tax Yield:</u>		<u>Tax Levy:</u>	<u>Ref.</u>		<u>Current Taxes Realized:</u>	<u>Ref.</u>	
General Purpose Tax	\$ 142,147,972.90	Local School District Tax	A-13	\$ 81,096,555.00	Sr. Citizens & Vets	A- 6	\$ 370,116.22
Added Taxes	<u>1,008,849.65</u>	County Tax	A-13	19,766,605.43	Cash Receipts	A- 7	<u>139,983,419.69</u>
		County Open Space	A-13	1,930,192.64	Subtotal	A- 1	140,353,535.91
	A-7 <u>\$ 143,156,822.55</u>	Due County - Added & Omitted	A-13	152,958.67	Res. For Uncoll. Tax	A- 3	<u>2,794,849.49</u>
		Special District Taxes	A-13	<u>3,396,882.00</u>			143,148,385.40
				106,343,193.74	Allocated to School, County and Special District	A-13	<u>(106,343,193.74)</u>
		Local Tax for Municipal Purposes	A- 2	33,737,773.00			
		Municipal Library Tax	A- 2	2,204,133.00			<u>\$ 36,805,191.66</u>
		Add: Additional Tax Levied		<u>871,722.81</u>			
<u>Delinquent Taxes Realized:</u>							
2010 Collections	\$ 2,222,046.20			<u>\$ 143,156,822.55</u>			
Arrears Collections	<u>552,123.38</u>						
	A-1, A-2 <u>\$ 2,774,169.58</u>						

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	Dec. 31, 2010	Accrued/ Adjustments	Cash Receipts	Dec. 31, 2011
Revenue Accounts Receivable:				
Licenses - Other		94,969.00	\$ (94,969.00)	\$ -
Alcoholic Beverage License		55,850.00	(55,850.00)	-
Fees and Permits		535,970.89	(535,970.89)	-
Fines and Costs - Municipal Court	\$ 56,703.20	884,316.76	(874,107.71)	66,912.25
Construction Code Fees		1,309,644.80	(1,309,644.80)	-
Interest on Investments and Deposits		137,789.74	(137,789.74)	-
Cable Television Franchise Fees		145,780.56	(145,780.56)	-
Hotel and Motel Tax		310,724.00	(310,724.00)	-
Library Fines		36,000.00	(33,000.00)	3,000.00
Consolidated Municipal Property Tax Relief Aid		833,833.00	(833,833.00)	-
Energy Receipts Taxes		5,024,746.00	(5,024,746.00)	-
Supplemental Energy Receipts Taxes		211,494.00	(211,494.00)	-
Uniform Fire Safety Act		85,897.06	(85,897.06)	-
A-2	<u>56,703.20</u>	<u>9,667,015.81</u>	<u>(9,653,806.76)</u>	<u>69,912.25</u>
Non - Budget Revenue:				
Administrative Fees Outside Jobs		180,091.81	(180,091.81)	-
Bid Specifications		3,500.00	(3,500.00)	-
Budget Refunds		256.00	(256.00)	-
Delinquent Fees		6,080.00	(6,080.00)	-
DMV Inspection Fees		3,998.34	(3,998.34)	-
FEMA OEM Reimbursements		22,774.92	(22,774.92)	-
Fire Report		45.00	(45.00)	-
Homeowner Mail Reimbursement		2,898.60	(2,898.60)	-
In Lieu of Taxes		6,000.00	(6,000.00)	-
JIF Award		1,250.00	(1,250.00)	-
July 4th Fireworks		5,300.00	(5,300.00)	-
MCUA Recycling Rebate		15,000.00	(15,000.00)	-
Medical Appointments		4,130.00	(4,130.00)	-
Miscellaneous		110,644.38	(110,644.38)	-
Outstanding Checks Void		15,333.71	(15,333.71)	-
Photo Copies		13,771.34	(13,771.34)	-
Police Report		1,417.50	(1,417.50)	-
Recycling: Batteries, Bins, Pallets		1,143.59	(1,143.59)	-
Restitutions		1,779.00	(1,779.00)	-
Returned Check Fees		760.00	(760.00)	-
Sale of Recyclables		9.71	(9.71)	-
Scrap Metal		51,936.51	(51,936.51)	-
Senior Citizen/Veterans Administration Fees		7,173.90	(7,173.90)	-
Violations - Code		15,480.00	(15,480.00)	-
Zoning & Planning Fees		100.00	(100.00)	-
A-1, A-2	<u>-</u>	<u>470,874.31</u>	<u>(470,874.31)</u>	<u>-</u>
Total	\$ 56,703.20	\$ 10,137,890.12	\$ (10,124,681.07)	\$ 69,912.25
	<u>Ref.</u>	<u>Reserve</u>		<u>A</u>
Analysis of Miscellaneous Revenues:				
Account Receivable Collections	A-4		<u>\$ 9,653,806.76</u>	
Subtotal			9,653,806.76	
Non-Budget Revenue	A-4		<u>470,874.31</u>	
			<u>\$ 10,124,681.07</u>	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE DEC 31, 2010	ENCUMBERED DEC 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
<u>General Government</u>					
Township Council					
Other Expenses	\$ 10,648.23	\$ 197.00	10,845.23	10,389.00	456.23
Township Clerk					
Salaries and Wages	2,169.21		2,169.21	-	2,169.21
Other Expenses	4,432.97	1,783.10	6,216.07	1,547.64	4,668.43
Elections					
Salaries and Wages	4,700.00		4,700.00	-	4,700.00
Other Expenses	5,000.00		5,000.00	5,000.00	-
<u>Administration</u>					
Department of Administration					
Salaries and Wages	11,271.21		11,271.21	-	11,271.21
Other Expenses	19,230.51	35,286.09	54,516.60	47,819.43	6,697.17
Division of Personnel					
Salaries and Wages	4.75		4.75	-	4.75
Other Expenses	533.10	1,185.00	1,718.10	1,091.00	627.10
Computer Center					
Other Expenses	32,266.51	70,235.00	102,501.51	27,377.00	75,124.51
Division of Purchasing					
Salaries and Wages	2,095.54		2,095.54	-	2,095.54
Other Expenses:					
Postage (All Departments)	11,583.37	1,035.39	12,618.76	1,045.52	11,573.24
Duplicating (All Departments)	5,050.51	127.27	5,177.78	-	5,177.78
Miscellaneous Other Expenses	1,278.60	1,001.64	2,280.24	439.02	1,841.22
Municipal Land Use (N.J.S.A. 40:55 D-1):					
Planning Board					
Salaries and Wages	768.00		768.00	-	768.00
Other Expenses	6,295.77	5,513.52	11,809.29	5,083.60	6,725.69
Zoning Board					
Salaries and Wages	668.48		668.48	-	668.48
Other Expenses	2,779.00	6,470.11	9,249.11	5,069.63	4,179.48

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE DEC 31, 2010	ENCUMBERED DEC 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>Operations Within "CAPS" (Cont'd)</u>					
Cable TV Studio					
Salaries and Wages	1,488.86		1,488.86	-	1,488.86
Other Expenses	1,896.15	2,948.20	4,844.35	1,152.71	3,691.64
<u>Finance and Revenue</u>					
Department of Finance					
Salaries and Wages	10,840.61		10,840.61	6,031.97	4,808.64
Other Expenses	1,684.40	16,106.00	17,790.40	13,382.19	4,408.21
Annual Audit		45,000.00	45,000.00	45,000.00	-
Division of Assessment					
Salaries and Wages	353.51		353.51	-	353.51
Other Expenses	856.57	31,472.51	32,329.08	12,642.50	19,686.58
Division of Revenue					
Salaries and Wages	2,335.04		2,335.04	-	2,335.04
Other Expenses	1,434.27	1,522.00	2,956.27	1,522.00	1,434.27
Insurance					
Liability Insurance	140,546.95		140,546.95	-	140,546.95
Employee Group Insurance	1,217,139.13		1,217,139.13	-	1,217,139.13
Municipal Court					
Salaries and Wages	1,896.75		1,896.75	-	1,896.75
Other Expenses	10,491.70	197.95	10,689.65	2,891.00	7,798.65
Public Defender (P.L. 1997, Ch. 256)					
Other Expenses	7,333.36		7,333.36	-	7,333.36
<u>Law</u>					
Department of Law					
Other Expenses	26,071.12	55,446.43	81,517.55	76,493.56	5,023.99
Municipal Prosecutor					
Salaries and Wages	475.02		475.02	-	475.02
<u>Public Safety</u>					
Uniform Fire Safety Act					
Salaries and Wages	1.76		1.76	-	1.76
Other Expenses	23.23	2,828.49	2,851.72	2,809.49	42.23
Animal Control					
Salaries and Wages	4,904.17		4,904.17	-	4,904.17
Other Expense	2,569.43	1,878.50	4,447.93	1,638.50	2,809.43

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE DEC 31, 2010	ENCUMBERED DEC 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>Operations Within "CAPS" (Cont'd)</u>					
Division of Schools Crossing Guards					
Salaries and Wages	9,270.35		9,270.35	-	9,270.35
Other Expenses	1,707.80		1,707.80	-	1,707.80
Division of Police					
Salaries and Wages	151,068.60		151,068.60	142,579.32	8,489.28
Other Expenses	22,635.72	177,187.58	199,823.30	169,487.10	30,336.20
First Aid Organization - Contribution	6.00	3,498.00	3,504.00	3,498.00	6.00
Division of Emergency Management Services					
Salaries and Wages	468.92		468.92	-	468.92
Other Expenses	4,619.00		4,619.00	-	4,619.00
<u>Public Works</u>					
Department of Public Works					
Salaries and Wages	5,599.97		5,599.97	-	5,599.97
Other Expenses	12,486.07	4,826.66	17,312.73	14,351.68	2,961.05
Division of Engineering					
Salaries and Wages	20,922.77		20,922.77	-	20,922.77
Other Expenses	18,859.12	2,973.36	21,832.48	2,875.60	18,956.88
Division of Community Development and Planning					
Salaries and Wages	9,912.98		9,912.98	-	9,912.98
Other Expenses	16,729.33		16,729.33	102.00	16,627.33
Public Buildings and Grounds					
Salaries and Wages	3,736.32		3,736.32	2,974.49	761.83
Other Expenses	29,450.13	50,111.20	79,561.33	29,811.72	49,749.61
Division of Property Maintenance					
Salaries and Wages	10,545.01		10,545.01	7,786.75	2,758.26
Other Expenses	12,185.55	105,073.38	117,258.93	39,168.76	78,090.17
Division of Streets					
Salaries and Wages	17,623.25		17,623.25	13,221.55	4,401.70
Other Expenses	12,823.70	6,032.69	18,856.39	504.42	18,351.97
Snow Removal					
Salaries and Wages	50,000.00		50,000.00	50,000.00	-
Other Expenses	74,470.00	67,915.00	142,385.00	142,385.00	-
All Utilities	65,788.23	198,519.24	264,307.47	264,307.47	-
Division of Parks					
Salaries and Wages	14,830.40		14,830.40	7,322.46	7,507.94
Other Expenses	18,750.83	28,967.16	47,717.99	18,147.97	29,570.02

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>BALANCE DEC 31, 2010</u>	<u>ENCUMBERED DEC 31, 2010</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>Operations Within "CAPS" (Cont'd)</u>					
Division of Sanitation - Sewer System					
Other Expenses	15,550.00	19.43	15,569.43	-	15,569.43
Solid Waste Collection					
Salaries and Wages	13,966.52		13,966.52	12,400.92	1,565.60
Other Expenses	3,050.00	500.00	3,550.00	-	3,550.00
Recycling Program					
Other Expenses	3,970.00	29,760.50	33,730.50	25,119.50	8,611.00
<u>Health and Welfare</u>					
Division of Public Assistance					
Salaries and Wages	2,980.79		2,980.79	-	2,980.79
Other Expenses	1,000.00		1,000.00	1,000.00	-
Office on Aging					
Salaries and Wages	24,757.37		24,757.37	4,116.85	20,640.52
Other Expenses	22,710.49	5,455.01	28,165.50	2,027.41	26,138.09
<u>Recreation and Education</u>					
Department of Recreation					
Salaries and Wages	31,379.70		31,379.70	130.00	31,249.70
Other Expenses	77.95	10,560.21	10,638.16	4,461.69	6,176.47

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE DEC 31, 2010	ENCUMBERED DEC 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
<u>Uniform Construction Code</u>					
Division of Inspections					
Salaries and Wages	5,446.41		5,446.41	-	5,446.41
Other Expenses	570.07	360.00	930.07	59.00	871.07
Boards and Commissions					
Salaries and Wages	39.50		39.50	-	39.50
Other Expenses	3,359.09	115.00	3,474.09	-	3,474.09
Total Operations Within "CAPS"	2,266,465.73	972,108.62	3,238,574.35	1,226,265.42	2,012,308.93
Total Operation Including Contingent	2,266,465.73	972,108.62	3,238,574.35	1,226,265.42	2,012,308.93
Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u>					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System	137,973.71		137,973.71	-	137,973.71
Defined Contribution Retirement Program	1,296.88		1,296.88	1,189.75	107.13
Total Deferred Charges and Statutory Expenditures Within "CAPS"	139,270.59	-	139,270.59	1,189.75	138,080.84
Total General Appropriations Within "CAPS"	2,405,736.32	972,108.62	3,377,844.94	1,227,455.17	2,150,389.77

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2010
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE DEC 31, 2010	ENCUMBERED DEC 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	19,871.06	95,109.34	114,980.40	90,651.86	24,328.54
9-1-1 Emergency Telecommunications Services					
Salaries and Wages	12,663.64		12,663.64	4,273.33	8,390.31
Other Expenses	4,829.79	4,366.36	9,196.15	7,126.92	2,069.23
NJDES - Storm Water					
Other Expenses	17,000.50	10,184.50	27,185.00	10,184.50	17,000.50
MCIA Recycling Program	54,500.00	180,720.15	235,220.15	181,568.44	53,651.71
MCUA Solid Waste Agreement	31,003.65	84,020.81	115,024.46	62,647.52	52,376.94
Edison Animal Control Contract	1,942.64	7,666.12	9,608.76	8,833.06	775.70
UMDNJ Agreements	12,429.90	9,528.00	21,957.90	9,528.00	12,429.90
Public and Private Programs Offset by Revenues					
Matching Fund for Grants	70,000.00		70,000.00	70,000.00	-
Total Operations - Excluded from "CAPS"	<u>224,241.18</u>	<u>391,595.28</u>	<u>615,836.46</u>	<u>444,813.63</u>	<u>171,022.83</u>
<u>Capital Improvements - Excluded from "CAPS"</u>					
Down Payment on Improvements	47,600.00		47,600.00	43,464.35	4,135.65
Renovations: Code Enforcement	100.00	17,200.00	17,300.00	17,200.00	100.00
Total Capital Improvements - Excluded from Caps	<u>47,700.00</u>	<u>17,200.00</u>	<u>64,900.00</u>	<u>60,664.35</u>	<u>4,235.65</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>271,941.18</u>	<u>408,795.28</u>	<u>680,736.46</u>	<u>505,477.98</u>	<u>175,258.48</u>
Total General Appropriations	<u>\$ 2,677,677.50</u>	<u>\$ 1,380,903.90</u>	<u>\$ 4,058,581.40</u>	<u>\$ 1,732,933.15</u>	<u>\$ 2,325,648.25</u>
	REF				A-1
Cash Disbursed	A- 4			\$ 1,555,031.99	
Transfer to Accounts Payable	A-10			<u>177,901.16</u>	
				<u>\$ 1,732,933.15</u>	

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	Dec. 31, 2010	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2011
Accounts Payable:						
Vendor Accounts Payable.....	\$ 816,071.48			\$ (373,810.19)	\$ 177,901.16	\$ 620,162.45
State of New Jersey 3rd Party Fees	106,102.60		149,285.20	(227,167.80)		28,220.00
Subtotal	922,174.08	-	149,285.20	(600,977.99)	177,901.16	648,382.45
Reserve for:						
Demolition	7,084.73					7,084.73
Equipment			7,650.00			7,650.00
Fire Districts	1,012.98					1,012.98
Library State Aid	23,955.00		25,826.00	(23,955.00)		25,826.00
Lien Redemption	6,241.37		1,479,451.43	(1,485,692.80)		-
PCTV	34,187.00	(14,000.00)	18,730.05			38,917.05
Sale of Municipal Assets	173,605.48		11,000.00			184,605.48
Tax Appeals Pending	2,675,283.49	2,000,000.00	395,272.42	(1,587,420.71)		3,483,135.20
Third Party Inspections	172,121.97		540,088.80	(363,989.00)		348,221.77
Subtotal	3,093,492.02	1,986,000.00	2,478,018.70	(3,461,057.51)	-	4,096,453.21
Total.....	\$ 4,015,666.10	\$ 1,986,000.00	\$ 2,627,303.90	\$ (4,062,035.50)	\$ 177,901.16	\$ 4,744,835.66
	<u>Ref</u>	A-2,A-3	A-4	A-4	A-9	A

CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE

	Dec. 31, 2010	Cash Disbursements	Budget Revenues	Budget Appropriations	Dec. 31, 2011
Interfunds					
Due from Grant Fund	100.20	11,046.55	\$ 1,162,382.72	(1,173,529.47) \$	-
Total.....	\$ 100.20	\$ 11,046.55	\$ 1,162,382.72	\$ (1,173,529.47) \$	-
<u>Ref.</u>		A-4	A-2	A-3,A-10	A

CURRENT FUND
STATEMENT OF INTERFUNDS PAYABLE

	Dec. 31, 2010	Cash Receipts	Cash Disbursements	Dec. 31, 2011
Interfunds				
Due from/(to) Other Trust Fund.....	\$ (386,745.74)		\$ 386,745.74	-
Senior Housing Operating Fund.....		(154,655.00)	154,655.00	
Senior Housing Capital Fund.....		(300,000.00)	300,000.00	-
Sewer Operating Fund.....		(6,908,453.32)	6,908,453.32	
Sewer Capital Fund.....		(389,504.76)	389,504.76	-
Recreation Trust Fund.....		(150.00)	150.00	
Total.....	\$ (386,745.74)	\$ (7,752,763.08)	\$ 8,139,508.82	\$ -
	<u>Ref.</u>	A-4	A-4	A

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	Dec. 31, 2010	Taxes Levied	Cash Disbursements	Dec. 31, 2011
County - General.....	-	\$ 19,766,605.43	\$ (19,766,605.43)	-
County - Open Space.....	-	1,930,192.64	(1,930,192.64)	-
County - Added & Omitted.....	-	152,958.67	(152,958.67)	-
Local School District Taxes.....	-	81,096,555.00	(81,096,555.00)	-
Fire District Taxes.....	-	3,396,882.00	(3,396,882.00)	-
Total.....	-	\$ 106,343,193.74	\$ (106,343,193.74)	-
<u>Ref.</u>		A-1,A-7	A-4	A

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total
	<u>Ref.</u>	
Balance - 12/31/2010.....		\$ 14,241.21
Cash Receipts.....	A-5	115,133.08
Cash Payments - Refunds.....	A-4	<u>(128,825.63)</u>
Balance - 12/31/2011.....	A	<u>\$ 548.66</u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

BUDGET YEAR	GRANTS	BALANCE DEC. 31, 2010	CY 2011 BUDGET REVENUE REALIZED	COLLECTED	TRANSFERRED FROM UNAPPROP GRANTS	CANCELLED	BALANCE DEC. 31, 2011
SFY 2002	Hazardous Discharge Grant	\$ 80,974.65	\$				\$ 80,974.65
SFY 2004	DCA Smart Growth	60,000.00					60,000.00
	NJDOT - Metlars House Project	2,253.50		2,253.50			-
SFY 2007	Municipal Stormwater Grant	10,310.00					10,310.00
SFY 2008	Comprehensive Stationhouse Adjustment Program (COMSHAP) 2007 Middlesex County Open Space & Recreation	5,482.19		5,482.19			-
	Pedestrian/Bicycle Grant	20,000.00					20,000.00
	NJ DOT - Carlton Avenue	62,500.00					62,500.00
SFY 2009	NJ DOT - William Street	125,000.00					125,000.00
	NJ DOT - Operation Safe Children and Roadways	30,000.00					30,000.00
	Tobacco Age of Sale	360.00					360.00
SFY 2010	Comprehensive Stationhouse Adjustment Program (COMSHAP)	21,000.00		517.81			20,482.19
	COPS in Shop Grant	3,200.00					3,200.00
	Drunk Driving - Over the Limit, Under Arrest	600.00					600.00
	Edward Byrne Memorial Justice Assistance Grant	10,605.00					10,605.00
	Municipal Alliance on Alcoholism and Drug Abuse	13,530.20		13,530.20			-
	USDOE - Energy Efficiency & Conversation Block Grant	476,682.72		431,240.48			45,442.24
	Justice Assistance Grant	19,884.82		19,884.82			-
TY 2010	Drunk Driving - Over the Limit, Under Arrest	9,400.00		9,250.00			150.00
	Justice Assistance Grant	10,605.00		1,220.18			9,384.82
	Community Development Block Grant	288,000.00					288,000.00
	Bias Prevention and Education Grant	5,000.00		4,395.00			605.00
CY 2011	Alcohol Education Rehab Program		2,211.32	2,211.32			-
	Body Armor Grant		7,657.43	7,657.43			-
	Middlesex County Cultural & Heritage Grant: Library		2,625.00	1,500.00		1,125.00	-
	Clean Communities Grant		77,135.41	77,135.41			-
	Click It or Ticket Grant		4,000.00	4,000.00			-
	CDBG		242,560.00				242,560.00
	COPS in Shop		2,800.00	2,800.00			-
	Drive Sober or Get Pulled Over		5,000.00				5,000.00
	Drunk Driving Enforcement Fund		24,626.98	24,626.98			-
	FEMA		10,000.00				10,000.00
	NJ DOT: FY 2011 Centennial Avenue Roadway		300,000.00				300,000.00
	Municipal Alliance and Drug Abuse		44,587.00	31,038.68			13,548.32

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

BUDGET YEAR	GRANTS	BALANCE DEC. 31, 2010	CY 2011 BUDGET REVENUE REALIZED	COLLECTED	TRANSFERRED FROM UNAPPROP GRANTS	CANCELLED	BALANCE DEC. 31, 2011
	Law Enforcement Response to Community Concerns Grant		5,000.00				5,000.00
	Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program		6,000.00		6,000.00		-
	NJ Historical Trust		150,000.00				150,000.00
	Over the Limit Under Arrest 2011 Statewide Crackdown		4,400.00				4,400.00
	Recycling Tonnage Grant		221,306.58	221,306.58			-
	Safe and Secure Communities Program		52,473.00				52,473.00
		<u>\$ 1,255,388.08</u>	<u>\$ 1,162,382.72</u>	<u>\$ 860,050.58</u>	<u>\$ 6,000.00</u>	<u>\$ 1,125.00</u>	<u>\$ 1,550,595.22</u>
	Ref.		A-17	A-4	A-19	A-17	A

GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/ PAYABLE

	Dec. 31, 2010	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2011
Interfunds					
Current Fund Due (to)/from	(100.20)	\$ (1,162,382.72)	\$ 1,173,529.47	(11,046.55)	0.00
Total.....	\$ (100.20)	\$ (1,162,382.72)	\$ 1,173,529.47	\$ (11,046.55)	\$ 0.00
<u>Ref.</u>		A-16	A-18	A-4	A

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

<u>BUDGET YEAR/PROGRAM</u>	<u>BALANCE DEC. 31 2010</u>	<u>ENC DEC. 31 2010</u>	<u>TOTAL TRANSFERRED FROM CY 2011 BUDGET</u>	<u>PAID OR CHARGED</u>	<u>TRANSFER/ CANCELLED</u>	<u>ENC DEC. 31 2011</u>	<u>BALANCE DEC. 31 2011</u>
SFY 2002							
Hazardous Discharge Grant	\$ 31,516.34	\$	\$	\$	\$	\$	\$ 31,516.34
SFY 2003							
History Grant	2,997.19						2,997.19
SFY 2004							
NJDOT: Metlars House Project	7,264.40	43,887.10		2,253.50			48,898.00
SFY 2007							
Domestic Violence Training Program	2,092.43						2,092.43
Durham Park Bike Path	20,000.00						20,000.00
Federal Emergency Management Assistance	1,445.75						1,445.75
Municipal Stormwater Grant	8,238.00						8,238.00
Municipal TDM Award	3,000.00						3,000.00
SFY 2008							
Body Armor Replacement Fund	1,586.21			106.21		1,480.00	
Clean Communities Program		2,675.00		2,675.00			
Comprehensive Stationhouse Adjustment Program (COMSHAP)	172.19			172.19			
Justice Assistance Grant	11.69			11.69			
Middlesex County Open Space & Recreation							
Pedestrian/Bicycle Grant	25,282.40						25,282.40
Pedestrian Safety Grant	9.00			9.00			
Recycling Enhancement Grant	132.38			132.38			
Recycling Tonnage Grant	274.31	976.92		1,251.23			
SFY 2009							
Alcohol Education Rehab Program	1,268.47						1,268.47
Body Armor Replacement Grant	1,861.67	650.00		754.67		1,670.00	87.00
Clean Communities Grant	26,988.17	21,958.90		27,009.90		21,937.17	
Drunk Driving Enforcement Fund	4,212.76			781.00			3,431.76
Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program	13,512.15			13,512.15			
NJ DOT - Safe Routes to School Program	30,000.00						30,000.00
NJ DOT - William Street	500,000.00						500,000.00
Recycling Tonnage Grant	30,119.86	22,000.00		49,869.84		2,250.02	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

<u>BUDGET YEAR/PROGRAM</u>	<u>BALANCE DEC. 31 2010</u>	<u>ENC DEC. 31 2010</u>	<u>TOTAL TRANSFERRED FROM CY 2011 BUDGET</u>	<u>PAID OR CHARGED</u>	<u>TRANSFER/ CANCELLED</u>	<u>ENC DEC. 31 2011</u>	<u>BALANCE DEC. 31 2011</u>
SFY 2010							
Alcohol Education Rehab Program	3,066.66						3,066.66
Bullet Proof Vest		519.41		519.41			
Clean Communities Program	40,903.28	25,900.00		16,954.86		30,395.33	19,453.09
Comprehensive Stationhouse Adjustment Program (COMSHAP)	11,590.00	4,800.00		5,576.92			10,813.08
Drunk Driving Enforcement Grant	13,407.35	224.95		9,395.00			4,237.30
FEMA - OEM - 2008	5,000.00					5,000.00	
FEMA - OEM - 2009	10,000.00					3,128.90	6,871.10
Justice Assistance Grant: Program II Additional	11,743.32	6,055.50		15,631.53			2,167.29
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	403.42			203.85			199.57
Municipal Alliance on Alcoholism and Drug Abuse	15,031.44			2,628.75			12,402.69
PARIS Grant	25,735.32			14,509.80			11,225.52
Recycling Tonnage Grant	133,189.10	12,000.00		17,211.15		4,000.00	123,977.95
USDOE - Energy Efficiency & Conversation Block Grant	130,479.22	113,287.80		114,349.78		33,222.26	96,194.98
TY 2010							
Drunk Driving - Over the Limit, Under Arrest	1,350.00			1,200.00			150.00
Justice Assistance Grant	10,605.00			10,605.00			
Community Development Block Grant	288,000.00						288,000.00
Bias Prevention and Education Grant	905.00			905.00			
American Library Association		1,933.80		1,933.80			
Body Armor Grant	6,654.75	28.94		6,109.81		573.88	
CY 2011							
Alcohol Education Rehab Program			2,211.32				2,211.32
Body Armor Grant			7,657.43			3,602.62	4,054.81
Middlesex County Cultural & Heritage Grant: Library			2,625.00	975.00	1,125.00	150.00	375.00
Clean Communities Grant			77,135.41	(175.00)		175.00	77,135.41
Click It or Ticket Grant			4,000.00	4,000.00			
CDBG			242,560.00				242,560.00
COPS in Shop			2,800.00	2,800.00			
Drive Sober or Get Pulled Over			5,000.00	3,600.00			1,400.00
Drunk Driving Enforcement Fund			24,626.98	10,450.45		225.00	13,951.53
FEMA			10,000.00				10,000.00
NJ DOT: FY 2011 Centennial Avenue Roadway			300,000.00	300,000.00			
Municipal Alliance and Drug Abuse			44,587.00	41,212.39		3,374.61	
Matching Funds			11,146.75			2,971.75	8,175.00
Law Enforcement Response to Community Concerns Grant			5,000.00	4,392.56		214.99	392.45
Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program			6,000.00				6,000.00
NJ Historical Trust			150,000.00				150,000.00
Over the Limit Under Arrest 2011 Statewide Crackdown			4,400.00	4,400.00			
Recycling Tonnage Grant			221,306.58	64,324.00		(4,598.20)	161,580.78
Safe and Secure Communities Program			52,473.00	52,473.00			
	<u>\$ 1,420,049.23</u>	<u>\$ 256,898.32</u>	<u>\$ 1,173,529.47</u>	<u>\$ 804,725.82</u>	<u>\$ 1,125.00</u>	<u>\$ 109,773.33</u>	<u>\$ 1,934,852.87</u>

Ref.

A-17

A-4

A-17

A

A

SCHEDULE OF STATE AND FEDERAL GRANTS
 UNAPPROPRIATED
GRANT FUND

<u>GRANT</u>	BALANCE <u>DEC. 31,2010</u>	RECEIVED IN <u>CASH</u>	TRANSFERRED TO CY 2011 BUDGET AS <u>REVENUE</u>	BALANCE <u>DEC. 31,2011</u>
Multi-Jurisdictional Grant	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Middlesex County Cultural Heritage	<u>300.00</u>	<u> </u>	<u> </u>	<u>300.00</u>
	<u>\$ 6,300.00</u>	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 6,300.00</u>
<u>Ref.</u>		A-4	A-16	A

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance Dec. 31, 2010	Cash.....		Balance Dec. 31, 2011
		Receipts	Disbursements	
Animal Control:				
Due NJ - State License Fees.....	62.40	2,053.20	(2,103.60)	12.00
Animal Control Reserves.....	17,586.06	21,918.32	(10,945.03)	28,559.35
Total	17,648.46	23,971.52	(13,048.63)	28,571.35
Self Insurance Trust Fund				
Reserve for Self Insurance.....	752,865.82	210,391.03	(113,186.87)	850,069.98
Total	752,865.82	210,391.03	(113,186.87)	850,069.98
Other Trust Funds:				
State and Federal Grants Receivable.....	(185,180.22)	18,756.13		(166,424.09)
Due to/(from) Current Fund.....	(386,745.74)	2,213,410.56	(1,826,664.82)	-
Payroll Liabilities.....	174,680.75	35,819,387.55	(35,809,512.40)	184,555.90
Unemployment Trust Fund.....	183,053.13	150,000.00	(175,794.28)	157,258.85
Reserve for CDBG.....	150,456.64		(18,756.13)	131,700.51
Reserve for Affordable Housing	1,422,937.59	79,750.35	(981,288.98)	521,398.96
Miscellaneous Deposits.....	2,821,454.20	5,482,119.43	(2,315,904.66)	5,987,668.97
Recreation Trust	83,580.69	37,275.00	(20,403.77)	100,451.92
Schedule of Escrows	4,641,351.69	624,596.86	(1,553,378.61)	3,712,569.94
Total	8,905,588.73	44,425,295.88	(42,701,703.65)	10,629,180.96
Public Assistance Trust Fund:				
Reserve for Public Assistance.....	911.35	3,000.00		3,911.35
Total	911.35	3,000.00	-	3,911.35
Total	\$ 9,677,014.36	\$ 44,662,658.43	\$ (42,827,939.15)	\$ 11,511,733.64

Ref.

B

Reserve for Animal Control
License Fees Collected:

<u>Year</u>	
SFY 2010	\$ 27,134.20
TY 2010	3,336.00
	<u>\$ 30,470.20</u>

Note: R.S. 4:19.11

" there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES
TRUST OTHER FUNDS

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 847,232.36	\$ 71,800.96	\$ 149,735.12	\$ 769,298.20
2. CB Engineering & Inspections Fees (under \$5,000)	142,166.36	10,860.25	33,822.18	119,204.43
3. Performance Bonds (over \$10,000)	222,771.75	3,000.00		225,771.75
4. CB Planning Board (over \$5,000)	252,401.93	105,800.00	71,135.27	287,066.66
5. CB Planning Board (under \$5,000)	342,814.55	112,707.11	70,713.27	384,808.39
6. CB Developers Interest	2,335.48	3,604.07		5,939.55
7. CB Performance (under \$5,000)	198,897.38	12,794.00	11,666.40	200,024.98
8. CB Developers	<u>2,632,731.88</u>	<u>304,030.47</u>	<u>1,216,306.37</u>	<u>1,720,455.98</u>
	<u>\$ 4,641,351.69</u>	<u>\$ 624,596.86</u>	<u>\$ 1,553,378.61</u>	<u>\$ 3,712,569.94</u>

Ref.

B- 1

B- 1

B

SCHEDULE OF MISCELLANEOUS DEPOSITS
TRUST - OTHER FUND

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
1. DARE Program	\$ 1,380.84			\$ 1,380.84
2. Dep. For Redemp. Of Tax Sale Certif.	7,194.05			7,194.05
3. Donations: Emergency Management	9,501.97	3,795.00		13,296.97
4. Federal Forfeiture Funds	8,006.97			8,006.97
5. Forfeiture Funds	112,561.36	8,482.78	6,429.95	114,614.19
6. Future Improvement Deposits	226,786.52			226,786.52
7. Grading Bonds	11,000.00			11,000.00
8. Landscape Bonds	145,761.25	29,000.00		174,761.25
9. Local Seized Funds	171.90	7,787.21	2,496.00	5,463.11
10. Municipal Court - POAA	4,276.95	208.00		4,484.95
11. Prem. Received at Tax Sale	398,000.00	472,100.00	221,000.00	649,100.00
12. Public Defender Fees	39,946.37	26,648.50	20,220.90	46,373.97
13. Public Relations Beautification Fund	24,883.97	4,610.00	9,854.15	19,639.82
14. Recapture Fees- Sale of Afford. Hsg.	1,500.00			1,500.00
15. Reserve for Domestic Violence	500.00			500.00
16. Reserve for Police Off-Duty Pay	-	1,254,936.91	1,235,193.78	19,743.13
17. Reserve for Recycling Project	9,733.13			9,733.13
18. Senior Citizens Trips	37,160.75	54,019.87	55,476.25	35,704.37
19. Sick and Vacation Accrual	586,709.69	1,919,867.59	605,041.63	1,901,535.65
20. Snow Removal	707,716.61	64,767.47		772,484.08
21. Street Opening Bonds	487,621.87	149,841.69	160,192.00	477,271.56
22. Tax Lien Redemption		1,486,054.41		1,486,054.41
23. Youth Center Donations	1,040.00			1,040.00
	<u>\$ 2,821,454.20</u>	<u>\$ 5,482,119.43</u>	<u>\$ 2,315,904.66</u>	<u>\$ 5,987,668.97</u>
<u>Ref.</u>		B- 1	B- 1	B

General Capital Fund

SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2010			\$ 671,638.27
Increased by Receipts:			
Premium on Sale of Bonds	C- 1	467,524.85	
State and Federal Grant Receivable	C- 4	780,000.00	
Deferred Charges to Future Taxation - Unfunded	C- 6	14,994,000.00	
Contributions - Off-Site Improvements	C- 8	419,705.09	
Due to Current Fund	C-11	2,250,000.00	
Developer's Tree Contribution	C-13	200.00	
Debt Service	C-16	<u>308,748.56</u>	
			<u>19,220,178.50</u>
			19,891,816.77
Decreased by Disbursements:			
Improvement Authorizations	C- 9	10,034,892.79	
Preliminary Expenses	C-12	12,000.00	
Developer's Tree Contribution	C-13	8,308.99	
Bond Anticipation Notes	C-17	<u>7,000,000.00</u>	
			<u>17,055,201.78</u>
Balance - December 31, 2011	C		<u><u>\$ 2,836,614.99</u></u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
GENERAL CAPITAL FUND

	BALANCE DEC. 31, 2010	RECEIPTS		DISBURSEMENTS		BALANCE DEC. 31, 2011	
		MISCEL- LANEOUS	IMPROV. AUTHOR.	MISCEL- LANEOUS	TRANSFERS		
					FROM		TO
Fund Balance	\$ 110,912.79	\$ 467,524.85			\$ 75,000.00	503,437.64	
Capital Improvement Fund	57,250.00					57,250.00	
Contributions - Off-Site Improvements	1,564,510.18	419,705.09			459,685.00	1,534,530.27	
Contributions - Tree Contributions	8,308.99	200.00		8,308.99		200.00	
Federal & State Grants Receivable	(640,200.00)	480,000.00				(160,200.00)	
Reserve for Preliminary Expenses	469,906.90			12,000.00		457,906.90	
Reserve for Stelton Streetscape	20,250.00					20,250.00	
Reserve for Community Center	5,000.00					5,000.00	
Reserve for Debt Service		308,748.56				308,748.56	
Due from Sewer Utility Operating Fund					10,000.00	(10,000.00)	
Due to Current Fund		2,550,000.00			2,550,000.00	-	
Reserve for Encumbrances	3,301,979.23				3,301,979.23	11,237,306.80	
ORD. IMPROVEMENT NO. AUTHORIZATIONS							
01-01 Various Improvements	23,946.07				10,612.07	13,334.00	
01-30 Various Improvements	108,543.14					108,543.14	
01-32 Various Improvements	8,778.44		736.73			15,640.94	
02-18 Various Capital Improvements	512.34					10,044.37	
02-24 Various Park Improvements	968.80		755.00			213.80	
02-25 Various Capital Improvements	233,553.01		15,000.00		90,427.53	218,553.01	
03-10 Acquisition of Land	-				32,190.70	-	
03-32 Master Plan	-				1,788.00	-	
03-39 Various Capital Improvements	45,056.15		26,812.52		51,311.77	58,600.84	
04-05 Various Capital Improvements	3,060.37				22,075.78	3,060.37	
04-51 Various Capital Equipments	29,082.97		832.97			28,250.00	
04-52 Various Capital Projects	(78,914.25)	72,000.00	7,810.75		36,560.05	(4,705.87)	
05-11 Various Capital Projects	130,814.31					356.00	
05-13 Various Capital Projects	79,430.56		10,194.64		10,965.85	117,938.68	
05-41, 06-14 Various Capital Improvements	164,885.89	177,000.00	90,868.50		235,869.84	259,509.89	
06-04 Various Capital Improvements	328,012.09		500.00		49,425.00	279,712.55	
06-21 Demolition of Structures	294.00				1,100.00	294.00	
06-26 William Street Improvements	73,826.75					73,826.75	
06-36 Various Capital Improvements	(224,757.74)	100,000.00	1,072,069.82		971,660.14	(1,984,189.44)	
06-48 Various Capital Improvements	(12,380.96)		21,720.11		371,497.51	(172,422.80)	
07-02 Various Capital Improvements	47,926.71		34,904.10		62,710.31	28,721.71	
07-33 Various Capital Improvements	(856,192.86)	840,000.00	79,785.67		48,284.05	(81,095.20)	
08-10 Acquisition of Land: Highland	24,150.00					24,150.00	
08-19 Land Acquisition	39.81					39.81	
09-04 Various Capital Improvements	(2,973,344.01)	2,900,000.00	374,279.94		215,478.42	(142,412.48)	
09-20 Digital Tax Maps	49,296.20		7,920.00		5,580.00	49,296.20	
09-40 Various Capital Improvements	(2,034,623.97)	475,000.00	1,923,920.91		478,127.12	(2,361,907.33)	
10-01 Various Improvements	(533,691.75)		35,783.02			(569,474.77)	
10-02 Tax Appeal Refunding	(2,614,504.00)	2,610,000.00				(4,504.00)	
10-24 Tax Appeal Refunding	3,749,952.11	820,000.00	4,571,556.63			(1,604.52)	
11-01 Revaluation			2,852.50		977,205.00	519,942.50	
11-04 Various Road Improvements - Annual			1,270,424.24		75,615.76	75,000.00	
11-08 Various Road Improvements (\$300,000 - NJ DOT)			50,305.14		2,258,961.50	(1,859,266.64)	
11-14 Various Capital Improvements			435,859.60		5,229,860.40	(5,356,035.00)	
11-21 Renovations, Expansion and Improvements to Municipal Facilities						750,000.00	
	\$ 671,638.27	\$ 12,220,178.50	\$ 10,034,892.79	\$ 20,308.99	\$ 17,633,971.03	\$ 17,633,971.03	
						\$ 2,836,614.99	

Ref. C-1,C-7,C-8, C-11,C-13,C-17 C-9 C-8,C-11,C-12 C-9 C-9 C

SCHEDULE OF VARIOUS GRANTS, LOANS, OTHER RECEIVABLES AND RESERVES

	<u>Balance December 31, 2010</u>	<u>Increases</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2011</u>
Receivables:				
State of NJ DOT Haines Avenue	\$ 640,200.00		480,000.00	\$ 160,200.00
State of NJ DOT Centennial Ave, Possumtown Rd and 1st Ave		<u>300,000.00</u>	<u>300,000.00</u>	
	<u>\$ 640,200.00</u>	<u>\$ 300,000.00</u>	<u>\$ 780,000.00</u>	<u>\$ 160,200.00</u>
<u>Ref.</u>		C-4,C-9	C-2	C

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance - December 31, 2010			\$ 45,309,000.00
Increased by:			
Serial Bonds	C-10		<u>21,044,000.00</u>
			66,353,000.00
Decreased by:			
2011 Budget Approp. to Pay Bonds	C-10	4,590,000.00	
Refunded Bonds	C-10	<u>6,110,000.00</u>	
			<u>10,700,000.00</u>
Balance - December 31, 2011	C		<u><u>\$ 55,653,000.00</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31,2010	2011 AUTHORIZATION	FUNDED BY GRANTS RECEIVED	SERIAL BONDS ISSUED	BALANCE DEC. 31,2011	ANALYSIS OF BALANCE DEC. 31,2011	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
04-52	Various Capital Improvements	\$89,725.00			\$72,000.00	\$17,725.00	\$4,705.87	\$13,019.13
05-11	Various Capital Projects	213,470.00				213,470.00		213,470.00
05-41	Various Capital Improvements	395,975.00			177,000.00	218,975.00		218,975.00
06-04	Various Capital Improvements	50,500.00				50,500.00	-	50,500.00
06-26	William Street Improvements	204,000.00				204,000.00	-	204,000.00
06-36	Various Capital Improvements	3,639,000.00			100,000.00	3,539,000.00	1,984,189.44	1,554,810.56
06-48	Various Capital Improvements	547,000.00				547,000.00	172,422.80	374,577.20
07-02	Various Capital Improvements	275,000.00				275,000.00	-	275,000.00
07-33	Various Capital Improvements	2,115,000.00			840,000.00	1,275,000.00	81,095.20	1,193,904.80
09-04	Various Capital Improvements	3,853,200.00			2,900,000.00	953,200.00	142,412.48	810,787.52
09-40	Various Capital Improvements	3,756,050.00			475,000.00	3,281,050.00	2,361,907.33	919,142.67
10-01	Various Improvements	5,357,500.00				5,357,500.00	569,474.77	4,788,025.23
10-02	Tax Appeal Refunding	2,614,504.00			2,610,000.00	4,504.00	4,504.00	
10-24	Tax Appeal Refunding	7,821,604.52			7,820,000.00	1,604.52	1,604.52	
11-04	Various Road Improvements - Annual		1,425,000.00			1,425,000.00	1,271,040.00	153,960.00
11-08	Various Road Improvements		2,850,000.00			2,850,000.00	1,859,266.64	990,733.36
11-14	Various Capital Improvements		5,884,015.00			5,884,015.00	5,356,035.00	527,980.00
11-21	Renovation, Expansion and Improvements to Municipal Facilities		2,450,000.00			2,450,000.00		2,450,000.00
		<u>\$30,932,528.52</u>	<u>\$12,609,015.00</u>		<u>\$14,994,000.00</u>	<u>\$28,547,543.52</u>	<u>\$13,808,658.05</u>	<u>\$14,738,885.47</u>
	<u>Ref</u>		C- 9	C- 4	C- 2	C		

SCHEDULE OF CAPITAL IMPROVEMENT FUND
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 57,250.00
Balance - December 31, 2011	C	<u>\$ 57,250.00</u>

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

	<u>REF.</u>	
Balance - December 31, 2010		\$ 1,564,510.18
Increased by:		
Cash Receipts	C- 2	419,705.09
Due from Sewer Oper - Developer Agreement	C-11	<u>10,000.00</u>
		<u>429,705.09</u>
		1,994,215.27
Decreased by:		
Improvement Authorizations	C- 9	<u>459,685.00</u>
Balance - December 31, 2011	C	<u>\$ 1,534,530.27</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2010		2011 AUTH-ORIZATIONS	ENCUMBRANCES PAYABLE DEC. 31, 2010	ENCUMBRANCES PAYABLE DEC. 31, 2011	PAID OR CHARGED	BALANCE - DEC. 31, 2011	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
01-01	Various Improvements (\$250,000 NJ DOT)	01/23/01	3,191,800.00	23,946.07				10,612.07		13,334.00	
01-30,02-27	Various Improvements	12/18/01		108,543.14						108,543.14	
01-32,02-28	Various Improvements	12/18/01		8,778.44			7,599.23		736.73	15,640.94	
02-25/03-23	Various Capital Improvements (\$225,000 NJ DOT)	12/03/02	1,250,000.00	233,553.01			90,427.53	90,427.53	15,000.00	218,553.01	
02-24	Various Park Improvements	12/17/02	1,500,000.00	968.80					755.00	213.80	
02-18	Various Capital Improvements	11/26/02	237,000.00	512.34			9,532.03			10,044.37	
03-10/04-29	Acquisition of Land	03/04/03	275,000.00	-			32,190.70	32,190.70		-	
03-32	Master Plan	9/2/2003-03/18/04	75,000.00	-			1,788.00	1,788.00		-	
03-39	Various Capital Improvements (\$175,000 NJ DOT)	11/06/03	4,325,000.00	45,056.15			91,668.98	51,311.77	26,812.52	58,600.84	
04-05	Various Capital Improvements	01/06/04	2,494,000.00	3,060.37			22,075.78	22,075.78		3,060.37	
04-51	Various Capital Equipments	12/21/04	179,500.00	29,082.97					832.97	28,250.00	
04-52,05-40	Various Capital Projects (\$250,000 NJ DOT, \$270,000 NJ DOT)	12/21/04	10,665,500.00		10,810.75		46,579.18	36,560.05	7,810.75		13,019.13
05-11	Transportation)	03/15/05	1,218,000.00	130,814.31	213,470.00		356.00			131,170.31	213,470.00
05-13	Various Capital Projects	03/15/05	2,786,000.00	79,430.56			59,668.61	10,965.85	10,194.64	117,938.68	
05-41, 06-14, 06-17	Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$600,000 - Green Acres)	3/17/2006, 11/29/05	11,240,500.00	164,885.89	395,975.00		244,362.34	235,869.84	90,868.50	259,509.89	218,975.00
06-04	Various Capital Improvements	01/03/06	2,590,000.00	328,012.09	50,500.00		1,625.46	49,425.00	500.00	279,712.55	50,500.00
06-21	Demolition of Structures	04/25/06	200,000.00	294.00			1,100.00	1,100.00		294.00	
06-26	Acquisition of Land	07/25/06	320,000.00	73,826.75	204,000.00					73,826.75	204,000.00
06-36	Various Capital Improvements (\$270,000 NJ DOT)	11/28/06	8,520,000.00		3,414,242.26		184,298.26	971,660.14	1,072,069.82	-	1,554,810.56
06-48	Various Capital Improvements	12/19/06	2,260,000.00		534,619.04		233,175.78	371,497.51	21,720.11	-	374,577.20
07-02	Various Capital Improvements	03/06/07	2,500,000.00	47,926.71	275,000.00		78,409.41	62,710.31	34,904.10	28,721.71	275,000.00
07-33	Various Capital Improvements	12/18/07	5,650,000.00		1,258,807.14		63,167.38	48,284.05	79,785.67	-	1,193,904.80
08-10	Acquisition of Land on Highland Avenue	04/08/08	24,150.00	24,150.00						24,150.00	
08-19	Land Acquisition	05/06/08	30,000.00	39.81						39.81	
09-04	Various Capital Improvements		4,056,000.00		879,855.99		520,689.89	215,478.42	374,279.94	-	810,787.52
09-20	Digital Tax Maps	07/28/09	200,000.00	49,296.20			13,500.00	5,580.00	7,920.00	49,296.20	
09-40	Various Capital Improvements	11/24/09	4,555,000.00		1,721,426.03		1,599,764.67	478,127.12	1,923,920.91	-	919,142.67
10-01	Various Improvements	01/26/10	7,850,000.00		4,823,808.25				35,783.02	-	4,788,025.23
10-24	Tax Appeal Refunding	03/02/10	2,614,504.00		4,571,556.63				4,571,556.63		
11-01	Revaluation	03/15/11	1,500,000.00			1,500,000.00		977,205.00	2,852.50	519,942.50	
11-04	Various Road Improvements - Annual	03/29/11	1,500,000.00			1,500,000.00		75,615.76	1,270,424.24		153,960.00
11-08	Various Road Improvements (\$300,000 - NJ DOT)	04/19/11	3,300,000.00			3,300,000.00		2,258,961.50	50,305.14		990,733.36
11-14	Various Capital Improvements	08/16/11	6,193,700.00			6,193,700.00		5,229,860.40	435,859.60		527,980.00
11-21	Renovations, Expansion and Improvements to Municipal Facilities	12/06/11	3,200,000.00			3,200,000.00				750,000.00	2,450,000.00
				\$ 1,352,177.61	\$ 18,354,071.09	\$15,693,700.00	\$ 3,301,979.23	\$ 11,237,306.80	\$ 10,034,892.79	\$ 2,690,842.87	\$ 14,738,885.47
		Ref.						C	C- 2	C	C
	Fund Balance	C- 1				\$ 75,000.00					
	Grants Receivable	C- 4				300,000.00					
	Deferred Charges to Future Taxation - Unfunded	C- 6				12,609,015.00					
	Contributions - Off-Site Improvements	C- 8				459,685.00					
	Interfunds Payable	C- 11				2,250,000.00					
						\$15,693,700.00					

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

Exhibit - C-10
Page 1 of 2

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2010	INCREASED	DECREASED	BALANCE DEC. 31, 2011
			DEC. 31, 2011						
General Improvements	04/01/98	\$ 6,165,000.00				\$ 540,000.00		\$ 540,000.00	\$ -
General Improvement Bonds	10/15/01	5,765,000.00				2,815,000.00		2,815,000.00	
General Improvement Bonds	02/01/02	7,520,000.00				4,220,000.00		4,220,000.00	
General Improvement Bonds	03/01/04	9,659,000.00	3/1/12-13	800,000.00	3.250%	6,059,000.00		700,000.00	5,359,000.00
			03/01/14	900,000.00	3.375%				
			03/01/15	900,000.00	3.500%				
			03/01/16	959,000.00	3.625%				
			03/01/17	1,000,000.00	3.750%				
General Improvement Bonds	11/01/07	15,500,000.00	11/01/12	1,300,000.00	3.750%	13,000,000.00		1,100,000.00	11,900,000.00
			11/01/13-14	1,400,000.00	3.500%				
			11/01/15	1,500,000.00	3.500%				
			11/01/16	1,500,000.00	3.625%				
			11/01/17-19	1,600,000.00	3.750%				
General Improvement Bonds	03/15/09	17,710,000.00	03/15/12	1,200,000.00	3.000%	16,710,000.00		1,000,000.00	15,710,000.00
			03/15/13	1,300,000.00	3.000%				
			03/15/14	1,400,000.00	3.000%				
			03/15/15	1,450,000.00	3.250%				
			03/15/16	1,500,000.00	3.250%				
			03/15/17	1,600,000.00	4.000%				
			03/15/18	1,700,000.00	4.000%				
			03/15/19	1,700,000.00	5.000%				
			03/15/20	1,900,000.00	4.000%				
			03/15/21	1,960,000.00	4.000%				
Tax Appeals	03/15/09	2,290,000.00	03/15/12-14	325,000.00	3.000%				
			03/15/15	325,000.00	3.250%				
			03/15/16	340,000.00	3.250%				
General Improvement Bonds	02/01/11	4,564,000.00	02/01/12	350,000.00	2.000%		4,564,000.00		4,564,000.00
			02/01/13	375,000.00	3.000%				
			02/01/14	400,000.00	3.000%				
			02/01/15	425,000.00	3.000%				
			02/01/16	450,000.00	4.000%				
			02/01/17	475,000.00	4.000%				
			02/01/18	500,000.00	4.000%				
			02/01/19	500,000.00	4.000%				
			02/01/20	525,000.00	4.000%				
			02/01/21	564,000.00	4.000%				
Tax Appeal Refinding Bonds, Series A	02/01/11	2,610,000.00	02/01/12	525,000.00	2.000%				
			02/01/13	525,000.00	3.000%				
			02/01/14	525,000.00	3.000%				
			02/01/15	525,000.00	3.000%				
			02/01/16	510,000.00	4.000%				

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

Exhibit - C-10
Page 2 of 2

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DEC. 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2011</u>
Tax Appeal Refunding Bonds, Series B	02/01/11	7,820,000.00	02/01/12	1,100,000.00	2.000%		7,820,000.00		7,820,000.00
			02/01/13	1,100,000.00	3.000%				
			02/01/14	1,100,000.00	3.000%				
			02/01/15	1,100,000.00	3.000%				
			02/01/16	1,100,000.00	4.000%				
			02/01/17	1,100,000.00	4.000%				
			02/01/18	1,220,000.00	4.000%				
General Improvement Refunding Bonds	03/24/11	6,050,000.00	02/01/12	545,000.00	3.000%		6,050,000.00		6,050,000.00
			02/01/13	1,100,000.00	3.000%				
			02/01/14	1,085,000.00	3.000%				
			02/01/15	1,175,000.00	4.000%				
			02/01/16	1,170,000.00	4.000%				
			02/01/17	975,000.00	4.000%				
						<u>\$ 45,309,000.00</u>	<u>\$ 21,044,000.00</u>	<u>\$ 10,700,000.00</u>	<u>\$ 55,653,000.00</u>
					<u>REF</u>	C-5		C	
					Serial Bonds	C-5		\$ 4,590,000.00	
					Refunded Bonds	C-5		<u>6,110,000.00</u>	
								<u>\$ 10,700,000.00</u>	

SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE

	<u>REF.</u>	<u>Total</u>	<u>Due to Current Fund</u>	<u>Due to Trust Fund</u>	<u>Due from Sewer Utility Operating Fund</u>
Increased by:					
Cash Received	C- 2	\$ 2,250,000.00	\$ 1,500,000.00	\$ 750,000.00	
Contributions - Off -Site Improvements	C- 8				\$ 10,000.00
		<u>2,250,000.00</u>	<u>1,500,000.00</u>	<u>750,000.00</u>	<u>10,000.00</u>
Decreased by:					
Improvement Authorizations	C- 9	<u>2,250,000.00</u>	<u>1,500,000.00</u>	<u>750,000.00</u>	
		<u>2,250,000.00</u>	<u>1,500,000.00</u>	<u>750,000.00</u>	
Balance - December 31, 2011	C	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>

SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance December 31, 2010		\$ 469,906.90
Decreased by:		
Cash Disbursed	C- 2	<u>12,000.00</u>
Balance December 31, 2011	C	<u><u>\$ 457,906.90</u></u>

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance December 31, 2010		\$ 8,308.99
Increased by:		
Cash Received	C- 2	<u>200.00</u>
		8,508.99
Decreased by:		
Cash Disbursed	C-2	<u>8,308.99</u>
Balance December 31, 2011	C	<u><u>\$ 200.00</u></u>

SCHEDULE OF STELTON STREETSSCAPE

	<u>REF.</u>	
Balance December 31, 2010		\$ 20,250.00
Balance December 31, 2011	C	<u>\$ 20,250.00</u>

SCHEDULE OF RESERVES COMMUNITY CENTER

	<u>REF.</u>	
Balance December 31, 2010		\$ 5,000.00
Balance December 31, 2011	C	<u>\$ 5,000.00</u>

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Increased by:		
Cash Received	C-2	\$ 308,748.56
Balance December 31, 2011	C	<u>\$ 308,748.56</u>

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2011</u>
10-24	Tax Appeal Refunding	12/21/10	12/21/10	02/21/11	1.00%	<u>\$7,000,000.00</u>	<u>\$7,000,000.00</u>	<u>\$0.00</u>
						<u>\$7,000,000.00</u>	<u>\$7,000,000.00</u>	<u>\$0.00</u>
					<u>Ref.</u>		C-2	C

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DEC. 31, 2010	2011 <u>AUTHORIZATIONS</u>	BANs <u>REDEEMED</u>	BONDS/BANs <u>ISSUED</u>	BALANCE DEC. 31, 2011
<u>General Improvements</u>						
04-52,05-40	Various Capital Improvements	\$ 89,725.00			\$ 72,000.00	\$ 17,725.00
05-11	Various Capital Improvements	213,470.00				213,470.00
05-41, 06-14	Various Capital Improvements	395,975.00			177,000.00	218,975.00
06-04	Various Capital Improvements	50,500.00				50,500.00
06-26	William Street Improvements	204,000.00				204,000.00
06-36	Various Capital Improvements	3,639,000.00			100,000.00	3,539,000.00
06-48	Various Capital Improvements	547,000.00				547,000.00
07-02	Various Capital Improvements	275,000.00				275,000.00
07-33	Various Capital Improvements	2,115,000.00			840,000.00	1,275,000.00
09-04	Various Capital Improvements	3,853,200.00			2,900,000.00	953,200.00
09-40	Various Capital Improvements	3,756,050.00			475,000.00	3,281,050.00
10-01	Various Improvements	5,357,500.00				5,357,500.00
10-02	Tax Appeal Refunding	2,614,504.00			2,610,000.00	4,504.00
10-24	Tax Appeal Refunding	821,604.52		7,000,000.00	7,820,000.00	1,604.52
11-04	Various Road Improvements - Annual		1,425,000.00			1,425,000.00
11-08	Various Road Improvements		2,850,000.00			2,850,000.00
11-14	Various Capital Improvements		5,884,015.00			5,884,015.00
11-21	Renovation, Expansion and Improvements to Municipal Facilities		2,450,000.00			2,450,000.00
		<u>\$ 23,932,528.52</u>	<u>\$ 12,609,015.00</u>	<u>7,000,000.00</u>	<u>\$ 14,994,000.00</u>	<u>\$ 28,547,543.52</u>

- 97 -

Ref.

C

Sewer Utility Fund

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS
TREASURER

	<u>REF.</u>	<u>OPERATING FUND</u>		<u>CAPITAL FUND</u>
Balance - December 31, 2010		\$ 2,377,792.91		\$ 71,940.59
Increased by Receipts:				
Fund Balance	D- 2			21,826.56
Interest on Investments	D- 3	1,422.27		
Collector	D- 6	9,840,233.85		
Due from Current Fund	D-18	389,504.76		
Capital Improvement Fund	D-19			25,000.00
Due from Sewer Operating Fund	D-22			454,279.42
Due to General Capital Fund	D-21	10,000.00		
Serial Bonds	D-24			700,000.00
		<u>10,241,160.88</u>		<u>1,201,105.98</u>
		12,618,953.79		1,273,046.57
Decreased by Disbursements:				
CY 2011 Budget	D- 4	6,950,837.11		
Appropriation Reserves	D-11	200,711.16		
Accrued Interest	D-12	142,545.83		
Accounts Payable	D-15	22,344.50		
Improvement Authorizations	D-16			1,259,197.34
Due from Current Fund	D-18	389,504.76		
Due to Sewer Capital Fund	D-21	454,279.42		
		<u>8,160,222.78</u>		<u>1,259,197.34</u>
Balance - December 31, 2011	D	<u>\$ 4,458,731.01</u>		<u>\$ 13,849.23</u>

SCHEDULE OF CASH - COLLECTOR
SEWER UTILITY FUND

	<u>REF</u>		
Increased by:			
Sewer Service Charges	D- 8	\$ 8,832,625.03	
Interest on Delinquent Accounts	D- 3	63,172.43	
Miscellaneous Revenue	D- 3	320.00	
Connection Fees	D- 3	826,740.00	
Prepaid Sewer Charges	D-14	18,825.65	
Sewer Overpayments	D-15	<u>98,550.74</u>	
			\$ 9,840,233.85
 Decreased by:			
Payments to Treasurer	D- 5		<u>\$ 9,840,233.85</u>

ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS

	BALANCE DEC. 31, <u>2010</u>	BALANCE DEC. 31, <u>2011</u>
Fund Balance	\$ 80,113.41	\$ 101,939.97
Capital Improvement Fund	28,750.00	53,750.00
Due (from)/to Sewer Operating Fund	161,000.00	615,279.42
Reserve for Encumbrances	704,714.05	278,141.54
Improvement Authorizations Funded	240,209.24	70,095.47
Improvement Authorizations Unfunded	2,435,653.89	3,773,142.83
Bonds and Notes Authorized Not Issued	<u>(3,578,500.00)</u>	<u>(4,878,500.00)</u>
	<u>\$ 71,940.59</u>	<u>\$ 13,849.23</u>

Ref.

D

SCHEDULE OF SEWER CHARGES RECEIVABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2010		\$ 1,176,022.44
Increased by:		
Sewer Charges Levied	Reserve	<u>8,550,093.42</u>
		9,726,115.86
Decreased by:		
Collection	D-3,D-6	8,832,625.03
Prepays Applied	D-14	<u>14,974.59</u>
		<u>8,847,599.62</u>
Balance - December 31, 2011	D	<u><u>\$ 878,516.24</u></u>

SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND

ORD NO.		BALANCE DEC. 31 2010	BALANCE DEC. 31 2011
	Arbor-New Market Sewers	\$ 4,600,000.00	\$ 4,600,000.00
63-1	Oakdale Pumping Station	29,302.00	29,302.00
64-1	Knollwood Area Sewers	160,240.00	160,240.00
64-2	Randolphville Road Sewer	8,353.00	8,353.00
65-1	Ambrose Brook Trunk Sewer	2,093,430.00	2,093,430.00
67-1	River Road Sewers	178,793.00	178,793.00
69-1	River Road Sewers	40,000.00	40,000.00
70-1	Sewer System Improvements	349,925.00	349,925.00
70-20	Purchase of Equipment	18,696.00	18,696.00
70-21	Sewer System Improvements	315,276.00	315,276.00
71-1	Park Avenue Sewer	25,000.00	25,000.00
73-1	Purchase of Equipment	32,384.00	32,384.00
72-1	Sewer System Improvements	1,443,500.00	1,443,500.00
77-2	Extension of Sewer System	100,000.00	100,000.00
77-58	Sanitary Sewer - Orris-Dunbar	10,000.00	10,000.00
76-20	Sanitary Sewer - Buena Vista Avenue	2,325.00	2,325.00
75-29	Sanitary Sewer - Stelton Road	88,180.00	88,180.00
77-18	Sanitary Sewer - River Road Area	172,150.00	172,150.00
77-64 &		-	-
80-48	Sanitary Sewer - Overbrook Road Area	508,506.00	508,506.00
78-17	Public Works Center	274,639.00	274,639.00
78-22	Public Works Equipment	20,000.00	20,000.00
80-40	Public Works Equipment	52,677.06	52,677.06
78-19	San. Sewer - Blue Ridge/Gates Avenue South Randolphville Road Area	199,398.16	199,398.16
76-63 &		-	-
81-33	Sanitary Sewer - Hillside Ave.	106,853.00	106,853.00
82-20	Sanitary Sewer - Sunset Lane & River Road and Fisher and Ludlow Avenues	232,825.00	232,825.00
82-48	Public Works Equipment	58,981.00	58,981.00
84-43	Public Works Equipment	33,000.00	33,000.00
84-11	Ethel Road Sanitary Sewer	227,656.22	227,656.22
90-26	Public Works Equipment	192,472.05	192,472.05
94-17	Sewer Utility Equipment	38,000.00	38,000.00
89-25 &	Gramercy Drive and River		
89-52	Road Sanitary Sewer	600,000.00	600,000.00
03-40	Various Sewer Improvements	400,000.00	400,000.00
04-10	Various Sewer Projects	495,000.00	495,000.00
		<u>\$ 13,107,561.49</u>	<u>\$ 13,107,561.49</u>

REF.

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2010	IMPROVEMENT AUTHORIZATIONS	BALANCE DEC. 31, 2011
98-21	Reduction of I & I	12/15/98	\$ 230,000.00	\$ 230,000.00		\$ 230,000.00
05-10	Various Sewer Projects	04/05/05	460,000.00	460,000.00		460,000.00
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	1,100,000.00		1,100,000.00
06-05	Various Sewer Projects	01/03/06	1,400,000.00	1,400,000.00		1,400,000.00
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	1,700,000.00		1,700,000.00
07-34	Acquisition of Various Equipment	12/22/07	770,000.00	770,000.00		770,000.00
09-05	Various Sewer Improvements	02/17/09	945,000.00	945,000.00		945,000.00
10-13	Acquisition of Various Vehicles	04/27/10	425,000.00	425,000.00		425,000.00
11-23	Construction and Rehabilitation of Sewer Related Facilities	11/22/11	2,000,000.00		2,000,000.00	2,000,000.00
				<u>\$ 7,030,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 9,030,000.00</u>
				Ref.	D-16	D

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SCHEDULE OF TY 2010 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	BALANCE DEC. 31, 2010		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Salaries and Wages	\$ 80,953.35	\$	\$ 80,953.35	\$ 9,000.00	\$ 71,953.35
Other Expenses	228,499.06	52,992.06	281,491.12	207,792.92	73,698.20
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>72,235.37</u>		<u>72,235.37</u>		<u>72,235.37</u>
Total Operations	<u>\$ 381,687.78</u>	<u>\$ 52,992.06</u>	<u>\$ 434,679.84</u>	<u>\$ 216,792.92</u>	<u>\$ 217,886.92</u>
	REF.				D-1
Disbursed	D-5			\$ 200,711.16	
Transfer to Accounts Payable	D-15			<u>16,081.76</u>	
				<u>\$ 216,792.92</u>	

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 28,697.40
Increased by:		
Accrued Interest Charged to:		
CY 2011 Budget Appropriations	D-4	<u>151,908.33</u>
		180,605.73
Decreased by:		
Payment	D-5	<u>142,545.83</u>
Balance - December 31, 2011	D	<u>\$ 38,059.90</u>

Analysis of Balance - December 31, 2011:

	<u>Principal Outstanding 12/31/11</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	30,000.00	3.250%	09/01/11	12/31/11	4 mos.	\$ 325.00
	30,000.00	3.250%	09/01/11	12/31/11	4 mos.	325.00
	30,000.00	3.375%	09/01/11	12/31/11	4 mos.	337.50
	30,000.00	3.500%	09/01/11	12/31/11	4 mos.	350.00
	40,000.00	3.625%	09/01/11	12/31/11	4 mos.	483.33
	40,000.00	3.750%	09/01/11	12/31/11	4 mos.	500.00
	66,000.00	3.750%	11/01/11	12/31/11	2 mos	412.50
	70,000.00	3.500%	11/01/11	12/31/11	2 mos	408.33
	70,000.00	3.500%	11/01/11	12/31/11	2 mos	408.33
	70,000.00	3.500%	11/01/11	12/31/11	2 mos	408.33
	70,000.00	3.625%	11/01/11	12/31/11	2 mos	422.92
	80,000.00	3.750%	11/01/11	12/31/11	2 mos	500.00
	80,000.00	3.750%	11/01/11	12/31/11	2 mos	500.00
	80,000.00	3.750%	11/01/11	12/31/11	2 mos	500.00
	80,000.00	4.000%	11/01/11	12/31/11	2 mos	533.33
	90,000.00	4.000%	11/01/11	12/31/11	2 mos	600.00
	90,000.00	4.000%	11/01/11	12/31/11	2 mos	600.00
	90,000.00	4.000%	11/01/11	12/31/11	2 mos	600.00
	100,000.00	4.000%	11/01/11	12/31/11	2 mos	666.67
	100,000.00	4.000%	11/01/11	12/31/11	2 mos	666.67
	100,000.00	4.000%	11/01/11	12/31/11	2 mos	666.67
	100,000.00	4.125%	11/01/11	12/31/11	2 mos	687.50
	110,000.00	4.125%	11/01/11	12/31/11	2 mos	756.25
	110,000.00	4.125%	11/01/11	12/31/11	2 mos	756.25
	110,000.00	4.125%	11/01/11	12/31/11	2 mos	756.25
	120,000.00	4.125%	11/01/11	12/31/11	2 mos	825.00
	120,000.00	4.250%	11/01/11	12/31/11	2 mos	850.00

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

Analysis of Balance - December 31, 2011:

Principal Outstanding 12/31/11	Interest Rate	From	To	Period	Amount
\$ 60,000.00	3.000%	09/16/11	12/31/11	3.5 mos	\$ 525.00
60,000.00	3.000%	09/16/11	12/31/11	3.5 mos	525.00
60,000.00	3.000%	09/16/11	12/31/11	3.5 mos	525.00
70,000.00	3.250%	09/16/11	12/31/11	3.5 mos	663.54
70,000.00	3.250%	09/16/11	12/31/11	3.5 mos	663.54
70,000.00	4.000%	09/16/11	12/31/11	3.5 mos	816.67
80,000.00	4.000%	09/16/11	12/31/11	3.5 mos	933.33
80,000.00	5.000%	09/16/11	12/31/11	3.5 mos	1,166.67
80,000.00	4.000%	09/16/11	12/31/11	3.5 mos	933.33
90,000.00	4.000%	09/16/11	12/31/11	3.5 mos	1,050.00
90,000.00	4.125%	09/16/11	12/31/11	3.5 mos	1,082.81
90,000.00	4.250%	09/16/11	12/31/11	3.5 mos	1,115.63
100,000.00	4.375%	09/16/11	12/31/11	3.5 mos	1,276.04
100,000.00	4.500%	09/16/11	12/31/11	3.5 mos	1,312.50
50,000.00	2.000%	08/01/11	12/31/11	5 mos	416.67
50,000.00	3.000%	08/01/11	12/31/11	5 mos	625.00
50,000.00	3.000%	08/01/11	12/31/11	5 mos	625.00
50,000.00	3.000%	08/01/11	12/31/11	5 mos	625.00
75,000.00	4.000%	08/01/11	12/31/11	5 mos	1,250.00
75,000.00	4.000%	08/01/11	12/31/11	5 mos	1,250.00
75,000.00	4.000%	08/01/11	12/31/11	5 mos	1,250.00
75,000.00	4.000%	08/01/11	12/31/11	5 mos	1,250.00
100,000.00	4.000%	08/01/11	12/31/11	5 mos	1,666.67
100,000.00	4.000%	08/01/11	12/31/11	5 mos	1,666.67
<u>\$ 3,906,000.00</u>					<u>\$ 38,059.90</u>

Exhibit D-13

SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2010		\$ 14,974.59
Increased by:		
Collections	D- 6	<u>18,825.65</u>
		33,800.24
Decreased by:		
Prepays Applied	D-3,D-8	<u>14,974.59</u>
Balance - December 31, 2011	D	<u><u>\$ 18,825.65</u></u>

Exhibit D-14

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2010		\$ 3,569.42
Increased by:		
Cash Receipts	D- 6	<u>98,550.74</u>
		102,120.16
Decreased by:		
Applied to Sewer Charges Receivable	D-3,D-8	<u>36,582.31</u>
Balance - December 31, 2011	D	<u><u>\$ 65,537.85</u></u>

Exhibit D-15

SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2010		\$ 65,395.45
Increased by:		
Transferred from Appropriation Reserves	D-11	<u>16,081.76</u>
		81,477.21
Decreased by:		
Cash Payments	D- 5	<u>22,344.50</u>
Balance - December 31, 2011	D	<u><u>\$ 59,132.71</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND

Exhibit D-16

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE - DEC. 31, 2010		CY 2011 AUTHORIZATIONS FIXED CAPITAL AUTH & UNCOMP	ENCUM- BRANCES PAYABLE DEC. 31, 2010	PAID OR CHARGED	ENCUM- BRANCES PAYABLE DEC. 31, 2011	BALANCE - DEC. 31, 2011	
			AMOUNT	FUNDED					UNFUNDED	FUNDED
98-21	Reduction of I & I	12/15/98	\$ 230,000.00	\$ 291.50					\$ 291.50	
05-10	Various Sewer Projects	04/05/05	460,000.00	14,327.57	500.00	\$ 25,199.74	5,225.08	\$ 18,934.39	15,367.84	\$ 500.00
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	103,116.77	845,000.00		745,657.69	21,525.19		180,933.89
06-05	Various Sewer Projects	01/03/06	1,400,000.00	112,605.80		113,087.18	75,356.85	95,900.00	54,436.13	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00		876,693.37	139,251.57	2,960.39	113,060.96		899,923.59
07-34	Acquisition of Various Equipment	12/18/07	770,000.00		48,488.06					48,488.06
09-05	Various Sewer Improvements	02/17/09	945,000.00		643,722.46	121,749.56	124,571.33			640,900.69
10-13	Acquisition of Various Vehicles	04/27/10	425,000.00		31,117.60	305,426.00	305,426.00	28,721.00		2,396.60
11-23			2,000,000.00			\$ 2,000,000.00				2,000,000.00
			<u>\$ 230,341.64</u>	<u>\$ 2,445,521.49</u>		<u>\$ 704,714.05</u>	<u>\$ 1,259,197.34</u>	<u>\$ 278,141.54</u>	<u>\$ 70,095.47</u>	<u>\$ 3,773,142.83</u>
Ref.						D-10	D-5	D	D	D

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Exhibit D-17

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	BALANCE	BALANCE
			DEC. 31, 2010	DEC. 31, 2011
98-21	Reduction of I & I	12/15/98	\$ 11,000.00	\$ 11,000.00
05-10	Var. Sewer Projects	04/05/05	80,500.00	80,500.00
05-42	Freedom Avenue Improvements	11/29/05	55,000.00	55,000.00
06-05	Various Sewer Projects	01/03/06	70,000.00	70,000.00
07-34	Acquisition of Various Equipment	12/18/07	38,500.00	38,500.00
09-05	Various Sewer Improvements	02/17/09	47,250.00	47,250.00
10-13	Acquisition of Various Vehicles	04/27/10	21,250.00	21,250.00
			<u>\$ 323,500.00</u>	<u>\$ 323,500.00</u>
Ref.				D

SCHEDULE OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Increased by:		
Cash Disbursed	D- 5	\$389,504.76
Decreased by:		
Cash Received	D- 5	<u><u>\$389,504.76</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 28,750.00
Increased by:		
CY 2011 Budget Appropriation	D-5	<u>25,000.00</u>
Balance - December 31, 2011	D	<u><u>\$ 53,750.00</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 12,889,561.49
Increased by:		
Serial Bonds	D- 24	<u>140,000.00</u>
Balance - December 31, 2011	D	<u>\$ 13,029,561.49</u>

SCHEDULE OF DUE FROM SEWER CAPITAL
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 161,000.00
Increased by:		
Interfunds Returned	D- 5	<u>454,279.42</u>
Balance - December 31, 2011	D	<u>\$ 615,279.42</u>

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 161,000.00
Increased by:		
Interfunds Returned	D- 5	<u>454,279.42</u>
Balance - December 31, 2011	D	<u>\$ 615,279.42</u>

SCHEDULE OF DUE TO GENERAL FUND
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Increased by:		
Interfunds Advanced	D- 5	\$ 10,000.00
Balance - December 31, 2011	D	<u>\$ 10,000.00</u>

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit D-24

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2011		INTEREST RATE	BALANCE DEC. 31, 2010	INCREASE	DECREASE	BALANCE DEC. 31, 2011							
			DATE	AMOUNT												
Sewer Improvements	03/01/04	\$ 380,000.00	3/1/2012-2013	\$ 30,000.00	3.250%	\$ 230,000.00		\$ 30,000.00	\$ 200,000.00							
			03/01/14	30,000.00	3.375%											
			03/01/15	30,000.00	3.500%											
			03/01/16	40,000.00	3.625%											
			03/01/17	40,000.00	3.750%											
Sewer Improvements	11/01/07	2,146,000.00	11/01/12	66,000.00	3.750%	1,966,000.00		60,000.00	1,906,000.00							
			11/1/2013-2015	70,000.00	3.500%											
			11/01/16	70,000.00	3.625%											
			11/1/2017-2019	80,000.00	3.750%											
			11/01/20	80,000.00	4.000%											
			11/1/2021-2023	90,000.00	4.000%											
			11/1/2024-2026	100,000.00	4.000%											
			11/01/27	100,000.00	4.125%											
			11/1/2028-2030	110,000.00	4.125%											
			11/01/31	120,000.00	4.125%											
			11/01/32	120,000.00	4.250%											
Sewer Improvements	03/15/09	1,200,000.00	3/15/2012-2014	60,000.00	3.000%	1,150,000.00		\$ 50,000.00	1,100,000.00							
			3/15/2015-2016	70,000.00	3.250%											
			03/15/17	70,000.00	4.000%											
			03/15/18	80,000.00	4.000%											
			03/15/19	80,000.00	5.000%											
			03/15/20	80,000.00	4.000%											
			03/15/21	90,000.00	4.000%											
			03/15/22	90,000.00	4.125%											
			03/15/23	90,000.00	4.250%											
			03/15/24	100,000.00	4.375%											
			03/15/25	100,000.00	4.500%											
			Sewer Improvements	02/01/11	700,000.00					02/01/12	50,000.00	2.000%				
										02/01/13	50,000.00	3.000%				
02/01/14	50,000.00	3.000%														
02/01/15	50,000.00	3.000%														
02/01/16	75,000.00	4.000%														
02/01/17	75,000.00	4.000%														
02/01/18	75,000.00	4.000%														
02/01/19	75,000.00	4.000%														
02/01/20	100,000.00	4.000%														
02/01/21	100,000.00	4.000%														
						\$ 700,000.00		700,000.00								
						<u>\$ 3,346,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 3,906,000.00</u>							

Ref.

D-5

D-20

D

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Exhibit D-25

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2010	CY 2011 AUTH	2011 FUNDING	BALANCE DEC. 31, 2011
05-10	Various Sewer Projects	\$ 500.00			\$ 500.00
05-42	Freedom Avenue Improvements	845,000.00			845,000.00
06-49	Various Sewer Projects	1,300,000.00		500,000.00	800,000.00
07-34	Acquisition of Various Equipment	131,500.00		80,000.00	51,500.00
09-05	Various Sewer Improvements	897,750.00		120,000.00	777,750.00
10-13	Acquisition of Various Vehicles	403,750.00			403,750.00
11-23			2,000,000.00		2,000,000.00
		<u>\$ 3,578,500.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 4,878,500.00</u>

Footnote D

Senior Citizens Housing Utility Fund

SCHEDULE OF CASH AND INVESTMENTS
SENIOR CITIZEN HOUSING FUND

	REF.	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - June 30, 2010		\$ 783,570.87	\$ 99,769.77
Increased by Receipts:			
Rental Income	E- 3	1,336,131.79	
Interest on Investments	E- 3	389.61	
Miscellaneous Revenues	E- 3	14,410.36	
Security Deposits	E- 9	19,064.41	
Capital Improvement Fund	E-13		35,000.00
Due to Senior Housing Operating	E-18		<u>696,000.00</u>
		<u>1,369,996.17</u>	<u>731,000.00</u>
		2,153,567.04	830,769.77
Decreased by Disbursements:			
Refund of Prior Year Revenue	E- 1	1,558.00	
Budget Appropriations	E- 4	1,113,918.31	
Appropriation Reserves	E- 7	29,722.76	
Accounts Payable	E- 7	28,651.74	
Accrued Interest	E- 8	59,310.00	
Security Deposits	E- 9	10,339.10	
Due from Senior Housing Capital Improvement Authorizations	E-17 E-11	696,000.00	<u>815,038.63</u>
		<u>1,939,499.91</u>	<u>815,038.63</u>
Balance - December 31, 2010	E	<u><u>\$ 214,067.13</u></u>	<u><u>\$ 15,731.14</u></u>

ANALYSIS OF SENIOR HOUSING UTILITY CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2010	RECEIPTS MISCEL- LANEOUS	DISB. MISCELLA- NEOUS	TRANSFERS		BALANCE DEC. 31, 2011	
				FROM	TO		
Fund Balance	\$ 2,177.74					\$ 2,177.74	
Capital Improvement Fund	54,035.75	35,000.00				89,035.75	
Reserve for Encumbrance Payable	828,051.63			828,051.63	107,092.15	107,092.15	
Due to Senior Housing Operating		696,000.00				696,000.00	
<u>ORD. NO.</u>	<u>IMPROVEMENT AUTHORIZATION</u>						
06-50	Various Capital Projects	10,198.90		5,000.00	5,000.00	10,198.90	
07-33	Various Capital Projects	9,432.15		30,535.45	29,252.45	8,149.15	
10-14	S.H Building Improvements	(804,126.40)		815,038.63	793,799.18	(896,922.55)	
		<u>\$ 99,769.77</u>	<u>\$ 731,000.00</u>	<u>\$ 815,038.63</u>	<u>\$ 935,143.78</u>	<u>\$ 935,143.78</u>	<u>\$ 15,731.14</u>
<u>Ref.</u>			E-13	E-11	E-11	E-11	E

SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	BALANCE DECEMBER 31, 2010		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Other Expenses	\$ 50,546.21	\$ 63,251.22	\$ 113,797.43	\$ 39,718.06	\$ 74,079.37
Capital Improvements:					
Capital Improvement Fund	177,520.00	3,955.00	181,475.00	79.95	181,395.05
	\$ 228,066.21	\$ 67,206.22	\$ 295,272.43	\$ 39,798.01	\$ 255,474.42
	<u>REF.</u>				E-1
Cash Disbursements	E-5		\$ 29,722.76		
Accounts Payable	E-7		10,075.25		
			\$ 39,798.01		
<u>Accounts Payable Analysis</u>					
Balance December 31, 2010			\$ 109,201.69		
Transfer from Appropriation Reserves	E-7		10,075.25		
Cash Disbursements	E-5		28,651.74		
Balance December 31, 2011	E		\$ 90,625.20		

SCHEDULE OF ACCRUED INTEREST ON BONDS
SENIOR CITIZENS HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2010		\$ 22,241.25
Increased by:		
Interest on Bonds	E-4	<u>57,435.00</u>
		79,676.25
Decreased by:		
Disbursed	E-5	<u>59,310.00</u>
Balance - December 31, 2011	E	<u>\$ 20,366.25</u>

Analysis of Balance - December 31, 2011:

	<u>Principal Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	125,000.00	4.100%	08/16/10	12/31/10	4 1/2 mos.	1,921.88
	120,000.00	4.200%	08/16/10	12/31/10	4 1/2 mos.	1,890.00
	145,000.00	4.300%	08/16/10	12/31/10	4 1/2 mos.	2,338.13
	140,000.00	4.400%	08/16/10	12/31/10	4 1/2 mos.	2,310.00
	<u>635,000.00</u>	5.000%	08/16/10	12/31/10	4 1/2 mos.	<u>11,906.25</u>
\$	<u>1,165,000.00</u>					<u>\$ 20,366.25</u>

SCHEDULE OF SECURITY DEPOSITS
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2010		\$ 112,703.05
Increased by:		
Deposits Received	E- 5	<u>19,064.41</u>
		131,767.46
Decreased by:		
Deposits Refunded	E- 5	<u>10,339.10</u>
Balance -December 31, 2011	E	<u><u>\$ 121,428.36</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2010		\$ 9,061,052.26
Increased by:		
Bonds Paid by Budget Appropriation	E-12	<u>125,000.00</u>
Balance -December 31, 2011	E	<u><u>\$ 9,186,052.26</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2010		ENCUMB 12/31/10	PAID OR CHARGED	ENCUMB 12/31/11	BALANCE DECEMBER 31, 2011	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>										
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 10,198.90		\$ 5,000.00		\$ 5,000.00	\$ 10,198.90	
07-35	Various Capital Projects	12/18/07	353,000.00	9,432.15		29,252.45		30,535.45	8,149.15	
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00		195,873.60	793,799.18	\$ 815,038.63	71,556.70		\$ 103,077.45
				\$ 19,631.05	\$ 195,873.60	\$ 828,051.63	\$ 815,038.63	\$ 107,092.15	\$ 18,348.05	\$ 103,077.45
			<u>Ref.</u>				E-5	E	E	E

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - E-12

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2010</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Senior Citizen Housing Utility Refunding Bonds 2002	08/01/02	\$ 2,204,500.00	08/15/12	\$ 125,000.00	4.10%	\$ 1,290,000.00	\$ 125,000.00	\$ 1,165,000.00
			08/15/13	120,000.00	4.20%			
			08/15/14	145,000.00	4.30%			
			08/15/15	140,000.00	4.40%			
			08/15/16	135,000.00	5.00%			
			08/15/17	160,000.00	5.00%			
			08/15/18	160,000.00	5.00%			
			08/15/19	180,000.00	5.00%			
						<u>\$ 1,290,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 1,165,000.00</u>
				<u>Ref.</u>			<u>E- 10</u>	<u>E</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2010		\$ 54,035.75
Increased by:		
CY 2011 Budget Appropriation	E-5	<u>35,000.00</u>
Balance - December 31, 2011	E	<u>\$ 89,035.75</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE</u>	<u>BALANCE</u>
<u>NUMBER</u>			<u>DEC. 31, 2010</u>	<u>DEC. 31, 2011</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	<u>353,000.00</u>	<u>353,000.00</u>
			<u>\$ 483,000.00</u>	<u>\$ 483,000.00</u>
		Ref.		E

SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

<u>ORD NO.</u>		<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2010</u>	<u>BALANCE DEC. 31, 2011</u>
89-58	Design and Construction of a Senior Citizen Complex	11/21/89	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51	Replacement of Trunk Line	12/21/04	144,000.00	144,000.00	144,000.00
05-43	Various Capital Improvements	11/29/05	80,000.00	80,000.00	80,000.00
06-22	HVAC System	04/25/06	28,800.00	<u>28,800.00</u>	<u>28,800.00</u>
				<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
<u>REF.</u>					E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETE
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2010</u>	<u>BALANCE DEC. 31, 2011</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00	353,000.00
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00	<u>1,000,000.00</u>	<u>1,000,000.00</u>
				<u>\$ 1,483,000.00</u>	<u>\$ 1,483,000.00</u>
<u>REF.</u>					E

Exhibit E-17

SCHEDULE OF DUE FROM SENIOR HOUSING CAPITAL
SENIOR HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Increased by:		
Cash Disbursements	E- 5	\$ 696,000.00
Balance - December 31, 2011	E	<u>\$ 696,000.00</u>

Exhibit E-18

SCHEDULE OF DUE TO SENIOR HOUSING UTILITY OPERATING FUND
SENIOR HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Increased by:		
Cash Receipts	E- 5	\$ 696,000.00
Balance - December 31, 2011	E	<u>\$ 696,000.00</u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2010</u>	<u>BALANCE DEC. 31, 2011</u>
10-14	Senior Housing Building Improve.	<u>\$ 1,000,000.00</u>	<u>\$ 1,000,000.00</u>
		<u><u>\$ 1,000,000.00</u></u>	<u><u>\$ 1,000,000.00</u></u>

Footnote E

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**



**PART III
SUPPLEMENTARY DATA**

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET
FOR THE YEAR ENDING DECEMBER 31, 2011

	CURRENT	TRUST	GENERAL	SEWER	SENIOR	GOVERNMENTAL	MEMORANDUM ONLY TOTALS	
	FUND	FUND	CAPITAL	UTILITY	HOUSING	FIXED	DEC. 31, 2011	DEC. 31, 2010
			FUND	FUND	UTILITY	ASSETS		
ASSETS								
Cash and Investments	\$ 21,811,122.93	\$ 10,271,460.86	\$ 2,836,614.99	\$ 4,472,680.24	\$ 229,798.27	\$	\$ 39,621,677.29	\$ 34,792,653.60
Accounts Receivable								
State and Federal Grants Receivable	1,550,595.22	166,424.09	160,200.00				1,877,219.31	2,080,768.30
Due from State of New Jersey	161,167.34						161,167.34	158,766.86
Taxes, Assessments, Liens & Utility Charges	2,559,125.84						2,559,125.84	2,953,040.40
Sewer Charges Receivable				878,516.24			878,516.24	1,176,482.44
Interfund Loans			10,000.00	615,279.42	696,000.00		1,321,279.42	547,845.94
Other Accounts Receivable	69,912.25						69,912.25	56,703.20
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00	2,592,900.00
Prepaid Expenditures								
Fixed Assets - General						58,936,480.00	58,936,480.00	58,851,082.00
Fixed Capital - Utility				13,107,561.49	10,351,052.26		23,458,613.75	23,458,613.75
Fixed Capital - Authorized and Uncompleted - Utility				9,030,000.00	1,483,000.00		10,513,000.00	8,513,000.00
Deferred Charges to Revenue of Succeeding Years	1,500,000.00						1,500,000.00	-
Deferred Charges to Future Taxation: General Capital Fund			84,200,543.52				84,200,543.52	76,241,528.52
	<u>\$ 30,244,823.58</u>	<u>\$ 10,437,884.95</u>	<u>\$ 87,207,358.51</u>	<u>\$ 28,104,037.39</u>	<u>\$ 12,759,850.53</u>	<u>\$ 58,936,480.00</u>	<u>\$ 227,690,434.96</u>	<u>\$ 211,423,385.01</u>
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds and Notes Payable	\$	\$	\$ 55,653,000.00	\$ 3,906,000.00	\$ 1,165,000.00	\$	\$ 60,724,000.00	\$ 56,945,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	738,159.34			18,825.65			756,984.99	524,501.10
Tax, Assessment, Lien, License and Utility Charge Overpayments	548.66			65,537.85			66,086.51	17,810.63
Appropriation Reserves	4,686,654.88			123,053.02	119,018.98		4,928,726.88	3,287,431.49
Reserves for Encumbrances/ Accounts Payable	3,614,972.69	184,567.90	11,237,306.80	406,943.63	441,570.06		15,885,361.08	7,864,259.78
Other Liabilities				38,059.90	20,366.25		58,426.15	50,938.65
Amounts Pledged to Specific Purposes	4,096,453.21	6,540,747.11	2,383,885.73	53,750.00	210,464.11		13,285,300.16	12,273,401.60
Interfund Loans				625,279.42	696,000.00		1,321,279.42	547,845.94
Investments in General Fixed Assets						58,936,480.00	58,936,480.00	58,851,082.00
Escrow Funds		3,712,569.94					3,712,569.94	4,641,351.69
Improvement Authorization			17,429,728.34	3,843,238.30	121,425.50		21,394,392.14	22,597,616.48
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				13,353,061.49	9,669,052.26		23,022,113.75	22,757,113.75
Reserve for Certain Assets Acquired or Receivables & Inventories	5,221,938.09			878,516.24			6,100,454.33	6,779,226.24
Fund Balance	11,886,096.71		503,437.64	4,791,771.89	316,953.37		17,498,259.61	14,285,805.66
	<u>\$ 30,244,823.58</u>	<u>\$ 10,437,884.95</u>	<u>\$ 87,207,358.51</u>	<u>\$ 28,104,037.39</u>	<u>\$ 12,759,850.53</u>	<u>\$ 58,936,480.00</u>	<u>\$ 227,690,434.96</u>	<u>\$ 211,423,385.01</u>

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>CALENDAR YEAR 2011</u>		<u>TRANSITION YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance Utilized	\$ 5,817,370.23	3.57	\$ 718,898.55	0.88
Miscellaneous - From Other than Local Property Tax Levies	13,900,152.96	8.53	12,792,645.50	15.56
Collection of Delinquent Taxes and Tax Title Liens	2,774,169.58	1.70	494,825.83	0.60
Collections of Current Tax Levy	140,483,805.79	86.20	68,202,465.34	82.96
Total Income	\$ 162,975,498.56	100.00	\$ 82,208,835.22	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	\$ 50,761,857.89	32.31	\$ 23,796,990.32	31.34
Special District Taxes	3,396,882.00	2.16	1,728,654.50	2.28
County Taxes	21,849,756.75	13.91	10,118,514.50	13.33
Local School Taxes	81,096,554.00	51.61	40,282,098.00	53.05
Other Expenditures	23,854.04	0.02		
Total Expenditures	157,128,904.68	100.00	75,926,257.32	100.00
Excess in Revenue	5,846,593.88		6,282,577.90	
Fund Balance - Beginning	11,856,873.06		6,293,193.71	
	17,703,466.94		12,575,771.61	
Less: Util. as Anticipated Revenue	5,817,370.23		718,898.55	
Fund Balance - Ending	\$ 11,886,096.71		\$ 11,856,873.06	

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2011		TRANSITION YEAR 2010	
	AMOUNT	%	AMOUNT	%
Collection of Sewer Service Charges	\$ 8,884,181.93	88.90	\$ 3,514,476.02	80.03
Miscellaneous - From Other than Sewer Service Charges	1,109,541.63	11.10	877,074.83	19.97
Total Income	\$ 9,993,723.56	100.00	\$ 4,391,550.85	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 6,695,580.35	91.78	\$ 3,457,075.00	92.85
Debt Service	291,908.33	4.00	126,375.00	3.39
Deferred Charges & Statutory Expend.	282,979.16	3.88	115,000.00	3.09
Capital Improvements	25,000.00	0.34	25,000.00	0.67
Total Expenditures	7,295,467.84	100.00	3,723,450.00	100.00
Excess/(Deficit) in Revenue	2,698,255.72		668,100.85	
Fund Balance - Beginning	1,991,576.21		1,323,475.36	
Fund Balance - Ending	\$ 4,689,831.93		\$ 1,991,576.21	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE -
SENIOR CITIZENS HOUSING UTILITY FUND

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2011		TRANSITION YEAR 2010	
	AMOUNT	%	AMOUNT	%
Fund Balance	\$ 210,100.00	11.57	\$ 250,498.00	21.93
Rental Income	1,336,131.79	73.56	664,055.14	58.15
Miscellaneous - From Other than Rental Income	270,274.39	14.88	227,542.00	19.92
Total Income	\$ 1,816,506.18	100.00	\$ 1,142,095.14	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 1,068,328.00	69.56	\$ 520,057.00	57.25
Capital Improvements	279,344.00	18.19	225,514.00	24.83
Debt Service	182,435.00	11.88	160,305.00	17.65
Statutory Expenditures	4,118.00	0.27	2,500.00	0.27
Miscellaneous Expenditures	1,558.00	0.10		
Total Expenditures	1,535,783.00	100.00	908,376.00	100.00
Excess in Revenue	280,723.18		233,719.14	
Fund Balance - Beginning	244,152.45		260,931.31	
	524,875.63		494,650.45	
Less: Util. As Anticip. Revenue	210,100.00		250,498.00	
Fund Balance - Ending	\$ 314,775.63		\$ 244,152.45	

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate:	<u>\$6.312</u>	<u>\$5.982</u>	<u>\$5.904</u>
Apportionment of Tax Rate:			
Municipal	<u>\$1.534</u>	<u>\$1.499</u>	<u>\$1.395</u>
Municipal Library	<u>\$0.100</u>		
County	<u>\$0.900</u>	<u>\$0.843</u>	<u>\$0.821</u>
County Open Space	<u>\$0.088</u>	<u>\$0.061</u>	<u>\$0.093</u>
Local School	<u>\$3.690</u>	<u>\$3.579</u>	<u>\$3.595</u>
Assessed Valuation:			
2011	<u>\$2,198,116,829</u>		
2010		<u>\$2,229,034,487</u>	
2009			<u>\$2,198,834,671</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENT CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2011 CY	\$ 142,687,554	\$ 140,483,806	98.46%
2010 TY	69,749,806	68,202,465	97.78%
2010 SFY	137,570,420	134,585,096	97.83%
2009 SFY	133,026,343	131,284,061	98.69%
2008 SFY	127,143,332	123,918,853	97.46%

CY Calendar Year
SFY State Fiscal Year
TY Transition Year

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

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 five years.

<u>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 CY	\$507,792.66	\$2,051,333.18	\$2,559,125.84	1.79%
2010 TY	446,852.55	2,506,187.85	2,953,040.40	4.23%
2010 SFY	407,532.86	1,706,225.24	2,113,758.10	1.54%
2009 SFY	361,106.45	1,848,811.03	2,209,917.48	1.66%
2008 SFY	333,447.77	2,518,393.96	2,851,841.73	2.24%

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2011 CY	\$ 8,550,093	\$ 8,847,600
2010 TY	4,228,800	3,514,476
2010 SFY	7,331,101	7,391,729
2009 SFY	7,445,878	6,852,150
2008 SFY	5,210,550	5,041,299

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>JUNE 30/DEC 31</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
CURRENT FUND	2011 CY	\$ 11,886,097 \$	6,855,000
	2010 TY	11,856,873	5,817,370
	2010 SFY	6,293,194	718,899
	2009 SFY	4,842,323	4,054,233
	2008 SFY	6,337,252	6,070,316
SEWER UTILITY OPERATING FUND	2011 CY	\$ 4,689,832 \$	1,667,000
	2010 TY	1,991,576	None
	2010 SFY	1,323,475	None
	2009 SFY	1,125,540	None
	2008 SFY	760,999	None
SENIOR CITIZENS HOUSING UTILITY FUND	2011 CY	\$ 314,776 \$	260,000
	2010 TY	244,152	210,100
	2010 SFY	260,931	250,498
	2009 SFY	486,432	397,163
	2008 SFY	773,745	413,713

TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTH BENEFITS
SCHEDULE OF FUNDING PROGRESS

<u>Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
07/01/09	\$ -	\$ 79,859,700	\$ 79,859,700	0.00%	\$ 21,779,431	366.67%
01/01/11	-	78,625,900	78,625,900	0.00%	17,506,964	449.11%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2011:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Brian C. Wahler	Mayor	
Steven D. Cahn	Council President	
Gabrielle Cahill	Council Vice-President	
Kenneth R. Armwood	Council Member	
James Bullard	Council Member	
Michael Griffith	Council Member	
Mark Hardenburg	Council Member	
Michele Lombardi	Council Member	
Lyn Evers	Business Administrator	
Daniel Mensah Lamptey	Director of Finance, Chief Financial Officer	400,000.00 (A)
Melissa A. Seader	Township Clerk	
James F. Clarkin III, Esq.	Director of Law - Attorney	
David Marshall	Tax Collector, CFO, Asst Director of Finance	
Dennis Fackelman	Magistrate	
Claudia Santos	Court Administrator	
Lisa E. Stephens	Tax Assessor	

The municipal court employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All other employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All of the bonds were examined and found to be properly executed for items tested.

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**



**PART IV
GENERAL COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2011**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the year ended December 31, 2011, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Piscataway, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control, as follows:

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 4, 2012 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Deficiencies:

2011-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same individual may collect, record and/or deposit/turnover or may have access to cash receipts collections and functions in the following offices / departments: Municipal Court, Police Department, Municipal Clerk's Office, Cable TV, Recreation Department, Engineering Department, Planning & Zoning Department, Inspection Fees Office, Registrar of Vital Statistics, and Health Department.

This condition may be the result of multiple tasks assigned and performed by the same individual within the respective office/department.

OTHER MATTERS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (cont'd):

N.J.S.A. 40A: 11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 except by contract or agreement."

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

On June 9, 2010, the Local Public Contracts Law was amended, effective on January 1, 2011. The amendments address the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$21,000.00 to \$26,000.00 under which a contract may be awarded without public advertising. Furthermore, if the Borough's Purchasing Agent is "Qualified" the Board may increase the bid threshold from \$29,000 to \$36,000. On May 5, 2011, the Local Public Contracts Law was revised, decreasing the amount from \$26,000.00 to \$17,500.00 under which a contract may be awarded without public advertising if the Municipality does not have a Qualified Purchasing Agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000 within the 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.

A review of the Township's purchasing procedures indicates that bids were requested by public advertisement for the following items as disclosed in the official minutes.

Materials, Supplies and Equipment

Biodegradable leaf bags; rock salt; HVAC equipment and maintenance; hot mix asphalt; recreation uniforms, equipment and first aid supplies; pump station generators; automotive tires

Services and Rentals

Traffic line striping; snow plowing services; janitorial services; security services; leaf pick services; sewer system inspection; fire and electric subcode inspection services; traffic signal maintenance services; landscape maintenance;

Construction and Repairs

Road improvements; sewer remediation and construction projects; park and court amenities rehab projects; bike path improvements; various repairs at Sterling Village

The minutes indicate that State Contracts were authorized for the following:

Contracts

Vehicles; traffic/lighting material; auto parts and supplies; police vehicle equipment installation

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (cont'd.)

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$21,000 "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.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5. The minutes also indicate the awarding of "Open-End Contracts" pursuant to N.J.A.C. 5:34-4.9.

Any interpretation as to possible violation of N.J.A.C. 40A: 11-4 would be in the province of the Township solicitor.

We suggest that the Township review the amendments to the Local Public Contracts Law and determine the impact of the comprehensive amendments with regard to the Township, including an analysis of the effect of requiring the position of a "Qualified" Purchasing Agent on a cost benefit or other alternate approach.

Compliance with P.L. 2005, c.271

Tests of expenditures for vendors with payments in excess of \$17,500.00 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open process" indicated the Township had the required documentation for compliance with P.L. 2005, c.271 for items tested.

Pay-to-Play and Business Registration Requirements

An anomaly exists in the "Pay-to-Play" statutes when they are matched with the Local Public Contracts Law (LPCL) requirements to determine compliance requirements. The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. At the time c.271 was enacted, the bid threshold per the LPCL was also set at \$17,500. However, effective July 1, 2005, the bid threshold was increased to \$21,000. This created a gap for compliance, as under c. 271, a contract not awarded using a fair & open process and exceeding \$17,500 triggers the filing of additional documentation relating to ownership of the contracting entity and disclosure of political contributions. Since "Pay-to-Play" laws cover all contracts (not just professional services as some believe) any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires the Township to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006. A violation would require the issuance of purchase orders exceeding \$17,500 during the period without a "fair and open" process, and without obtaining the requisite disclosures.

Tests of expenditures for vendors with payments in excess of \$17,500 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open" process indicated that there were no non-professional service vendors who had been issued POs totaling more than \$17,000 during the year without the bidding or another form of "fair and open" contracting.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for 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 4, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

BE IT RESOLVED, by the Township Council of Piscataway Township, New Jersey that:

WHEREAS, Delinquent taxes and sewer service charges shall bear interest at the rate of 8% per annum for the first \$1,500 and 18% per annum on any delinquent amount in excess of \$1,500; and

BE IT FURTHER RESOLVED that unpaid assessments shall bear interest at the rate of 8% per annum; and

BE IT RESOLVED that no interest shall be charged by the Township of Piscataway if the payment of installment for taxes, sewer service charges or assessments is made within ten (10) calendar days after the date upon which such installment is payable; and

BE IT FURTHER RESOLVED that if payment of the installment for taxes, sewer service charges or assessments is not made within the ten (10) calendar day period, interest shall be charged in accordance with the rates specified in this Resolution and such interest shall revert to the date the installment was due.

An examination of the Tax Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

Delinquent Taxes and Tax Title Liens

The Township held a tax sale on October 7, 2011.

The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2010 were \$69,581.95 for tax years 2010 and prior.

We suggest that the Tax Collector continue to review all delinquent real estate taxes and sewer utility charges to determine the status of the account for proper disposition.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Delinquent Taxes and Tax Title Liens (cont'd.)

The following comparison is made of the number of tax title liens receivable at year-end of the current and two previous years:

<u>JUNE 30/DEC. 31</u>	<u>NUMBER OF LIENS</u>
CY 2011	7
TY 2010	7
SFY 2010	7

It is essential to good management that all means provided by statute be utilized to liquidate Tax Title Liens in order to return properties to a tax-paying basis.

Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2011. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2011.

All deposits and investments held by the Township were directly confirmed as of December 31, 2011.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for SFY 2010 in accordance with 40A: 5-14 on January 4, 2011.

Purchase Order System and Encumbrance System

The Township utilized a purchase order system for most of its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Operation of the encumbrance system appeared to be generally good with timely entries made. Prior years' outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Interfund Balances

The following interfund balances appear in the balance sheets of the Township's financial statements of the year ended December 31, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Capital Fund	\$10,000.00	
Sewer Utility Operating Fund	615,279.42	\$10,000.00
Sewer Utility Capital Fund		615,279.42
Senior Utility Operating Fund	696,000.00	
Senior Utility Capital Fund		696,000.00
Total	<u>\$1,321,279.42</u>	<u>\$1,321,279.42</u>

These Interfund balances are not an indication that the respective fund cannot meet its obligation. The Interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to fund the appropriation and the statute or budget to expend them.

Outside Offices/Departments and Other Officials Collecting Fees

Our review of records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A:5-15, and the fees charged were in accordance with the provisions of the Township Code. We tested the offices where deficiencies were found in the prior year. The examination of the records for other officials was found to be in good condition.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account indicated that deposits were recorded and spread by receipt category and cash was reconciled monthly. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance.

The processing of traffic and criminal cases entered on the State's on-line computer system indicated no exceptions with respect to items tested.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Administration and Accounting of State & Federal Grants

During CY 2011, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant program.

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements. It was noted that currently the Township has limited control procedures in place for the certifying of payroll registers for compliance with the Davis-Bacon Act regarding verification of wage and pay rates for construction projects. The Township should continue to review their control procedures for the verification of wage and pay rates for funded construction projects to strengthen their controls for compliance with the Davis-Bacon Act. In addition, we suggest the Township review all of the applicable grant requirements in conjunction with the Township's system of internal controls in order to ensure the Township's internal controls are functioning at the requisite levels to meet with the various compliance requirements.

We suggest the Township review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants. In addition, the grants receivable schedule indicates a number of prior years' accounts receivable balances still outstanding. We suggest the Township review and monitor grants receivable balances in order to ensure the timely collection of outstanding grant receivables.

It was also noted that the Schedules of Federal and State Financial Assistance were not complete in all respects. In addition, as with other local entities, due to weaknesses in the grant notification process followed by certain agencies that pass-through federal and state assistance to the Township, the Township often does not receive accurate and timely information with respect to grant funding sources, along with the relevant CFDA and account number information from its grantor agencies, which can inhibit the preparation of these financial assistance schedules.

We suggest that the Schedules of Federal and State Financial Assistance be complete in all respects, including the proper classification of expenditures, for the single audit.

Condition of Records - Tax Office

During CY 2011, the Tax Collector utilized its monthly financial tax office reporting system. These reports are intended to be all-inclusive, summarizing all tax office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system.

For the year ended December 31, 2011 it was noted that at the end of the year the system was in proof with financial reports issued for the period.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting system during CY 2011. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township initiates the process of documenting its controls, we suggest the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation also include the internal controls that exist over grant compliance.

Other Compliance Matters:

COMPLIANCE with N.J.A.C 5:30:

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30-5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of Piscataway is in compliance with this directive.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Our review indicated that the Township of Piscataway has established a Fixed Asset Accounting System.

N.J.A.C. 5:30 – 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and not exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex, prepared and filed a corrective action plan for the TY 2010, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

We recommended the following:

None

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During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406