

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

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

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

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>PART I</u>	1
Independent Auditor's Report	2 - 4
<u>FINANCIAL STATEMENTS</u>	5
A Current Fund - Comparative Balance Sheet Regulatory Basis - December 31, 2012 and 2011	6
A- 1 Current Fund - Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	7
A- 2 Current Fund - Statement of Revenues - Regulatory Basis	8 - 9
A- 3 Current Fund - Statement of Expenditures - Regulatory Basis	10 - 17
B Trust Fund - Comparative Balance Sheet - Regulatory Basis - December 31, 2012 and 2011	18
C General Capital Fund - Comparative Balance Sheet - Regulatory Basis - December 31, 2012 and 2011	19
C- 1 General Capital Fund - Statement of Fund Balance - Regulatory Basis	20
D Sewer Utility Fund - Comparative Balance Sheet - Regulatory Basis - December 31, 2012 and 2011	21
D- 1 Sewer Utility Operating Fund - Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	22
D- 2 Sewer Utility Capital Fund - Statement of Fund Balance - Regulatory Basis	23
D- 3 Sewer Utility Operating Fund - Statement of Revenues - Regulatory Basis	24
D- 4 Sewer Utility Operating Fund - Statement of Expenditures - Regulatory Basis	25
E Senior Citizens Housing Utility Fund - Comparative Balance Sheet - Regulatory Basis - December 31, 2012 and 2011	26
E- 1 Senior Citizens Housing Utility Operating Fund - Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	27
E- 2 Senior Citizens Housing Utility Capital Fund - Statement of Fund Balance - Regulatory Basis	28
E- 3 Senior Citizens Housing Utility Operating Fund - Statement of Revenues - Regulatory Basis	29
E- 4 Senior Citizens Housing Utility Operating Fund - Statement of Expenditures - Regulatory Basis	30
F Statement of Governmental Fixed Assets - Regulatory Basis - December 31, 2012 and 2011	31
Notes to Financial Statements	32 - 55

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

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>PART II - SUPPLEMENTARY SCHEDULES</u>	56
<u>SINGLE AUDIT SECTION</u>	57
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	58 - 59
Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance Required by OMB Circular A-133.	60 - 61
<u>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</u>	62
Sch. A Schedule of Expenditures of Federal Awards	63
Sch. B Schedule of Expenditures of State Financial Assistance	64 - 65
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	66
Sch. C Schedule of Findings and Questioned Costs	67 - 70
Sch. D Summary Schedule of Prior Findings	71
<u>Current Fund</u>	72
A- 4 Schedule of Cash	73
A- 5 Schedule of Collectors Cash	74
A- 6 Schedule of Due from State of New Jersey - For Allowable Deductions Per Chapter 20, P.L. 1976	75
A- 7 Schedule of Property Taxes Receivable and Levy Analysis	76
A- 8 Schedule of Nonbudget Revenues & Various Accounts Receivables	77
A- 9 Statement of Appropriation Reserves - CY 2011	78 - 83
A-10 Schedule of Changes in Various Accounts Payables & Reserves	84
A-11 Statement of Interfunds Receivable	85
A-12 Statement of Interfunds Payable	86
A-13 Schedule of Taxes Payable	87
A-14 Schedule of Property Tax Overpayments	88
A-15 Schedule of State and Federal Grants Receivable	89 - 90
A-16 Schedule of Interfunds Receivable/Payable	91
A-17 Schedule of State and Federal Grants - Appropriated	92 - 93
A-18 Schedule of State and Federal Grants - Unappropriated	94
A-19 Schedule of Deferred Charges - Emergency Appropriation	95
<u>Trust Fund</u>	96
B- 1 Schedule of Cash and Reserve Activity	97
B- 2 Schedule of Escrow Fund Deposits and Reserves - Trust - Other Fund	98

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>General Capital Fund</u>	100
C- 2 Schedule of Cash and Investments - Treasurer	101
C- 3 Analysis of General Capital Cash and Investments	102
C- 4 Schedule of Grants Receivables and Reserves	103
C- 5 Schedule of Deferred Charges to Future Taxation - Funded	104
C- 6 Schedule of Deferred Charges to Future Taxation - Unfunded	105
C- 7 Schedule of Capital Improvement Fund	106
C- 8 Schedule of Contributions - Off-Site Improvements	106
C- 9 Schedule of Improvement Authorizations	107
C-10 Schedule of General Serial Bonds	108 - 109
C-11 Schedule of Interfunds Payable	110
C-12 Schedule of Preliminary Expenses - General Capital Fund	111
C-13 Schedule of Reserves Developer's Tree Contributions	111
C-14 Schedule of Stelton Streetscape	112
C-15 Schedule of Reserves Community Center	112
C-16 Schedule of Reserve for Debt Service	112
C-16 Schedule of Bond Anticipation Notes	113
C-17 Schedule of Bonds and Notes Authorized but not Issued	114
<u>Sewer Utility Fund</u>	115
D- 5 Schedule of Sewer Utility Cash and Investments - Treasurer	116
D- 6 Schedule of Cash - Collector	117
D- 7 Analysis of Sewer Utility Capital Cash and Investments	118
D- 8 Schedule of Sewer Charges Receivable	119
D- 9 Schedule of Fixed Capital	120
D-10 Schedule of Fixed Capital Authorized and Uncompleted	121
D-11 Schedule of CY 2012 Appropriation Reserves	121
D-12 Schedule of Accrued Interest on Bonds and Notes	122 - 123
D-13 Schedule of Prepaid Sewer Charges	124
D-14 Schedule of Sewer Overpayments	124
D-15 Schedule of Accounts Payable	124
D-16 Schedule of Improvement Authorizations	125
D-17 Schedule of Deferred Reserve for Amortization	125
D-18 Schedule of Due from Current Fund	126
D-19 Schedule of Capital Improvement Fund	126
D-20 Schedule of Reserve for Amortization	127
D-21 Schedule of Due from Capital Fund	127
D-22 Schedule of Due from Sewer Capital	128
D-23 Schedule of Due to Sewer Utility Operating Fund	128
D-24 Schedule of General Serial Bonds	129
D-25 Schedule of Bonds and Notes Authorized but not Issued	129

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

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>Senior Citizens Housing Utility Fund</u>	130
E- 5 Schedule of Cash and Investments	131
E- 6 Analysis of Senior Housing Utility Capital Cash and Investments	132
E- 7 Schedule of 2011 Appropriation Reserves	133
E- 8 Schedule of Accrued Interest on Bonds	134
E- 9 Schedule of Security Deposits - Senior Citizen Housing Utility Operating Fund	135
E-10 Schedule of Reserve for Amortization - Senior Citizen Housing Utility Capital Fund	135
E-11 Schedule of Improvement Authorizations	136
E-12 Schedule of General Serial Bonds	137
E-13 Schedule of Capital Improvement Fund	138
E-14 Schedule of Deferred Reserve for Amortization	138
E-15 Schedule of Fixed Capital	139
E-16 Schedule of Fixed Capital Authorized and Uncomplete	139
E-17 Schedule of Due from Senior Housing Capital	140
E-18 Schedule of Due to Senior Housing Utility Operating Fund	140
E-19 Schedule of Due from Affordable Housing Trust Fund	141
E-20 Schedule of Bonds and Notes Authorized but not Issued	141
 <u>PART III - SUPPLEMENTARY DATA</u>	 142
Combined Balance Sheet - All Funds - for Year Ending December 31, 2012	143
Comparative Statement of Operations - Change in Fund Balance Current Fund	144
Comparative Statement of Operations - Change in Fund Balance Sewer Utility Fund	145
Comparative Statement of Operations - Change in Fund Balance Senior Citizens Housing Utility Fund	146
Comparative Schedule of Tax Rate Information	147
Comparison of Tax Levies and Collection Currently	147
Delinquent Taxes and Tax Title Liens	148
Comparison of Sewer Utility Levies	148
Comparative Schedule of Fund Balances	149
Required Supplementary Information - Post Employee Benefits	150
Officials in Office and Surety Bonds	151
 <u>PART IV - GENERAL COMMENTS AND RECOMMENDATIONS</u>	 152
General Comments	153 - 161
Recommendations and Acknowledgment	162

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

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2012 and 2011, the statements of operations and changes in fund balance – regulatory basis for the years 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, 2012, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

As described in Note 2, these financial statements were prepared 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 laws of New Jersey, which is a comprehensive basis of accounting other than 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 – regulatory basis 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 of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2012, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

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 of the Township of Piscataway, County of Middlesex, New Jersey as of December 31, 2012 and 2011 and the related statements of operations and changes in fund balance – regulatory basis for the years 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, 2012, on the basis of accounting described in Note 2.

Other Matters

Other Information

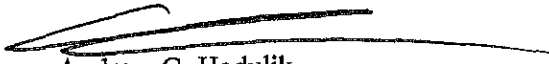
Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules and Part IV – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part II - the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and *New Jersey OMB Circular 04-04* and are also not a required part of the financial statements. The Part III – 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. 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 IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 2, 2014 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 in considering the Township of Piscataway's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
January 2, 2014

FINANCIAL STATEMENTS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

ASSETS	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011	LIABILITIES, RESERVES AND FUND BALANCE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011
Cash and Investments - Treasurer	A-4 \$ 23,069,170.52	21,310,256.95	Liabilities:	A-3 \$	2,745,502.01
Cash - Change Fund	A 535.00	535.00	Appropriation Reserves	A-3	2,856,816.91
Due from State of N.J. per Ch. 20, P.L. 1976	A-6 144,345.94	161,167.34	Reserve for Encumbrances	A-7	738,159.34
			Prepaid Taxes	A-10	648,382.45
	23,214,051.46	21,471,959.29	Various Payables	A-10	4,096,453.21
			Various Reserves	A-13	100,002.02
Receivables With Offsetting Reserves:			Taxes Payable	A-14	36,397.20
Taxes Receivable	A-7 2,155,871.06	2,051,333.18	Tax Overpayments	A-12	265,886.27
Tax Title Liens	A-7 556,212.06	507,792.66	Interfunds Payable		
Property Acquired for Taxes (At Assessed Valuation)	A-7 2,592,900.00	2,592,900.00			
Revenue Accounts Receivable	A-8 211,534.26	69,912.25	Reserve for Receivables	Reserve	5,221,938.09
			Fund Balance	A-1	11,886,096.71
Deferred Charges:	5,516,517.38	5,221,938.09			
Special Emergency	1,200,000.00	1,500,000.00			
Special Emergency: Hurricane Sandy	3,500,000.00				
	4,700,000.00	1,500,000.00			
Total Regular Fund	33,430,568.84	28,193,897.38	Total Regular Fund	33,430,568.84	28,193,897.38
State and Federal Grant Fund:			State and Federal Grant Fund:		
Cash and Investments - Treasurer	A-4 541,620.95	500,330.98	Reserve for State and Federal Grants:		
Grants Receivable	A-15 1,175,224.73	1,550,595.22	Appropriated	A-17	1,580,623.32
			Unappropriated	A-18	676.00
			Reserve for Encumbrances	A-17	135,546.36
Total State and Federal Grant Fund	1,716,845.68	2,050,926.20	Total State and Federal Grant Fund	1,716,845.68	2,050,926.20
Grand Total	\$ 35,147,414.52	30,244,823.58		\$ 35,147,414.52	30,244,823.58

Note: See Notes to Financial Statements.

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

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2012</u>	<u>CY 2011</u>
Fund Balance Utilized	A-1, A-2	\$ 6,855,000.00	\$ 5,817,370.23
Miscellaneous Revenues Anticipated	A-2	10,574,517.17	11,353,530.20
Receipts from Delinquent Taxes	A-2	2,155,989.46	2,774,169.58
Non-Budget Revenue	A-2	1,005,846.25	470,874.31
Receipts from Current Taxes	A-7	143,705,802.43	140,353,535.91
Other Credits to Income:			
Unexpended Balances of Appropriation	A-3		
Unexpended Balances of Approp. Reserves	A-9	2,418,557.07	2,325,648.25
Prior Year Revenue	A-4	590.00	
Accounts Payable Cancelled	A-10	909,811.07	
Various Reserves Cancelled	A-10	406,784.12	
Revenue Reserves			
Interfunds:			
Interfunds Returned - Net	A-11		100.20
Grants Cancelled			
Tax Overpayments Cancelled			
Tax Appeals	A-10		
Prior Year Senior Citizen Deduction Allowed	A-6	38,220.55	
		<u>168,071,118.12</u>	<u>163,095,228.68</u>
Total Revenues			
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations and Emergency Appropriations			
Within "CAP"			
Operations			
Salaries and Wages	A-3	17,515,392.60	16,430,995.44
Other Expenses	A-3	19,989,568.00	16,843,855.11
Deferred Charges and Statutory Expend.	A-3	4,389,950.16	5,228,899.84
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	634,575.00	583,209.00
Other Expenses	A-3	5,057,958.99	5,196,227.81
Capital Improvements	A-3	695,000.00	35,000.00
Municipal Debt Service	A-3	8,050,311.26	6,443,670.69
Deferred Charges and Statutory Expend.	A-3	374,333.52	-
Special District Taxes	A-13	3,483,019.00	3,396,882.00
County Tax	A-13	19,787,586.73	19,766,605.43
County Open Space Fund	A-13	1,808,242.98	1,930,192.64
Due County for Added Taxes	A-13	174,327.28	152,958.67
Local District School Taxes	A-13	82,567,560.00	81,096,555.00
Interfunds:			
Interfunds Advanced - Net	A-11		9,020.70
Refund Prior Years Revenue	A-4	7,583.15	134,562.47
		<u>164,535,408.67</u>	<u>157,248,634.80</u>
Total Expenditures			
Excess in Revenue		3,535,709.45	5,846,593.88
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years		3,500,000.00	
Statutory Excess to Fund Balance		7,035,709.45	5,846,593.88
<u>FUND BALANCE</u>			
Balance - July 1		11,886,096.71	11,856,873.06
Decreased by:		18,921,806.16	17,703,466.94
Utilization as Anticipated Revenue	A-1	6,855,000.00	5,817,370.23
Balance - December 31	A	<u>\$ 12,066,806.16</u>	<u>\$ 11,886,096.71</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	REF.	ANTICIPATED CY 2012 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 6,855,000.00	\$	6,855,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	50,000.00		55,350.00	5,350.00
Other	A-8	75,000.00		100,736.00	25,736.00
Fees and Permits	A-8	400,000.00		441,506.45	41,506.45
Fines and Costs:					
Municipal Court	A-8	825,000.00		1,150,129.43	325,129.43
Interest and Costs on Taxes	A-5	400,000.00		444,054.44	44,054.44
Interest on Investments and Deposits	A-8	50,000.00		58,070.14	8,070.14
Reserve for PCTV	A-10	14,000.00		14,000.00	
Hotel and Motel Tax	A-8	255,000.00		270,219.67	15,219.67
Cable Franchise Fees	A-8	140,000.00		156,140.88	16,140.88
Library Fines and Fees	A-8	36,000.00		36,000.00	
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	
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	900,000.00		1,019,685.00	119,685.00
Uniform Fire Safety Act	A-8	68,000.00		70,599.65	2,599.65
Capital Surplus Fund	A-12				
Reserve for Debt Service - Capital Fund	A-12	74,333.52		74,333.52	
Public and Private Revenues Offset with Approps.:					
Alcohol Education, Rehabilitation Fund	A-12		2,860.04	2,860.04	
Law Enforcement Response To Community Concerns	A-12		4,910.00	4,910.00	
Body Armor Fund	A-12		7,943.09	7,943.09	
Bias Prevention & Education Grant	A-12		75,847.45	75,847.45	
Clean Communities Program	A-12		4,000.00	4,000.00	
Click It or Ticket	A-12		220,487.00	220,487.00	
Community Development Block Grant	A-12	2,400.00		2,400.00	
COPS in Shop Grant	A-12		11,204.38	11,204.38	
Drunk Driving Enforcement Grant	A-12				
Drunk Driving - Over the Limit, Under Arrest	A-12				
Drive Sober or Pulled Over	A-12		8,800.00	8,800.00	
Public and Private Revenues Offset with Approps. (cont'd.):					
Federal Emergency Management Grant	A-12				
Middlesex County Cultural and Heritage Library	A-12	300.00	1,050.00	1,350.00	
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	A-12	6,000.00	18,000.00	24,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-12	44,587.00		44,587.00	
Recycling Tonnage Grant	A-12		106,724.03	106,724.03	
Safe and Secure Communities Program	A-12	60,000.00		60,000.00	
NJ Historic Trust Grant - Metlars	A-12				
NJDOT - William Street Grant	A-12				
Total Miscellaneous Revenues	A-1	9,509,199.52	461,825.99	10,574,517.17	603,491.66

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	REF.	ANTICIPATED CY 2012 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Receipts from Delinquent Taxes	A-1,A-7	1,492,194.85		2,155,989.46	663,794.61
Subtotal General Revenues		17,856,394.37	461,825.99	19,585,506.63	1,267,286.27
Amount to be Raised by Taxes for Support of Municipal Budget	A-7	37,512,264.14		38,309,626.41	797,362.27
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-1,A-8	55,368,658.51	461,825.99	57,895,133.04	2,064,648.54
Budget Totals				1,005,846.25	
Non-Budget Revenues				\$ 58,900,979.29	
	Ref.	A-3	A-3		

() Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
\$	70,000.00	\$ 67,271.10	\$ 67,271.10	\$ 807.44	\$ 14,177.20		
Salaries and Wages	16,250.00	16,250.00	1,265.36			7,897.85	
Other Expenses	230,375.00	230,375.00	222,477.15			10,149.04	
Township Clerk	21,789.50	27,789.50	14,597.00		3,043.46		
Other Expenses	15,000.00	15,000.00	1,700.00			13,300.00	
Elections	5,200.00	5,200.00	5,027.61			172.39	
Salaries and Wages							
Other Expenses							
Administration:							
Dept. of Administration							
Salaries and Wages	412,500.00	377,500.00	292,771.99			84,728.01	
Other Expenses	125,530.00	125,530.00	68,700.48		1,444.45	55,385.07	
Division of Personnel							
Salaries and Wages	103,000.00	103,000.00	102,561.16			438.84	
Other Expenses	12,820.00	12,820.00	8,781.52		2,524.10	1,514.38	
Computer Center							
Other Expenses	380,000.00	230,350.00	108,864.23		30,154.23	91,331.54	
Division of Purchasing							
Salaries and Wages	75,500.00	50,500.00	27,011.40			23,488.60	
Other Expenses:							
Postage (All Depts.)	60,000.00	60,000.00	57,844.07		948.64	1,207.29	
Duplicating (All Depts.)	8,000.00	8,000.00	7,635.15			364.85	
Miscellaneous Other Expenses	56,036.00	56,036.00	43,869.46		763.55	11,402.99	
Municipal Land Use (N.J.S.A. 40:55 D-1):							
Planning Board							
Salaries and Wages	54,000.00	29,000.00	7,064.04			21,935.96	
Other Expenses	61,997.00	61,997.00	47,014.47		14,475.00	507.53	
Zoning Board of Adjustment							
Salaries and Wages	54,000.00	29,000.00	7,063.08			21,936.92	
Other Expenses	59,775.00	59,775.00	43,842.94		8,682.80	7,249.26	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR		EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			CHARGED	ENCUMBERED	ENCUMBERED	RESERVED		
Administration (cont'd):								
Cable TV Studio	191,750.00	191,750.00	189,679.52			2,070.48		
Salaries and Wages	12,910.00	12,910.00	10,391.34		2,486.66	32.00		
Other Expenses								
Celebration of Public Events								
Other Expenses	4,000.00	4,000.00	3,600.00			400.00		
Finance and Revenue								
Department of Finance								
Salaries and Wages	257,965.00	257,965.00	251,475.42			6,489.58		
Other Expenses	69,750.00	69,750.00	52,779.10		4,192.89	12,778.01		
Annual Audit	70,000.00	70,000.00			70,000.00			
Division of Assessment								
Salaries and Wages	158,375.00	158,375.00	156,611.53			1,763.47		
Other Expenses	184,875.00	174,875.00	160,370.37		14,052.79	451.84		
Division of Revenue								
Salaries and Wages	105,250.00	105,250.00	98,271.80			6,978.20		
Other Expenses	33,600.00	33,600.00	28,657.61			4,942.39		
Insurance								
Liability Insurance	1,288,100.00	1,221,100.00	1,190,150.44			30,949.56		
Worker's Compensation Insurance	10,000.00	10,000.00	10,000.00					
Health Insurance Waiver	75,000.00	75,650.00	75,650.00					
Employee Group Insurance	6,883,584.50	6,883,584.50	5,070,621.08		1,812,963.42			
Municipal Court								
Salaries and Wages	431,000.00	431,000.00	381,287.47			49,712.53		
Other Expenses	36,900.00	36,900.00	21,689.08		1,124.19	14,086.73		
Public Defender (P.L. 1997, Ch. 256)								
Other Expenses	26,000.00	26,000.00				26,000.00		
Law								
Department of Law								
Other Expenses	450,000.00	450,000.00	197,144.08		16,471.85	236,384.07		
Municipal Prosecutor								
Salaries and Wages	56,000.00	56,000.00	54,111.00			1,889.00		
PUBLIC SAFETY:								
Uniform Fire Safety Act (P.L. 1983 C. 383)								
Salaries and Wages	231,300.00	231,300.00	193,333.42			37,966.58		
Other Expenses	13,014.00	13,014.00	8,202.18		4,789.98	21.84		
Animal Control								
Salaries and Wages	83,475.00	83,475.00	79,744.20			3,730.80		
Other Expenses	17,650.00	17,650.00	7,427.42		5,775.00	4,447.58		

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
PUBLIC SAFETY (CONT'D):						
Division of Schools Crossing Guards						
Salaries and Wages	275,000.00	275,000.00	256,335.73		18,664.27	
Other Expenses	1,524.00	1,524.00	871.50	495.00	157.50	
Division of Police						
Salaries and Wages	10,296,628.00	10,296,628.00	10,114,049.86		182,578.14	
Other Expenses	421,387.60	421,387.60	229,191.24	105,524.84	86,671.52	
First Aid Organization - Contribution	94,800.00	94,800.00	60,690.00	3,498.00	30,612.00	
Office of Emergency Management						
Salaries and Wages	120,200.00	120,200.00	33,062.16		87,137.84	
Other Expenses	12,050.00	22,050.00	6,800.70	1,595.76	13,653.54	
PUBLIC WORKS:						
Department of Public Works						
Salaries and Wages	175,500.00	175,500.00	175,150.16		349.84	
Other Expenses	48,900.00	48,900.00	26,849.63	6,508.14	15,542.23	
Division of Engineering						
Salaries and Wages	476,100.00	401,100.00	365,040.89		36,059.11	
Other Expenses	55,730.00	45,730.00	24,435.44	9,309.40	11,985.16	
Division of Community Development and Planning						
Salaries and Wages	407,500.00	407,500.00	406,298.34	388.06	1,201.66	
Other Expenses	36,080.00	26,080.00	5,847.47		19,844.47	
Public Building and Grounds						
Salaries and Wages	178,606.00	178,606.00	153,459.84		25,146.16	
Other Expenses	283,500.00	283,500.00	153,828.97	83,071.92	46,599.11	
Division of Property Maintenance TRAFFIC						
Salaries and Wages	161,106.00	161,106.00	154,633.62		6,472.38	
Other Expenses	92,100.00	92,100.00	43,724.19	38,424.41	9,951.40	
Division of Property Maintenance FLEET						
Salaries and Wages	364,212.00	364,212.00	350,051.04		14,160.96	
Other Expenses	427,100.00	427,100.00	243,315.38	105,302.45	78,482.17	
Division of Streets and Road Maintenance						
Salaries and Wages	655,871.00	655,871.00	640,159.79	8,206.75	15,711.21	
Other Expenses	48,000.00	48,000.00	39,240.05		553.20	
Snow Removal						
Salaries and Wages	100,000.00	100,000.00	12,287.39		87,712.61	
Other Expenses	247,500.00	247,500.00	22,130.47	206,268.97	19,100.56	
All Utilities						
Division of Parks	1,726,530.00	1,826,530.00	794,679.38	504,538.99	527,311.63	
Salaries and Wages	506,318.00	556,318.00	522,242.72		34,075.28	
Other Expenses	274,000.00	274,000.00	118,254.49	42,507.62	113,237.89	
Shade Tree						
Other Expenses	900.00	900.00			900.00	

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

CURRENT FUND

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

	<u>CY 2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>
PUBLIC WORKS(CONTD):					
Division of Sanitation - Sewer System					
Other Expenses	32,500.00	32,500.00	5,610.12	11,689.88	15,200.00
Solid Waste Collection					
Salaries and Wages	560,871.00	630,871.00	609,952.55		20,918.45
Other Expenses	7,100.00	127,100.00		105,267.00	21,833.00
Recycling Program					
Other Expenses	85,700.00	85,700.00	34,270.50	25,272.98	26,156.52
Municipal Services Act	35,000.00	35,000.00	20,644.02		14,355.98
Hurricane Sandy Cleanup/Repairs		3,500,000.00	3,500,000.00		
HEALTH AND WELFARE:					
Department of Health					
Salaries and Wages					
Other Expenses					
Division of Public Assistance					
Salaries and Wages	3,000.00	3,000.00			3,000.00
Other Expenses	2,000.00	2,000.00			2,000.00
Office on Aging					
Salaries and Wages	413,400.00	413,400.00	288,897.62		124,502.38
Other Expenses	78,580.00	68,580.00	37,150.78	7,756.90	23,672.32
Aid to American Cancer Society					
Aid to Heart Fund					
Kiddie Keepwell Contribution					
RECREATION AND EDUCATION					
Department of Recreation					
Salaries and Wages	246,200.00	246,200.00	221,242.25		24,957.75
Other Expenses	230,181.00	220,181.00	166,147.50	21,743.99	32,289.51
Accumulated Leave Compensation	500,000.00	500,528.40	500,000.00		3,528.40
Salary Adjustment					
Salaries and Wages	15,000.00				
Reserve for Tax Appeals					
Other Expenses	1,500,000.00	1,500,000.00	1,500,000.00		

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	CANCELLED		
Uniform Construction Code							
Division of Inspections	351,500.00	351,500.00	344,239.21			7,260.79	
Salaries and Wages	12,985.00	12,985.00	9,636.03	3,009.33		339.64	
Other Expenses							
Boards and Commissions	7,000.00	6,200.50	6,200.50				
Salaries and Wages	34,530.00	34,530.00	21,927.19	1,668.50		10,934.31	
Other Expenses							
Total Operations Within "CAPS"	34,114,960.60	37,504,960.60	31,595,107.99	3,286,749.34		2,623,103.27	
Contingent							
Total Operations Including Contingent Within "CAPS"	34,114,960.60	37,504,960.60	31,595,107.99	3,286,749.34		2,623,103.27	
DETAIL:							
Salaries and Wages	17,667,396.00	17,515,392.60	16,551,360.13			964,032.47	
Other Expenses (Including Contingent)	16,447,564.60	19,989,568.00	15,043,747.86	3,286,749.34		1,659,070.80	
<u>STATUTORY EXPENDITURES:</u>							
Contribution to:							
Social Security System (O.A.S.I.)	1,048,748.16	1,046,748.16	653,117.52			393,630.64	
Public Employees Retirement System	1,032,670.00	1,032,670.00	1,032,669.44			0.56	
Police and Firemen's Pension Fund	2,154,032.00	2,154,032.00	2,154,032.00				
State Unemployment Insurance	150,000.00	150,000.00	150,000.00				
Defined Contribution Retirement Program	4,500.00	6,500.00	4,579.85			1,920.15	
Total Deferred Charges and Statutory Expenditures	4,389,950.16	4,389,950.16	3,994,398.81			395,551.35	
Municipal Within "CAPS"							
Judgments							
Total General Appropriations for Municipal Purposes Within "CAPS"	38,504,910.76	41,894,910.76	35,589,506.80	3,286,749.34		3,018,654.62	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS"						
911 Emergency Telecommunication Services						
Salaries and Wages	584,575.00	634,575.00	633,729.18		845.82	
Other Expenses	194,093.00	194,093.00	166,165.39	5,107.60	22,820.01	
Maintenance of Free Public Library (NJSA 40:54-8)	2,346,328.00	2,346,328.00	2,205,458.24	124,913.68	15,956.08	
NIDES - Storm Water						
Other Expenses	74,000.00	74,000.00	29,789.82	26,710.18	17,500.00	
Supplemental Fire Services District Payment	18,425.00	18,425.00	18,425.00			
MCIA Recycling Program	750,000.00	750,000.00	464,098.48	66,638.11	219,263.41	
MCUA Solid Waste Agreement	340,000.00	340,000.00	124,349.34	88,650.66	127,000.00	
Edison Animal Control Contract	50,000.00	50,000.00	4,027.01	1,000.00	44,972.99	
UMDNJ Agreements	27,500.00	27,500.00	25,218.92		2,281.08	
Middlesex County Health Department	382,500.00	382,500.00	382,500.00			
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Alcohol Education Rehab Program		2,860.04	2,860.04			
American Library Association		7,943.09	7,943.09			
Body Armor Fund Grant						
Bias Prevention & Education Grant		75,847.45	75,847.45			
Clean Communities Grant		4,000.00	4,000.00			
Click It or Ticket Grant		2,400.00	2,400.00			
Cops In shop	2,400.00	2,400.00	2,400.00			
Community Development Block Grant- Drive Sober or Get Pulled Over		220,487.00	220,487.00			
Drunk Driving - Over the Limit, Under Arrest		8,800.00	8,800.00			
Drunk Driving Enforcement		11,204.38	11,204.38			
Law Enforcement Response To Community Concerns		4,910.00	4,910.00			
Municipal Alliance on Alcoholism and Drug Abuse Grant		44,587.00	44,587.00			
Match	44,587.00	44,587.00	44,587.00			
Middlesex County Cultural & Heritage	300.00	1,350.00	1,350.00			
Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program Over the Limit Under Arrest 2010 Holiday Crackdown	6,000.00	24,000.00	24,000.00			
NJ Historic Trust: Metlars House						
Pedestrian Decoy Grant		106,724.03	106,724.03			
Recycling Tonnage Grant		60,000.00	60,000.00			
Safe and Secure Communities Program	60,000.00	60,000.00	60,000.00			
NJDOT: William Street #3 Grant	250,000.00	250,000.00	250,000.00			
Matching Funds	50,000.00	50,000.00	11,146.75		38,853.25	
Total Operations Excluded from "CAPS"	5,180,708.00	5,692,533.99	4,890,021.12	313,020.23	489,492.64	

DETAIL:

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Salaries and Wages	584,575.00	634,575.00	633,729.18		845.82	
Other Expenses	4,596,133.00	5,057,958.99	4,256,291.94	313,020.23	488,646.82	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payment on Improvements	300,000.00	360,000.00	360,000.00			
Centennial Avenue Road Improvement	300,000.00	300,000.00	300,000.00			
4-Wheel Vehicles for Code Enforcement						
Down Payment on Improvements: Land Acquisition, Right of Way, For Municipal and Middlesex County Interlocal Road and other projects						
Vehicle : Code Enforcement	35,000.00	35,000.00	12,436.00		22,564.00	
Total Capital Improvements Excl. from "CAPS"	635,000.00	695,000.00	672,436.00		22,564.00	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	6,145,000.00	6,145,000.00	6,145,000.00			
Payment of Bond Anticipation Notes and Capital Notes	2,084,146.26	2,084,146.26	1,905,311.26			178,835.00
Interest on Bonds	20,000.00	20,000.00				20,000.00
Interest on Notes						
Total Municipal Debt Service - Excl. from "CAPS"	8,249,146.26	8,249,146.26	8,050,311.26			198,835.00
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Special Emergency Authorizations 5 Years Revaluation						
Unfunded Ordinances						
Ordinance 04-52	17,725.00	17,725.00	17,725.00			
Ordinance 06-04	50,500.00	50,500.00	50,500.00			
Ordinance 10-02	4,504.00	4,504.00	4,504.00			
Ordinance 10-24	1,604.52	1,604.52	1,604.52			
Total Deferred Charges - Excl. from "CAPS"	74,333.52	74,333.52	74,333.52			

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

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

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE
				ENCUMBERED	CANCELLED
				RESERVED	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges					
Emergency Authorizations	300,000.00	300,000.00	300,000.00		
Emergency Authorizations - 5 yrs					
Total Deferred Charges - Municipal Excluded from "CAPS"	300,000.00	300,000.00	300,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,439,187.78	15,011,013.77	13,987,101.90	313,020.23	198,835.00
Subtotal General Appropriations	52,944,098.54	56,905,924.53	49,576,608.70	3,599,769.57	198,835.00
Reserve for Uncollected Taxes	2,424,559.97	2,424,559.97	2,424,559.97		
Total General Appropriations	\$ 55,368,658.51	\$ 59,330,484.50	\$ 52,001,168.67	\$ 3,599,769.57	\$ 198,835.00
Adopted Budget	A-2	\$ 55,368,658.51	A-1	A,A-1	A-1
Approp. by N.J.S.A. 40A:4-87	A-2	461,825.99			
		<u>\$ 59,330,484.50</u>			
Disbursed	A-4	\$ 44,033,799.21			
Reserve for Uncollected Taxes	A-7	2,424,559.97			
Reserve for Tax Appeals	A-10	1,500,000.00			
Reserve for Library	A-10	(25,826.00)			
Reserve: Hurricane Sandy	A-10	3,500,000.00			
Appropriation Reserve	A-9	11,800.31			
General Capital Fund - Capital Improvement Fund	A-12	360,000.00			
Due to Self Insurance Trust Fund	A-12	45,000.00			
Due to Animal Trust Fund	A-12	11,521.00			
Due to Unemployment Trust	A-12	150,000.00			
Due Sewer Utility Operating	A-12	(1,515,253.56)			
Due to Senior Housing Utility	A-12	(130,692.00)			
Due To Trust Fund: Severance	A-12	500,000.00			
Due to State and Federal Grants Fund	A-12	836,259.74			
Emergency Authorization: Real Property Valua	A-19	300,000.00			
		<u>\$ 52,001,168.67</u>			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

ASSETS	REF.	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011
Animal Control Fund:							
Cash and Investments - Treasurer	B-1	\$ 2,416.38	\$ 28,571.35	Animal Control Fund:	B-1	\$ 168.20	\$ 12.00
Total Animal Control Fund		2,416.38	28,571.35	Due to State of New Jersey	B-1	2,248.18	28,559.35
				Reserve for Animal Control Expenditures			
				Total Animal Control Fund		2,416.38	28,571.35
Self-Insurance Trust Fund:				Self-Insurance Trust Fund:			
Cash and Investments - Treasurer	B-1	964,458.86	850,069.98	Reserve for Self Insurance	B-1	964,458.86	850,069.98
Total Trust-Other Fund		964,458.86	850,069.98	Total Trust-Other Fund		964,458.86	850,069.98
Other Trust Funds:				Other Trust Funds:			
Cash and Investments - Treasurer	B-1	8,739,559.46	9,388,908.18	Payroll Liabilities	B-1	180,893.72	184,555.90
State and Federal Grants Receivable	B-1		166,424.09	Unemployment Insurance Trust Fund	B-1	265,202.03	157,258.85
Interfund Receivable	B-1	3,415,222.21		Reserve for CDBG	B-1	104,403.07	131,700.51
Total Escrow Trust Fund		12,154,781.67	9,553,332.27	Miscellaneous Deposits	B-1	6,339,660.71	4,747,396.19
				Affordable Housing	B-1	147,838.87	521,398.96
				Interfund Payable	B-1	400,000.00	
				Recreation Trust	B-1	57,188.89	100,451.92
				Schedule of Escrows	B-2	4,659,594.38	3,712,569.94
				Total Escrow Trust Fund		12,154,781.67	9,553,332.27
Public Assistance Fund:				Public Assistance Fund:			
Cash and Investments - Treasurer	B-1	3,911.35	3,911.35	Reserve for Public Assistance	B-1	3,911.35	3,911.35
Total Public Assistance Fund		3,911.35	3,911.35	Total Public Assistance Fund		3,911.35	3,911.35
Grand Total		\$ 13,125,568.26	\$ 10,437,884.95	Grand Total		\$ 13,125,568.26	\$ 10,437,884.95

Note: See Notes to Financial Statements.

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

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

	<u>REF.</u>	<u>BALANCE DEC. 31,2012</u>	<u>BALANCE DEC. 31,2011</u>
<u>ASSETS</u>			
Cash, Cash Equivalents and Investments	C- 2	\$ 76,294.26	\$ 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	55,228,000.00	35,547,543.52
Unfunded	C- 6	35,224,210.00	48,653,000.00
Total Assets		<u>\$ 90,528,504.26</u>	<u>\$ 87,207,358.51</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 55,228,000.00	\$ 55,653,000.00
Bond Anticipation Notes	C-16		
Improvement Authorizations:			
Funded	C- 9	2,700,944.45	2,690,842.87
Unfunded	C- 9	20,295,448.74	14,738,885.47
Reserve for Encumbrances	C- 9	5,485,456.20	11,237,306.80
Capital Improvement Fund	C- 7	2,250.00	57,250.00
Contributions - Off-Site Improvements	C- 8	1,781,675.71	1,534,530.27
Reserve for Preliminary Expenses	C-12	457,402.90	457,906.90
Reserve for Debt Service	C-12	484,415.04	308,748.56
Contributions - Tree Contributions	C-13	200.00	200.00
Reserve: Stelton Streetscape	C-14	20,250.00	20,250.00
Reserve: Community Center	C-15	5,000.00	5,000.00
Interfund: Other Trust Fund		3,149,335.94	
Fund Balance	C- 1	918,125.28	503,437.64
Total Liabilities, Reserves and Fund Balance		<u>\$ 90,528,504.26</u>	<u>\$ 87,207,358.51</u>
Bonds & Notes Authorized but not Issued	C-17	\$ 35,224,210.00	\$ 28,547,543.52

Note: See Notes to Financial Statements

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

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31, 2012**

	<u>REF.</u>	
Balance - December 31, 2011		\$ 503,437.64
Increased by:		
Premium on Sale of Serial Bonds	C-11	<u>414,687.64</u>
		918,125.28
Decreased by:		
Down Payment on Improvement	C-11	<u> </u>
Balance - December 31, 2012	C	<u><u>\$ 918,125.28</u></u>

Note: See Notes to Financial Statements

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

Exhibit - D

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

ASSETS	REF.	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011
Operating Fund:							
Cash and Investments - Treasurer	D-5	\$ 4,974,561.67	\$ 4,458,731.01	Operating Fund:			
Change Fund - Collector	D	100.00	100.00	Appropriation Reserves	D-4	\$ 105,868.99	\$ 123,053.02
Due from Sewer Capital Fund	D-23	<u>615,279.42</u>	<u>615,279.42</u>	Reserve for Encumbrances	D-4	108,349.71	69,669.38
				Accrued Interest Payable	D-13	36,380.73	38,059.90
				Prepaid Sewer Charges	D-14	23,349.77	18,825.65
				Sewer Overpayments	D-15	250.00	65,537.85
				Accounts Payable	D-16	44,132.71	59,132.71
				Due to General Capital Fund	D-16	<u>10,000.00</u>	<u>10,000.00</u>
Receivables and Inventory With Offsetting Reserves:							
Sewer Charges Receivable	D-8	<u>883,803.36</u>	<u>878,516.24</u>	Reserve for Receivables	Reserve	883,803.36	878,516.24
				Fund Balance	D-1	<u>4,656,329.76</u>	<u>4,689,831.92</u>
Total Operating Fund		<u>5,858,465.03</u>	<u>5,952,626.67</u>	Total Operating Fund		<u>5,858,465.03</u>	<u>5,952,626.67</u>
Capital Fund:							
Cash and Investments - Treasurer	D-5	1,051,167.91	13,849.23	Serial Bonds Payable	D-25	3,700,000.00	3,906,000.00
Fixed Capital	D-10	13,107,561.49	13,107,561.49	Reserve for Encumbrances	D-17	612,084.71	278,141.54
Fixed Capital Authorized and Uncompleted	D-11	<u>9,030,000.00</u>	<u>9,030,000.00</u>	Due to Sewer Operating Fund	D-24	-	615,279.42
				Improvement Authorizations:			
				Funded	D-17	291.50	70,095.47
				Unfunded	D-17	3,136,601.73	3,773,142.83
				Capital Improvement Fund	D-20	2,078,750.00	53,750.00
				Reserve for Amortization	D-21	13,235,561.49	13,029,561.49
				Deferred Reserve for Amortization	D-18	323,500.00	323,500.00
				Fund Balance	D-2	<u>101,939.97</u>	<u>101,939.97</u>
Total Capital Fund		<u>23,188,729.40</u>	<u>22,151,410.72</u>	Total Capital Fund		<u>23,188,729.40</u>	<u>22,151,410.72</u>
Grand Total		<u>\$ 29,047,194.43</u>	<u>\$ 28,104,037.39</u>	Grand Total		<u>\$ 29,047,194.43</u>	<u>\$ 28,104,037.39</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2012 in the amount of \$4,878,500.00 (Exhibit D-26).

Note: See Notes to Financial Statements

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

Exhibit - D-1

**SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2012</u>		<u>CY 2011</u>
Fund Balance Utilized	D- 3	1,667,000.00		-
Sewer Charges	D- 3 \$	9,413,003.85	\$	8,884,181.93
Connection Fees	D- 3	414,000.00		826,740.00
Interest on Investments	D- 3	507.73		1,422.27
Interest on Delinquent Accounts	D- 3	64,820.56		63,172.43
Other Credits to Income:				
Miscellaneous Revenue	D- 3	21,668.93		320.00
Unexpend. Balance of Appropriation Reserves Lapsed and Reserve for Encumb. Canceled	D-12	<u>42,221.77</u>		<u>217,886.92</u>
 Total Revenues		 <u>11,623,222.84</u>		 <u>9,993,723.55</u>
 <u>EXPENDITURES</u>				
Budget and Emergency Appropriations:				
Operating	D- 4 \$	7,342,698.11	\$	6,695,580.35
Capital Improvements	D- 4	2,025,000.00		25,000.00
Debt Service	D- 4	365,483.33		291,908.33
Deferred Charges and Statutory Expend.	D- 4	256,543.56		282,979.16
Deficit in Operations Prior Years	D- 4	<u> </u>		<u> </u>
 Total Expenditures		 <u>9,989,725.00</u>		 <u>7,295,467.84</u>
 Excess/(Deficit) in Revenues		 1,633,497.84		 2,698,255.71
 <u>FUND BALANCE</u>				
Balance - January 1		<u>4,689,831.92</u>		<u>1,991,576.21</u>
 Balance - December 31	 D \$	 <u>4,656,329.76</u>	 \$	 <u>4,689,831.92</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 CALENDAR YEAR ENDED DECEMBER 31, 2012**

	<u>REF</u>	
Balance December 31, 2011		\$ 101,939.97
Balance December 31, 2012	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 CALENDAR YEAR ENDED DECEMBER 31, 2012**

	REF.	CY 2012 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	D- 1	\$ 1,667,000.00	\$ 1,667,000.00	\$
Sewer Service Charges	D- 1	8,000,000.00	9,413,003.85	1,413,003.85
Sewer Connection Fees & Permits	D- 1	300,000.00	414,000.00	114,000.00
Miscellaneous	D- 1	5,000.00	507.73	(4,492.27)
Interest on Delinquencies	D- 1	<u>30,000.00</u>	<u>64,820.56</u>	<u>34,820.56</u>
Total		\$ <u>10,002,000.00</u>	\$ <u>11,559,332.14</u>	\$ <u>1,557,332.14</u>

Ref. D- 4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-14	\$ 18,825.65
Overpayments Applied	D-15	155,391.88
Collected	D- 8	<u>9,238,786.32</u>
	D- 1	<u>\$ 9,413,003.85</u>

Connection Fees:

Received by Collector		<u>\$ 414,000.00</u>
	D-1,D-6	<u>\$ 414,000.00</u>

Interest on Delinquent Accounts:

Collected		<u>\$ 64,820.56</u>
	D-1,D-6	<u>\$ 64,820.56</u>

Interest on Investments:

Collected	D-5	<u>\$ 507.73</u>
	D-1	<u>\$ 507.73</u>

Miscellaneous Revenue:

Received by Collector	D-6	\$ 417.85
Collected	D-5	<u>21,251.08</u>
	D-1	<u>\$ 21,668.93</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, 2012

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 1,215,147.00	\$ 1,135,147.00	\$ 1,058,631.30	\$	\$ 76,515.70	\$
Other Expenses	1,127,551.11	1,077,551.11	939,848.11	108,349.71	29,353.29	
Middlesex County Utilities Authority Service Charges - Contractual	5,000,000.00	5,130,000.00	5,130,000.00			
Capital Improvements:						
Down Payments on Improvements	25,000.00	25,000.00	25,000.00			
Capital Outlay	2,000,000.00	2,000,000.00	2,000,000.00			
Debt Service:						
Payment on Bond Principle	206,000.00	206,000.00	206,000.00			
Interest on Bonds	159,483.33	159,483.33	147,208.33			12,275.00
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Emergency Authorizations						
Statutory Expenditures:						
Public Employees' Retirement System	140,818.56	140,818.56	140,818.56			
Social Security System (O.A.S.I.)	128,000.00	128,000.00	128,000.00			
Deficit in Operations Prior Years						
Total Sewer Utility Appropriations	\$ 10,002,000.00	\$ 10,002,000.00	\$ 9,775,506.30	\$ 108,349.71	\$ 105,868.99	\$ 12,275.00
Ref.	D-3	D-3	D-1	D,D-1	D,D-1	
Cash Disbursements			\$ 6,022,303.23			
Sewer Capital			2,025,000.00			
Due to Current Fund			1,580,994.74			
Accrued Interest			147,208.33			
			<u>\$ 9,775,506.30</u>			

Note: See Notes to Financial Statements

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

Exhibit - E

**SENIOR CITIZENS HOUSING UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

ASSETS	REF.	BALANCE DEC.31, 2012	BALANCE DEC.31, 2011	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC.31, 2012	BALANCE DEC.31, 2011
Operating Fund:							
Cash and Investments - Treasurer	E-5	\$ 293,751.01	\$ 214,067.13	Appropriation Reserves	E-4	\$ 383,071.34	\$ 119,018.98
Due from Senior Housing Capital	E-17	<u>661,000.00</u>	<u>696,000.00</u>	Reserve for Encumbrances	E-4	163,376.33	243,852.71
				Accounts Payable	E-7	90,576.07	90,625.20
		<u>954,751.01</u>	<u>910,067.13</u>	Accrued Interest on Bonds	E-8	18,444.37	20,366.25
				Security Deposits	E-9	<u>116,456.35</u>	<u>121,428.36</u>
				Fund Balance	E-1	771,924.46	595,291.50
		<u>954,751.01</u>	<u>910,067.13</u>			<u>182,826.55</u>	<u>314,775.63</u>
Total Operating Fund				Total Operating Fund		<u>954,751.01</u>	<u>910,067.13</u>
Capital Fund:							
Cash and Investments - Treasurer	E-5	8,170.45	15,731.14	Serial Bonds Payable	E-12	1,040,000.00	1,165,000.00
Due from Affordable Housing Trust	E-19	400,000.00		Due to Senior Housing Operating Improvement Authorizations:	E-18	661,000.00	696,000.00
Fixed Capital	E-15	10,351,052.26	10,351,052.26	Funded	E-11	23,348.05	18,348.05
Fixed Capital Authorized and Uncompleted	E-16	<u>2,283,000.00</u>	<u>1,483,000.00</u>	Unfunded	E-11	237,759.88	103,077.45
				Reserve for:			
Total Capital Fund		<u>13,042,222.71</u>	<u>11,849,783.40</u>	Encumbrances	E-11	759,849.03	107,092.15
				Capital Improvement Fund	E-13	124,035.75	89,035.75
				Amortization	E-10	9,311,052.26	9,186,052.26
				Deferred Amortization	E-14	883,000.00	483,000.00
				Fund Balance	E-2	<u>2,177.74</u>	<u>2,177.74</u>
				Total Capital Fund		<u>13,042,222.71</u>	<u>11,849,783.40</u>
Grand Total		<u>\$ 13,996,973.72</u>	<u>\$ 12,759,850.53</u>			<u>\$ 13,996,973.72</u>	<u>\$ 12,759,850.53</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2012 in the amount of \$1,400,000.00 (Exhibit E-20).

Note: See Notes to Financial Statements

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

Exhibit - E-1

**SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2012</u>	<u>CY 2011</u>
Fund Balance Utilized	E- 3	\$ 260,000.00	\$ 210,100.00
Rental Income	E- 3	1,332,017.27	1,336,131.79
Interest on Investments	E- 3	20.82	389.61
Other Credits to Income:			
Non-Budget Revenue	E- 3	13,502.34	14,410.36
Unexpend. Balance of Appropriation Reserves Lapsed	E- 7	<u>214,588.61</u>	<u>255,474.42</u>
 Total Revenues		 <u>1,820,129.04</u>	 <u>1,816,506.18</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E- 4	\$ 1,116,754.00	\$ 895,860.33
Capital Improvements	E- 4	393,744.00	68,190.00
Debt Service	E- 4	177,388.12	177,388.12
Deferred Charges and Statutory Expend.	E- 4	4,192.00	4,192.00
Refund of Prior Year Revenue	E- 5	<u> </u>	<u>1,558.00</u>
 Total Expenditures		 <u>1,692,078.12</u>	 <u>1,147,188.45</u>
 Excess/(Deficit) in Revenues		 128,050.92	 669,317.73
 <u>FUND BALANCE</u>			
 Balance - January 1		 <u>314,775.63</u>	 <u>244,152.45</u>
		442,826.55	913,470.18
Decreased by:			
Utilized as Anticipated Revenue	E- 1	<u>260,000.00</u>	<u>210,100.00</u>
 Balance - December 31	 E	 <u>\$ 182,826.55</u>	 <u>\$ 703,370.18</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, 2012**

	<u>REF.</u>	
Balance - December 31, 2011		\$ 2,177.74
Balance - December 31, 2012	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, 2012**

	<u>REF.</u>	<u>CY 2012 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	E-1	\$ 260,000.00	\$ 260,000.00	\$
Rental Income	E-1,E-3	1,436,500.00	1,332,017.27	(104,482.73)
Interest on Investments	E-1,E-3	<u> </u>	<u>20.82</u>	<u>20.82</u>
		<u>1,696,500.00</u>	<u>1,592,038.09</u>	<u>(104,461.91)</u>
Non-Budget Revenues	E-1,E-3	<u> </u>	<u>13,502.34</u>	<u>13,502.34</u>
Total		\$ <u>1,696,500.00</u>	\$ <u>1,605,540.43</u>	\$ <u>(90,959.57)</u>

Ref. E-4

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income		\$ 1,313,533.27
Surcharge for Utilities:		
Aircondition Surcharge		<u>18,484.00</u>
	E-3,E-5	\$ <u>1,332,017.27</u>

Analysis of Non-Budget Revenues:

Room Rental		\$ 2,000.00
Laundromat Income		8,167.91
Miscellaneous		2,083.00
Deposit Withheld		726.43
Late Fees		280.00
Replacement Key		25.00
Return Check Fees		<u>220.00</u>
	E-3,E-5	\$ <u>13,502.34</u>

Analysis of Interest on Investments:

Senior Citizen Operating Fund	E-5	<u>20.82</u>
	E-3	\$ <u>20.82</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	CY 2012 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 36,500.00	\$ 36,500.00	\$ 36,500.00	\$	\$	
Other Expenses	1,080,254.00	1,080,254.00	859,360.33	160,651.33	60,242.34	
Debt Service:						
Payment on Bond Principle	125,000.00	125,000.00	125,000.00			
Interest on Bonds	56,810.00	56,810.00	52,388.12			4,421.88
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	4,192.00	4,192.00	4,192.00			
Capital Improvements:						
Capital Improvement Fund	358,744.00	358,744.00	33,190.00	2,725.00	322,829.00	
Down Payments on Improvements	35,000.00	35,000.00	35,000.00			
Total Senior Citizen Housing Appropriations	\$ 1,696,500.00	\$ 1,696,500.00	\$ 1,145,630.45	\$ 163,376.33	\$ 383,071.34	\$ 4,421.88
2012 Budget						
Emergency Appropriation						
Cash Disbursements						
Accrued Interest on Bonds						
Capital Improvement Fund						

Note: See Notes to Financial Statements

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

Exhibit - F

**STATEMENT OF GOVERNMENTAL FIXED ASSETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

	<u>BALANCE</u> <u>DEC. 31, 2012</u>	<u>BALANCE</u> <u>DEC. 31, 2011</u>
Governmental Fixed Assets:		
Land	\$ 23,686,300.00	\$ 23,686,300.00
Buildings and Improvements	16,850,200.00	16,850,200.00
Machinery and Equipments	<u>19,075,360.00</u>	<u>18,399,980.00</u>
		-
Total Governmental Fixed Assets	<u><u>59,611,860.00</u></u>	<u><u>58,936,480.00</u></u>
Investments in Governmental Fixed Assets	<u><u>\$ 59,611,860.00</u></u>	<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, 2012 AND 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. 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.

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)

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

B. 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.

C. 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):

C. 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, 2012 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):

C. 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 totaling \$201,323.88 at December 31, 2012 and \$184,605.48 at December 31, 2011. 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.

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

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

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.

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. 65, "Items Previously Reported as Assets and Liabilities" in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Statement No. 65 is effective for financial statements for periods beginning after December 15, 2012.

GASB issued Statement No. 67, "Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25" in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Statement No. 67 is effective for financial statements for periods beginning after June 15, 2013.

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

C. Basis of Accounting and Measurement Focus (Cont'd.)Recent Accounting Standards (Cont'd.)

GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27" in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Statement No. 68 is effective for financial statements for periods beginning after June 15, 2014.

GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations" in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Statement No. 69 is effective for financial statements for periods beginning after December 15, 2013.

GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Statement No. 70 is effective for financial statements for periods beginning after June 15, 2013.

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.

NOTES TO FINANCIAL STATEMENTS

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

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

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.

Note 3: GOVERNMENTAL FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Governmental Fixed Assets			
Land	\$23,686,300.00		\$23,686,300.00
Building and Improvements	16,850,200.00		16,850,200.00
Machinery and Equipment	<u>18,399,980.00</u>	<u>675,380.00</u>	<u>19,075,360.00</u>
Total Governmental Fixed Assets	<u>58,936,480.00</u>	<u>675,380.00</u>	<u>59,611,860.00</u>

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.

NOTES TO FINANCIAL STATEMENTS

Note 5: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONT'D):

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, 2012 and December 31, 2011 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2012 and December 31, 2011 as follows:

	<u>FUND BALANCE</u> <u>DECEMBER 31, 2012</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$12,066,806.16	\$7,000,000.00
Sewer Utility Fund	4,656,831.92	1,600,000.00
Senior Citizens Utility Fund	182,826.55	130,000.00
	<u>FUND BALANCE</u> <u>DECEMBER 31, 2011</u>	<u>UTILIZED IN</u> <u>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

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, 2012 the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2011</u>	Amount in 2012 <u>Budget</u>	Amount Raised in <u>2012</u>	Balance December 31, <u>2012</u>
Current Fund:				
Special Emergency App:				
Revaluation of Real Property	\$ 1,500,000.00	\$ 0.00	(\$300,000.00)	\$1,200,000.00
Hurricane Sandy	<u>0.00</u>	<u>3,500,000.00</u>	<u>0.00</u>	<u>3,500,000.00</u>
Total	<u>\$ 1,500,000.00</u>	<u>\$ 3,500,000.00</u>	<u>(\$300,000.00)</u>	<u>\$4,700,000.00</u>

Note 8: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2012, and accordingly no future minimum annual rental payments disclosed.

Note 9: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2012

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, 2012

	<u>CY 2012</u>	<u>CY 2011</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 55,228,000.00	\$ 55,653,000.00
Sewer Utility:		
Bonds and Notes	3,700,000.00	3,906,000.00
Senior Citizens Housing Utility:		
Bonds and Notes	<u>1,040,000.00</u>	<u>1,165,000.00</u>
Net Debt Issued	<u>\$ 59,968,000.00</u>	<u>\$ 60,724,000.00</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	35,224,210.00	28,547,543.52
Sewer Utility:		
Bonds and Notes	4,878,500.00	4,878,500.00
Senior Citizens Housing Utility:		
Bonds and Notes	<u>1,400,000.00</u>	<u>1,000,000.00</u>
Total Authorized But Not Issued	<u>41,502,710.00</u>	<u>34,426,043.52</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 101,470,710.00</u>	<u>\$ 95,150,043.52</u>

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2012

	<u>CY 2012</u>	<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%.	\$ 800,000.00	\$ 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%.	10,600,000.00	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%.	14,510,000.00	15,710,000.00

NOTES TO FINANCIAL STATEMENTS

Note 9: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2012</u>	<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%.	\$ 1,315,000.00	\$ 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%.	4,214,000.00	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%.	2,085,000.00	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%.	6,720,000.00	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%.	5,505,000.00	6,050,000.00
\$3,595,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$860,000 to \$960,000 through March 2017, interest at 3.000% to 4.000%.	3,595,000.00	0.00
\$5,884,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$600,000 to \$1,034,000 through December 2019, interest at 2.000% to 3.000%.	5,884,000.00	0.00
Total General Capital Debt	<u>\$ 55,228,000.00</u>	<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%.	\$ 170,000.00	\$ 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%.	1,840,000.00	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%.	1,040,000.00	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>650,000.00</u>	<u>700,000.00</u>
Total Sewer Utility Debt	<u>\$ 3,700,000.00</u>	<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>\$ 1,040,000.00</u>	<u>\$ 1,165,000.00</u>
Total Debt for Capital Projects outstanding at December 31	<u>\$ 59,968,000.00</u>	<u>\$ 60,724,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 9: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD)

B. Summary of Statutory Debt Condition - Annual Debt Statement 2012

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

<u>2012</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 29,660,000.00	\$ 29,660,000.00	-
Sewer Utility Debt	8,578,500.00	8,578,500.00	-
Senior Citizen Housing Utility Debt	2,440,000.00	2,440,000.00	-
General Debt	90,452,210.00		90,452,210.00
	<u>\$ 131,130,710.00</u>	<u>\$ 40,678,500.00</u>	<u>\$ 90,452,210.00</u>

Net Debt \$90,452,210.00 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$6,303,318,577.33 = 1.40%.

Average Equalized Valuation Basis

2010 Equalized Value of Real Property	\$6,605,442,925.00
2011 Equalized Value of Real Property	6,150,730,014.00
2012 Equalized Value of Real Property	<u>6,153,785,793.00</u>

Average Equalized Valuation \$6,303,319,577.33

<u>2011</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 31,957,000.00	\$ 31,957,000.00	-
Sewer Utility Debt	8,784,500.00	8,784,500.00	-
Senior Citizen Housing Utility Debt	2,165,000.00	2,165,000.00	-
General Debt	84,200,543.52		84,200,543.52
	<u>\$ 127,107,043.52</u>	<u>\$ 42,906,500.00</u>	<u>\$ 84,200,543.52</u>

Net Debt \$84,200,543.52 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$6,490,767,422.67 = 1.30%.

Average Equalized Valuation Basis

2009 Equalized Value of Real Property	\$6,716,129,329.00
2010 Equalized Value of Real Property	6,605,442,925.00
2011 Equalized Value of Real Property	<u>6,150,730,014.00</u>

Average Equalized Valuation \$6,490,767,422.67

Note 9: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

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

	<u>2012</u>	<u>2011</u>
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>		
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$220,616,185.21 <u>90,452,210.00</u>	\$227,176,859.79 <u>84,200,543.52</u>
Remaining Borrowing Power	<u>\$130,163,975.21</u>	<u>\$142,976,316.27</u>
<u>Calculation of "Self-Liquidating Purpose" Sewer Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$11,581,001.07	\$9,775,836.63
Deductions:		
Operating and Maintenance Cost	7,599,241.67	6,978,559.51
Debt Service per Sewer Account	<u>365,483.33</u>	<u>291,908.33</u>
Total Deductions	<u>7,964,725.00</u>	<u>7,270,467.84</u>
Excess/(Deficit) in Revenues	<u>\$3,616,276.07</u>	<u>\$2,505,368.79</u>
<u>Deduction of Self-Liquidating Utility Debt for Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48</u>		
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)	\$1,633,497.84	\$2,698,255.71
Add: Capital Improvements	<u>2,025,000.00</u>	<u>25,000.00</u>
	3,658,497.84	2,723,255.71
Less: Reserves Lapsed	<u>42,221.77</u>	<u>217,886.92</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$3,616,276.07</u>	<u>\$2,505,368.79</u>

NOTES TO FINANCIAL STATEMENTS

Note 9: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

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

	<u>2012</u>	<u>2011</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$1,605,540.43	\$1,561,031.76
Deductions:		
Operating and Maintenance Cost	1,120,946.00	1,072,446.00
Debt Service per Housing Account	<u>177,388.12</u>	<u>182,435.00</u>
Total Deductions	<u>1,298,334.12</u>	<u>1,254,881.00</u>
Excess/(Deficit) in Revenues	<u>\$307,206.31</u>	<u>\$306,150.76</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)</u>		
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)	\$128,050.92	\$280,723.18
Add: Capital Improvement	393,744.00	279,344.00
Refund of Prior Year Revenue	<u>-</u>	<u>1,558.00</u>
	521,794.92	561,625.18
Less: Reserves Lapsed/Accounts Payable Canceled	<u>214,588.61</u>	<u>255,474.42</u>
Excess in Revenue per Debt Statement	<u>\$307,206.31</u>	<u>\$306,150.76</u>

Note 9: 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	
2013	7,525,000.00	1,951,608.87	120,000.00	49,185.00	210,000.00	142,387.50	\$9,998,181.37
2014	7,845,000.00	1,833,667.50	145,000.00	44,145.00	210,000.00	135,643.75	10,213,456.25
2015	8,655,000.00	1,657,048.75	140,000.00	37,910.00	220,000.00	128,625.00	10,838,583.75
2016	9,090,000.00	1,354,955.00	135,000.00	31,750.00	255,000.00	120,400.00	10,987,105.00
2017	8,360,000.00	1,033,730.00	160,000.00	25,000.00	265,000.00	110,850.00	9,954,580.00
Subtotal	41,475,000.00	7,831,010.12	700,000.00	187,990.00	1,160,000.00	637,906.25	51,991,906.37
2018	6,770,000.00	758,880.00	160,000.00	17,000.00	235,000.00	101,100.00	8,041,980.00
2019	5,634,000.00	529,480.00	180,000.00	9,000.00	235,000.00	91,500.00	6,678,980.00
2020	3,425,000.00	309,460.00			260,000.00	81,400.00	4,075,860.00
2021	3,524,000.00	170,480.00			280,000.00	70,800.00	4,045,280.00
2022	1,000,000.00	80,000.00			180,000.00	61,543.75	1,321,543.75
Subtotal	20,353,000.00	1,848,300.00	340,000.00	26,000.00	1,190,000.00	406,343.75	24,163,643.75
2023	1,000,000.00	40,000.00			180,000.00	54,175.00	1,274,175.00
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
2027					100,000.00	27,787.50	127,787.50
Subtotal	1,000,000.00	40,000.00			780,000.00	198,262.50	2,018,262.50
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
2032					120,000.00	5,100.00	125,100.00
Subtotal	-	-	-	-	570,000.00	72,525.00	642,525.00
	\$62,828,000.00	\$9,719,310.12	\$1,040,000.00	\$213,990.00	\$3,700,000.00	\$1,315,037.50	\$78,816,337.62

Township of Piscataway General Improvement Refunding Bonds - Series 2012

The Township of Piscataway issued \$3,595,000 General Improvement Refunding Bonds - Series 2012, dated November 18, 2012. The Refunding Bonds are issued to (i) advance refund \$3,759,000 aggregate to principal amount of \$9,659,000, dated March 1, 2004. The General Improvement Refunding Bonds Series 2012 mature in years 2014 through 2017 in principal amounts varying from \$860,000 to \$960,000 with interest rates between 3.00% and 4.00%.

Township of Piscataway General Improvement Refunding Bonds - Series 2012

The Township of Piscataway issued \$5,884,000 General Improvement Bonds - Series 2012, dated December 11, 2012. The Bonds were issued to various fund capital improvements adopted August 16, 2011 by ordinance. The Bonds mature in the years 2013 throughout 2019 in principal amounts varying between \$600,000 and \$1,034,000, with interest rate varying between 2.00% and 3.00%.

Note 10: INTERFUNDS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund		\$ 265,886.27
Other Trust Funds	\$3,415,222.21	400,000.00
General Capital Fund		3,149,335.94
Senior Citizen Housing Utility Operating Fund	661,000.00	
Senior Citizen Housing Utility Capital Fund	<u>400,000.00</u>	<u>400,000.00</u>
Total	<u>\$4,476,222.21</u>	<u>\$4,476,222.21</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 11: 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.

NOTES TO FINANCIAL STATEMENTS

Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2011 and December 31, 2012:

	<u>2012</u>	<u>2011</u>
Cash (Demand Accts.)	\$38,974,105.18	\$38,501,108.11
Investments (CD's)	0.00	369,603.56
NJ Cash Management Fund	750,753.32	750,330.62
Change Funds (On-Hand)	<u>635.00</u>	<u>635.00</u>
Total	<u>\$39,725,493.50</u>	<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 for 2012, the carrying amount of the Township's deposits was \$38,974,105.18 and the bank balance was \$45,497,129.20. Of the bank balance, \$756,916.10 was covered by Federal depository insurance and \$44,740,213.10 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, 2012, 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.

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

Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

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, 2012, the Township had \$750,753.32 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 12: 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 2012 were \$1,173,488.00 for PERS and \$2,154,032.00 for PFRS, respectively, which represents contributions from the employees that are remitted on a quarterly basis. For CY 2011, the Township contributed \$1,330,802.00 for PERS and \$2,968,980.00 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.

NOTES TO FINANCIAL STATEMENTS

Note 13: 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 \$2,647,509 and \$2,819,340 for CY 2012 and CY 2011 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 2012 and 2011, the Township's annual OPEB cost (expense) of \$6,225,400 was greater than the ARC of \$6,222,400.

	<u>2012 Total</u>	<u>2011 Total</u>
Net OPEB obligation – beginning of year	\$15,552,100	\$11,324,600
Annual required contribution (ARC)	6,225,400	6,225,400
Less: Contributions	<u>2,205,700</u>	<u>1,997,900</u>
Net OPEB obligation -- end of year	<u>\$19,571,800</u>	<u>\$15,552,100</u>

The funded status of the plan for the Township as of January 1, 2012 and 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.

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

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, 2012 and 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 14: 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, 2012. 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.

At December 31, 2012, the Fund reported for all years combined, total assets of \$13,561,445, liabilities and reserves of \$12,581,871, which includes case reserves of \$9,634,344 and IBNR of \$2,135,321 and a fund balance for all years of \$1,352,242 and 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:

NOTES TO FINANCIAL STATEMENTS

Note 14: RISK MANAGEMENT (CONT'D.)

	Estimated Reserve Requirement For Reported Claims	Cash Reserves
<u>CY 2012</u>		
Worker's Compensation – Self- Insurance (All Program Years)	<u>\$64,538.3</u>	<u>\$964,458.86</u>
<u>CY 2011</u>		
Worker's Compensation – Self- Insurance (All Program Years)	<u>\$64,316.99</u>	<u>\$850,069.98</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, 2012 and December 31, 2011:

<u>CY 2012</u>				
Cash Reserve Dec. 31, 2011	Township Appropriation	Refunds, Subrogation & Interest Earnings	Claims & Fees Paid	Cash Reserve Dec. 31, 2012
<u>\$850,069.98</u>	<u>\$10,000.00</u>	<u>\$1,071,579.07</u>	<u>\$967,190.19</u>	<u>\$964,458.86</u>

The following is an analysis of changes in the estimated reserve requirement for claims reported for all program years as at December 31, 2012:

Estimated Reserve Requirement Dec. 31, 2011	Estimated Reserves For Prior Period Adjustment	Net Claims/ Fees Paid	Estimated Reserve Requirement Dec. 31, 2012
<u>\$64,316.99</u>	<u>\$(996,968.88)</u>	<u>\$967,190.19</u>	<u>\$64,538.30</u>

Note 14: RISK MANAGEMENT (CONT'D):

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

<u>CY 2011</u>				
<u>Cash Reserve</u> <u>Dec. 31, 2010</u>	<u>Township Appropriation</u>	<u>Refunds, Subrogation & Interest Earnings</u>	<u>Claims & Fees Paid</u>	<u>Cash Reserve</u> <u>Dec. 31, 2011</u>
<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:

<u>Estimated Reserve Requirement</u> <u>Dec. 31, 2010</u>	<u>Estimated Reserves For Prior Period Adjustment</u>	<u>Net Claims/ Fees Paid</u>	<u>Estimated Reserve Requirement</u> <u>Dec. 31, 2011</u>
<u>\$901,058.08</u>	<u>\$(723,554.22)</u>	<u>\$113,186.87</u>	<u>\$64,316.99</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 2012	\$150,000.00	-0-	-0-	\$42,056.82	\$265,202.03
SFY 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

Note 15: CONTINGENT LIABILITIES

A. Supplemental Insurance Assessments

As a constituent member of the Central Jersey Joint Insurance Fund (the "CJJIF"), the Township of Piscataway, together with the other Members of the CJJIF, is jointly and severally responsible for the timely payment of Supplemental Assessments levied with the approval of the CJJIF Commissioners. At December 31, 2012, the CJJIF had outstanding Supplemental Assessments receivable in the amount of \$5,025,592, which were levied in Fund Years 2010, 2011, and 2012, and are due in ten equal annual installments consisting of:

<u>Year Levied</u>	<u>Original Levy</u>	<u>12/31/12 Balance</u>	<u>Final Installment</u>
2010	\$3,769,587	\$2,818,308	2021
2011	952,802	857,522	2022
2012	<u>1,349,762</u>	<u>1,349,762</u>	2023
Totals	\$6,072,151	\$5,025,592	

The Supplemental Assessments were established as receivables from the constituent members in the same proportion as the original assessments for each Loss Year were levied. At December 31, 2012, it is estimated that Piscataway Township will be required to make additional payments to the CJJIF or forego dividend payments (if any should be declared) from 2013 through 2023 in the total amount of \$367,830.66 for its allocated share of the Supplemental Assessments.

B. Litigation Pending or Threatened

At December 31, 2012, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township has participated in a joint insurance fund since June 1998.

In regard to State Court Tax Appeals, those matters, as with all matters, are being vigorously defended and settled when prudent. The Township has addressed, in its Budget, and has implemented procedures in accordance with the applicable State finance and budget statutes and regulations to satisfy refunds and/or credits required by settlements and/or judgments for State Court Tax Appeals. It is expected that the settlements and/or judgments for these matters in the aggregate will result in significant reductions to assessed values and require refunds and/or credits that would be material to the Township's financial position.

Note 16: 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, 2012 and December 31, 2011 it is estimated that the current cost of such unpaid sick pay would approximate \$5,553,320 and \$7,447,575. 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 17: 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, 2012, the Township does not believe that any material liabilities will result from such audits.

As at December 31, 2012 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 18: 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:

The following Programs/Projects for CY 2013 have been authorized:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Various Roads and Engineering Project	\$3,000,000.00	\$2,850,000.00
Expansion of Public Works Garage	2,000,000.00	0.00
Various Capital Improvements	2,125,000.00	2,018,750.00
Various Capital Improvements	3,200,000.00	3,040,000.00

The following Programs/Projects for CY 2013 have been proposed:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Various Road Improvements	\$5,000,000.00	\$4,750,000.00
Various Capital Improvements	2,050,000.00	1,947,500.00

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

**PART II
SUPPLEMENTARY SCHEDULES**

SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
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MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.

JO ANN BOOS, CPA, PSA

**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
Middlesex County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township of Piscataway's financial statements and have issued our report thereon dated January 2, 2014. Our report expressed a modified opinion because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Piscataway's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township of Piscataway in the General Comments section of the Report of Audit.

Purpose of this Report

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



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants

Highland Park, New Jersey
January 2, 2014

HODULIK & MORRISON, P.A.
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REGISTERED MUNICIPAL ACCOUNTANTS
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JO ANN BOOS, CPA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Township of Piscataway, County of Middlesex, New Jersey compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and New Jersey OMB Circular 04-04 that could have a direct and material effect on each of the Township of Piscataway's major federal programs for the year ended December 31, 2012. The Township of Piscataway's major federal are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. Accordingly, this report is not suitable or any other purposes



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants

Highland Park, New Jersey
January 2, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

Township of Piscataway
County of Middlesex, New Jersey

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Federal Grantor Department & Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Award/Amount	Program Amount	Grant Year	2012		Cumulative Disbursements/Cancelled Expenditures
						Cash Receipts	Expenditures	
Department of Housing and Urban Development								
Pass-Through Programs From:								
County of Middlesex, New Jersey								
Community Development Block Grants	14 228	N/A	\$ 288,000.00	\$ 288,000.00	2010	\$ 288,000.00	\$ 288,000.00	\$ 288,000.00
Community Development Block Grants	14 228	N/A	242,560.00	242,560.00	2011	29,250.36	157,707.00	157,707.00
Total Department of Housing and Urban Development						317,250.36	445,707.00	445,707.00
Department of Justice								
Justice Assistance Grant	N/A	N/A	69,704.00	69,704.00	2010	19,884.82		51,905.18
Justice Assistance Grant	N/A	N/A	10,605.00	10,605.00	2010	10,605.00		10,605.00
Multi Jurisdictional Task Force	N/A	N/A	12,000.00	12,000.00	2010		950.00	1,153.85
Multi Jurisdictional Task Force	N/A	N/A	24,000.00	24,000.00	2012	12,000.00		
Total Department of Justice						42,489.82	950.00	63,664.03
Department of Transportation National Highway Safety Administration								
Pass-Through Programs From:								
Department of Law & Public Safety, State of New Jersey								
COPS in Shop	20 601	066-1400-100-013	2,800.00	2,800.00	2011	2,400.00		2,800.00
COPS in Shop	20 601	066-1400-100-013	2,400.00	2,400.00	2012		2,200.00	2,200.00
Click It or Ticket	20 602	066-1160-100-113	4,000.00	4,000.00	2012	4,000.00		4,000.00
Drive Sober Or Get Pulled Over	20 601	066-1160-100-057	3,000.00	3,000.00	2011	5,000.00		5,000.00
Drive Sober Or Get Pulled Over	20 601	066-1160-100-057	8,800.00	8,800.00	2012		4,600.00	4,600.00
Law Enforcement Response to Community (BIAS)	N/A	N/A	5,000.00	5,000.00	2010	605.00		5,000.00
Law Enforcement Response to Community (BIAS)	N/A	N/A	5,000.00	5,000.00	2011	4,267.55		4,607.55
Law Enforcement Response to Community (BIAS)	N/A	N/A	4,910.00	4,910.00	2012		4,910.00	4,910.00
Total Department of Transportation National Highway Safety Administration						16,272.55	17,324.99	33,117.55
Department of Homeland Security								
Pass-Through Programs From:								
Department of Law & Public Safety, State of New Jersey								
Emergency Management Performance Grants	97 042	066-1200-100-726	5,000.00	5,000.00	2007		1,445.75	5,000.00
Emergency Management Performance Grants	97 042	066-1200-100-726	5,000.00	5,000.00	2010		193.20	193.20
Emergency Management Performance Grants	97 042	066-1200-100-726	10,000.00	10,000.00	2010		10,000.00	10,000.00
Emergency Management Performance Grants	97 042	066-1200-100-726	5,000.00	5,000.00	2011		5,000.00	5,000.00
Emergency Management Performance Grants	97 042	066-1200-100-726	15,000.00	15,000.00	2009	10,000.00		5,000.00
Total Department of Homeland Security						10,000.00	21,638.95	25,193.20
Department of Energy Direct Programs								
Energy Efficiency and Conservation Block Grant - ARRA	81.128	N/A	528,800.00	528,800.00	2010	45,442.24	118,777.75	518,160.51
Total Department of Energy Direct Programs						45,442.24	118,777.75	518,160.51
Total Expenditures of Federal Awards						\$ 431,454.97	\$ 604,398.69	\$ 1,085,842.29

Footnotes:
The Township's Federal Grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Department of Community Affairs, Div. of Local Government Services, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Township of Piscataway
County of Middlesex, New Jersey

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2012

State Grantor Department & Program Title	State Account Number	Grant Award/ Amount	Program Amount	Grant Year	2012 Cash Receipts	2012 Expenditures	Cumulative Disbursements/Cancelled Expenditures
Department of Law & Public Safety							
Division of Criminal Justice							
Body Armor Replacement Fund	1020-718-001-2008	\$ 9,966.21	\$ 9,966.21	2008		\$ 1,480.00	\$ 9,966.21
Body Armor Replacement Fund	1020-718-001-2008	8,902.52	8,902.52	2009		1,020.00	8,165.52
Body Armor Replacement Fund	1020-718-001-2010	7,359.69	7,359.69	2010		573.88	7,359.69
Body Armor Replacement Fund	1020-718-001-2011	7,657.43	7,657.43	2011		3,602.62	3,602.62
Body Armor Replacement Fund	1020-718-001-2012	7,943.09	7,943.09	2012	7,943.09		
Safe and Secure Neighborhoods Program	1020-100-232-2011	52,473.00	52,473.00	2011	52,473.00		52,473.00
Safe and Secure Neighborhoods Program	1020-100-232-2012	60,000.00	60,000.00	2012	60,000.00	60,000.00	60,000.00
Division of Highway Traffic Safety							
Drunk Driving Enforcement Fund	1160-100-057-2008	8,425.98	8,425.98	2008		3,432.22	8,425.98
Drunk Driving Enforcement Fund	1160-100-057-2009	17,867.91	17,867.91	2009		4,237.30	17,867.91
Drunk Driving Enforcement Fund	1160-100-057-2010	14,019.35	14,019.35	2010		(1,442.97)	9,007.48
Drunk Driving Enforcement Fund	1160-100-057-2011	10,607.63	10,607.63	2011	5,000.00		
Drunk Driving Enforcement Fund	1160-100-057-2012	11,204.38	11,204.38	2012	11,204.38	1,197.30	1,197.30
Total Department of Law & Public Safety					136,620.47	74,100.35	178,065.71
Department of Environmental Protection							
Solid Waste Administration							
Clean Communities Grant	042-4900-765-004-2009	76,267.09	76,267.09	2009		11,577.12	65,907.04
Clean Communities Grant	042-4900-765-004-2010	79,371.28	79,371.28	2010		35,092.15	64,615.01
Clean Communities Grant	042-4900-765-004-2011	77,135.41	77,135.41	2011		(4,568.62)	(4,568.62)
Clean Communities Grant	042-4900-765-004-2011	75,847.45	75,847.45	2012	75,847.45	605.34	605.34
Recycling Tonnage Grant	042-4900-752-001	80,158.54	80,158.54	2009		1,620.00	79,528.52
Recycling Tonnage Grant	042-4900-752-001	145,189.10	145,189.10	2010		68,756.00	85,967.15
Recycling Tonnage Grant	042-4900-752-001	221,306.58	221,306.58	2011		59,254.20	123,578.20
Recycling Tonnage Grant	042-4900-752-001	106,724.03	106,724.03	2012	106,724.03		
Total Department of Environmental Protection					182,571.48	172,336.19	415,632.64
Department of State Library							
Mini Grant Library	074-2541-100-006	1,500.00	1,500.00	2011		250.00	1,225.00
Mini Grant Library	074-2541-100-006	1,350.00	1,350.00	2012	1,350.00	950.00	950.00
Department of State Library					1,350.00	1,200.00	2,175.00
Department of State							
Public Archives & Record Infrastructure Support (PARIS)	074-2545-100-033	25,750.00	25,750.00	2010		6,329.10	20,853.58
Total Department of State					-	6,329.10	20,853.58

Township of Piscataway
County of Middlesex, New Jersey

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2012

State Grantor Department & Program Title	State Account Number	Grant Award/ Amount	Program Amount	Grant Year	2012	2012	Cumulative Disbursements/Cancelled Expenditures
					Cash Receipts	Expenditures	
Department of Transportation							
State Highway Projects:							
Centennial Avenue Roadway	078-6320-480-AK3-6010	300,000.00	300,000.00	2011	225,000.00		300,000.00
Pedestrian/Bicycle Grant	078-6320-480-AJ3-6010	250,000.00	250,000.00	2012	62,500.00		250,000.00
Haines Avenue	078-6320-480-AKN-6010	640,000.00	640,000.00	2010	160,000.00		640,000.00
William Street - Phase II	078-6320-480-AKE-6010	500,000.00	500,000.00	2009	125,000.00		500,000.00
William Street - Phase III Road Improvements	078-6320-480-ALC-6010	250,000.00	250,000.00	2012		250,000.00	250,000.00
Total Department of Transportation							
					572,500.00	250,000.00	1,940,000.00
Middlesex County Offices on Alcoholism, Drug Abuse and Addiction Services							
Municipal Alliance Program	082-2000-100-044	99,993.50	99,993.50	2010		9,342.28	64,269.92
Municipal Alliance Program	082-2000-100-044	55,733.75	55,733.75	2011	8,467.52		52,659.39
Municipal Alliance Program	082-2000-100-044	55,733.75	55,733.75	2012	33,659.00	44,842.36	44,842.36
Total Expenditures of State Financial Assistance							
					42,126.52	54,184.64	161,771.67
					\$ 935,168.47	\$ 558,150.28	\$ 2,718,498.60

Footnotes:

The Township's State Grants are presented within the Township's overall financial statements on the modified accrual basis of accounting with accounting principles prescribed by the Department of Community Affairs, Div. of Local Government Services, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

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

**NOTES TO THE SCHEDULES OF
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2012**

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Piscataway. The Township is defined in Note 1(A) to the financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented using the cash basis of accounting.

NOTE 3. RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Unless specifically noted, the amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports, where required.

NOTE 5. DISASTER GRANTS – PUBLIC ASSISTANCE – HURRICANE SANDY

Amounts reported as eligible reimbursable expenditures for Hurricane Sandy related costs are subject to additional audits by the DHS Office of the Inspector General and State auditors. Furthermore, amounts deemed eligible for reimbursement based upon these audits will be reduced by any insurance recoveries received by the Township. The amounts, if any of potential insurance recoveries has not been determined. Pursuant to Memorandum issued by the U.S. Department of Homeland Security, the recording of expenditures on the Schedule of Federal Awards (SEFA) is when approved.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Modified GAAP – Due to required use Other Comprehensive Basis of Accounting (OCBOA) – Unqualified (OCBOA)

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to general-purpose financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-3 X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s) or Cluster(s)</u>
<u>14.228</u>	<u>Community Development Block Grant</u>

Dollar threshold used to distinguish between type A and B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

**TOWNSHIP OF PISACATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

Section 1 – Summary of Auditor’s Results(cont’d.)

State Financial Assistance

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? Yes X No

Type of auditor’s report issued on compliance for major programs: Unqualified

Internal Control over financial reporting:

1) Material weakness(es) identified? Yes X No

2) Significant deficiencies identified that
are not considered to be material weaknesses? Yes X No

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04 X Yes No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program(s)</u>
<u>078-6320-480-ALC-6010</u>	Department of Transportation <u>State Highway Projects</u>
<u>1020-100-232-2012</u>	<u>Safe and Secure Neighborhoods Program</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

Section II – Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Significant Deficiency(s)/Material Weaknesses

Current Fiscal Year - None

Material Non-Compliance(s):

Current Fiscal Year – None

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04.

Information on Federal and State Programs:

Schedules of Federal Awards and State Financial Assistance.

Criteria or Specific Requirements:

In accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, the single audit report is to be filed within nine months subsequent to fiscal year end.

Condition:

The Township's single Audit was not filed within the time frame required by OMB Circular A-133 and New Jersey OMB Circular 04-04

Questioned Costs:

None Identified.

Context:

N/A

Effect:

None Identified

Cause:

Preparation of Schedules of Federal Awards and State Financial Assistance not prepared and submitted for audit on a timely basis.

Recommendation:

Schedules of Federal Awards and State Financial Assistance be prepared and submitted timely for single audit.

Management Response:

The Township will review procedures in place to ensure the completeness and timeliness of the preparation and submission of the Schedules of Federal Awards and State Financial Assistance.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section 1 – Summary of Prior Year Findings

NONE - NOT APPLICABLE

Current Fund

SCHEDULE OF CASH

		<u>CURRENT FUND</u>	<u>GRANT FUND</u>
	<u>Ref.</u>		
Cash Balance Dec 31, 2011.....		\$ 21,310,256.95	\$ 500,330.98
Increased by Cash Receipts			
Collector	A-5	146,180,956.55	
Due from State of State of NJ - Ch. 20	A-6	331,741.22	
Revenue Accounts Receivable	A-8	9,202,773.22	
Miscell. Revenue Not Anticipated	A-8	989,440.36	
Various Payables	A-10	99,291.00	
Various Reserves	A-10	2,008,451.00	
Interfunds Receivable	A-11	0.00	
Operations	A-1	590.00	
Interfunds Payable	A-12	34,968,325.39	
Federal and State Grants Receivable	A-15		657,810.48
Interfunds Advanced	A-16		1,266,281.64
Federal and State Grants Unappropriated	A-18		676.00
		<u>193,781,568.74</u>	<u>1,924,768.12</u>
Total Cash Receipts.....		215,091,825.69	2,425,099.10
Decreased by Disbursements			
Refund of Prior Year Revenue	A-1	7,583.15	
CY 2012 Appropriations	A-3	44,033,799.21	
CY 2011 Approp. Reserves	A-9	1,372,767.00	
Various Payables	A-10	124,904.00	
Various Reserves	A-10	3,510,540.86	
Interfunds Receivable	A-11	0.00	
Interfunds Payable	A-12	33,514,594.57	
County Tax	A-13	21,770,156.97	
Fire District Tax	A-13	3,483,019.00	
Local School District Tax	A-13	82,467,558.00	
Tax Overpayments	A-14	1,737,732.41	
Interfunds Returned	A-16		718,761.89
Federal and State Grants Appropriated	A-17		1,164,716.26
		<u>192,022,655.17</u>	<u>1,883,478.15</u>
Total Cash Disbursements.....		192,022,655.17	1,883,478.15
Cash Balance December 31, 2012.....	A	\$ <u>23,069,170.52</u>	\$ <u>541,620.95</u>

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Cost on Taxes	A-2	444,054.44	
Taxes Receivable - Current Year	A-7	140,519,340.09	
Taxes Receivable - Delinquent	A-7	2,097,318.69	
Taxes Receivable - Arrears	A-7	68,865.15	
Taxes Receivable -Prepaid Taxes	A-7	569,304.81	
Tax Title Liens Receivable	A-7	661.96	
Non-Budget Revenue	A-8	16,405.89	
Trust Fund: Premium	A-12	1,189,100.00	
Miscellaneous Revenue	A-8	14,243.00	
Tax Overpayment	A-14	<u>1,261,662.52</u>	
		<u>\$ 146,180,956.55</u>	
Decreased by:			
Deposited to Treasurer	A-4		<u>\$ 146,180,956.55</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, 2011		\$	161,167.34
Increased by:			
Allowable Deductions per			
Tax Billings	A- 6	347,250.00	
2012 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	9,500.00	
2011 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	<u>9,750.00</u>	
		<u>366,500.00</u>	
Decreased by:			
Collected	A- 4	331,741.22	
2012 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	3,609.63	
2011 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	<u>47,970.55</u>	
		<u>383,321.40</u>	
Balance - December 31, 2012	A	<u>\$ 144,345.94</u>	
Analysis of Sr. Citizens & Veterans			
<u>Deductions Allowed - 2012 Taxes</u>			
Per Tax Billings	A- 6	\$ 347,250.00	
Allowed (Disallowed) by Tax Collector (Net)	A- 6	<u>(32,330.18)</u>	
Total	A-7	<u>\$ 314,919.82</u>	

**CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS**

	Total	2013 Prepaid	CY 12 Current	CY 11 Delinquent	Arrears	Tax Title Liens	Property Acquired for Taxes
Balance 12/31/11.....	\$ 4,413,866.50	\$ (738,159.34)	\$	\$ 1,981,751.23	\$ 69,581.95	\$ 507,792.66	\$ 2,592,900.00
py adjustment							
Billings / Levy:							
Original Levy.....	A- 7 145,181,716.17		145,181,716.17				
Added & Omitted.....	A- 7 1,166,720.25		1,033,814.31	132,905.94			
Added Taxes.....	-						
Transfers.....	-		(136,183.57)	750.00	135,433.57		
Reductions due to tax appeals.....	(341,573.92)		(187,687.80)	(19,428.27)	(134,457.85)		
TTL Interest & Costs.....	458.48					458.48	
Canceled Taxes.....	(47,300.23)		(11,835.95)	(25,835.82)	(9,628.46)		
Transfers							
Tax Lien.....	-		(47,990.06)	(632.82)		48,622.88	
Arrears.....	-						
Revenue							
Sr.Citizens & Vets.....							
Original Levy.....	A- 6 (347,250.00)		(347,250.00)				
Allowed/Disallowed.....	A- 6 32,330.18		(5,890.37)	38,220.55			
Cash Receipts.....	A- 5 (143,255,490.70)	(569,304.81)	(140,519,340.09)	(2,097,318.69)	(68,865.15)	(661.96)	
Homestead Rebate.....	A- 4 (2,037,054.70)		(2,037,054.70)				
Transferred to Overpayments.....	A-14 -						
Prepaid Applied.....	A- 7 -	738,159.34	(738,159.34)				
Tax Overpayments.....	A-14 (30,743.72)		(58,107.93)	19,428.27	7,935.94		
Balance 12/31/12.....	\$ 4,735,678.31	\$ (569,304.81)	\$ 2,126,030.67	\$ 29,840.39	\$ 0.00	\$ 556,212.06	\$ 2,592,900.00
	Ref	A	A,A-7	A	A	A	A
<u>Analysis of CY 2012 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	\$ 145,181,716.17	Local School District Tax	A-13	\$ 82,567,560.00	Sr. Citizens & Vets	A- 6	\$ 353,140.37
Added Taxes	1,166,720.25	County Tax	A-13	19,787,586.73	Cash Receipts	A- 7	143,294,554.13
		County Open Space	A-13	1,808,242.98	Overpayments Applied		58,107.93
	A- 7 \$ 146,348,436.42	Due County - Added & Omitted	A-13	174,327.28	Subtotal	A- 1	143,705,802.43
		Special District Taxes	A-13	3,483,019.00	Res. For Uncoll. Tax	A- 3	2,424,559.97
							146,130,362.40
		Local Tax for Municipal Purposes	A- 2	107,820,735.99	Allocated to School, County and Special District	A-13	(107,820,735.99)
		Add: Additional Tax Levied		37,512,264.14		A- 2	\$ 38,309,626.41
				1,015,436.29			
				\$ 146,348,436.42			
<u>Delinquent Taxes Realized:</u>							
FY 11 Collections	\$ 2,097,318.69						
Sr. Citizens Vets	(38,220.55)						
Arrears Collections	68,865.15						
Overpayments Applied	27,364.21						
Tax Liens Collected	661.96						
A-1, A-2	\$ 2,155,989.46						

**CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES**

Exhibit A-8

	December 31, 2011	Accrued/ Adjustments	Cash Receipts	December 31, 2012
Revenue Accounts Receivable:				
Licenses - Other	\$ -	\$ 100,736.00	\$ (100,736.00)	\$ -
Alcoholic Beverage License		55,350.00	(35,350.00)	-
Fees and Permits		441,506.45	(441,506.45)	-
Fines and Costs - Municipal Court	66,912.25	1,291,751.44	(1,150,129.43)	208,534.26
Construction Code Fees		1,019,685.00	(1,019,685.00)	-
Interest on Investments and Deposits		58,070.14	(58,070.14)	-
Cable Franchise Fees		156,140.88	(156,140.88)	-
Hotel and Motel Tax		270,219.67	(270,219.67)	-
Library Fines	3,000.00	36,000.00	(36,000.00)	3,000.00
State Aid: Energy Receipts Tax		5,024,746.00	(5,024,746.00)	-
State Aid: Consolidated Municipal Property Tax Relief Aid		833,833.00	(833,833.00)	-
Uniform Fire Safety Act		70,599.65	(70,599.65)	-
A-2	69,912.25	9,358,638.23	(9,217,016.22)	211,534.26

Non - Budget Revenue:				
Administrative Fees Outside Jobs		449,636.12	(449,636.12)	-
Abandoned Vehicles		8,837.00	(8,837.00)	-
Bid Specifications		9,125.00	(9,125.00)	-
Budget Refunds		9,844.19	(9,844.19)	-
Cost of Tax Sale		14,412.87	(14,412.87)	-
Credit Card Convenience Fees		3,939.49	(3,939.49)	-
Cultural Arts		1,525.00	(1,525.00)	-
Delinquent Fees		4,560.00	(4,560.00)	-
DMV Inspection Fees		3,413.00	(3,413.00)	-
Fire Report		30.00	(30.00)	-
Flu Shots		855.00	(855.00)	-
Homeowner Mail Reimbursements		2,605.80	(2,605.80)	-
In Lieu of Taxes		14,500.00	(14,500.00)	-
July 4th Fireworks		4,050.00	(4,050.00)	-
FEMA OEM		211,061.14	(211,061.14)	-
Medical Appointments		4,225.00	(4,225.00)	-
Miscellaneous		183,463.79	(183,463.79)	-
Planning & Zoning Fees		500.00	(500.00)	-
Photo Copies		15,145.25	(15,145.25)	-
Police Report		1,610.25	(1,610.25)	-
Recycling Bins		775.48	(775.48)	-
Rent Land		17,751.00	(17,751.00)	-
Restitutions		771.00	(771.00)	-
Returned Check Fees		939.75	(939.75)	-
Sale of Recyclables		1,201.40	(1,201.40)	-
Scrap Metal		25,760.88	(25,760.88)	-
Senior Citizen/Veterans Administration Fees		6,634.82	(6,634.82)	-
Tax Search		1,493.02	(1,493.02)	-
Violations - Code		7,180.00	(7,180.00)	-
A-1, A-2		1,005,846.25	(1,005,846.25)	-

Total..... **\$ 69,912.25** **\$ 10,364,484.48** **\$ (10,222,862.47)** **\$ 211,534.26**

Analysis of Miscellaneous Revenues:			
Account Receivable Collections	A-4		\$ 9,202,773.22
Grass Coupons	A-2, A-5		14,243.00

Subtotal		9,217,016.22
Non-Budget Revenue	A-4	989,440.36
Non-Budget Revenue	A-5	16,405.89
Trust Fund	A-12	
		<u>\$ 10,222,862.47</u>

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

Exhibit - A-9
Page 1 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2011
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>ENCUMBERED</u> <u>DEC 31, 2011</u>	<u>PAID</u>	<u>ENCUMBRANCES</u> <u>TRANSFERRED</u> <u>TO PAYABLES</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operations Within "CAPS"						
<u>General Government</u>						
Township Council						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	13,251.23	104.50	5,319.00	2,450.00	7,769.00	5,586.73
Township Clerk						
Salaries and Wages					-	-
Other Expenses	316.70	5,727.99	923.61		923.61	5,121.08
Elections						
Salaries and Wages	5,306.80				-	5,306.80
Other Expenses	13,279.03	400.00	10,853.83		10,853.83	2,825.20
<u>Administration</u>						
Department of Administration						
Salaries and Wages	46,873.73		552.75		552.75	46,320.98
Other Expenses	2,333.48	737.80	579.66		579.66	2,491.62
Division of Personnel						
Salaries and Wages	0.30				-	0.30
Other Expenses	909.00	1,280.00	295.00		295.00	1,894.00
Computer Center						
Other Expenses	42,198.79	120,914.30	15,991.55		15,991.55	147,121.54
Division of Purchasing						
Salaries and Wages	12,895.01				-	12,895.01
Other Expenses:						
Postage (All Departments)	3,963.93		720.00		720.00	3,243.93
Duplicating (All Departments)	685.69				-	685.69
Miscellaneous Other Expenses	2,618.04	2,908.78	2,220.83		2,220.83	3,305.99
Municipal Land Use (N.J.S.A. 40:55 D-1).						
Planning Board						
Salaries and Wages					-	-
Other Expenses	6,813.93	1,523.00	600.00		600.00	7,736.93
Zoning Board						
Salaries and Wages					-	-
Other Expenses	7,252.56	7,002.50	3,842.50		3,842.50	10,412.56

MIDDLESEX COUNTY, NEW JERSEY

Exhibit - A-9
Page 2 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2011
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>ENCUMBERED</u> <u>DEC 31, 2011</u>	<u>PAID</u>	<u>ENCUMBRANCES</u> <u>TRANSFERRED</u> <u>TO PAYABLES</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operations Within "CAPS" (Cont'd)						
Celebration of Public Events					-	-
Other Expenses					-	-
Cable TV Studio						
Salaries and Wages					-	-
Other Expenses	4.95	2,238.24	1,999.55		1,999.55	243.64
<u>Finance and Revenue</u>						
Department of Finance						
Salaries and Wages	37,384.99				-	37,384.99
Other Expenses	5,336.80	1,480.62	6,711.38		6,711.38	106.04
Annual Audit		66,000.00	50,500.00	15,500.00	66,000.00	-
Division of Assessment						
Salaries and Wages					-	-
Other Expenses	4,830.38	20,380.58	12,615.00	1,800.00	14,415.00	10,795.96
Division of Revenue						
Salaries and Wages	1,055.52				-	1,055.52
Other Expenses	1,323.43	5,950.00	4,000.00		4,000.00	3,273.43
Insurance						
Liability Insurance	75,651.45				-	75,651.45
Workers' Compensation Insurance					-	-
Health Insurance Waiver	292.00				-	292.00
Employee Group Insurance	31,252.86	1,376,000.00	5,000.00	1,402,252.86	1,407,252.86	-
Municipal Court						
Salaries and Wages	9,855.31				-	9,855.31
Other Expenses	14,088.05	49.00	49.00		49.00	14,088.05
Public Defender (P.L. 1997, Ch. 256)						
Other Expenses	26,000.00				-	26,000.00
<u>Law</u>						
Department of Law						
Salaries and Wages						-
Other Expenses	89,278.43	26,139.23	41,814.84		41,814.84	73,602.82
Municipal Prosecutor						
Salaries and Wages					-	-
<u>Public Safety</u>						
Joint Fire Board						
Salaries and Wages					-	-
Uniform Fire Safety Act						
Salaries and Wages	820.44		100.61		100.61	719.83
Other Expenses	58.40	6,224.92	5,810.20		5,810.20	473.12
Animal Control						
Salaries and Wages	11,615.78				-	11,615.78
Other Expense	10,454.58	1,884.50	805.29		805.29	11,533.79

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

Exhibit - A-9
Page 3 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2011
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>ENCUMBERED</u> <u>DEC 31, 2011</u>	<u>PAID</u>	<u>ENCUMBRANCES</u> <u>TRANSFERRED</u> <u>TO PAYABLES</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operations Within "CAPS" (Cont'd)						
Division of Schools Crossing Guards						
Salaries and Wages	14,144.91				-	14,144.91
Other Expenses					-	-
Division of Police						
Salaries and Wages	299,938.65		272,014.95		272,014.95	27,923.70
Other Expenses	123,771.26	131,461.54	117,360.76	176.10	117,536.86	137,695.94
First Aid Organization - Contribution	9,012.00	1,749.00	1,749.00		1,749.00	9,012.00
Division of Emergency Management Services						
Salaries and Wages					-	-
Other Expenses	8,217.41	396.00			-	8,613.41
<u>Public Works</u>						
Department of Public Works						
Salaries and Wages	98.22				-	98.22
Other Expenses	7,698.51	3,285.83	1,077.50		1,077.50	9,906.84
Division of Engineering						
Salaries and Wages	7,135.74				-	7,135.74
Other Expenses	6,787.01	9,436.88	4,261.60	5,000.00	9,261.60	6,962.29
Division of Community Development and Planning						
Salaries and Wages					-	-
Other Expenses	3,494.11	19,519.83	660.00	18,669.83	19,329.83	3,684.11
Public Buildings and Grounds						
Salaries and Wages	12,289.69		2,846.54		2,846.54	9,443.15
Other Expenses	24,026.30	44,011.63	10,703.83		10,703.83	57,334.10
Division of Property Maintenance						
Salaries and Wages	48,995.83		1,950.34		1,950.34	47,045.49
Other Expenses	35,763.02	10,397.26	2,473.50		2,473.50	43,686.78
Division of Fleet Maintenance						
Salaries and Wages	12,454.22		4,426.11		4,426.11	8,028.11
Other Expenses	20,228.90	104,093.01	27,081.27		27,081.27	97,240.64
Division of Streets						
Salaries and Wages	56,636.31		7,131.43		7,131.43	49,504.88
Other Expenses	4,540.57	10,643.33	461.38		461.38	14,722.52
Snow Removal						
Salaries and Wages	33,069.70		33,069.70		33,069.70	-
Other Expenses	47,662.54	63,339.34	111,001.88		111,001.88	-
All Utilities	290,113.46	443,931.65	292,795.29	159,125.66	451,920.95	282,124.16
Division of Parks						
Salaries and Wages	17,214.14		11,078.38		11,078.38	6,135.76
Other Expenses	24,357.78	35,931.62	6,363.06		6,363.06	53,926.34

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

Exhibit - A-9
Page 4 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2011
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>ENCUMBERED</u> <u>DEC 31, 2011</u>	<u>PAID</u>	<u>ENCUMBRANCES</u> <u>TRANSFERRED</u> <u>TO PAYABLES</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
<u>Operations Within "CAPS" (Cont'd)</u>						
Division of Sanitation - Sewer System						
Other Expenses	37.00	12,000.00	12,000.00		12,000.00	37.00
Solid Waste Collection						
Salaries and Wages	71,886.07		10,376.94		10,376.94	61,509.13
Other Expenses	2,782.75				-	2,782.75
Recycling Program						
Other Expenses	1,191.60	24,223.12	1,297.50	3,628.30	4,925.80	20,488.92
Municipal Services Act	1,050.73		1,050.73		1,050.73	-
<u>Health and Welfare</u>						
Department of Health						
Salaries and Wages					-	-
Other Expenses					-	-
Division of Public Assistance						
Salaries and Wages	6,000.00				-	6,000.00
Other Expenses					-	-
Office on Aging						
Salaries and Wages	80,775.42		4,487.92		4,487.92	76,287.50
Other Expenses	3,959.56	7,622.89	1,959.35	201.82	2,161.17	9,421.28
Aid to American Cancer Society					-	-
Aid to Heart Fund					-	-
<u>Recreation and Education</u>						
Department of Recreation						
Salaries and Wages	27,257.47		210.00		210.00	27,047.47
Other Expenses	35,201.49	10,829.24	885.00		885.00	45,145.73

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

Exhibit - A-9
Page 5 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2011
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>ENCUMBERED</u> <u>DEC 31, 2011</u>	<u>PAID</u>	<u>ENCUMBRANCES</u> <u>TRANSFERRED</u> <u>TO PAYABLES</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
<u>Operations Within "CAPS" (Cont'd)</u>						
<u>Uniform Construction Code</u>						
Division of Inspections						
Salaries and Wages	25,599.70				-	25,599.70
Other Expenses	664.28	188.48	129.00		129.00	723.76
					-	
Boards and Commissions						
Salaries and Wages					-	-
Other Expenses	14,019.96	1,500.00	1,500.00		1,500.00	14,019.96
					-	
Property Tax Payments on Tax Title Liens					-	-
Reserve for Tax Appeals					-	-
Severance Liability	<u>130,000.00</u>		<u>130,000.00</u>		<u>130,000.00</u>	<u>-</u>
Total Operations Within "CAPS"	<u>1,986,077.90</u>	<u>2,581,506.61</u>	<u>1,243,707.56</u>	<u>1,608,804.57</u>	<u>2,852,512.13</u>	<u>1,715,072.38</u>
Total Operation Including Contingent	<u>1,986,077.90</u>	<u>2,581,506.61</u>	<u>1,243,707.56</u>	<u>1,608,804.57</u>	<u>2,852,512.13</u>	<u>1,715,072.38</u>
 <u>Deferred Charges and Statutory Expenditures -</u> <u>Municipal Within "CAPS"</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System	349,889.54				-	349,889.54
Defined Contribution Retirement Program	<u>2,771.48</u>		<u>-</u>		<u>-</u>	<u>2,771.48</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>352,661.02</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>352,661.02</u>
Total General Appropriations Within "CAPS"	<u>2,338,738.92</u>	<u>2,581,506.61</u>	<u>1,243,707.56</u>	<u>1,608,804.57</u>	<u>2,852,512.13</u>	<u>2,067,733.40</u>

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

Exhibit - A-9
Page 6 of 6

**CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2011
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012**

	BALANCE <u>DEC 31, 2011</u>	ENCUMBERED <u>DEC 31, 2011</u>	PAID	ENCUMBRANCES TRANSFERRED TO PAYABLES	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	12,960.44	132,539.56	130,045.14	3,499.80	133,544.94	11,955.06
9-1-1 Emergency Telecommunications Services						
Salaries and Wages	12,069.74		1,602.88		1,602.88	10,466.86
Other Expenses	19,827.60	6,861.71	1,915.79		1,915.79	24,773.52
Division of Emergency Management						
Salaries and Wages					-	-
Other Expenses					-	-
NJDES - Storm Water						
Other Expenses	32,922.00	14,837.18	7,570.50		7,570.50	40,188.68
Insurance						
Group Insurance for Employees					-	-
Other Insurance Premiums					-	-
Police & Firemen's Retirement System					-	-
Public Employees Retirement System					-	-
MCIA Recycling Program	205,450.00	43,263.41	135,717.78		135,717.78	112,995.63
MCUA Solid Waste Agreement	73,016.14	43,193.06	25,803.23		25,803.23	90,405.97
Edison Animal Control Contract	998.72	9,520.78			-	10,519.50
Middlesex County Nursing Services					-	-
UMDNJ Agreements	759.80		-		-	759.80
Middlesex County Health Department					-	-
Public and Private Programs Offset by Revenues						
Matching Fund for Grants	<u>38,853.25</u>		-		-	<u>38,853.25</u>
Total Operations - Excluded from "CAPS"	<u>396,857.69</u>	<u>250,215.70</u>	<u>302,655.32</u>	<u>3,499.80</u>	<u>306,155.12</u>	<u>340,918.27</u>
<u>Capital Improvements - Excluded from "CAPS"</u>						
Land Acquisition	-		-		-	-
Uniform Code Enforcement Trucks	<u>9,905.40</u>	<u>25,094.60</u>	<u>25,094.60</u>		<u>25,094.60</u>	<u>9,905.40</u>
Total Capital Improvements - Excluded from Caps	<u>9,905.40</u>	<u>25,094.60</u>	<u>25,094.60</u>	<u>-</u>	<u>25,094.60</u>	<u>9,905.40</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>406,763.09</u>	<u>275,310.30</u>	<u>327,749.92</u>	<u>3,499.80</u>	<u>331,249.72</u>	<u>350,823.67</u>
Total General Appropriations	\$ <u>2,745,502.01</u>	\$ <u>2,856,816.91</u>	\$ <u>1,571,457.48</u>	\$ <u>1,612,304.37</u>	\$ <u>3,183,761.85</u>	\$ <u>2,418,557.07</u>
	<u>REF</u>					<u>A-1</u>
Cash Disbursed	A-4				\$ 1,372,767.00	
Transfer to Accounts Payable	A-10				1,612,304.37	
Interfund Trust, Snow Reserves	A-12				91,803.58	
Interfund Self Insurance	A-12				4,348.61	
Interfund Grant Fund	A-12				583.31	
Interfund Animal Control Trust	A-12				(7,896.10)	
Severance Liability	A-12				130,000.00	
Interfund: Sewer Operating	A-12				(4,000.00)	
Appropriation	A-3				<u>(11,800.31)</u>	
					<u>\$ 3,188,110.46</u>	

**CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES**

	Dec. 31, 2011	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2012
Accounts Payable:						
Vendor Accounts Payable.....	\$ 620,162.45	\$ -	\$ -	\$ (30,236.00)	\$ 702,493.30	\$ 1,292,419.75
State of New Jersey 3rd Party Fees						-
State Training Fees	26,920.00		93,336.00	(88,868.00)		31,388.00
Marriage License Fee	1,300.00		5,825.00	(5,775.00)		1,350.00
Domestic Partnership Fee			125.00	(25.00)		100.00
Burial Permit Fee			5.00		(5.00)	-
						-
Subtotal	648,382.45	-	99,291.00	(124,904.00)	702,488.30	1,325,257.75
Reserve for:						
Equipment	7,650.00				(7,650.00)	-
Demolition	7,084.73				(7,084.73)	-
Fire Districts	1,012.98				(1,012.98)	-
Library State Aid	25,826.00		24,802.00		(25,826.00)	24,802.00
Lien Redemption	-		965,847.86	(965,847.86)		-
PCTV	38,917.05	(14,000.00)	15,957.00			40,874.05
Sale of Municipal Assets	184,605.48		16,718.40			201,323.88
Tax Appeals Pending	3,483,135.20	1,500,000.00		(1,495,491.38)	(732,605.33)	2,755,038.49
Hurricane Sandy		3,500,000.00		(133,792.62)	(386,267.89)	2,979,939.49
Red Light Camera			611,543.74	(530,483.00)		81,060.74
Third Party Inspections						-
Electrical	153,551.31		245,085.00	(257,500.00)		141,136.31
Plumbing	291.00		-			291.00
Elevator			240.00			240.00
Certificate of Occupancy	96,412.80		10,520.00			106,932.80
Certificate of Continued Occupancy	5,060.00		4,300.00	(150.00)		9,210.00
Fire	92,906.66		113,437.00	(127,276.00)		79,067.66
Subtotal	4,096,453.21	4,986,000.00	2,008,451.00	(3,510,540.86)	(1,160,446.93)	6,419,916.42
Total.....	\$ 4,744,835.66	\$ 4,986,000.00	\$ 2,107,742.00	\$ (3,635,444.86)	\$ (457,958.63)	\$ 7,745,174.17

	Ref.	A-2,A-3	A-4	A-4	A
Appropriation	A-3	\$ 5,000,000.00		Surplus	
Realized as Revenue	A-2	(14,000.00)			
		<u>\$ 4,986,000.00</u>			
Accounts Payable Transfer	A-1			\$ (909,811.07)	
Reserve for Tax Appeals Cancelled	A-7			(341,573.92)	
Operations: various reserves	A-1			(406,784.12)	
Interfund: Trust Fund	A-12			(386,267.89)	
Appropriation	A-3			(25,826.00)	
Appropriation Reserves	A-9			<u>1,612,304.37</u>	
				<u>\$ (457,958.63)</u>	

**CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE**

	Dec. 31, 2011	Cash Receipts	Cash Disbursements	Budget Revenues	Appropriation Reserves	Budget December 31 2011	Dec. 31, 2012
Interfunds							
Due from General Capital Fund.....	\$ -						\$ -
Due from Grant Fund							-
Due From Trust Fund							-
Total.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Ref.</u>		A-4	A-4	A-2		A-3,A-10	A

**CURRENT FUND
STATEMENT OF INTERFUNDS PAYABLE**

	Dec. 31, 2011	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2012
Interfunds							
Due from/(to) Other Trust Fund.....	\$	(5,400,776.81)	\$ 3,765,196.69		\$ (721,803.58)	\$ 2,091,497.43	\$ (265,886.27)
Senior Housing Operating Fund.....		(310,002.00)	179,310.00		130,692.00		-
Unemployment Trust Fund.....		(156,000.00)	306,000.00		(150,000.00)		-
Sewer Operating Fund.....		(8,900,000.00)	7,380,746.44		1,519,253.56		-
Animal Trust Fund.....		(396.10)	4,021.00		(3,624.90)		-
Payroll Trust Fund.....		(15,050.04)	15,050.04				-
Sewer Capital Fund.....		(8,900,000.00)	8,900,000.00				-
Recreation Trust Fund.....		(75,100.00)	75,100.00				-
Self Insurance Trust Fund.....		(750,000.00)	922,104.35		(40,651.39)	(131,452.96)	-
Due (to)/from Grant Fund		(313,212.80)	302,066.05	(825,112.99)	836,259.74		-
General Capital Fund.....		(8,958,687.64)	11,665,000.00	(74,333.52)	(285,666.48)	(2,346,312.36)	-
Total.....	\$ -	\$ (33,779,225.39)	\$ 33,514,594.57	\$ (899,446.51)	\$ 1,284,458.95	\$ (386,267.89)	\$ (265,886.27)
	<u>Ref.</u>		A-4	A-2	A-3,A-10		A
Appropriation	A-3				\$ 847,815.97		
Appropriation Reserves	A-9				214,839.40		
Tax Collector	A-5	1,189,100.00			221,803.58		
Cash	A-4	(34,968,325.39)					
Hurricane Sandy	A-9					(386,267.89)	
Tax Appeals	A-10						
		<u>\$ (33,779,225.39)</u>			<u>\$ 1,284,458.95</u>	<u>\$ (386,267.89)</u>	

**CURRENT FUND
SCHEDULE OF TAXES PAYABLE**

	Dec. 31, 2011	Taxes Levied	Cash Disbursements	Dec. 31, 2012
County - General.....	-	\$ 19,787,586.73	\$ (19,787,586.73)	-
County - Open Space.....	-	1,808,242.98	(1,808,242.96)	0.02
County - Added & Omitted.....	-	174,327.28	(174,327.28)	-
Local School District Taxes.....	-	82,567,560.00	(82,467,558.00)	100,002.00
Fire District Taxes.....	-	3,483,019.00	(3,483,019.00)	-
Total.....	-	\$ 107,820,735.99	\$ (107,720,733.97)	\$ 100,002.02

Ref.	A-1,A-7	A-4	A
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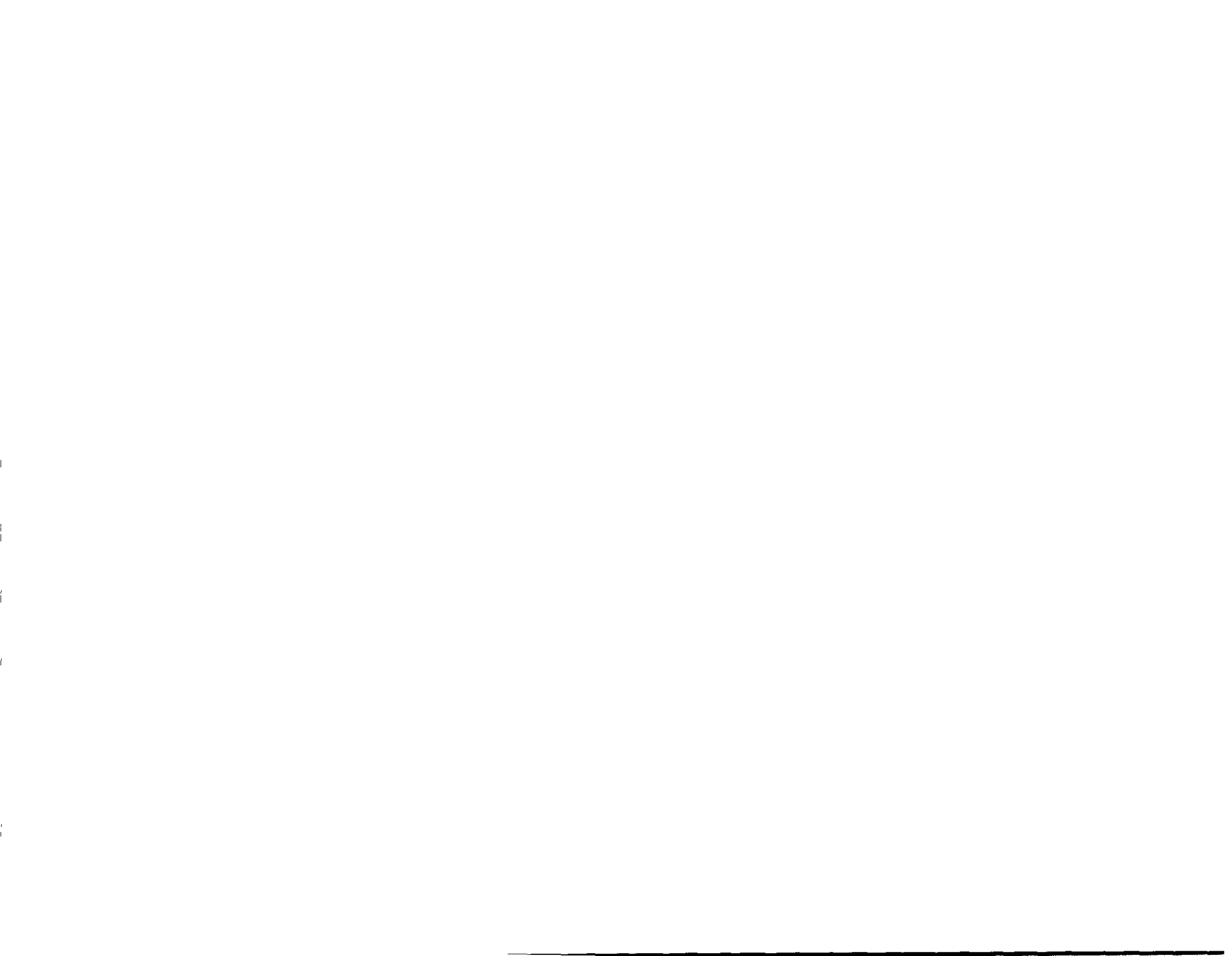
**CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS**

	<u>Ref.</u>	Total
Balance - 12/31/2011.....		\$ 548,66
Applied to Taxes Receivable.....	A-7	(30,743.72)
Cash Receipts.....	A-5	1,261,662.52
Cash Payments - Refunds.....	A-4	(1,737,732.41)
Balances Adjustments.....		<u>542,662.15</u>
Balance - 12/31/2012.....	A	<u>\$ 36,397.20</u>

**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND**

**Exhibit A-15
Page 1 of 2**

<u>BUDGET YEAR</u>	<u>GRANTS</u>	<u>BALANCE DEC. 2011</u>	<u>CY 2012 BUDGET REVENUE REALIZED</u>	<u>COLLECTED</u>	<u>TRANSFERRED FROM UNAPPROP GRANTS</u>	<u>BALANCE DEC. 31, 2012</u>
SFY 2002	Hazardous Discharge Grant	\$ 80,974.65	\$	\$	\$	\$ 80,974.65
SFY 2004	DCA Smart Growth	60,000.00				60,000.00
SFY 2007	Municipal Stormwater Grant	10,310.00				10,310.00
SFY 2008	2007 Middlesex County Open Space & Recreation 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	Comshap	9,982.19				9,982.19
	COPS in Shop Grant	3,200.00		2,400.00		800.00
	Drunk Driving - Over the Limit, Under Arrest	600.00				600.00
	USDOE - Energy Efficiency & Conversation Block Grant	45,442.24		45,442.24		-
	Justice Assistance Grant	19,884.82		19,884.82		-
TY 2010	Drunk Driving - Over the Limit, Under Arrest	150.00				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	605.00		605.00		-
CY-2011	CDBG -2011	242,560.00		29,250.36		213,309.64
	Drive Sober or Get Pulled Over	5,000.00		5,000.00		-
	Emergency Management Agency Assistance Grant	5,000.00				5,000.00
	Emergency Management Agency Assistance Grant FY-2010	5,000.00				5,000.00
	Historic Preservation Trust: Metlar, Knapp Bodine Grant	150,000.00				150,000.00
	Law Enforcement Response to Community Concerns (Bias Grant)	5,000.00		4,267.55		732.45
	Municipal Alliance on Alcoholism	13,548.32		8,467.52		5,080.80
	NJDOT: Centennial Avenue Roadway	300,000.00		225,000.00		75,000.00
	Over Limit Under Arrest 2011	4,400.00				4,400.00
	Safe & Secure communities Program	52,473.00		52,473.00		-



**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND**

**Exhibit A-15
Page 2 of 2**

BUDGET YEAR	GRANTS	BALANCE DEC. 2011	CY 2012 BUDGET REVENUE REALIZED	COLLECTED	TRANSFERRED FROM UNAPPROP GRANTS	BALANCE DEC. 31. 2012
CY-2012						
	Middlesex County Cultural & Heritage - Library		1,350.00	1,050.00	300.00	-
	Municipal Alliance on Alcoholism		44,587.00	33,659.00		10,928.00
	Safe & Secure communities Program		60,000.00	60,000.00		-
	NJDOT: William Street Phase III		250,000.00			250,000.00
	Cops In Shop		2,400.00			2,400.00
	Multi-Jurisdictional Task Force Grant		24,000.00	12,000.00	6,000.00	6,000.00
	Clean Communities Grant - FY-2012		75,847.45	75,847.45		-
	Municipal Court Alcohol Education Rehab & Enforcement		2,860.04	2,860.04		-
	Click It or Ticket (Seat Belt Enforcement)		4,000.00	4,000.00		-
	Drive Sober or Get Pulled Over		4,400.00			4,400.00
	Law Enforcement Response To Community Concerns		4,910.00			4,910.00
	Drive Sober or Get Pulled Over 2012 Year End		4,400.00			4,400.00
	CDBG - 2012		220,487.00			220,487.00
	Drunk Driving Enforcement Fund		11,204.38	11,204.38		-
	Recycling Tonange Grant		106,724.03	106,724.03		-
	2012 State Body Armor Replacement		7,943.09	7,943.09		-
			-			-
Totals		\$ 1,550,595.22	\$ 825,112.99	\$ 1,194,183.48	\$ 6,300.00	\$ 1,175,224.73

<u>Ref.</u>	A-16	A-18	A
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Due to Current Fund	A-16	\$ 536,373.00
Cash	A-4	<u>\$ 657,810.48</u>
		<u>\$1,194,183.48</u>

**GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/ PAYABLE**

	Dec. 31, 2011	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2012
Interfunds							
Other Trust Fund	\$ -	\$ -	\$ 155,549.09	\$ -	\$ -	\$ (155,549.09)	\$ -
General Capital Fund Due (to)	-	-	250,000.00	-	-	(250,000.00)	-
Current Fund Due (to)/from	-	(1,266,281.64)	313,212.80	(836,259.74)	836,259.74	953,068.84	-
Total.....	\$ -	\$ (1,266,281.64)	\$ 718,761.89	\$ (836,259.74)	\$ 836,259.74	\$ 547,519.75	\$ -
<u>Ref.</u>		A-4	A-4	A-15	A-17		A

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

<u>BUDGET YEAR/PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31 2011</u>	<u>ENC</u> <u>DEC 31</u> <u>2011</u>	<u>TOTAL</u> <u>TRANSFERRED</u> <u>FROM CY 2012</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>TRANSFER/</u> <u>CANCELLED</u>	<u>ENC</u> <u>DEC. 31</u> <u>2012</u>	<u>BALANCE</u> <u>DEC. 31 2012</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: Medlars House Project	48,898.00						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		1,480.00		1,480.00			
Pedestrian/Bicycle Grant	25,282.40						25,282.40
SFY 2009							
Alcohol Education Rehab Program	1,268.47						1,268.47
Body Armor Replacement Grant	87.00	1,670.00		1,020.00		650.00	87.00
Clean Communities Grant		21,937.17		11,577.12		10,360.05	
Drunk Driving Enforcement Fund	3,431.76			707.50	2,724.26		
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		2,250.02		1,620.00		630.02	
SFY 2010							
Alcohol Education Rehab Program	3,066.66						3,066.66
Clean Communities Program	19,453.09	30,395.33		16,120.53	18,971.62	13,738.39	1,017.88
Comprehensive Stationhouse Adjustment Program (COMSHAP)	10,813.08						10,813.08
Drunk Driving Enforcement Grant	4,237.30				4,237.30		
FEMA - OEM - 2008		5,000.00		193.20		4,806.80	
FEMA - OEM - 2009	6,871.10	3,128.90		10,000.00			
Justice Assistance Grant: Program II Additional	2,167.29			2,167.29			
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	199.57						199.57
Municipal Alliance on Alcoholism and Drug Abuse	12,402.69						12,402.69
PARIS Grant	11,225.52			6,329.10			4,896.42
Recycling Tonnage Grant	123,977.95	4,000.00		68,756.00		20,189.00	39,032.95
USDOE - Energy Efficiency & Conversation Block Grant	96,194.98	33,222.26		118,777.75		3,394.49	7,245.00
TY 2010							
Drunk Driving - Over the Limit, Under Arrest	150.00						150.00
Community Development Block Grant	288,000.00			288,000.00			
Body Armor Grant		573.88		573.88			
CY-2011							
Body Armor Replacement Fund	4,054.81	3,602.62		3,602.62			4,054.81
Community Development Block Grant - 2011	242,560.00			157,707.00			84,853.00
Clean Communities Grant - FY-2011	77,135.41	175.00		14,403.00	(18,971.62)	30,917.60	50,961.43
Drive Sober or Get Pulled Over	1,400.00			1,400.00			
Drunk Driving Enforcement Fund	13,951.53	225.00		5,519.05	(6,961.56)		15,619.04
Drunk Driving Enforcement Fund FY 2011							

**SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND**

<u>BUDGET YEAR/PROGRAM</u>	<u>BALANCE DEC. 31 2011</u>	<u>ENC DEC 31 2011</u>	<u>TOTAL TRANSFERRED FROM CY 2012 BUDGET</u>	<u>PAID OR CHARGED</u>	<u>TRANSFER/ CANCELLED</u>	<u>ENC DEC 31 2012</u>	<u>BALANCE DEC. 31 2012</u>
Emergency Management Agency Assistance Grant	5,000.00			5,000.00			
Emergency Management Agency Assistance Grant FY-2010	5,000.00			5,000.00			
Historic Preservation Trust: Metlar, Knapp Bodine Grant	150,000.00					24,900.00	125,100.00
Law Enforcement Response to Community Concerns (Bias Grant)	392.45	214.99		214.99			392.45
Middlesex County Cultural & Heritage - Library	375.00	150.00		250.00			275.00
Multi-Jurisdictional Task Force Grant	6,000.00			950.00			5,050.00
Municipal Alliance on Alcoholism	8,175.00	6,346.36		9,342.28			5,179.08
Municipal Court Alcohol And Education Rehab	2,211.32						2,211.32
Recycling Tonnage Grant	161,580.78	(4,598.20)		59,254.20		375.00	97,353.38
Recycling Tonnage Grant							
CY-2012							
Middlesex County Cultural & Heritage Grant: Library Grant			300.00	950.00			400.00
Municipal Alliance on Alcoholism & Match			55,733.75	44,842.36		10,891.39	(0.00)
Safe and Secure Communities Grant			60,000.00	60,000.00			
Cops-In-Shop Grant			2,400.00	2,200.00			200.00
Multi-Jurisdictional Task Force			6,000.00				24,000.00
NJDOT: FY 2012 William Street Roadway			250,000.00	250,000.00			
Municipal Court Alcohol And Education Rehab							2,860.04
Clean Communities Grant				605.34		14,693.62	60,548.49
Body Armor Grant							7,943.09
Recycling Tonnage Grant							106,724.03
Drunk Driving Enforcement				1,197.30			10,007.08
Click It or Ticket				4,000.00			
Community Development Block Grant							220,487.00
Drive Sober or Get Pulled Over				4,600.00			4,200.00
Law Enforcement Response Grant				4,910.00			
Body Armor Grant							
Totals	\$ 1,934,852.87	\$ 109,773.33	\$ 374,433.75	\$ 1,164,716.26		\$ 135,546.36	\$ 1,580,623.32
<u>Ref.</u>			A-16	A-4	A-16	A	A

**SCHEDULE OF STATE AND FEDERAL GRANTS
UNAPPROPRIATED
GRANT FUND**

	BALANCE		TO CY 2012	
	DEC. 31, 2011	RECEIVED IN CASH	BUDGET AS REVENUE	BALANCE DEC. 31, 2012
<u>GRANT</u>				
Multi-Jurisdictional Grant	\$ 6,000.00	\$	6,000.00	\$
Bullet Proof Vest		676.00		676.00
Middlesex County Cultural Heritage	<u>300.00</u>		<u>300.00</u>	
Totals	\$ <u>6,300.00</u>	\$ <u>676.00</u>	\$ <u>6,300.00</u>	\$ <u>676.00</u>
Ref		A-4	A-15	A

**DEFERRED CHARGES - EMERGENCY APPROPRIATION
CURRENT FUND**

	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>BUDGET</u> <u>APPROPR</u>	<u>BALANCE</u> <u>DEC 31, 2012</u>
Special Emergency:			
Revaluation of Real Property	\$ 1,500,000.00	\$ 300,000.00	\$ 1,200,000.00
Hurricane Sandy		3,500,000.00	3,500,000.00

Total	<u>\$ 1,500,000.00</u>	<u>\$ 3,800,000.00</u>	<u>\$ 4,700,000.00</u>
	<u>Ref.</u> A	<u>A-3</u>	<u>A</u>

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

Exhibit B-1

	Balance Dec. 31, 2011Cash..... Receipts	Disbursements	Balance Dec. 31, 2012
Animal Control:				
Due NJ - State License Fees.....	12.00	\$ 2,188.61	(2,032.41)	\$ 168.20
Animal Control Reserves.....	28,559.35	24,466.39	(50,777.56)	2,248.18
Total	28,571.35	26,655.00	(52,809.97)	2,416.38
Self Insurance Trust Fund				
Reserve for Self Insurance.....	850,069.98	159,642.74	(45,253.86)	964,458.86
Total	850,069.98	159,642.74	(45,253.86)	964,458.86
Other Trust Funds:				
State and Federal Grants Receivable.....	(166,424.09)	10,875.00	155,549.09	-
Due to/(from) Current Fund.....	-	5,731,597.34	(5,997,483.61)	(265,886.27)
Due to/Senior Housing Capital Fund	-	400,000.00	-	400,000.00
Due to/from Capital Fund.....	-	-	(3,149,335.94)	(3,149,335.94)
Payroll Liabilities.....	184,555.90	12,953,258.64	(12,956,920.82)	180,893.72
Unemployment Trust Fund.....	157,258.85	159,348.00	(51,404.82)	265,202.03
Reserve for CDBG.....	131,700.51	-	(27,297.44)	104,403.07
Reserve for Affordable Housing	521,398.96	39,316.71	(412,876.80)	147,838.87
Miscellaneous Deposits.....	4,747,396.19	5,481,091.45	(3,888,826.93)	6,339,660.71
Recreation Trust	100,451.92	21,170.00	(64,433.03)	57,188.89
Schedule of Escrows	3,712,569.94	1,676,534.11	(732,728.99)	4,656,375.06
Total	9,388,908.18	26,473,191.25	(27,125,759.29)	8,736,340.14
Public Assistance Trust Fund:				
Reserve for Public Assistance.....	3,911.35	-	-	3,911.35
Total	3,911.35	-	-	3,911.35
Total	\$ 10,271,460.86	\$ 26,659,488.99	(27,223,823.12)	\$ 9,707,126.73

Ref.

B

	Year			
Reserve for Animal Control License Fees Collected:	CY 2011	\$	25,746.84	
	CY 2012	\$	24,466.39	
		\$	<u>50,213.23</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 Dec. 31, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2012</u>
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 769,298.20	\$ 289,836.59	\$ 130,028.39	\$ 929,106.40
2. CB Engineering & Inspections Fees (under \$5,000)	119,204.43	43,188.97	36,100.45	126,292.95
3. Performance Bonds (over \$10,000)	225,771.75		2,000.00	223,771.75
4. CB Planning Board (over \$5,000)	287,066.66	94,750.00	117,410.89	264,405.77
5. CB Planning Board (under \$5,000)	384,808.39	38,359.64	123,630.80	299,537.23
6. CB Developers Interest	5,939.55	3,219.32		9,158.87
7. CB Performance (under \$5,000)	200,024.98	14,301.54	24,696.33	189,630.19
8. CB Operations		229,809.00		229,809.00
9. CB Developers	1,720,455.98	966,288.37	298,862.13	2,387,882.22
Total	\$ 3,712,569.94	\$ 1,679,753.43	\$ 732,728.99	\$ 4,659,594.38

Ref.

B- 1

B- 1

B

**SCHEDULE OF MISCELLANEOUS DEPOSITS
TRUST - OTHER FUND**

Purpose	Balance		Increases	Decreases	Balance	
	Dec. 31, 2011	Dec. 31, 2012			Dec. 31, 2011	Dec. 31, 2012
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	11,529.53	6,475.00		4,908.56	13,095.97	
4. Federal Forfeiture Funds	8,006.97	33.31			8,040.28	
5. Forfeiture Funds	114,614.19	8,266.06			107,867.40	
6. Future Improvement Deposits	226,786.52			15,012.85	226,786.52	
7. Grading Bonds	11,000.00				11,000.00	
8. Landscape Bonds	170,761.25	28,045.14		28,500.00	170,306.39	
9. Local Seized Funds	3,088.11				3,088.11	
10. Municipal Court - POAA	4,484.95	250.00		1,078.50	3,656.45	
11. Prem. Received at Tax Sale	649,100.00	1,189,100.00		328,300.00	1,509,900.00	
12. Public Defender Fees	46,373.97	24,947.00		25,089.26	46,231.71	
13. Public Relations Beautification Fund	19,639.82	3,925.00		9,680.72	13,884.10	
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	19,743.13	1,857,441.80		1,854,336.06	22,848.87	
17. Reserve for Recycling Project	9,733.13				9,733.13	
18. Senior Citizens Trips	35,704.37	48,041.95		50,460.67	33,285.65	
19. Seized Funds	2,375.00	3,276.01			5,651.01	
20. Sick and Vacation Accrual	2,101,535.65	630,000.00		211,685.02	2,519,850.63	
21. Snow Removal	772,484.08	612,333.44		254,814.93	1,130,002.59	
22. Street Opening Bonds	477,271.56	49,857.53		139,112.50	388,016.59	
23. Tax Lien Redemption	51,549.07	1,019,099.21		965,847.86	104,800.42	
24. Youth Center Donations	1,040.00				1,040.00	
Total	\$ 4,747,396.19	\$ 5,481,091.45		\$ 3,888,826.93	\$ 6,339,660.71	

Ref

B-1

B-1

B

General Capital Fund

**SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND**

	<u>REF.</u>	
Balance - December 31, 2011		\$ 2,836,614.99
Increased by Receipts:		
Contributions - Off-Site Improvements	C- 8	497,145.44
Interfund: Receipts	C-11	<u>12,685,000.00</u>
		<u>13,182,145.44</u>
		16,018,760.43
Decreased by Disbursements:		
Contributions - Off-Site Improvements	C- 8	
Improvement Authorizations	C- 9	13,450,462.17
Interfund: Payments	C-11	2,491,500.00
Preliminary Expenses	C-12	<u>504.00</u>
		<u>15,942,466.17</u>
Balance - December 31, 2012	r	<u>\$ 76,294.26</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
GENERAL CAPITAL FUND

	BALANCE DEC. 31, 2011	RECEIPTS		DISBURSEMENTS		BALANCE DEC 31, 2012	
		MISCEL- LANEOUS	IMPROV. AUTHOR.	MISCEL- LANEOUS	TRANSFERS		
					FROM		TO
Fund Balance	\$ 503,437.64					\$ 918,125.28	
Capital Improvement Fund	57,250.00				\$ 414,687.64	\$ 2,250.00	
Contributions - Off-Site Improvements	1,534,530.27	497,145.44		415,000.00	360,000.00	1,781,675.71	
Contributions - Tree Contributions	200.00			250,000.00		200.00	
Federal & State Grants Receivable	(160,200.00)				160,200.00	-	
Revolving Fund - Housing Rehab	-					-	
Reserve for Preliminary Expenses	457,906.90					457,402.90	
Reserve for Stelton Streetscape	20,250.00			504.00		20,250.00	
Reserve for Community Center	5,000.00					5,000.00	
Reserve for Debt Service	308,748.56			74,333.52	250,000.00	484,415.04	
Due to Current Fund		11,665,000.00		2,491,500.00	9,173,500.00	-	
Due to Trust Fund		760,000.00			2,389,335.94	3,149,335.94	
Due to Grant Fund		250,000.00		250,000.00		-	
Due from Sewer Utility Fund	(10,000.00)	10,000.00				-	
Reserve for Encumbrances	11,237,306.80			11,237,306.80	5,485,456.20	5,485,456.20	
ORD NO.	IMPROVEMENT AUTHORIZATIONS						
98-1	Various Improvements	-				-	
01-01	Various Improvements	13,334.00			11,046.07	12,900.00	
01-30	Various Improvements	108,543.14				108,543.14	
01-32	Various Improvements	15,640.94	3,600.00			12,040.94	
02-18	Various Capital Improvements	10,044.37				10,044.37	
02-24	Various Park Improvements	213.80			213.80	(0.00)	
02-25	Various Capital Improvements	218,553.01	540.25		90,027.53	218,412.76	
03-10	Acquisition of Land	-			32,190.70	-	
03-32	Master Plan	-			1,788.00	-	
03-39	Various Capital Improvements	58,600.84	25,571.57		27,783.07	56,557.97	
04-05	Various Capital Improvements	3,060.37			51,311.77	3,060.37	
04-51	Various Capital Equipments	28,250.00			22,075.78	28,250.00	
04-52	Various Capital Projects	(4,705.87)	16,071.50			7,629.61	
05-11	Various Capital Projects	131,170.31			25,878.07	131,170.31	
05-13	Various Capital Projects	117,938.68	135.19		10,965.85	117,803.49	
15-41, 06-14	Various Capital Improvements	259,509.89	34,468.93		309,302.46	151,608.34	
06-04	Various Capital Improvements	279,712.55	78,633.17		861.01	300,141.37	
06-21	Demolition of Structures	294.00				1,394.00	
06-26	William Street Improvements	73,826.75				73,826.75	
06-36	Various Capital Improvements	(1,984,189.44)	1,239,315.35		271,249.16	(2,523,093.81)	
06-48	Various Capital Improvements	(172,422.80)	346,642.00		239,545.43	(387,112.72)	
07-02	Various Capital Improvements	28,721.71	198,676.50		88,571.46	(195,815.94)	
07-33	Various Capital Improvements	(81,095.20)	134,132.57		66,056.89	(233,000.61)	
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	(142,412.48)	126,809.52		142,479.48	(196,223.06)	
09-20	Digital Tax Maps	49,296.20	5,580.00			49,296.20	
09-40	Various Capital Improvements	(2,361,907.33)	444,197.08		21,172.71	(2,349,150.00)	
10-01	Various Improvements	(569,474.77)	21,175.44		3,220.50	(593,870.71)	
10-02	Tax Appeal Refunding	(4,504.00)				4,504.00	
10-24	Tax Appeal Refunding	(1,604.52)				1,604.52	
11-01	Revaluation	519,942.50	128,295.63		889,969.37	(0.00)	
11-04	Various Road Improvements - Annual	(1,271,040.00)	111,052.09		977,205.00	478,882.50	
11-08	Various Road Improvements (\$300,00 -NJDOT)	(1,859,266.64)	1,840,327.16		18,643.67	(1,325,120.00)	
11-14	Various Capital Improvements	(5,356,035.00)	4,724,334.26		488,513.34	(1,929,347.64)	
	Renovations, Expansion and Improvements to Municipal Facilities	750,000.00	2,539,353.15		582,546.14	450,945.00	
11-21	Various Roads		976,912.30		447,129.76	(2,236,482.91)	
12-02	Various Twp Roads		454,436.51		390,480.21	(1,274,892.51)	
12-04	Various Capital Improvements				1,338,467.32	(1,640,403.83)	
12-19	Various Capital Improvements					160,000.00	
12-28	Various Capital Improvements					160,000.00	
12-30	Various Road Rehabilitation & Improvements					100,000.00	
Total	\$ 2,836,614.99	\$ 13,182,145.44	\$ 13,450,462.17	\$ 2,492,004.00	\$ 26,920,320.10	\$ 26,920,320.10	\$ 76,294.26
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

Exhibit C-4

SCHEDULE GRANTS RECEIVABLES AND RESERVES

	<u>REF.</u>	
Balance December 31, 2011	C	\$ 160,200.00
Decreased by:		
State & Federal Grants Receivable	C-2	<u>160,200.00</u>
Balance December 31, 2012	C <u>Ref.</u>	<u>\$ -</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF</u>	
Balance - December 31, 2011		\$ 55,653,000.00
Increased by:		
Serial Bonds	C-10	<u>9,479,000.00</u>
		65,132,000.00
Decreased by:		
2012 Refunding Bonds		\$3,759,000.00
2012 Budget Approp. to Pay Bonds	C-10	<u>6,145,000.00</u>
		\$ 55,228,000.00
Balance - December 31, 2012	C	<u><u>\$ 55,228,000.00</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2011	2012 AUTHORIZATION	FUNDED BY BUDGET APPROPR	SERIAL BONDS ISSUED	ANALYSIS OF BALANCE DEC. 31, 2012		
						BALANCE DEC. 31, 2012	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
04-52	Various Capital Improvements	\$ 17,725.00		\$ 17,725.00		\$ -	\$ -	
05-11	Various Capital Projects	213,470.00				213,470.00		213,470.00
05-41	Various Capital Improvements	218,975.00				218,975.00		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		204,000.00
06-36	Various Capital Improvements	3,539,000.00				3,539,000.00	2,523,093.81	1,015,906.19
06-48	Various Capital Improvements	547,000.00				547,000.00	387,112.72	159,887.28
07-02	Various Capital Improvements	275,000.00				275,000.00	195,815.94	79,184.06
07-33	Various Capital Improvements	1,275,000.00				1,275,000.00	233,000.61	1,041,999.39
09-04	Various Capital Improvements	953,200.00				953,200.00	196,223.06	756,976.94
09-40	Various Capital Improvements	3,281,050.00				3,281,050.00	2,349,150.00	931,900.00
10-01	Various Improvements	5,357,500.00				5,357,500.00	593,870.71	4,763,629.29
10-02	Tax Appeal Refunding	4,504.00		4,504.00		-	-	-
10-24	Tax Appeal Refunding	1,604.52		1,604.52		0.00	0.00	-
11-04	Various Improvements	1,425,000.00				1,425,000.00	1,325,120.00	99,880.00
11-08	Various Improvements	2,850,000.00				2,850,000.00	1,929,347.64	920,652.36
11-14	Various Improvements	5,884,015.00			5,884,000.00	15.00	-	15.00
11-21	Various Improvements	2,450,000.00				2,450,000.00	2,236,482.91	213,517.09
12-02	Various Road Improvements		1,757,500.00			1,757,500.00	1,274,892.51	482,607.49
12-04	Various Road & Engineering Projects		2,897,500.00			2,897,500.00	1,684,651.35	1,212,848.65
12-19	Various Capital Improvements		3,040,000.00			3,040,000.00	-	3,040,000.00
12-28	Various Capital Improvements		3,040,000.00			3,040,000.00	-	3,040,000.00
12-30	Various Road Rehabilitation		1,900,000.00			1,900,000.00	-	1,900,000.00
Total		\$ 28,547,543.52	\$ 12,635,000.00	\$ 74,333.52	\$ 5,884,000.00	\$ 35,224,210.00	\$ 14,928,761.26	\$ 20,295,448.74

Ref.

C-9

C-16

C-11

C

Unexpended Balances of Unfunded Improv. Authors

\$ 20,295,448.74

\$ 20,295,448.74

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
GENERAL CAPITAL FUND**

	<u>REF.</u>		
Balance - December 31, 2011		\$	57,250.00
Increased by:			
CY 2012 Budget Appropriation	C-11	\$	360,000.00
Cancelation of Improv. Balances	C- 9		
			<u>360,000.00</u>
SFY 2010 Budget Appropriation	C-2		<u>360,000.00</u>
			417,250.00
Decreased by:			
Appropriation to Finance Improvement	C- 9		<u>415,000.00</u>
Authorizations			
Balance - December 31, 2012	C	\$	<u><u>2,250.00</u></u>

Exhibit - C-8

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

	<u>REF.</u>		
Balance - December 31, 2011		\$	1,534,530.27
Increased by:			
Cash Receipts	C-2		<u>497,145.44</u>
Decreased by:			
Cash Disbursements	C-2		2,031,675.71
Improvement Authorizations	C- 9		250,000.00
Reserve for Preliminary Expenses	C-12		
			<u>250,000.00</u>
Balance - December 31, 2012	~	\$	<u><u>1,781,675.71</u></u>

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND**

ORD NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2011		CY 2012 AUTHORIZATIONS	ENCUMBRANCES PAYABLE DEC. 31, 2011	ENCUMBRANCES PAYABLE DEC. 31, 2012	PAID OR CHARGED	BALANCE - DEC 31, 2012	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
01-01	Various Improvements (\$250,000 NJ DOT)	01/23/01	\$ 3,191,800.00	\$ 13,334.00			\$ 10,612.07	\$ 11,046.07		\$ 12,900.00	
01-30,02-27	Various Improvements	12/18/01		108,543.14						108,543.14	
01-32,02-28	Various Improvements	12/18/01		15,640.94						12,040.94	
02-25/03-23	Various Capital Improvements (\$225,000 NJ DOT)	12/05/02	1,250,000.00	218,553.01			90,427.53	90,027.53	3,600.00	218,412.76	
02-24	Various Park Improvements	12/17/02	1,500,000.00	213.80				213.80	540.25	-	
02-18	Various Capital Improvements	11/26/02	237,000.00	10,044.37						10,044.37	
03-10/04-29	Acquisition of Land	03/04/03	275,000.00	-						-	
03-32	Master Plan	9/2/2003-03/18/04	75,000.00	-			32,190.70	32,190.70		-	
03-39	Various Capital Improvements (\$175,000 NJ DOT)	11/06/03	4,325,000.00	58,600.84			1,788.00	1,788.00		-	
04-05	Various Capital Improvements	01/06/04	2,494,000.00	3,060.37			51,311.77	27,783.07	25,571.57	56,557.97	
04-51	Various Capital Equipments	12/21/04	179,500.00	28,250.00			22,075.78	22,075.78		3,060.37	
	Various Capital Projects (\$250,000 NJ DOT, \$270,000 NJ DOT)									28,250.00	
04-52,05-40	Various Capital Projects - (\$68,630 - Mdsx County Economic Dev, \$75,000 - Smart Growth, \$200,000 - Transportation)	12/21/04	10,665,500.00	-	13,019.13		36,560.05	25,878.07	16,071.50	7,629.61	-
05-11	Various Capital Projects	03/15/05	1,218,000.00	131,170.31	213,470.00					131,170.31	213,470.00
05-13	Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$600,000 - Green Acres)	03/15/05	2,786,000.00	117,938.68			10,965.85	10,965.85	135.19	117,803.49	
06-04	Various Capital Improvements	01/03/06	2,590,000.00	279,712.55	50,500.00		235,869.84	309,302.46	34,468.93	151,608.34	218,975.00
06-21	Demolition of Structures	04/25/06	200,000.00	294.00			49,425.00	861.01	78,635.17	300,141.37	-
06-26	Acquisition of Land	07/25/06	320,000.00	73,826.75	204,000.00		1,100.00			1,394.00	
06-36	Various Capital Improvements (\$270,000 NJ DOT)	11/28/06	8,520,000.00		1,554,810.56		971,660.14	271,249.16	1,239,315.35	73,826.75	204,000.00
06-48	Various Capital Improvements	12/19/06	2,260,000.00		374,577.20		371,497.51	204,821.85	381,365.58		1,015,906.19
07-02	Various Capital Improvements	03/06/07	2,500,000.00	28,721.71	275,000.00		62,710.31	88,571.46	198,676.50		159,887.28
07-33	Various Capital Improvements	12/18/07	5,650,000.00		1,193,904.80		48,284.05	66,056.89	134,132.57		79,184.06
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		810,787.52		215,478.42	142,479.48	126,809.52		756,976.94
09-20	Digital Tax Maps	07/28/09	200,000.00	49,296.20			5,580.00		5,580.00	49,296.20	
09-40	Various Capital Improvements	11/24/09	4,555,000.00		919,142.67		478,127.12	21,172.71	444,197.08		931,900.00
10-01	Various Improvements	01/26/10	7,850,000.00		4,788,025.23			3,220.50	21,175.44		4,763,629.29
11-01	Various Improvements	03/15/11	1,500,000.00	519,942.50			977,205.00	889,969.37	128,295.63	478,882.50	
11-04	Various Improvements	03/29/11	1,500,000.00		153,960.00		75,615.76	18,643.67	111,052.09		99,880.00
11-08	Various Improvements	04/19/11	3,300,000.00		990,733.36		2,258,961.50	488,515.34	1,840,527.16		920,652.36
11-14	Various Improvements	08/16/11	6,193,700.00		527,980.00		5,229,860.40	582,546.14	4,724,334.26	450,945.00	15.00
11-21	Various Improvements	12/06/11	3,200,000.00	750,000.00	2,450,000.00			447,129.76	2,539,353.15	0.00	213,517.09
12-02	Various Roads	01/24/12	1,850,000.00			1,850,000.00		390,480.21	976,912.30		482,607.49
12-04	Various Twp Roads	02/21/12	3,050,000.00			3,050,000.00		1,338,467.32	454,436.51	44,247.52	1,212,848.65
12-19	Various Capital Improvements	11/27/12	3,200,000.00			3,200,000.00				160,000.00	3,040,000.00
12-28	Various Capital Improvements	12/04/12	3,200,000.00			3,200,000.00				160,000.00	3,040,000.00
12-30	Various Road Rehabilitation & Improvements	12/18/12	2,000,000.00			2,000,000.00				100,000.00	1,900,000.00
Total			\$ 2,690,842.87	\$ 14,738,885.47	\$ 13,300,000.00	\$ 11,237,306.80	\$ 5,485,456.20	\$ 13,485,185.75	\$ 2,700,944.45	\$ 20,295,448.74	
		Ref			C-6	C	C	C-2	C	C	
	Deferred Charges to Future Taxation - Unfunded	C-6			\$ 12,635,000.00						
	Developers' Contribution	C-7			250,000.00						
	Capital Improvement Fund	C-4			415,000.00						
					\$ 13,300,000.00						
	Cash Disbursements	C-2						\$ 13,450,462.17			
	Due to Trust Fund	C-11						34,723.58			
								\$ 13,485,185.75			

**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, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
			DEC. 31, 2012						
General Improvement Bonds	03/01/04	9,659,000.00	03/01/13	800,000.00	3.250%	\$ 5,359,000.00		\$ 4,559,000.00	\$ 800,000.00
			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	11/01/13-14	1,400,000.00	3.500%	11,900,000.00		1,300,000.00	10,600,000.00
			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	03/15/13	1,300,000.00	3.000%	15,710,000.00		1,200,000.00	14,510,000.00
			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	03/15/13-14	325,000.00	3.000%	1,640,000.00		325,000.00	1,315,000.00
			03/15/15	325,000.00	3.250%				
			03/15/16	340,000.00	3.250%				
General Improvement Bonds	1/27/11	4,564,000.00	2/1/13/8-1-13	375,000.00	3.000%	4,564,000.00		350,000.00	4,214,000.00
			2/1/14/8-1-14	400,000.00	3.000%				
			2/1/15/8-1-15	425,000.00	3.000%				
			2/1/16/8-1-16	450,000.00	4.000%				
			2/1/17/8-1-17	475,000.00	4.000%				
			2/1/18/8-1-18	500,000.00	4.000%				
			2/1/19/8-1-19	500,000.00	4.000%				
			2/1/20/8-1-20	525,000.00	4.000%				
			2/1/21/8-1-21	564,000.00	4.000%				
			Tax Appeals	1/27/11	2,610,000.00				
2/1/14/8-1-14	525,000.00	3.000%							
2/1/15/8-1-15	525,000.00	3.000%							
2/1/16/8-1-16	510,000.00	4.000%							

**SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND**

Exhibit - C-10
Page 2 of 2

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
				DEC. 31, 2012					
Tax Appeals	1/27/11	7,820,000.00	2/1/13/8-1-13	1,100,000.00	3.000%	7,820,000.00		1,100,000.00	6,720,000.00
			2/1/14/8-1-14	1,100,000.00	3.000%				
			2/1/15/8-1-15	1,100,000.00	3.000%				
			2/1/16/8-1-16	1,100,000.00	4.000%				
			2/1/17/8-1-17	1,100,000.00	4.000%				
			2/1/18/8-1-18	1,220,000.00	4.000%				
General Improvement Refunding Bonds	3/24/11	6,050,000.00	02/01/13	1,100,000.00	3.000%	6,050,000.00		545,000.00	5,505,000.00
			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%				
General Improvement Refunding Bonds	11/28/12	3,595,000.00	03/01/14	860,000.00	3.000%		3,595,000.00		3,595,000.00
			03/01/15	855,000.00	4.000%				
			03/01/16	920,000.00	4.000%				
			03/01/17	960,000.00	4.000%				
Tax Appeals	1/27/11	7,820,000.00	12/15/13	600,000.00	2.000%		5,884,000.00		5,884,000.00
			12/15/14	750,000.00	2.000%				
			12/15/15	800,000.00	3.000%				
			12/15/16	850,000.00	3.000%				
			12/15/17	900,000.00	2.000%				
			12/15/18	950,000.00	3.000%				
			12/15/19	1,034,000.00	3.000%				
Total						\$ 55,653,000.00	\$ 9,479,000.00	\$ 9,904,000.00	\$ 55,228,000.00
						C-5		C	
				REFUNDING BONDS		C-5	\$ 3,759,000.00		
				REDEMPTIONS		C-11	6,145,000.00		
							<u>\$ 9,904,000.00</u>		

SCHEDULE OF INTERFUNDS PAYABLE

	<u>REF.</u>	<u>Total</u>	<u>Due to Current Fund</u>	<u>Due to Grant Fund</u>	<u>Due to Trust Fund</u>	<u>Due from Sewer Utility Operating Fund</u>
Balance - December 31, 2011		\$ (10,000.00)				\$ (10,000.00)
Increased by:						
Fund Balance	C-1					
Cash Received	C-2	12,685,000.00	11,665,000.00	250,000.00	760,000.00	10,000.00
Interest Earned	C-2				34,723.58	
Improvement Authorization	C-9	34,723.58			34,723.58	
State & Federal Grant Receivable	C-4					
Due from Current Fund	C-11	2,354,612.36			2,354,612.36	
Due from Grant Fund	C-11					
Reserve for Debt Service	C-15					
		15,064,335.94	11,665,000.00	250,000.00	3,149,335.94	
Decreased by:						
Cash Disbursed	C-2	2,491,500.00	2,491,500.00			
Premium On Sale of Bonds	C-1	414,687.64	414,687.64			
Deferred Charges Unfunded	C-6	5,884,000.00		5,884,000.00		
Reserve for Debt Service	C-16	250,000.00		250,000.00		
State & Federal Grant Receivable	C-4	160,200.00	160,200.00			
Capital Improvement Fund	C-7	360,000.00	360,000.00			
Trust Fund	C-11	2,354,612.36	2,354,612.36			
		11,915,000.00	11,665,000.00	250,000.00		
Balance - December 31, 2012	C	\$ 3,149,335.94	\$ -	\$ -	\$ 3,149,335.94	\$ -

Exhibit - C-12

**SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND**

	<u>REF.</u>	
Balance December 31, 2011		\$ 457,906.90
Increased by:		
Contributions - Off-Site Improvements	C- 8	
		<hr/> 457,906.90
Decreased by:		
Cash Disbursed	C- 2	504.00
		<hr/> 504.00
Balance December 31, 2012	C	<u><u>\$ 457,402.90</u></u>

Exhibit - C-13

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance - December 31, 2011		\$ 200.00
Increased by:		
Cash Received	C- 2	
		<hr/> 200.00
Decreased by:		
Cash Disbursed	C-2	
		<hr/> 200.00
Balance December 31, 2012	C	<u><u>\$ 200.00</u></u>

Exhibit - C-14

SCHEDULE OF STELTON STREETSCAPE

	<u>REF.</u>	
Balance December 31, 2011	C	\$ 20,250.00
Balance December 31, 2012	C	<u>\$ 20,250.00</u>

Exhibit - C-15

SCHEDULE OF RESERVES COMMUNITY CENTER

	<u>REF.</u>	
Balance December 31, 2011	C	\$ 5,000.00
Balance December 31, 2012	C	<u>\$ 5,000.00</u>

Exhibit - C-16

SCHEDULE OF RESERVES FOR DEBT SERVICE

Balance December 31, 2011		\$308,748.56
Increased by:		
Interfund Grant	C-11	\$ 250,000.00
Decreased by:		
Budget Approp. (Def charges Unfunded)	C-6	\$ 558,748.56
		\$74,333.52
Balance December 31, 2012	C	<u>\$ 484,415.04</u>

SCHEDULE OF BOND ANTICIPATION NOTES

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2011	DECREASED	BALANCE DEC. 31, 2012
10-24	Tax Appeal Refunding	12/21/10	12/21/10	02/21/11	1.00%	\$ -	\$ -	\$ -
	Total				<u>Ref.</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
						E	E-11	C

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

Exhibit - C-18

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE		AUTHORIZATIONS	BONDS ISSUED	Budget Appropriation	BALANCE		
		DEC. 31, 2011	1				DEC. 31, 2012	C	
General Improvements									
04-52,05-40	Various Capital Improvements	\$ 17,725.00	\$			\$ 17,725.00	\$		
05-11	Various Capital Improvements	213,470.00						213,470.00	
05-41, 06-14	Various Capital Improvements	218,975.00						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	3,539,000.00						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	1,275,000.00						1,275,000.00	
09-04	Various Capital Improvements	953,200.00						953,200.00	
09-40	Various Capital Improvements	3,281,050.00						3,281,050.00	
10-01	Various Improvements	5,357,500.00						5,357,500.00	
10-02	Tax Appeal Refunding	4,504.00				4,504.00			0.00
10-24	Tax Appeal Refunding	1,604.52				1,604.52			0.00
11-04	Various Improvements	1,425,000.00						1,425,000.00	
11-08	Various Improvements	2,850,000.00						2,850,000.00	
11-14	Various Improvements	5,884,015.00			5,884,000.00				15.00
11-21	Various Improvements	2,450,000.00						2,450,000.00	
12-02	Various Roads			1,757,500.00					1,757,500.00
12-04	Various Twp Roads			2,897,500.00					2,897,500.00
12-19	Various Capital Improvements			3,040,000.00					3,040,000.00
12-28	Various Capital Improvements			3,040,000.00					3,040,000.00
12-30	Various Road Rehabilitation & Improvements:			1,900,000.00					1,900,000.00
Total		\$ 28,547,543.52		\$ 12,635,000.00	\$ 5,884,000.00	\$ 74,533.52	\$ 35,224,210.00		

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, 2011		\$ 4,458,731.01	\$ 13,849.23
Increased by Receipts:			
Interest on Investments	D- 3	507.73	
Miscellaneous Revenues	D- 3	21,251.08	
Collector	D- 6	9,832,218.53	
Due from Sewer Operating Fund			
Due from Current Fund	D-19	7,315,005.26	10,000.00
Capital Improvement Fund	D-20		
Due from Capital	D-22	120,000.00	
Due to Sewer Capital Fund	D-23	-	
Due from Sewer Operating Fund	D-24		1,409,720.58
Sewer Utility Bonds	D-22		
Bond Anticipation Notes	D-23		
		<u>17,288,982.60</u>	<u>1,419,720.58</u>
		21,747,713.61	1,433,569.81
Decreased by Disbursements:			
TY 2010 Budget	D- 4	6,022,303.23	
Appropriation Reserves	D-12	146,500.63	
Accrued Interest	D-13	148,887.50	
Sewer Overpayment	D-14	740.00	
Improvement Authorizations	D-17		372,320.58
Due from Capital Fund	D-22	130,000.00	81.32
Due from Current Fund	D-19	8,900,000.00	10,000.00
Capital Improvement Fund	D-18		
Accounts Payable	D-16	15,000.00	
Due to Sewer Capital Fund	D-23	1,409,720.58	
Due from Sewer Operating Fund	D-24		-
Bond Anticipation Notes	D-23		
		<u>16,773,151.94</u>	<u>382,401.90</u>
Balance - December 31, 2012	D	<u>\$ 4,974,561.67</u>	<u>\$ 1,051,167.91</u>

**SCHEDULE OF CASH - COLLECTOR
SEWER UTILITY FUND**

	<u>REF</u>	
Increased by:		
Sewer Service Charges	D- 8	\$ 9,238,786.32
Interest on Delinquent Accounts	D- 3	64,820.56
Miscellaneous Revenue	D- 3	417.85
Connection Fees	D- 3	414,000.00
Prepaid Sewer Charges	D-14	20,514.12
Sewer Overpayments	D-15	<u>93,679.68</u>
		<u><u>\$ 9,832,218.53</u></u>

Decreased by:		
Payments to Treasurer	D- 5	<u><u>\$ 9,832,218.53</u></u>

**ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS**

Exhibit D-7

	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011
Fund Balance	\$ 101,939.97	\$ 101,939.97
Capital Improvement Fund	2,078,750.00	53,750.00
Due (from)/to Sewer Operating Fund	0.00	615,279.42
Reserve for Encumbrances	612,084.71	278,141.54
Improvement Authorizations Funded	291.50	170,019.06
Improvement Authorizations Unfunded	3,136,601.73	3,673,219.24
Bonds and Notes Authorized Not Issued	<u>(4,878,500.00)</u>	<u>(4,878,500.00)</u>
Total	<u>\$ 1,051,167.91</u>	<u>\$ 13,849.23</u>

Ref

D

**SCHEDULE OF SEWER CHARGES RECEIVABLE
SEWER UTILITY OPERATING FUND**

	<u>Ref.</u>	
Balance - December 31, 2011		\$ 878,516.24
Increased by:		
Sewer Charges Levied	Reserve	<u>9,418,290.97</u>
		10,296,807.21
Decreased by:		
Collection	D-3,D-6	9,238,786.32
Prepays Applied	D-14	18,825.65
Overpayments Applied	D-15	<u>155,391.88</u>
		<u>9,413,003.85</u>
Balance - December 31, 2012	D	<u><u>\$ 883,803.36</u></u>

**SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND**

ORD NO.		BALANCE DEC. 31 <u>2012</u>	BALANCE DEC. 31 <u>2011</u>
	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	600,000.00	600,000.00
89-52	Road Sanitary Sewer	400,000.00	400,000.00
03-40	Various Sewer Improvements	495,000.00	495,000.00
04-10	Various Sewer Projects	-	-
Total		\$ 13,107,561.49	\$ 13,107,561.49

REF.

D

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND**

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2012	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 & Rehab Sewer Facilities	12/20/11	2,000,000.00	2,000,000.00	2,000,000.00
Total				\$ 9,030,000.00	\$ 9,030,000.00

Ref.

D

**SCHEDULE OF CY 2012 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND**

	BALANCE DECEMBER 31, 2012		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Salaries and Wages	\$ 21,865.51	\$	\$ 21,865.51	\$ 8,287.58	\$ 13,577.93
Other Expenses	64,034.40	69,669.38	133,703.78	105,059.94	28,643.84
Middlesex County Utilities Authority			-		
Service Charges - Contractual	37,153.11		37,153.11	37,153.11	-
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)			-		-
Total Operations	\$ 123,053.02	\$ 69,669.38	\$ 192,722.40	\$ 150,500.63	\$ 42,221.77

REF.

D-1

Disbursed	D-5	\$ 146,500.63
Interfund: Current	D-19	4,000.00
Transfer to Accounts Payable	D-16	
		\$ 150,500.63

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

	<u>REF.</u>	
Balance - December 31, 2011		\$ 38,059.90
Increased by:		
Accrued Interest Charged to:		
CY 2011 Budget Appropriations	D-4	<u>147,208.33</u>
		185,268.23
Decreased by:		
Payment	D-5	<u>148,887.50</u>
		<u>\$ 36,380.73</u>
Balance - December 31, 2012	D	

Analysis of Balance - December 31, 2012:

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

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

Analysis of Balance - December 31, 2012:

Principal Outstanding 12/31/12	Interest Rate	From	To	Period	Amount
60,000.00	3.000%	09/16/12	12/31/12	3.5 mos	525.00
60,000.00	3.000%	09/16/12	12/31/12	3.5 mos	525.00
70,000.00	3.250%	09/16/12	12/31/12	3.5 mos	663.54
70,000.00	3.250%	09/16/12	12/31/12	3.5 mos	663.54
70,000.00	4.000%	09/16/12	12/31/12	3.5 mos	816.67
80,000.00	4.000%	09/16/12	12/31/12	3.5 mos	933.33
80,000.00	5.000%	09/16/12	12/31/12	3.5 mos	1,166.67
80,000.00	4.000%	09/16/12	12/31/12	3.5 mos	933.33
90,000.00	4.000%	09/16/12	12/31/12	3.5 mos	1,050.00
90,000.00	4.125%	09/16/12	12/31/12	3.5 mos	1,082.81
90,000.00	4.250%	09/16/12	12/31/12	3.5 mos	1,115.63
100,000.00	4.375%	09/16/12	12/31/12	3.5 mos	1,276.04
100,000.00	4.500%	09/16/12	12/31/12	3.5 mos	1,312.50
50,000.00	3.000%	08/01/12	12/31/12	5 mos	625.00
50,000.00	3.000%	08/01/12	12/31/12	5 mos	625.00
50,000.00	3.000%	08/01/12	12/31/12	5 mos	625.00
75,000.00	4.000%	08/01/12	12/31/12	5 mos	1,250.00
75,000.00	4.000%	08/01/12	12/31/12	5 mos	1,250.00
75,000.00	4.000%	08/01/12	12/31/12	5 mos	1,250.00
75,000.00	4.000%	08/01/12	12/31/12	5 mos	1,250.00
100,000.00	4.000%	08/01/12	12/31/12	5 mos	1,666.67
100,000.00	4.000%	08/01/12	12/31/12	5 mos	1,666.67
\$ 3,700,000.00					\$ 36,380.73

Exhibit D-13

**SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND**

Ref.		
	Balance - December 31, 2011	\$ 18,825.65
	Increased by:	
	Overpayments	D-15 2,835.65
	Collections	D-6 <u>20,514.12</u>
		42,175.42
	Decreased by:	
	Prepays Applied	D-3,D-8 <u>18,825.65</u>
		\$ <u>23,349.77</u>
	Balance - December 31, 2012	D

Exhibit D-14

**SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND**

Ref.			
	Balance - December 31, 2011	D	\$ 65,537.85
	Increased by:		
	Cash Receipts	D-6	\$ <u>93,679.68</u>
			159,217.53
	Decreased by:		
	Cash Payments	D-5	740.00
	Applied to Sewer Charges Receivable	D-3,D-8	155,391.88
	Applied to Prepaid Rent	D-15	<u>2,835.65</u>
			158,967.53
	Balance -December 31, 2012	D	\$ <u>250.00</u>

Exhibit D-15

**SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND**

Ref.			
	Balance - December 31, 2011	\$ 59,132.71	
	Increased by:		
	Transferred from Appropriation Reserves	D-12	<u>-</u>
			59,132.71
	Decreased by:		
	Cash Payments	D-5	<u>15,000.00</u>
	Cancelled to Fund Balance	D-1	
	Balance - December 31, 2012	D	\$ <u>44,132.71</u>

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND**

Exhibit D-16

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC 31, 2011		ENCUM- BRANCES PAYABLE DEC. 31, 2011	PAID OR CHARGED	ENCUM- BRANCES PAYABLE DEC. 31, 2012	BALANCE - DEC. 31, 2012	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
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	15,367.84	500.00	18,934.39	12,875.39	21,926.84	(0.00)	-
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00		180,933.89	21,525.19	56,155.96	12,945.55	-	133,357.57
06-05	Various Sewer Projects	01/03/06	1,400,000.00	54,436.13		95,900.00	51,527.30	98,808.83	-	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00		899,923.59	113,060.96	-	1,415.00		1,011,569.55
07-34	Acquisition of Various Equipment	12/18/07	770,000.00		48,488.06			48,488.06		0.00
09-05	Various Sewer Improvements	02/17/09	945,000.00		640,900.69		127,364.71	106,836.54		406,699.44
10-13	Acquisition of Various Vehicles	04/27/10	425,000.00		2,396.60	28,721.00	28,721.00	2,396.60		-
11-23	Construction & Rehab Sewer Fac	12/20/11	2,000,000.00		2,000,000.00		95,757.54	319,267.29		1,584,975.17
Total				\$ 70,095.47	\$ 3,773,142.83	\$ 278,141.54	\$ 372,401.90	\$ 612,084.71	\$ 291.50	\$ 3,136,601.73
			Ref.				D-5	D	D	D
	Disbursed		D-5				\$ 372,320.58			
	Due to Capital Fund		D-21				81.32			
							<u>\$ 372,401.90</u>			

- 125 -

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Exhibit D-1

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	BALANCE	BALANCE
			DEC. 31, 2012	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
Total			\$ 323,500.00	\$ 323,500.00
		Ref.		D

**SCHEDULE OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND**

Exhibit D-18

REF.

Balance - December 31, 2011

\$ -

Increased by:

Cash Disbursed

D-5

8,900,000.00

8,900,000.00

Decreased by:

Sewer Operating Approp paid by Current Fund

D-4

Appropriation Reseve

4,000.00

Appropriation

1,580,994.74

Cash Received

D-5

7,315,005.26

8,900,000.00

Balance - December 31, 2012

D

\$ -

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND**

Exhibit D-19

REF.

Balance - December 31, 2011

\$ 53,750.00

Increased by:

CY 2012 Budget Appropriation

D-5

2,025,000.00

2,078,750.00

Decreased by:

Approp. to Finance Improvement Authorizations

D-17

Balance - December 31, 2012

D

\$ 2,078,750.00

**SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND**

	<u>RF.</u>	
Balance - December 31, 2011		\$ 13,029,561.49
Increased by:		
Serial Bonds	D-25	<u>206,000.00</u>
Balance - December 31, 2012	D	<u>\$ 13,235,561.49</u>

**SCHEDULE OF DUE FROM CAPITAL FUND
SEWER UTILITY OPERATING FUND**

Exhibit D-21

	<u>RF.</u>	
Balance - December 31, 2011		\$ 10,000.00
Increased by:		
Cash Receipts	D-5	<u>\$ 120,000.00</u>
		130,000.00
Decreased by:		
Cash Disbursements	D-5	<u>\$ 130,000.00</u>
Balance - December 31, 2012	D	<u>\$ -</u>

**SCHEDULE OF DUE FROM SEWER CAPITAL
SEWER UTILITY OPERATING FUND**

Exhibit D-22

REF.

Balance - December 31, 2011

\$ 615,279.42

Increased by:

Interfunds Returned

D-5 1,409,720.58

1,409,720.58

2,025,000.00

Decreased by:

CY 2012 Budget Appropriation

D-4 2,025,000.00

2,025,000.00

Balance - December 31, 2012

D

\$ -

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

Exhibit D-23

REF.

Balance - December 31, 2011

\$ 615,279.42

Increased by:

Interfunds Returned

D-5 1,409,720.58

1,409,720.58

2,025,000.00

Decreased by:

CY 2012 Budget Appropriation -

Capital Improvement Fund

D-20 2,025,000.00

2,025,000.00

Balance - December 31, 2012

D

\$ -

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit D-24

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2011	INCREASE	DECREASE	BALANCE DEC. 31, 2012
			OUTSTANDING - DEC. 31, 2012	DATE					
Sewer Improvements	03/01/04	\$ 380,000.00	3/1/2011-2013	\$ 30,000.00	3.250%	\$ 200,000.00		\$ 30,000.00	\$ 170,000.00
			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	11/01/11	60,000.00	5.000%	1,906,000.00		66,000.00	1,840,000.0
			11/01/12	66,000.00	3.750%				
			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%							
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	2/1/11	700,000.00						700,000.00	
Total						\$ 3,906,000.00	\$ -	\$ 206,000.00	\$ 3,700,000.00
			Ref				D-5	D-21	D

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Exhibit D-25

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BONDS ISSUED	BALANCE DEC. 31, 2011	BALANCE DEC. 31, 2012
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	800,000.00
07-34	Acquisition of Various Equipment		131,500.00	51,500.00
09-05	Various Sewer Improvements		897,750.00	777,750.00
10-13	Acquisition of Various Vehicles		403,750.00	403,750.00
11-23	Construction & Rehab of Sewer Facilities			2,000,000.00
Total		\$ -	\$ 3,578,500.00	\$ 4,878,500.00

Footnote D

Senior Citizens Housing Utility Fund

**SCHEDULE OF CASH AND INVESTMENTS
SENIOR CITIZEN HOUSING FUND**

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2011		\$ 214,067.13	\$ 15,731.14
Increased by Receipts:			
Rental Income	E- 3	1,332,017.27	
Interest on Investments	E- 3	20.82	
Miscellaneous Revenues	E- 3	13,502.34	
Security Deposits	E- 9	20,807.05	
Capital Improvement Fund	E-13		35,000.00
Due to Senior Housing Operating	E-18		-
		<u>1,366,347.48</u>	<u>35,000.00</u>
		1,580,414.61	50,731.14
Decreased by Disbursements:			
Refund of Prior Year Revenue	E- 1	-	
Budget Appropriations	E- 4	1,058,242.33	
Appropriation Reserves	E- 7	148,283.08	
Accounts Payable	E- 7	49.13	
Accrued Interest	E- 8	54,310.00	
Security Deposits	E- 9	25,779.06	
Due from Senior Housing Capital	E-17	-	35,000.00
Improvement Authorizations	E-11		<u>7,560.69</u>
		<u>1,286,663.60</u>	<u>42,560.69</u>
Balance - December 31, 2012	E	<u>\$ 293,751.01</u>	<u>\$ 8,170.45</u>

ANALYSIS OF SENIOR HOUSING UTILITY CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2011	RECEIPTS MISCEL- LANEOUS	DISB. MISCELLA- NEOUS	TRANSFERS		BALANCE DEC. 31, 2012
				FROM	TO	
Fund Balance	\$ 2,177.74					\$ 2,177.74
Capital Improvement Fund	89,035.75	35,000.00				124,035.75
Reserve for Encumbrance Payable	107,092.15			107,092.15	759,849.03	759,849.03
Due to Senior Housing Operating	696,000.00			35,000.00		661,000.00
Due from Affordable Housing				400,000.00		(400,000.00)
ORD. IMPROVEMENT NO. AUTHORIZATION						
06-50 Various Capital Projects	10,198.90				5,000.00	15,198.90
07-33 Various Capital Projects	8,149.15		1,283.00	29,252.45	30,535.45	8,149.15
10-14 S.H Building Improvements	(896,922.55)		6,277.69	730,596.58	471,556.70	(1,162,240.12)
Total	\$ 15,731.14	\$ 35,000.00	\$ 7,560.69	\$ 1,301,941.18	\$ 1,266,941.18	\$ 8,170.45
<u>Ref.</u>		E-13	E-11	E-11	E-11	E

**SCHEDULE OF 2011 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2012
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND**

	BALANCE DECEMBER 31, 2011		BALANCE AFTER	PAID OR	BALANCED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES	TRANSFERS	CHARGED	LAPSED
Operations:					
Other Expenses	\$ 43,732.98	\$ 117,224.74	\$ 160,957.72	\$ 26,206.08	\$ 134,751.64
Capital Improvements:					
Capital Improvement Fund	<u>75,286.00</u>	<u>126,627.97</u>	<u>201,913.97</u>	<u>122,077.00</u>	<u>79,836.97</u>
Total	\$ <u>119,018.98</u>	\$ <u>243,852.71</u>	\$ <u>362,871.69</u>	\$ <u>148,283.08</u>	\$ <u>214,588.61</u>
	<u>REF.</u>				E-1
Cash Disbursements	E-5			\$ 148,283.08	
Accounts Payable	E-7			<u>-</u>	
				<u>\$ 148,283.08</u>	
<u>Accounts Payable Analysis</u>					
Balance December 31, 2011				\$ 90,625.20	
Transfer from Appropriation Reserves	E-7			-	
Accounts Payable Cancelled	E-1				
Cash Disbursements	E-5			<u>49.13</u>	
Balance December 31, 2012	E			<u>\$ 90,576.07</u>	

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

	<u>REF.</u>	
Balance - December 31, 2011		\$ 20,366.25
Increased by:		
Interest on Bonds	E-4	<u>52,388.12</u>
		72,754.37
Decreased by:		
Operations Disbursed	E-5	<u>54,310.00</u>
		<u>54,310.00</u>
Balance - December 31, 2012	E	<u>\$ 18,444.37</u>

Analysis of Balance - December 31, 2012:

	Principal Outstanding December 31, 2012	Interest Rate	From	To	Period	Amount
\$	120,000.00	4.200%	08/16/12	12/31/12	4 1/2 mos.	1,890.00
	145,000.00	4.300%	08/16/12	12/31/12	4 1/2 mos.	2,338.12
	140,000.00	4.400%	08/16/12	12/31/12	4 1/2 mos.	2,310.00
	<u>635,000.00</u>	5.000%	08/16/12	12/31/12	4 1/2 mos.	<u>11,906.25</u>
\$	<u>1,040,000.00</u>					<u>\$ 18,444.37</u>

SCHEDULE OF SECURITY DEPOSITS
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

Exhibit E-9

	<u>REF.</u>	
Balance -December 31, 2011		\$ 121,428.36
Increased by:		
Deposits Received	E- 5	<u>20,807.05</u>
		142,235.41
Decreased by:		
Deposits Refunded	E- 5	<u>25,779.06</u>
Balance -December 31, 2012	E	<u><u>\$ 116,456.35</u></u>

Exhibit E-10

SCHEDULE OF RESERVE FOR AMORTIZATION
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2011		\$ 9,186,052.26
Increased by:		
Bonds Paid by Budget Appropriation	E-12	<u>125,000.00</u>
Balance -December 31, 2012	E	<u><u>\$ 9,311,052.26</u></u>

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND**

Exhibit - E-11

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2011		CY 2012 AUTH	ENCUMB 12/31/11	PAID OR CHARGED	ENCUMB 12/31/12	BALANCE DECEMBER 31, 2012	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
<u>General Improvements:</u>											
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 10,198.90							
07-35	Various Capital Projects	12/18/07	353,000.00	8,149.15			\$ 5,000.00			\$ 15,198.90	
		4/27/2010					30,535.45	\$ 1,283.00	29,252.45	8,149.15	
10-14/ 12	Senior Housing										
18	Building Improve.	11/8/2012	1,000,000.00		103,077.45	800,000.00	71,556.70	\$ 6,277.69	730,596.58		\$ 237,759.88
Total					<u>\$ 18,348.05</u>	<u>\$ 103,077.45</u>	<u>\$ 800,000.00</u>	<u>\$ 107,092.15</u>	<u>\$ 759,849.03</u>	<u>\$ 23,348.05</u>	<u>\$ 237,759.88</u>
		Ref.				E-18		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</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2011</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2012</u>
			<u>OUTSTANDING - DEC. 31, 2012</u>	<u>DATE</u>				
Senior Citizen Housing Utility		\$ 2,204,500.00	08/15/13	120,000.00	4.20%	\$ 1,165,000.00	\$ 125,000.00	\$ 1,040,000.00
			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%			
			Total			<u>\$ 1,165,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 1,040,000.00</u>
				<u>Ref.</u>			E- 10	E

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND**

	<u>Ref.</u>	
Balance - December 31, 2011		\$ 89,035.75
Increased by:		
CY 2012 Budget Appropriation	E-5	<u>35,000.00</u>
Balance - December 31, 2012	E	<u><u>\$ 124,035.75</u></u>

Exhibit - E-14

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD. NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DEC. 31, 2011</u>	<u>AFFORDABLE HOUSING TRUST</u>	<u>BALANCE DEC. 31, 2012</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00		\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00		353,000.00
12-18	Building Improvements	11/08/12		400,000.00	400,000.00
Total			<u><u>\$ 483,000.00</u></u>	E-20	<u><u>\$ 883,000.00</u></u>

**SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND**

<u>ORD NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2012</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>
Total			<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
	<u>REF.</u>			E

- 139 -

**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, 2011</u>	<u>AUTHORIZED CY 2012</u>	<u>BALANCE DEC. 31, 2012</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>800,000.00</u>	<u>1,800,000.00</u>
Total				<u>\$ 1,483,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 2,283,000.00</u>
		<u>REF.</u>			E-11	E

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

	<u>REF.</u>	
Balance - December 31, 2011		\$ 696,000.00
Decreased by:		
Cash Receipts	E- 5	<u>35,000.00</u>
Balance - December 31, 2012	E	<u>\$ 661,000.00</u>

Exhibit E-18

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

	<u>REF.</u>	
Balance - December 31, 2011		\$ 696,000.00
Decreased by:		
Cash Disbursements	E- 5	<u>35,000.00</u>
Balance - December 31, 2012	E	<u>\$ 661,000.00</u>

**SCHEDULE OF FROM AFFORDABLE HOUSING TRUST FUND
SENIOR HOUSING UTILITY CAPITAL FUND**

Exhibit E-19

REF.

Increased by:		
Interfund Loan Advanced	E- 11	\$ 400,000.00
Balance - December 31, 2012	E	<u>\$ 400,000.00</u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Exhibit E-20

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2011</u>	<u>CY 2012 AUTHORIZATIONS</u>	<u>BALANCE DEC. 31, 2012</u>
10-14	Senior Housing Building Improve.	\$ 1,000,000.00	400,000.00	\$ 1,000,000.00
12-18	Senior Housing Building Improve.		400,000.00	400,000.00
Total		<u>\$ 1,000,000.00</u>	<u>400,000.00</u>	<u>\$ 1,400,000.00</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, 2012

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							DEC. 31, 2012	DEC. 31, 2011
ASSETS								
Cash and Investments	\$ 23,611,326.47	\$ 9,710,346.05	\$ 76,294.26	\$ 6,025,829.58	\$ 301,921.46	\$	\$ 39,725,717.82	\$ 39,621,677.29
Accounts Receivable								
State and Federal Grants Receivable	1,175,224.73						1,175,224.73	1,877,219.31
Due from State of New Jersey	144,345.94						144,345.94	161,167.34
Taxes, Assessments, Liens & Utility Charges	2,712,083.12						2,712,083.12	2,559,125.84
Sewer Charges Receivable				883,803.36			883,803.36	878,516.24
Interfund Loans		3,415,222.21			1,061,000.00		4,476,222.21	1,321,279.42
Other Accounts Receivable	211,534.26						211,534.26	69,912.25
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00	2,592,900.00
Prepaid Expenditures								
Fixed Assets - General						59,611,860.00	59,611,860.00	58,936,480.00
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	2,283,000.00		11,313,000.00	10,513,000.00
Deferred Charges to Revenue of Succeeding Years	4,700,000.00						4,700,000.00	1,500,000.00
Deferred Charges to Future Taxation: General Capital Fund			90,452,210.00				90,452,210.00	84,200,543.52
Total Assets	\$ 35,147,414.52	\$ 13,125,568.26	\$ 90,528,504.26	\$ 29,047,194.43	\$ 13,996,973.72	\$ 59,611,860.00	\$ 241,457,515.19	\$ 227,690,434.96
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds and Notes Payable	\$	\$	\$ 55,228,000.00	\$ 3,700,000.00	\$ 1,040,000.00	\$	\$ 59,968,000.00	\$ 60,724,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	569,304.81			23,349.77			592,654.58	756,984.99
Tax, Assessment, Lien, License and Utility Charge Overpayments	136,399.22			250.00			136,649.22	66,086.51
Appropriation Reserves	5,112,010.58			105,868.99	383,071.34		5,600,950.91	4,928,726.88
Reserves for Encumbrances/ Accounts Payable	5,060,573.68	181,061.92	5,485,456.20	764,567.13	1,013,801.43		12,505,460.36	15,885,361.08
Other Liabilities				36,380.73	18,444.37		54,825.10	58,426.15
Amounts Pledged to Specific Purposes	6,419,916.42	7,884,911.96	2,751,193.65	2,078,750.00	240,492.10		19,375,264.13	13,285,300.16
Interfund Loans	265,886.27	400,000.00	3,149,335.94		661,000.00		4,476,222.21	1,321,279.42
Investments in General Fixed Assets						59,611,860.00	59,611,860.00	58,936,480.00
Escrow Funds		4,659,594.38					4,659,594.38	3,712,569.94
Improvement Authorization			22,996,393.19	3,136,893.23	261,107.93		26,394,394.35	21,394,392.14
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				13,559,061.49	10,194,052.26		23,753,113.75	23,022,113.75
Reserve for Certain Assets Acquired or Receivables & Inventories	5,516,517.38			883,803.36			6,400,320.74	6,100,454.33
Fund Balance	12,066,806.16		918,125.28	4,758,269.73	185,004.29		17,928,205.46	17,498,259.61
Total Liabilities, Reserves and Fund Balance	\$ 35,147,414.52	\$ 13,125,568.26	\$ 90,528,504.26	\$ 29,047,194.43	\$ 13,996,973.72	\$ 59,611,860.00	\$ 241,457,515.19	\$ 227,690,434.96

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

	CALENDAR		CALENDAR	
	YEAR 2012	%	YEAR 2011	%
REVENUE AND OTHER INCOME REALIZED	AMOUNT		AMOUNT	
Fund Balance Utilized	\$ 6,855,000.00	4.08	\$ 5,817,370.23	3.57
Miscellaneous - From Other than Local Property Tax Levies	15,354,326.23	9.14	13,900,152.96	8.53
Collection of Delinquent Taxes and Tax Title Liens	2,155,989.46	1.28	2,774,169.58	1.70
Collections of Current Tax Levy	143,705,802.43	85.50	140,483,805.79	86.20
Total Income	\$ 168,071,118.12	100.00	\$ 162,975,498.56	100.00
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	\$ 56,707,089.53	34.46	\$ 50,761,857.89	32.31
Special District Taxes	3,483,019.00	2.12	3,396,882.00	2.16
County Taxes	21,770,156.99	13.23	21,849,756.75	13.91
Local School Taxes	82,567,560.00	50.18	81,096,554.00	51.61
Other Expenditures	7,583.15	0.00	23,854.04	0.02
Total Expenditures	164,535,408.67	100.00	157,128,904.68	100.00
Less: Expenditures to be Raised by Future Taxes	3,500,000.00		0.00	
Total Adjusted Expenditures	161,035,408.67		157,128,904.68	
Excess in Revenue	7,035,709.45		5,846,593.88	
Fund Balance January 1	11,886,096.71		11,856,873.06	
	18,921,806.16		17,703,466.94	
Less: Util. as Anticipated Revenue	6,855,000.00		5,817,370.23	
Fund Balance December 31	\$ 12,066,806.16		\$ 11,886,096.71	

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

	CALENDAR YEAR 2012		CALENDAR YEAR 2011	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,667,000.00	14.34	\$ 8,884,181.93	88.90
Collection of Sewer Service Charges	9,413,003.85	80.98		
Miscellaneous - From Other than Sewer Service Charges	<u>543,218.99</u>	4.67	<u>1,109,541.63</u>	11.10
Total Income	<u>\$ 11,623,222.84</u>	<u>100.00</u>	<u>\$ 9,993,723.56</u>	<u>100.00</u>
EXPENDITURES				
Budget Expenditures				
Operating	\$ 7,342,698.11	73.50	\$ 6,695,580.35	91.78
Debt Service	365,483.33	3.66	291,908.33	4.00
Deferred Charges & Statutory Expend.	256,543.56	2.57	282,979.16	3.88
Capital Improvements	<u>2,025,000.00</u>	20.27	<u>25,000.00</u>	0.34
Total Expenditures	<u>9,989,725.00</u>	<u>100.00</u>	<u>7,295,467.84</u>	<u>100.00</u>
Excess/(Deficit) in Revenue	1,633,497.84		2,698,255.72	
Fund Balance January 1	<u>4,689,831.93</u>		<u>1,991,576.21</u>	
Fund Balance December 31	<u>\$ 4,656,329.77</u>		<u>\$ 4,689,831.93</u>	

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

	CALENDAR		CALENDAR	
	YEAR 2012	%	YEAR 2011	%
<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>AMOUNT</u>		<u>AMOUNT</u>	
Fund Balance	\$ 260,000.00	14.28	\$ 210,100.00	11.57
Rental Income	1,332,017.27	73.18	1,336,131.79	73.56
Miscellaneous - From Other than Rental Income	228,111.77	12.53	270,274.39	14.88
Total Income	\$ 1,820,129.04	<u>100.00</u>	\$ 1,816,506.18	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 1,116,754.00	66.00	\$ 1,068,328.00	69.56
Capital Improvements	393,744.00	23.27	279,344.00	18.19
Debt Service	177,388.12	10.48	182,435.00	11.88
Statutory Expenditures	4,192.00	0.25	4,118.00	0.27
Miscellaneous Expenditures	0.00	0.00	1,558.00	0.10
Total Expenditures	<u>1,692,078.12</u>	<u>100.00</u>	<u>1,535,783.00</u>	<u>100.00</u>
Excess in Revenue	128,050.92		280,723.18	
Fund Balance January 1	314,775.63		244,152.45	
	442,826.55		524,875.63	
Less: Util. As Anticip. Revenue	<u>260,000.00</u>		<u>210,100.00</u>	
Fund Balance December 31	\$ <u><u>182,826.55</u></u>		\$ <u><u>314,775.63</u></u>	

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate:	<u>\$6.312</u>	<u>\$6.312</u>	<u>\$5.982</u>

Apportionment of Tax Rate:

Municipal	\$1,579	\$1,534	\$1,499
Municipal Library	\$0.091	\$0.100	
County	\$0.882	\$0.900	\$0.843
County Open Space	\$0.081	\$0.088	\$0.061
Local School	\$3,679	\$3,690	\$3,579

Assessed Valuation:

2012	<u>\$2,244,782,882</u>		
2011		<u>\$2,198,116,829</u>	
2010			<u>\$2,229,034,487</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>
2012 CY	\$ 146,348,436	\$ 143,705,802	98.19%
2011 CY	142,687,554	140,353,536	98.36%
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%

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>
2012 CY	\$556,212.06	\$2,155,871.06	\$2,712,083.12	1.85%
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%

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2012 CY	\$ 9,418,291	\$ 9,413,004
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

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>UTILIZED</u>	
		<u>BALANCE</u> <u>JUNE 30/DEC 31</u>	<u>IN BUDGET OF</u> <u>SUCCESSING YEAR</u>
CURRENT FUND	2012 CY	\$ 12,066,806	7,000,000
	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
SEWER UTILITY OPERATING FUND	2012 CY	\$ 4,656,832	1,600,000
	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
SENIOR CITIZENS HOUSING UTILITY FUND	2012 CY	\$ 182,827	130,000
	2011 CY	314,776	260,000
	2010 TY	244,152	210,100
	2010 SFY	260,931	250,498
	2009 SFY	486,432	397,163

**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, 2012:

<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 (to June 30, 2012)	
Joseph Criscuolo	Business Administrator (from May 7, 2012)	
Daniel Mensah Lamptey	Director of Finance, Chief Financial Officer	400,000.00 (A)
Melissa A. Seader	Township Clerk	
Michael Baker	Director of Law - Attorney	
James F. Clarkin III, Esq.	Director of Law - Assistant 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, 2012**

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, 2012, 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, 2012, 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 December 23, 2013 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:

2012-1 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 July 1, 2010. 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 again pursuant to a statutorily permitted notice issued by the Governor of the State of New Jersey, effective January 1, 2011. The law eliminated the previous "lower" non-QPA threshold of 26,000. Thus a contracting unit without a Qualified Purchasing Agent now has a maximum bid threshold of \$17,500.

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the 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 tested.

Materials, Supplies and Equipment

Hot Mix Asphalt; Uniforms & Equipment; Octane Gasoline; Generators and Transfer Switches, and Lockers for Police Department.

Services and Rentals

Installation of Prefabricated Sanitary Sewer Pump.

Construction and Repairs

Senior Center Project; Avenue Roadway Improvements; Riverside Park Improvements; Building Demolition and Asbestos Abatement.

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

Contracts

Software Maintenance Service; Purchase of Xerox Work-center, and Police Vehicle Equipment.

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 \$17,500 "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

On January 5, 2006, P.L. 2005, c.271 was signed into law. A key element of the law authorizes municipalities and counties to adopt their own pay-to-play policies. Secondly, required new disclosures for "non-fair and open" contracts over \$17,500.

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 that tests of expenditures five (5) exceptions related to lack of the requisite disclosure forms on file.

We suggest that the vendor files be maintained complete in all respects with the applicable Pay-to-Play and Business Registration Requirements.

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 3, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and sewer service charges:

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Collection of Interest on Delinquent Taxes and Assessments (Cont'd)

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 during CY 2012. 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, 2012 reported an amount of \$29,840.39 for tax year CY2011.

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.

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

	<u>NUMBER OF LIENS</u>
<u>DEC. 31</u>	<u>7</u>
CY 2012	7
CY 2011	7
TY 2010	7

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

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 2012. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2012.

All deposits and investments held by the Township were directly confirmed as of December 31, 2012.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2012 in accordance with 40A: 5-14 on January 3, 2012.

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.

Interfund Balances

The following interfund balances appear in the balance sheets of the Township's financial statements of the year ended December 31, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund		\$265,886.27
Other Trust Funds	\$3,415,222.21	400,000.00
General Capital Fund		3,149,335.94
Senior Utility Operating Fund	661,000.00	
Senior Utility Capital Fund	<u>400,000.00</u>	<u>661,000.00</u>
Total	<u>\$4,476,222.21</u>	<u>\$4,476,222.21</u>

It is recommended that all interfund balances be cleared by cash transfer where required.

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.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general and bail accounts indicated that deposits were recorded and spread by receipt category and cash was reconciled monthly. The processing of traffic and criminal cases entered on the State's on-line computer system indicated no exceptions with respect to items tested.

Administration and Accounting of State & Federal Grants

During CY 2012, 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 programs.

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.

We also suggest that the Schedules of Federal Awards and State Financial Assistance be prepared in a timely manner in order to comply with the applicable filing requirements of OMB Circular A-133 and NJ OMB Circular 04-04.

“Schedule C” as included in the Single Audit Section of this report contains the finding(s) for CY 2012.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Condition of Records – Tax & Sewer Utility Office

During CY 2012, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2012. 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.

The Township's management encountered difficulties related to the financial reporting including the preparation of financial statements and schedules primarily with regards to the additional requirements mandated by the hurricane of CY 2012. The additional accounting and reporting requirements of federal and state aid requests and awards delayed the timely preparation of financial statements, schedules, and Schedules of Awards and Financial Assistance for the year ended December 31, 2012.

We suggest that the Township ensure that financial reporting procedures, including the preparation of financial statements, schedules and Schedules of Awards and Financial Assistance with the regulatory basis of accounting, are complete in all respects and performed on a timely basis.

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township continues the process of documenting its controls, we suggest that 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. We also suggest that the documentation also include the internal controls that exist over grant compliance.

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 Governmental Fixed Asset Accounting System.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Compliance with N.J.A.C 5:30 (Cont'd)

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 no exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex was not required to prepare a corrective action plan for the CY 2011, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

We recommended the following:

That all interfund balances be cleared by cash transfer where required.

* * * * *

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.


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No. 406

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Registered Municipal Accountants
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