

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE SIX MONTH TRANSITION
YEAR ENDED DECEMBER 31, 2010**

**WITH
REPORT OF INDEPENDENT AUDITORS**

HODULIK & MORRISON, P.A.

**CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.**

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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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
County of Middlesex, New Jersey

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 December 31, 2010 and the related statements of operations and changes in fund balance – regulatory basis for the six month transition year then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the six month transition year ended December 31, 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, 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 are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

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

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

We have audited the financial statements of the Township of Piscataway as of and for the six month transition year ended December 31, 2010, which collectively comprise the Township of Piscataway's financial statements and have issued our report thereon dated December 23, 2011. Our report was modified because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2 and was unqualified based upon the Other Comprehensive Basis of Accounting financial statement presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

FINANCIAL STATEMENTS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

ASSETS	BALANCE DEC. 31, 2010	LIABILITIES, RESERVES AND FUND BALANCE	BALANCE DEC. 31, 2010
Cash and Investments - Treasurer	A-4 \$ 20,682,332.16	Liabilities:	
Cash - Change Fund	A 535.00	Appropriation Reserves	A-3 \$ 2,677,677.50
Due from State of N.J. per Ch. 20, P.L. 1976	A-6 158,766.86	Reserve for Encumbrances	A-3 1,380,903.90
	<u>20,841,634.02</u>	Prepaid Taxes	A-7 509,526.51
		Various Payables	A-10 922,174.08
		Various Reserves	A-10 3,093,492.02
		Tax Overpayments	A-14 14,241.21
Receivables With Offsetting Reserves:		Interfunds Payable	A-12 386,745.74
Taxes Receivable	A-7 2,506,187.85		<u>8,984,760.96</u>
Tax Title Liens	A-7 446,852.55		
Property Acquired for Taxes (At Assessed Valuation)	A-7 2,592,900.00	Reserve for Receivables	Reserve 5,602,743.80
Revenue Accounts Receivable	A-8 56,703.20	Fund Balance	A-1 11,856,873.06
Interfunds Receivable	A-11 100.20		<u>26,444,377.82</u>
	<u>5,602,743.80</u>	Total Regular Fund	
Total Regular Fund	<u>26,444,377.82</u>		
State and Federal Grant Fund:		State and Federal Grant Fund:	
Cash and Investments - Treasurer	A-4 427,959.67	Reserve for State and Federal Grants:	
Grants Receivable	A-15 1,255,388.08	Appropriated	A-17 1,420,049.23
	<u>1,255,388.08</u>	Unappropriated	A-18 6,300.00
		Interfunds Payable	A-17 100.20
		Reserve for Encumbrances	A-17 256,898.32
Total State and Federal Grant Fund	<u>1,683,347.75</u>		<u>1,683,347.75</u>
	<u>\$ 28,127,725.57</u>		<u>\$ 28,127,725.57</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>TY 2010</u>
Fund Balance Utilized	A-1, A-2	\$ 718,898.55
Miscellaneous Revenues Anticipated	A-2	7,802,257.78
Receipts from Delinquent Taxes	A-2	494,825.83
Non-Budget Revenue	A-2	301,432.44
Receipts from Current Taxes	A-7	68,202,465.34
Other Credits to Income:		
Unexpended Balances of Approp. Reserves	A-9	3,287,158.17
Interfunds:		
Interfunds Returned - Net	A-11	<u>1,401,797.11</u>
Total Revenues		<u>82,208,835.22</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations and Emergency Appropriations		
Within "CAP"		
Operations:		
Salaries and Wages	A-3	8,705,429.00
Other Expenses	A-3	9,316,022.75
Deferred Charges and Statutory Expend.	A-3	701,885.00
Appropriations Excluded from "CAP"		
Operations:		
Salaries and Wages	A-3	296,500.00
Other Expenses	A-3	2,413,646.69
Capital Improvements	A-3	160,000.00
Municipal Debt Service	A-3	2,203,506.88
Special District Taxes	A-13	1,728,654.50
County Tax	A-13	9,753,175.24
County Open Space Fund	A-13	317,676.41
Due County for Added Taxes	A-13	47,662.85
Local District School Taxes	A-13	<u>40,282,098.00</u>
Total Expenditures		<u>75,926,257.32</u>
Excess in Revenue		6,282,577.90
 <u>FUND BALANCE</u>		
Balance - July 1		<u>6,293,193.71</u>
		12,575,771.61
Decreased by:		
Utilization as Anticipated Revenue	A-1	<u>718,898.55</u>
Balance - December 31	A	<u>\$ 11,856,873.06</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	REF.	ANTICIPATED TY 2010 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
	A-1	\$ 718,898.55	\$	718,898.55	\$
Fund Balance Anticipated	A-1	\$ 718,898.55	\$	718,898.55	\$
Miscellaneous Revenues:					
Licenses:					
Other	A-8	36,000.00		73,206.50	37,206.50
Fees and Permits	A-8	94,000.00		230,206.34	136,206.34
Fines and Costs:					
Municipal Court	A-8	387,000.00		466,628.04	79,628.04
Interest and Costs on Taxes	A-5	110,000.00		105,902.34	(4,097.66)
Interest on Investments and Deposits	A-8	60,000.00		150,196.20	90,196.20
Reserve for PCTV	A-10	7,000.00		7,000.00	
Hotel and Motel Tax	A-8	117,000.00		160,219.64	43,219.64
Library Fines and Fees	A-8	18,000.00		18,000.00	
Consolidated Municipal Property Tax Relief Aid	A-8	947,600.00		947,600.00	
Energy Receipts Taxes	A-8	4,699,485.00		4,699,485.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):	A-8	182,000.00		581,028.40	399,028.40
Uniform Construction Code Fees	A-8	36,000.00		42,420.63	6,420.63
Public and Private Revenues Offset with Approps.:					
Body Armor Fund 2010	A-12		7,359.69	7,359.69	
Bias Prevention & Education Grant	A-12		5,000.00	5,000.00	
Community Development Block Grant - 2010 Rd/Sidewalk	A-12		288,000.00	288,000.00	
Drunk Driving - Over the Limit, Under Arrest	A-12	4,400.00		4,400.00	
Edward Byrne Memorial Justice Assistance Grant	A-12		10,605.00	10,605.00	
Over the Limit Under Arrest - 2010 Holiday Crackdown	A-12		5,000.00	5,000.00	
Total Miscellaneous Revenues	A-1	6,698,485.00	315,964.69	7,802,257.78	787,808.09
Receipts from Delinquent Taxes	A-1,A-7	420,000.00		494,825.83	74,825.83
Subtotal General Revenues		7,837,383.55	315,964.69	9,015,982.16	862,633.92
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-7	17,087,016.45		17,516,572.71	429,556.26
Budget Totals		24,924,400.00	315,964.69	26,532,554.87	1,292,190.18
Non-Budget Revenues	A-1,A-8			301,432.44	
		\$ 24,924,400.00	\$ 315,964.69	\$ 26,833,987.31	
	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 SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
	\$	\$	\$	\$	\$	\$	\$
<u>OPERATIONS WITHIN "CAPS"</u>							
<u>General Government:</u>							
Township Council	33,576.00	33,576.00	33,576.00	197.00	10,648.23		
Salaries and Wages	2,475.00	13,267.00	2,421.77				
Other Expenses							
Township Clerk	111,000.00	111,000.00	108,830.79	1,783.10	2,169.21		
Salaries and Wages	12,612.50	12,612.50	6,396.43		4,432.97		
Other Expenses							
Elections	5,000.00	5,000.00	300.00		4,700.00		
Salaries and Wages	5,000.00	5,000.00			5,000.00		
Other Expenses							
<u>Administration:</u>							
Dept. of Administration	178,000.00	148,000.00	136,728.79		11,271.21		
Salaries and Wages	66,675.00	91,675.00	37,158.40	35,286.09	19,230.51		
Other Expenses							
Division of Personnel	50,540.00	51,190.00	51,185.25	1,185.00	4.75		
Salaries and Wages	5,135.00	5,135.00	3,416.90		533.10		
Other Expenses							
Computer Center	150,000.00	135,000.00	32,498.49	70,235.00	32,266.51		
Other Expenses							
Division of Purchasing	16,400.00	16,400.00	14,304.46		2,095.54		
Salaries and Wages							
Other Expenses:							
Postage (All Depts.)	40,000.00	25,000.00	12,381.24	1,035.39	11,583.37		
Duplicating (All Depts.)	8,000.00	8,000.00	2,822.22	127.27	5,050.51		
Miscellaneous Other Expenses	37,620.00	37,620.00	35,339.76	1,001.64	1,278.60		
<u>Municipal Land Use (N.J.S.A. 40:55 D-1):</u>							
Planning Board	3,300.00	3,300.00	2,532.00		768.00		
Salaries and Wages	34,029.00	34,029.00	22,219.71	5,513.52	6,295.77		
Other Expenses							
Zoning Board of Adjustment	3,200.00	3,200.00	2,531.52		668.48		
Salaries and Wages	29,100.00	29,100.00	19,850.89	6,470.11	2,779.00		
Other Expenses							

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
Administration (cont'd):							
Cable TV Studio	93,000.00	93,000.00	91,511.14			1,488.86	
Salaries and Wages	7,355.00	7,355.00	2,510.65	2,948.20		1,896.15	
Other Expenses							
Economic Development							
Other Expenses	15,000.00						
<u>Finance and Revenue</u>							
Department of Finance							
Salaries and Wages	126,250.00	126,250.00	115,409.39			10,840.61	
Other Expenses	12,225.00	27,225.00	9,434.60	16,106.00		1,684.40	
Annual Audit	45,000.00	45,000.00		45,000.00			
Division of Assessment							
Salaries and Wages	72,000.00	72,000.00	71,646.49			353.51	
Other Expenses	93,410.00	128,410.00	96,080.92	31,472.51		856.57	
Division of Revenue							
Salaries and Wages	49,000.00	49,000.00	46,664.96			2,335.04	
Other Expenses	15,350.00	15,350.00	12,393.73	1,522.00		1,434.27	
Insurance							
Liability Insurance	676,500.00	636,308.00	495,761.05			140,546.95	
Worker's Compensation Insurance	5,000.00	5,000.00	5,000.00				
Employee Group Insurance	4,042,998.75	4,005,498.75	2,788,359.62			1,217,139.13	
<u>Municipal Court</u>							
Salaries and Wages	167,155.00	187,155.00	185,258.25			1,896.75	
Other Expenses	15,725.00	15,725.00	5,035.35	197.95		10,491.70	
Public Defender (P.L. 1997, Ch. 256)							
Other Expenses	13,000.00	13,000.00	5,666.64			7,333.36	
<u>Law</u>							
Department of Law							
Other Expenses	225,000.00	225,000.00	143,482.45	55,446.43		26,071.12	
Municipal Prosecutor							
Salaries and Wages	27,000.00	27,000.00	26,524.98			475.02	
<u>PUBLIC SAFETY</u>							
Uniform Fire Safety Act (P.L. 1983 C. 383)							
Salaries and Wages	89,800.00	90,625.00	90,623.24			1.76	
Other Expenses	5,670.00	5,670.00	2,818.28	2,828.49		23.23	
Animal Control							
Salaries and Wages	41,200.00	41,200.00	36,295.83			4,904.17	
Other Expenses	8,750.00	8,750.00	4,302.07	1,878.50		2,569.43	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	FY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
PUBLIC SAFETY (CONTD):							
Division of Schools Crossing Guards							
Salaries and Wages	130,000.00	112,525.00	103,254.65			9,270.35	
Other Expenses	1,764.00	1,764.00	56.20			1,707.80	
Division of Police							
Salaries and Wages	5,098,800.00	5,098,800.00	4,947,731.40			151,068.60	
Other Expenses	256,100.50	256,100.50	56,277.20	177,187.58		22,635.72	
First Aid Organization - Contribution	10,000.00	10,000.00	6,496.00	3,498.00		6.00	
Office of Emergency Management							
Salaries and Wages	35,000.00	17,000.00	16,531.08			468.92	
Other Expenses	4,875.00	4,875.00	256.00			4,619.00	
PUBLIC WORKS:							
Department of Public Works							
Salaries and Wages	93,000.00	93,000.00	87,400.03			5,599.97	
Other Expenses	22,200.00	22,200.00	4,887.27	4,826.66		12,486.07	
Division of Engineering							
Salaries and Wages	185,000.00	185,000.00	164,077.23			20,922.77	
Other Expenses	23,271.00	22,671.00	838.52	2,973.36		18,859.12	
Division of Community Development and Planning							
Salaries and Wages	226,000.00	226,000.00	216,087.02			9,912.98	
Other Expenses	17,795.00	17,795.00	1,065.67			16,729.33	
Public Building and Grounds							
Salaries and Wages	82,050.00	82,050.00	78,313.68			3,736.32	
Other Expenses	131,600.00	131,600.00	52,038.67	50,111.20		29,450.13	
Division of Property Maintenance							
Salaries and Wages	210,758.00	210,758.00	200,212.99			10,545.01	
Other Expenses	232,100.00	232,100.00	114,841.07	105,073.38		12,185.55	
Division of Streets and Road Maintenance							
Salaries and Wages	360,150.00	352,150.00	334,526.75			17,623.25	
Other Expenses	23,500.00	23,500.00	4,643.61	6,032.69		12,823.70	
Snow Removal							
Salaries and Wages	50,000.00	50,000.00				50,000.00	
Other Expenses	148,750.00	148,750.00	6,365.00	67,915.00		74,470.00	
All Utilities	852,900.00	882,900.00	618,592.53	198,519.24		65,788.23	
Division of Parks							
Salaries and Wages	316,000.00	316,000.00	301,169.60			14,830.40	
Other Expenses	103,250.00	103,250.00	55,532.01	28,967.16		18,750.83	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR		EXPENDED		UNEXPENDED BALANCE CANCELLED
			CHARGED	RESERVED	ENCUMBERED	RESERVED	
<u>PUBLIC WORKS(Cont'd):</u>							
Division of Sanitation - Sewer System							
Other Expenses	16,250.00	16,250.00	680.57	15,550.00	19.43		
Solid Waste Collection							
Salaries and Wages	326,150.00	375,150.00	361,183.48	13,966.52	500.00		
Other Expenses	3,550.00	3,550.00		3,050.00			
Recycling Program							
Other Expenses	36,850.00	36,850.00	3,119.50	3,970.00	29,760.50		
<u>HEALTH AND WELFARE:</u>							
Division of Public Assistance							
Salaries and Wages	3,000.00	3,000.00	19.21	2,980.79			
Other Expenses	1,000.00	1,000.00		1,000.00			
Office on Aging							
Salaries and Wages	206,050.00	179,050.00	154,292.63	24,757.37	5,455.01		
Other Expenses	46,484.00	46,484.00	18,318.50	22,710.49			
<u>RECREATION AND EDUCATION</u>							
Department of Recreation							
Salaries and Wages	198,950.00	198,950.00	167,570.30	31,379.70	10,560.21		
Other Expenses	62,293.00	62,293.00	51,654.84	77.95			
Accumulated Leave Compensation	700,000.00	700,000.00	700,000.00				
Reserve for Tax Appeals							
Other Expenses	1,000,000.00	1,000,000.00	1,000,000.00				

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY. 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
<u>Uniform Construction Code</u>							
Division of Inspections	185,000.00	185,000.00	179,553.59			5,446.41	
Salaries and Wages	2,510.00	2,510.00	1,579.93	360.00		570.07	
Other Expenses							
Boards and Commissions	4,300.00	4,300.00	4,260.50			39.50	
Salaries and Wages	13,650.00	13,650.00	10,175.91	115.00		3,359.09	
Other Expenses							
Total Operations Within "CAPS"	18,058,951.75	18,021,451.75	14,782,877.40	972,108.62		2,266,465.73	
Contingent							
Total Operations Including Contingent Within "CAPS"	18,058,951.75	18,021,451.75	14,782,877.40	972,108.62		2,266,465.73	
DETAIL:							
Salaries and Wages	8,776,629.00	8,705,429.00	8,293,811.40			411,617.60	
Other Expenses (Including Contingent)	9,282,322.75	9,316,022.75	6,489,066.00	972,108.62		1,854,848.13	
<u>STATUTORY EXPENDITURES:</u>							
Contribution to:							
Social Security System (O.A.S.I.)	500,000.00	500,000.00	362,026.29			137,973.71	
State Unemployment Insurance	200,000.00	200,000.00	200,000.00				
Defined Contribution Retirement Program	1,885.00	1,885.00	588.12			1,296.88	
Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS"	701,885.00	701,885.00	562,614.41			139,270.59	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,760,836.75	18,723,336.75	15,345,491.81	972,108.62		2,405,736.32	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS"						
911 Emergency Telecommunication Services	296,500.00	296,500.00	283,836.36		12,663.64	
Salaries and Wages	89,977.00	89,977.00	80,780.85	4,366.36	4,829.79	
Other Expenses						
Maintenance of Free Public Library (NJSA 40:54-8)	1,170,080.00	1,170,080.00	1,055,099.60	95,109.34	19,871.06	
NJDES - Storm Water						
Other Expenses	32,000.00	32,000.00	4,815.00	10,184.50	17,000.50	
Supplemental Fire Services District Payment	18,425.00	18,425.00	18,425.00			
MCHA Recycling Program	314,500.00	314,500.00	79,279.85	180,720.15	54,500.00	
MCUA Solid Waste Agreement	160,000.00	160,000.00	44,975.54	84,020.81	31,003.65	
Edison Animal Control Contract	25,000.00	25,000.00	15,391.24	7,666.12	1,942.64	
UMDNJ Agreements	25,800.00	25,800.00	3,842.10	9,528.00	12,429.90	
Middlesex County Health Department	150,000.00	187,500.00	187,500.00			
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Body Armor Fund 2010 Grant		7,359.69	7,359.69			
Bias Prevention & Education Grant		5,000.00	5,000.00			
Community Development Block Grant-2010 Rd.		288,000.00	288,000.00			
Drunk Driving - Over the Limit, Under Arrest	4,400.00	4,400.00	4,400.00			
Edward Byrne Memorial Justice Assistance Grant		10,605.00	10,605.00			
Over the Limit Under Arrest 2010 Holiday Crackdown		5,000.00	5,000.00			
Matching Funds	70,000.00	70,000.00			70,000.00	
Total Operations Excluded from "CAPS"	2,356,682.00	2,710,146.69	2,094,310.23	391,595.28	224,241.18	
DETAIL:						
Salaries and Wages	296,500.00	296,500.00	283,836.36		12,663.64	
Other Expenses	2,060,182.00	2,413,646.69	1,810,473.87	391,595.28	211,577.54	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payment on Improvements	50,000.00	50,000.00	2,400.00		47,600.00	
Down Payment on Improvements: Land Acquisition, Right of Way, For Municipal and Middlesex County	50,000.00	50,000.00	50,000.00			
Interlocal Road and other projects	60,000.00	60,000.00	42,700.00	17,200.00	100.00	
Renovations : Code Enforcement						
Total Capital Improvements Excl. from "CAPS"	160,000.00	160,000.00	95,100.00	17,200.00	47,700.00	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,325,000.00	1,325,000.00	1,325,000.00			
Interest on Bonds	878,506.88	878,506.88	878,506.88			
Total Municipal Debt Service - Excl. from "CAPS"	2,203,506.88	2,203,506.88	2,203,506.88			

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,720,188.88	5,073,653.57	4,392,917.11	408,795.28		271,941.18	
Subtotal General Appropriations	23,481,025.63	23,796,990.32	19,738,408.92	1,380,903.90		2,677,677.50	
Reserve for Uncollected Taxes	1,443,374.37	1,443,374.37	1,443,374.37				
Total General Appropriations	\$ 24,924,400.00	\$ 25,240,364.69	\$ 21,181,783.29	\$ 1,380,903.90	\$ 2,677,677.50	\$	
Adopted Budget	A-2	\$ 24,924,400.00	A-1	A,A-1	A,A-1	A-1	
Approp. by N.J.S.A. 40A:4-87	A-2	315,964.69					
Disbursed		\$ 25,240,364.69					
Reserve for Uncollected Taxes	A-4		\$ 18,418,044.23				
Reserve for Tax Appeals	A-7		1,443,374.37				
Due to State and Federal Grants Fund	A-10		1,000,000.00				
	A-12		320,364.69				
			\$ 21,181,783.29				

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2010</u>
Animal Control Fund:					
Cash and Investments - Treasurer	B-1	\$ 17,648.46	Due to State of New Jersey	B-1	\$ 62.40
Total Animal Control Fund		<u>17,648.46</u>	Reserve for Animal Control Expenditures	B-1	<u>17,586.06</u>
			Total Animal Control Fund		<u>17,648.46</u>
Self-Insurance Trust Fund:					
Cash and Investments - Treasurer	B-1	752,865.82	Self-Insurance Trust Fund:	B-1	752,865.82
Total Trust-Other Fund		<u>752,865.82</u>	Reserve for Self Insurance		
			Total Trust-Other Fund		<u>752,865.82</u>
Other Trust Funds:					
Cash and Investments - Treasurer	B-1	8,905,588.73	Other Trust Funds:	B-1	174,680.75
State and Federal Grants Receivable	B-1	185,180.22	Payroll Liabilities	B-1	183,053.13
Interfund Receivable	B-1	<u>386,745.74</u>	Unemployment Insurance Trust Fund	B-1	150,456.64
Total Escrow Trust Fund		<u>9,477,514.69</u>	Reserve for CDBG	B-1	2,821,454.20
			Miscellaneous Deposits	B-1	1,422,937.59
			Affordable Housing	B-1	83,580.69
			Recreation Trust	B-1	4,641,351.69
			Schedule of Escrows	B-2	
			Total Escrow Trust Fund		<u>9,477,514.69</u>
Public Assistance Fund:					
Cash and Investments - Treasurer	B-1	911.35	Public Assistance Fund:	B-1	911.35
Total Public Assistance Fund		<u>911.35</u>	Reserve for Public Assistance		
			Total Public Assistance Fund		<u>911.35</u>
					<u>\$ 10,248,940.32</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2010</u>
<u>ASSETS</u>		
Cash, Cash Equivalents and Investments	C- 2	\$ 671,638.27
Federal and State Grants Receivable	C- 4	640,200.00
Deferred Charges to Future Taxation:		
Funded	C- 5	45,309,000.00
Unfunded	C- 6	<u>30,932,528.52</u>
		<u>\$ 77,553,366.79</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	C-10	\$ 45,309,000.00
Bond Anticipation Notes	C-16	7,000,000.00
Improvement Authorizations:		
Funded	C- 9	1,352,177.61
Unfunded	C- 9	18,354,071.09
Reserve for Encumbrances	C- 9	3,301,979.23
Capital Improvement Fund	C- 7	57,250.00
Contributions - Off-Site Improvements	C- 8	1,564,510.18
Reserve for Preliminary Expenses	C-12	469,906.90
Contributions - Tree Contributions	C-13	8,308.99
Reserve: Stelton Streetscape	C-14	20,250.00
Reserve: Community Center	C-15	5,000.00
Fund Balance	C- 1	<u>110,912.79</u>
		<u>\$ 77,553,366.79</u>
 Bonds & Notes Authorized but not Issued	 C-17	 <u>\$ 23,932,528.52</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>REF.</u>	
Balance - June 30, 2010		\$ 104,261.79
Increased by:		
Premium on Sale of BAN's	C-2	<u>6,651.00</u>
Balance - December 31, 2010	C	<u>\$ 110,912.79</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2010</u>
Operating Fund:					
Cash and Investments - Treasurer	D-5	\$ 2,377,792.91	Appropriation Reserves	D-4	\$ 381,687.78
Change Fund - Collector	D	100.00	Reserve for Encumbrances	D-4	52,992.06
Due from Sewer Capital Fund	D-23	<u>161,000.00</u>	Accrued Interest Payable	D-13	28,697.40
			Prepaid Sewer Charges	D-14	14,974.59
Receivables and Inventory With		<u>2,538,892.91</u>	Sewer Overpayments	D-15	3,569.42
Offsetting Reserves:			Accounts Payable	D-16	<u>65,395.45</u>
Sewer Charges Receivable	D-8	<u>1,176,022.44</u>			547,316.70
		<u>1,176,022.44</u>	Reserve for Receivables	Reserve	1,176,022.44
			Fund Balance	D-1	<u>1,991,576.21</u>
Total Operating Fund		<u>3,714,915.35</u>	Total Operating Fund		<u>3,714,915.35</u>
Capital Fund:			Capital Fund:		
Cash and Investments - Treasurer	D-5	71,940.59	Serial Bonds Payable	D-25	3,346,000.00
Fixed Capital	D-10	13,107,561.49	Reserve for Encumbrances	D-17	704,714.05
Fixed Capital Authorized and Uncompleted	D-11	<u>7,030,000.00</u>	Due to Sewer Operating Fund	D-24	161,000.00
			Improvement Authorizations:		
Total Capital Fund		<u>20,209,502.08</u>	Funded	D-17	230,341.64
			Unfunded	D-17	2,445,521.49
			Capital Improvement Fund	D-20	28,750.00
			Reserve for Amortization	D-21	12,889,561.49
			Deferred Reserve for Amortization	D-18	323,500.00
			Fund Balance	D-2	<u>80,113.41</u>
			Total Capital Fund		<u>20,209,502.08</u>
		<u>\$ 23,924,417.43</u>			<u>\$ 23,924,417.43</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2010 in the amount of \$3,578,500.00 (Exhibit D-26).

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

<u>REVENUE AND OTHER INCOME</u>		<u>TY 2010</u>
Sewer Charges	D- 3	\$ 3,514,476.02
Connection Fees	D- 3	486,770.00
Interest on Investments	D- 3	639.05
Interest on Delinquent Accounts	D- 3	32,185.81
Other Credits to Income:		
Miscellaneous Revenue	D- 3	160.00
Unexpend. Balance of Appropriation Reserves		
Lapsed and Reserve for Encumb. Canceled	D-12	<u>357,319.97</u>
 Total Revenues		 <u>4,391,550.85</u>
 <u>EXPENDITURES</u>		
Budget and Emergency Appropriations:		
Operating	D- 4	\$ 3,457,075.00
Capital Improvements	D- 4	25,000.00
Debt Service	D- 4	126,375.00
Deferred Charges and Statutory Expend.	D- 4	<u>115,000.00</u>
 Total Expenditures		 <u>3,723,450.00</u>
 Excess/(Deficit) in Revenues		 668,100.85
 <u>FUND BALANCE</u>		
Balance - July 1		<u>1,323,475.36</u>
Balance - Dec. 31	D	<u>\$ 1,991,576.21</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 SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>REF</u>	
Balance June 30, 2010		\$ 80,113.41
Balance December 31, 2010	D	<u>\$ 80,113.41</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 SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>REF.</u>	<u>TY 2010 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Sewer Service Charges	D- 1	\$ 3,680,000.00	\$ 3,514,476.02	\$ (165,523.98)
Sewer Connection Fees & Permits	D- 1	30,000.00	486,770.00	456,770.00
Miscellaneous	D- 1	13,950.00	639.05	(13,310.95)
Interest on Delinquencies	D- 1	<u> </u>	<u>32,185.81</u>	<u>32,185.81</u>
		<u>\$ 3,723,950.00</u>	<u>\$ 4,034,070.88</u>	<u>\$ 310,120.88</u>

Ref. D- 4

Analysis of Realized Revenues:

Sewer Service Charges:		
Prepays Applied	D-14	\$ 218,278.49
Overpayments Applied	D-15	6,937.99
Collected	D- 8	<u>3,289,259.54</u>
	D- 1	<u>\$ 3,514,476.02</u>
Connection Fees:		
Received by Collector		<u>\$ 486,770.00</u>
	D-1,D-6	<u>\$ 486,770.00</u>
Interest on Delinquent Accounts:		
Collected		<u>\$ 32,185.81</u>
	D-1,D-6	<u>\$ 32,185.81</u>
Interest on Investments:		
Collected	D-5	<u>\$ 639.05</u>
	D-1	<u>\$ 639.05</u>
Miscellaneous Revenue:		
Received by Collector	D-6	<u>\$ 160.00</u>
	D-1	<u>\$ 160.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED			
Operating:							
Salaries and Wages	\$ 649,349.00	\$ 649,349.00	\$ 568,395.65	\$ 52,992.06	\$ 80,953.35	\$	
Other Expenses	507,726.00	507,726.00	226,234.88		228,499.06		
Middlesex County Utilities Authority Service Charges - Contractual	2,300,000.00	2,300,000.00	2,300,000.00				
Capital Improvements:							
Down Payments on Improvements	25,000.00	25,000.00	25,000.00				
Debt Service:							
Payment on Bond Principle	60,000.00	60,000.00	60,000.00			500.00	
Interest on Bonds	66,875.00	66,875.00	66,375.00				
Deferred Charges and Statutory Expenditures:							
Statutory Expenditures:							
Social Security System (O.A.S.I.)	115,000.00	115,000.00	42,764.63		72,235.37		
Total Sewer Utility Appropriations	\$ 3,723,950.00	\$ 3,723,950.00	\$ 3,288,770.16	\$ 52,992.06	\$ 381,687.78	\$ 500.00	
Ref.	D-3	D-3	D-1	D,D-1	D,D-1	D,D-1	
Cash Disbursements			\$ 2,909,930.53				
Due to Current Fund			312,464.63				
Accrued Interest			66,375.00				
			\$ 3,288,770.16				

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SENIOR CITIZENS HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2010</u>
Operating Fund:					
Cash and Investments - Treasurer	E- 5	\$ 783,570.87	Operating Fund:	E-4	\$ 228,066.21
			Appropriation Reserves	E-4	67,206.22
			Reserve for Encumbrances	E- 7	109,201.69
		<u>783,570.87</u>	Accounts Payable	E- 8	22,241.25
			Accrued Interest on Bonds	E- 9	<u>112,703.05</u>
			Security Deposits		
			Fund Balance	E- 1	539,418.42
					<u>244,152.45</u>
					<u>783,570.87</u>
			Total Operating Fund		
Capital Fund:					
Cash and Investments - Treasurer	E- 5	99,769.77	Serial Bonds Payable	E-12	1,290,000.00
Fixed Capital	E-15	10,351,052.26	Improvement Authorizations:		
Fixed Capital Authorized and Uncompleted	E-16	<u>1,483,000.00</u>	Funded	E-11	19,631.05
			Unfunded	E-11	195,873.60
			Reserve for:		
			Encumbrances	E-11	828,051.63
		<u>11,933,822.03</u>	Capital Improvement Fund	E-13	54,035.75
			Amortization	E-10	9,061,052.26
			Deferred Amortization	E-14	483,000.00
			Fund Balance	E- 2	<u>2,177.74</u>
			Total Capital Fund		<u>11,933,822.03</u>
					<u>\$ 12,717,392.90</u>

There were Bonds and Notes Authorized but Not Issued on December 31, 2010 in the amount of \$1,000,000.00 (Exhibit E-17).

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E-1

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

<u>REVENUE AND OTHER INCOME</u>	<u>TY 2010</u>
Fund Balance Utilized	E- 3 \$ 250,498.00
Rental Income	E- 3 664,055.14
Interest on Investments	E- 3 353.12
Other Credits to Income:	
Non-Budget Revenue	E- 3 7,299.01
Unexpend. Balance of Appropriation Reserves Lapsed	E- 7 <u>219,889.87</u>
 Total Revenues	 <u>1,142,095.14</u>
 <u>EXPENDITURES</u>	
Budget and Emergency Appropriations:	
Operating	E- 4 \$ 520,057.00
Capital Improvements	E- 4 225,514.00
Debt Service	E- 4 160,305.00
Deferred Charges and Statutory Expend.	E- 4 <u>2,500.00</u>
 Total Expenditures	 <u>908,376.00</u>
 Excess/(Deficit) in Revenues	 233,719.14
 <u>FUND BALANCE</u>	
Balance - July 1	<u>260,931.31</u>
	494,650.45
Decreased by:	
Utilized as Anticipated Revenue	E- 1 <u>250,498.00</u>
Balance - December 31	E <u><u>244,152.45</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>REF.</u>	
Balance - June 30, 2010		\$ 2,177.74
Balance - December 31, 2010	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 SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>REF.</u>	TY 2010 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance	E-1	\$ 250,498.00	\$ 250,498.00	\$
Rental Income	E-1,E-3	659,828.00	664,055.14	4,227.14
Interest on Investments	E-1,E-3	<u> </u>	<u>353.12</u>	<u>353.12</u>
		<u>910,326.00</u>	<u>914,906.26</u>	<u>4,580.26</u>
Non-Budget Revenues	E-1,E-3	<u> </u>	<u>7,299.01</u>	<u>7,299.01</u>
		<u>\$ 910,326.00</u>	<u>\$ 922,205.27</u>	<u>\$ 11,879.27</u>

Ref. E-4

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income		\$ 653,431.14
Surcharge for Utilities:		
Aircondition Surcharge		<u>10,624.00</u>
	E-3,E-5	<u>\$ 664,055.14</u>

Analysis of Non-Budget Revenues:

Room Rental		\$ 3,000.00
Laundromat Income		4,034.01
Miscellaneous		200.00
Replacement Key		25.00
Return Check Fees		<u>40.00</u>
	E-3,E-5	<u>\$ 7,299.01</u>

Analysis of Interest on Investments:

Senior Citizen Operating Fund	E-5	<u>353.12</u>
	E-3	<u>\$ 353.12</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 SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	TY 2010 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 34,600.00	\$ 34,600.00	\$ 34,600.00	\$	\$	
Other Expenses	485,457.00	485,457.00	371,659.57	63,251.22	50,546.21	
Debt Service:						
Payment on Bond Principle	130,000.00	130,000.00	130,000.00			1,950.00
Interest on Bonds	32,255.00	32,255.00	30,305.00			
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	2,500.00	2,500.00	2,500.00			
Capital Improvements:						
Capital Improvement Fund	208,014.00	208,014.00	26,539.00	3,955.00	177,520.00	
Down Payments on Improvements	17,500.00	17,500.00	17,500.00			
Total Senior Citizen Housing Appropriations	\$ 910,326.00	\$ 910,326.00	\$ 613,103.57	\$ 67,206.22	\$ 228,066.21	\$ 1,950.00
Cash Disbursements			\$ 582,798.57			
Accrued Interest on Bonds			30,305.00			
			\$ 613,103.57			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS
 REGULATORY BASIS
DECEMBER 31, 2010

	BALANCE <u>DEC. 31, 2010</u>
Governmental Fixed Assets:	
Land	\$ 23,686,300.00
Buildings and Improvements	16,850,200.00
Machinery and Equipments	18,314,582.00

Total Governmental Fixed Assets	<u>\$ 58,851,082.00</u>
Investment in Governmental Fixed Assets	<u>\$ 58,851,082.00</u>

Notes: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

Note 1: FORM OF GOVERNMENT

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Change in Reporting Period

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

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

C. Description of Funds

The accounting policies of the Township of Piscataway conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Piscataway accounts for its financial transactions through the following separate funds:

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

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

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

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

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2010 is set forth in Note 7.

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

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

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

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. 59, "Financial Instruments Omnibus" in June 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" in November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2010

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 - SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	<u>TY 2010</u>
<u>Issued:</u>	
General:	
Bonds and Notes	\$ 52,309,000.00
Sewer Utility:	
Bonds and Notes	3,346,000.00
Senior Citizens Housing Utility:	
Bonds and Notes	<u>1,290,000.00</u>
Net Debt Issued	<u>\$ 56,945,000.00</u>
 <u>Authorized But Not Issued:</u>	
General:	
Bonds and Notes	23,932,528.52
Sewer Utility:	
Bonds and Notes	3,578,500.00
Senior Citizens Housing Utility:	
Bonds and Notes	<u>1,000,000.00</u>
Total Authorized But Not Issued	<u>28,511,028.52</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 <u><u>\$ 85,456,028.52</u></u>

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2010

	<u>TY 2010</u>
<u>General Debt:</u>	
\$6,165,000, General Improvement Bonds of 2000, due in annual installments of \$540,000 to \$750,000 through April 1, 2011, interest at 4.375% to 4.500%	\$ 540,000.00
\$5,765,000 General Improvement Bonds of 2001, due in annual installments of \$250,000 to \$500,000 through October 15, 2016, interest at 3.500% to 4.375%	2,815,000.00
\$7,520,000 General Improvement Bonds of 2002, due in annual installments of \$400,000 to \$700,000 through February 2017, interest at 4.0% to 4.5%.	4,220,000.00

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD)

B. Summary of Statutory Debt Condition - Annual Debt Statement 2010

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>2010</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 33,247,000.00	\$ 33,247,000.00	-
Sewer Utility Debt	6,924,500.00	6,924,500.00	-
Senior Citizen Housing Utility Debt	2,290,000.00	2,290,000.00	-
General Debt	<u>76,241,528.52</u>		<u>76,241,528.52</u>
	<u>\$ 118,703,028.52</u>	<u>\$ 42,461,500.00</u>	<u>\$ 76,241,528.52</u>

Net Debt \$76,241,528.52 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$6,757,136,548.33 = 1.13%.

Average Equalized Valuation Basis

2008 Equalized Value of Real Property	\$6,949,837,391.00
2009 Equalized Value of Real Property	6,716,129,329.00
2010 Equalized Value of Real Property	<u>6,605,442,925.00</u>
Average Equalized Valuation	<u>\$6,757,136,548.33</u>

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

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

2010

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$922,205.27
-------------------------------------------------------------	--------------

Deductions:	
Operating and Maintenance Cost	522,557.00
Debt Service per Housing Account	<u>160,305.00</u>

Total Deductions	<u>682,862.00</u>
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Excess/(Deficit) in Revenues	<u><u>\$239,343.27</u></u>
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Calculation of "Self-Liquidating Purpose"
Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)

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

Excess in Revenues - Cash Basis (E-1)	\$233,719.14
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Add: Capital Improvement	<u>225,514.00</u>
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459,233.14

Less: Reserves Lapsed/Accounts Payable Canceled	<u>219,889.87</u>
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Excess in Revenue per Debt Statement	<u><u>\$239,343.27</u></u>
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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

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes remain delinquent on or after April 1 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality, even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14. The statutory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

Note 10: DEPOSITS AND INVESTMENTS

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

Deposits

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

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

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

At December 31, 2010, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2010</u>
Cash (Demand Accts.)	\$33,675,475.48
Investments (CD's)	367,025.41
NJ Cash Management Fund	749,517.71
Change Funds (On-Hand)	<u>635.00</u>
Total	<u>\$34,792,653.60</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of the Township's deposits was \$34,042,500.89 and the bank balance was \$34,592,979.86. Of the bank balance, \$756,899.13 was covered by Federal depository insurance and \$33,836,080.73 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, 2010, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Note 11: PENSION AND RETIREMENT PLANS

Employees of the Township of Piscataway are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen’s Retirement System (PFRS). The Division of Pensions in the Department of the Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plans are not available. The contributions in TY 2010 were \$389,330.52 for PERS and \$510,349.11 for PFRS, respectively, which represents contributions from the employees that are remitted on a quarterly basis. For TY 2010, the Township did not contribute any amounts for PERS or for PFRS.

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

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

The Township of Piscataway provides its retirees with health benefits, which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. In order to receive fully paid health benefits, retirees must have been enrolled in the Public Employees Retirement Fund for 25 years. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are approximately 201 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 \$1,376,712 and \$3,011,233 for TY2010 and SFY 2010 respectively.

The contribution requirements of plan members and the participating agencies are established and may be amended by the MCJHIF Commissioners. The Township’s annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township’s annual OPEB cost for the year, any amounts contributed to the plan and the Township’s net OPEB obligation. For 2008, the Township’s annual OPEB cost (expense) of \$6,493,300 was equal to the ARC.

	<u>Total</u>
Net OPEB obligation – beginning of year	\$0
Annual required contribution (ARC)	6,493,300
Less: Contributions	<u>1,795,900</u>
Net OPEB obligation – end of year	<u>\$4,697,400</u>

At December 31, 2010, the Fund reported for all years combined, total assets of \$14,901,504, liabilities and reserves of \$13,516,911, which includes case reserves of \$9,473,332 and IBNR of \$2,991,335 and a fund balance for all years of \$1,384,593.

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:

	<u>Estimated Reserve Requirement For Reported Claims</u>	<u>Cash Reserves</u>
<u>TY 2010</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	<u>\$901,058.08</u>	<u>\$752,865.82</u>
<u>SFY 2010</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	<u>\$883,255.29</u>	<u>\$697,987.77</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, 2010 and June 30, 2010:

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

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

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

Note 14: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2010 and June 30, 2010 it is estimated that the current cost of such unpaid sick pay would approximate \$5,325,659 and \$4,828,282. These amounts represent the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP.

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

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

Note 15: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2010, the Township does not believe that any material liabilities will result from such audits.

The Township has various payables in the Current Fund in the amount of \$922,174.08 as of December 31, 2010 and \$321,681.49 as of June 30, 2010, to meet the expected obligations as they become due, presently these amounts were provided for in the budget years prior to the year TY 2010. The Township operated on a "pay as you go" basis for amounts due to employees upon retirement.

As at December 31, 2010 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.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

PART II - SUPPLEMENTARY DATA AND SCHEDULES
SUPPLEMENTAL FINANCIAL STATEMENTS
SUPPLEMENTARY DATA
GENERAL COMMENTS AND RECOMMENDATIONS

CURRENT FUND

SCHEDULE OF CASH

	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Cash Balance June 30, 2010.....	\$ 18,205,658.27	\$ 505,789.32
Increased by Cash Receipts		
Collector	69,685,252.98	
Due from State of NJ - Ch. 20	374,355.86	
Revenue Accounts Receivable	7,368,990.75	
Miscell. Revenue Not Anticipated	301,432.44	
Various Payables	59,759.60	
Various Reserves	96,474.52	
Interfunds Receivable	6,078,031.56	
Interfunds Payable	2,486,622.96	
Federal and State Grants Receivable		169,648.85
Interfunds Advanced		190,666.69
Federal and State Grants Unappropriated		<u>300.00</u>
Total Cash Receipts.....	<u>86,450,920.67</u>	<u>360,615.54</u>
Decreased by Disbursements	104,656,578.94	866,404.86
TY 2010 Appropriations	18,418,044.23	
SFY 2010 Approp. Reserves	1,254,583.32	
Various Payables	113,960.81	
Various Reserves	333,902.80	
Interfunds Receivable	4,676,234.45	
Interfunds Payable	5,682,045.95	
County Tax	10,118,514.50	
Fire District Tax	1,728,654.50	
Local School District Tax	40,282,098.00	
Tax Overpayments	1,366,208.22	
Federal and State Grants Appropriated		<u>438,445.19</u>
Total Cash Disbursements.....	<u>83,974,246.78</u>	<u>438,445.19</u>
Cash Balance December 31, 2010.....	\$ 20,682,332.16	\$ 427,959.67

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

Ref.

Increased by Receipts:

Interest and Cost on Taxes	A-2	105,902.34
Taxes Receivable - Current Year	A-7	67,255,309.99
Taxes Receivable - Delinquent	A-7	494,825.83
Taxes Receivable -Prepaid Taxes	A-7	509,526.51
Tax Overpayment	A-14	<u>1,319,688.31</u>

\$ 69,685,252.98

Decreased by:

Deposited to Treasurer	A-4	
------------------------	-----	--

\$ 69,685,252.98

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Ref.	Total	2011 Prepaid	TY 10 Current	SFY 10 Delinquent	SFY 09 Arrears	Tax Liens	Property Acquired for Taxes
Balance 6/30/10.....	\$	4,137,718.49	(568,939.61)		1,677,846.80	28,378.44	407,532.86	2,592,900.00
Billings / Levy:								
Original Levy.....	A-7	69,426,763.90		69,426,763.90				
Added & Omitted.....	A-7	323,041.95		323,041.95				
Added Taxes.....		670,117.54		670,117.54				
Canceled Taxes.....		(883,349.92)			(882,850.59)		(499.33)	
Transfers								
Tax Lien.....		-						
Arrears.....		-						
Revenue								
Sr.Citizens & Vets.....				(39,819.02)				
Original Levy.....	A-6	(369,750.00)						
Allowed/Disallowed.....	A-6	(8,465.74)						
Cash Receipts.....	A-5	(67,255,309.99)						
Prepaid Applied.....	A-7	568,939.61						
Tax Overpayments.....	A-14	-						
Balance 12/31/10.....	\$	5,036,413.89	(509,526.51)	2,177,639.03	-	328,548.82	446,852.55	2,592,900.00

	Ref.							
Analysis of TY 2010 Property Tax Levy:								
Tax Yield:								
General Purpose Tax.....		\$	69,426,763.90	Ref. A-13	\$	40,282,098.00	Ref. A-6	\$
Added Taxes.....		323,041.95	County Tax	A-13	9,753,175.24	Cash Receipts	A-7	67,824,249.60
			County Open Space	A-13	317,676.41	Overpayments Applied		0.00
			Due County - Added & Omitted	A-13	47,662.85	Subtotal	A-1	68,202,465.34
			Special District Taxes	A-13	1,728,654.50	Res. For Uncoll. Tax	A-3	1,443,374.37
						Allocated to School, County and Special District	A-13	(52,129,267.00)
						Delinquent Tax Levied	A-2	533,522.40
Delinquent Taxes Realized:								
SFY 10 Collections.....	A-1, A-2	\$	494,825.83		\$	69,749,805.85		\$

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
<u>General Government</u>					
Township Council	\$ 3,323.28	\$	3,323.28	-	3,323.28
Other Expenses					
Township Clerk	3,235.73		3,235.73	3,235.73	-
Salaries and Wages	9,533.78	537.16	10,070.94	3,423.11	6,647.83
Other Expenses					
Elections	4,471.59		4,471.59	1,100.00	3,371.59
Salaries and Wages	4,085.66		4,085.66	60.96	4,024.70
Other Expenses					
<u>Administration</u>					
Department of Administration					
Salaries and Wages	5,566.32		5,566.32	5,566.32	-
Other Expenses	17,710.85	3,203.68	20,914.53	3,188.96	17,725.57
Division of Personnel					
Other Expenses	4,371.20	2,468.05	6,839.25	2,468.05	4,371.20
Computer Center					
Other Expenses	59,564.85	126,074.19	155,639.04	40,043.19	115,595.85
Division of Purchasing					
Salaries and Wages	1,734.08		1,734.08	1,011.71	722.37
Other Expenses:					
Postage (All Departments)	69,333.73	5,277.48	74,611.21	5,541.72	69,069.49
Duplicating (All Departments)	13,390.05	238.50	13,628.55	238.50	13,390.05
Miscellaneous Other Expenses		7,064.72	7,064.72	1,059.84	6,004.88
Municipal Land Use (N.J.S.A. 40:55 D-1):					
Planning Board	8,330.39	9,730.00	18,060.39	9,630.95	8,429.44
Other Expenses					
Zoning Board	8,622.32	7,313.46	15,935.78	7,527.38	8,408.40
Other Expenses					

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Cable TV Studio	3,275.87		3,275.87	3,275.87	-
Salaries and Wages	3,467.48	7,451.45	10,918.93	4,268.98	6,649.95
Other Expenses					
Economic Development	29,920.00		29,920.00	-	29,920.00
Other Expenses					
Finance and Revenue					
Department of Finance					
Salaries and Wages	27,929.87		27,929.87	8,070.32	19,859.55
Other Expenses	13,069.72	205.02	13,274.74	749.99	12,524.75
Annual Audit		64,000.00	64,000.00	64,000.00	-
Division of Assessment					
Salaries and Wages	17,591.47		17,591.47	2,719.00	14,872.47
Other Expenses	76,319.40	64,170.95	125,617.88	64,819.73	60,798.15
Division of Revenue					
Salaries and Wages	6,210.31		6,210.31	3,640.96	2,569.35
Other Expenses	12,371.71	178.31	12,550.02	1,327.28	11,222.74
Insurance					
Liability Insurance	180,049.50	750.00	180,799.50	7,790.94	173,008.56
Employee Group Insurance	826,670.49	138.00	826,808.49	138.00	826,670.49
Municipal Court					
Salaries and Wages	40,431.42		40,431.42	5,409.10	35,022.32
Other Expenses	3,442.68	123.90	3,566.58	123.90	3,442.68
Public Defender (P.L. 1997, Ch. 256)					
Other Expenses	25,282.00		25,282.00	-	25,282.00
Law					
Department of Law					
Other Expenses	11,870.75	17,226.05	59,096.80	54,193.51	4,903.29
Public Safety					
Uniform Fire Safety Act					
Salaries and Wages	134.16		134.16	134.16	-
Other Expenses	66.09	3,460.00	3,526.09	3,332.70	193.39
Animal Control					
Other Expense	1,755.00		1,755.00	-	1,755.00

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Schools Crossing Guards					
Salaries and Wages	28,330.54		270.60	270.60	0.00
Other Expenses	5.68		5.68	-	5.68
Division of Police					
Salaries and Wages	169,625.40		109,625.40	108,825.25	800.15
Other Expenses	51,899.89	44,051.48	95,951.37	43,511.48	52,439.89
Division of Emergency Management Services					
Other Expenses	13,545.51	1,562.89	15,108.40	1,562.89	13,545.51
<u>Public Works</u>					
Department of Public Works					
Salaries and Wages	2,040.93		2,040.93	2,040.93	-
Other Expenses	21,784.42	5,551.96	27,336.38	5,551.11	21,785.27
Division of Engineering					
Salaries and Wages	16,775.79		12,465.88	12,465.88	-
Other Expenses	16,164.73	21,726.46	37,891.19	22,026.46	15,864.73
Division of Community Development and Planning					
Salaries and Wages	12,002.95		12,002.95	10,204.81	1,798.14
Other Expenses	25,902.43	5,355.00	31,257.43	5,162.65	26,094.78
Public Buildings and Grounds					
Salaries and Wages	15,170.52		15,170.52	2,790.74	12,379.78
Other Expenses	4,297.77	53,252.26	57,550.03	57,240.87	309.16
Division of Property Maintenance					
Salaries and Wages	33,942.55		33,942.55	9,298.10	24,644.45
Other Expenses	25,951.44	146,685.16	172,636.60	85,217.20	87,419.40
Division of Streets					
Salaries and Wages	12,678.81		12,678.81	12,678.81	-
Other Expenses	46,386.42	20,817.93	67,204.35	16,915.25	50,289.10
Snow Removal					
Other Expenses		86,869.67	86,869.67	59,301.97	27,567.70
All Utilities					
Division of Parks					
Salaries and Wages	820,718.03	210,919.41	1,031,637.44	296,653.64	734,983.80
Other Expenses	26,454.49		26,454.49	11,415.63	15,038.86
Salaries and Wages	30,971.32	45,617.84	76,589.16	45,090.87	31,498.29

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>Operations Within "CAPS" (Cont'd)</u>					
Division of Sanitation - Sewer System					
Other Expenses	9,840.31	1,017.90	10,858.21	1,017.90	9,840.31
Solid Waste Collection					
Salaries and Wages	13,212.30		13,212.30	13,020.75	191.55
Other Expenses	5,185.88	1,234.12	6,420.00	1,234.12	5,185.88
Recycling Program					
Other Expenses	12,183.95	3,699.75	15,883.70	3,799.75	12,083.95
Municipal Services Act	27,000.00		27,000.00	26,959.26	40.74
<u>Health and Welfare</u>					
Department of Health					
Salaries and Wages	590.66		590.66	590.60	0.06
Other Expenses	3,397.64	2,085.00	5,482.64	120.00	5,362.64
Division of Public Assistance					
Salaries and Wages	2,340.99		2,340.99	19.21	2,321.78
Other Expenses	1,800.00		1,800.00	-	1,800.00
Office on Aging					
Salaries and Wages	40,572.58		40,572.58	7,408.64	33,163.94
Other Expenses	15,130.15	24,587.54	39,717.69	25,951.29	13,766.40
Aid to American Cancer Society	450.00		450.00	-	450.00
Aid to Heart Fund	450.00		450.00	-	450.00
<u>Recreation and Education</u>					
Department of Recreation					
Salaries and Wages	9,247.68		9,247.68	9,247.68	-
Other Expenses	41,389.60	26,688.62	68,078.22	26,982.32	41,095.90

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Uniform Construction Code					
Division of Inspections	39,967.94		39,967.94	8,809.75	31,158.19
Salaries and Wages	1,626.44	320.56	1,947.00	-	1,947.00
Other Expenses					
Boards and Commissions	13,054.54	3,847.85	16,902.39	3,248.29	13,654.10
Other Expenses					
Severance Liability			107,242.32	107,242.32	-
Total Operations Within "CAPS"	3,105,222.03	1,025,502.32	4,130,724.35	1,351,967.88	2,778,756.47
Total Operation Including Contingent	3,105,222.03	1,025,502.32	4,130,724.35	1,351,967.88	2,778,756.47
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System	153,253.19		153,253.19	-	153,253.19
Defined Contribution Retirement Program	3,024.06		3,024.06	-	3,024.06
Total Deferred Charges and Statutory Expenditures Within "CAPS"	156,277.25	-	156,277.25	-	156,277.25
Total General Appropriations Within "CAPS"	3,261,499.28	1,025,502.32	4,287,001.60	1,351,967.88	2,935,033.72

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - SFY 2010
FOR THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010

	BALANCE JUNE 30, 2010	ENCUMBERED JUNE 30, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	5,459.94	101,268.91	106,728.85	105,699.03	1,029.82
9-1-1 Emergency Telecommunications Services	49,244.39		49,244.39	9,846.91	39,397.48
Salaries and Wages	46,007.09	3,048.15	49,055.24	3,015.00	46,040.24
Other Expenses					
NJDES - Storm Water	11,527.92	107,692.58	119,220.50	107,692.58	11,527.92
Other Expenses		118,332.26	118,332.26	118,332.26	-
MCI/A Recycling Program		156,711.20	156,711.20	81,736.46	74,974.74
MCI/A Solid Waste Agreement		3,692.00	3,692.00	3,692.00	-
Edison Animal Control Contract	28,846.00		28,846.00	-	28,846.00
Middlesex County Nursing Services		93,750.00	93,750.00	93,750.00	-
UMDNJ Agreements					
Middlesex County Health Department					
Public and Private Programs Offset by Revenues					
Matching Fund for Grants	53,853.25		53,853.25	-	53,853.25
Total Operations - Excluded from "CAPS"	194,938.59	584,495.10	779,433.69	523,764.24	255,669.45
<u>Capital Improvements - Excluded from "CAPS"</u>					
Land Acquisition	66,455.00	33,545.00	100,000.00	33,545.00	66,455.00
4-Wheel Vehicles for Code Enforcement	30,000.00		30,000.00	-	30,000.00
Total Capital Improvements - Excluded from Caps	96,455.00	33,545.00	130,000.00	33,545.00	96,455.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	291,393.59	618,040.10	909,433.69	557,309.24	352,124.45
Total General Appropriations	\$ 3,552,892.87	\$ 1,643,542.42	\$ 5,196,435.29	\$ 1,909,277.12	\$ 3,287,158.17
REF					A-1
Cash Disbursed				\$ 1,254,583.32	
Transfer to Accounts Payable				654,693.80	
				\$ 1,909,277.12	

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	June 30, 2010	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2010
Accounts Payable:						
Vendor Accounts Payable.....	\$ 183,845.49		\$	(22,467.81)	\$ 654,693.80	\$ 816,071.48
State of New Jersey 3rd Party Fees	137,836.00		59,759.60	(91,493.00)		106,102.60
Subtotal	321,681.49	-	59,759.60	(113,960.81)	654,693.80	922,174.08
Reserve for:						
Demolition	7,084.73					7,084.73
Fire Districts	1,012.98					1,012.98
Library State Aid	46,785.00		23,955.00	(46,785.00)		23,955.00
Lien Redemption	91,721.19		64,148.52	(149,628.34)		6,241.37
PCTV	32,816.00	(7,000.00)	8,371.00			34,187.00
Sale of Municipal Assets	173,605.48					173,605.48
Tax Appeals Pending	1,769,527.21	1,000,000.00		(94,243.72)		2,675,283.49
Third Party Inspections	215,367.71			(43,245.74)		172,121.97
Subtotal	2,337,920.30	993,000.00	96,474.52	(333,902.80)	-	3,093,492.02
Total.....	\$ 2,659,601.79	\$ 993,000.00	\$ 156,234.12	\$ (447,863.61)	\$ 654,693.80	\$ 4,015,666.10

Ref.

A

A-9

A-4

A-4

A-2,A-3

CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE

	June 30, 2010	Cash Receipts	Cash Disbursements	Dec. 31, 2010
Interfunds				
Due from General Capital Fund.....	\$ 1,401,897.31	\$ (6,078,031.56)	\$ 4,676,134.25	-
Due from Grant Fund			100.20	100.20
Total.....	\$ 1,401,897.31	\$ (6,078,031.56)	\$ 4,676,234.45	\$ 100.20
	<u>Ref.</u>	A-4	A-4	A

CURRENT FUND
STATEMENT OF INTERFUNDS PAYABLE

Interfunds	June 30, 2010	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Dec. 31, 2010
Due from/(to) Other Trust Fund.....	\$ (1,923,308.32)	\$ (1,334,476.21)	\$ 2,871,038.79			(386,745.74)
Sewer Operating Fund.....	(1,468,571.42)	(1,152,146.75)	2,620,718.17			-
Due (to)/from Grant Fund	(190,288.99)		190,288.99	(320,364.69)	320,364.69	-
Total.....	\$ (3,582,168.73)	\$ (2,486,622.96)	\$ 5,682,045.95	\$ (320,364.69)	\$ 320,364.69	\$ (386,745.74)

Ref.

A

A-3, A-10

A-2

A-4

A-4

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	June 30, 2010	Taxes Levied	Cash Disbursements	Dec. 31, 2010
County - General.....	-	\$ 9,753,175.24	\$ (9,753,175.24)	-
County - Open Space.....	-	317,676.41	(317,676.41)	-
County - Added & Omitted.....	-	47,662.85	(47,662.85)	-
Local School District Taxes.....	-	40,282,098.00	(40,282,098.00)	-
Fire District Taxes.....	-	1,728,654.50	(1,728,654.50)	-
Total.....	-	\$ 52,129,267.00	\$ (52,129,267.00)	-
<u>Ref.</u>		A-1,A-7	A-4	A

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

BUDGET YEAR	GRANTS	BALANCE JUNE 30, 2010	TY 2010 BUDGET REVENUE REALIZED	COLLECTED	TRANSFERRED FROM UNAPPROP GRANTS	BALANCE DEC. 31, 2010
SFY 2002	Hazardous Discharge Grant	\$ 80,974.65	\$		\$	80,974.65
SFY 2004	DCA Smart Growth	60,000.00				60,000.00
	NJDOT - Metlars House Project	2,253.50				2,253.50
SFY 2007	Municipal Stormwater Grant	10,310.00				10,310.00
SFY 2008	Comprehensive Stationhouse Adjustment Program (COMSHAP)	5,482.19				5,482.19
	2007 Middlesex County Open Space & Recreation Pedestrian/Bicycle Grant	20,000.00				20,000.00
	Municipal Alliance on Alcoholism and Drug Abuse	2,709.91		2,709.91		-
	NJ DOT - Carlton Avenue	62,500.00				62,500.00
SFY 2009	COPS in Shop Grant	3,200.00		3,200.00		-
	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	21,000.00				21,000.00
	COPS in Shop Grant	3,200.00				3,200.00
	Drunk Driving - Over the Limit, Under Arrest	5,000.00		4,400.00		600.00
	Edward Byrne Memorial Justice Assistance Grant	10,605.00				10,605.00
	Justice Assistance Grant: Program II Additional	11,535.00		11,535.00		-
	Municipal Alliance on Alcoholism and Drug Abuse	44,587.00		31,056.80		13,530.20
	Safe and Secure Communities Program	60,000.00		60,000.00		-
	USDOE - Energy Efficiency & Conversation Block Grant	498,390.99		21,708.27		476,682.72
	Justice Assistance Grant	47,564.00		27,679.18		19,884.82
TY 2010	Body Armor Grant		7,359.69	7,359.69		-
	Drunk Driving - Over the Limit, Under Arrest		9,400.00			9,400.00
	Justice Assistance Grant		10,605.00			10,605.00
	Community Development Block Grant		288,000.00			288,000.00
	American Library Association		5,000.00		5,000.00	-
	Bias Prevention and Education Grant		5,000.00			5,000.00
		\$ 1,104,672.24	\$325,364.69	\$169,648.85	\$5,000.00	\$1,255,388.08

Ref.

A-16

A-4

A-18

A

GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/ PAYABLE

	June 30, 2010	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2010
Interfunds					
Other Trust Fund	\$ 277.50			\$ (277.50)	\$ -
Current Fund Due (to)/from	190,288.99	\$ (325,364.69)	\$ 325,364.69	(190,389.19)	(100.20)
Total.....	<u>\$ 190,566.49</u>	<u>\$ (325,364.69)</u>	<u>\$ 325,364.69</u>	<u>\$ (190,666.69)</u>	<u>\$ (100.20)</u>
	<u>Ref.</u>	A-15	A-17	A-4	A

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

BUDGET YEAR/PROGRAM	BALANCE JUNE 30, 2010	ENC JUNE 30 2010	TOTAL TRANSFERRED FROM FY 2010 BUDGET	PAID OR CHARGED	ENC DEC. 31 2010	BALANCE DEC. 31 2010
SFY 2002						
Hazardous Discharge Grant	\$ 31,516.34		\$		\$	\$ 31,516.34
SFY 2003						
History Grant	2,997.19					2,997.19
SFY 2004						
NJDOT: Metlars House Project	7,264.40	43,887.10			43,887.10	7,264.40
SFY 2007						
Domestic Violence Training Program	2,092.43					2,092.43
Durham Park Bike Path	20,000.00					20,000.00
Federal Emergency Management Assistance	1,445.75					1,445.75
Municipal Stormwater Grant	8,238.00					8,238.00
Municipal TDM Award	3,000.00					3,000.00
SFY 2008						
Body Armor Replacement Fund	1,586.21					1,586.21
Clean Communities Program		2,675.00			2,675.00	
Comprehensive Stationhouse Adjustment Program (COMSHAP)	172.19	2,650.00		2,650.00		172.19
Justice Assistance Grant	11.69	982.64		982.64		11.69
Middlesex County Open Space & Recreation						
Pedestrian/Bicycle Grant	25,282.40					25,282.40
Pedestrian Safety Grant	9.00					9.00
Recycling Enhancement Grant	132.38					132.38
Recycling Tonnage Grant	274.31			921.90	976.92	274.31

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

BUDGET YEAR/PROGRAM	BALANCE JUNE 30, 2010	ENC JUNE 30 2010	TOTAL TRANSFERRED FROM TY 2010 BUDGET	PAID OR CHARGED	ENC DEC. 31 2010	BALANCE DEC. 31 2010
SFY 2009						
Alcohol Education Rehab Program	1,268.47					1,268.47
Body Armor Replacement Grant	1,861.67	650.00			650.00	1,861.67
Clean Communities Grant	90,502.25	5,144.72		46,699.90	21,958.90	26,988.17
Drunk Driving Enforcement Fund	4,212.76					4,212.76
Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program	13,512.15	1,600.00		1,600.00		13,512.15
NJ DOT - Safe Routes to School Program	30,000.00					30,000.00
NJ DOT - William Street	500,000.00					500,000.00
Recycling Tonnage Grant	55,719.86			3,600.00	22,000.00	30,119.86
SFY 2010						
Alcohol Education Rehab Program	3,066.66					3,066.66
Body Armor Replacement Grant	2,697.61			2,697.61		
Bullet Proof Vest	7,800.00			7,280.59	519.41	
Clean Communities Program	79,371.28			12,568.00	25,900.00	40,903.28
Comprehensive Stationhouse Adjustment Program (COMSHAP)	18,150.00			1,760.00	4,800.00	11,590.00
Drunk Driving Enforcement Grant	17,317.91			3,685.61	224.95	13,407.35
FEMA - OEM - 2008	5,000.00					5,000.00
FEMA - OEM - 2009	10,000.00					10,000.00
Justice Assistance Grant: Program II Additional	22,407.82	8,082.00		12,691.00	6,055.50	11,743.32
Middlesex County Cultural and Heritage Library	300.00	150.00		450.00		
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	12,000.00			11,596.58		403.42
Municipal Alliance on Alcoholism and Drug Abuse	15,016.94	14.50				15,031.44
PARIS Grant	34,485.51			8,750.19		25,735.32
Recycling Tonnage Grant	145,189.10					145,189.10
USDOE - Energy Efficiency & Conversation Block Grant	137,449.00	410,941.99		304,623.97	113,287.80	130,479.22
TY 2010						
Drunk Driving - Over the Limit, Under Arrest			9,400.00	8,050.00		1,350.00
Justice Assistance Grant			10,605.00			10,605.00
Community Development Block Grant			288,000.00			288,000.00
Bias Prevention and Education Grant			5,000.00	4,095.00		905.00
American Library Association			5,000.00	3,066.20	1,933.80	
Body Armor Grant			7,359.69	676.00	28.94	6,654.75
	\$ 1,311,351.28	\$ 478,676.77	\$ 325,364.69	\$ 438,445.19	\$ 256,898.32	\$ 1,420,049.23
			A-16	A-4	A	A

Ref.

SCHEDULE OF STATE AND FEDERAL GRANTS
 UNAPPROPRIATED
GRANT FUND

<u>GRANT</u>	<u>BALANCE JUNE 30, 2010</u>	<u>RECEIVED IN CASH</u>	<u>TRANSFERRED TO TY 2010 BUDGET AS REVENUE</u>	<u>BALANCE DEC. 31, 2010</u>
Multi-Jurisdictional Grant	\$ 6,000.00	\$	\$	\$ 6,000.00
American Library Association	5,000.00		5,000.00	
Middlesex County Cultural Heritage		300.00		300.00
	<u>\$ 11,000.00</u>	<u>\$ 300.00</u>	<u>\$ 5,000.00</u>	<u>\$ 6,300.00</u>
<u>Ref.</u>		A-4	A-15	A

TRUST FUND

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2010	Cash		Balance Dec. 31, 2010
		Receipts	Disbursements	
Animal Control:				
Due from Trust Fund.....	(207.80)	207.80		-
Due NJ - State License Fees.....	109.20	366.00	(412.80)	62.40
Animal Control Reserves.....	21,995.28	2,970.00	(7,379.22)	17,586.06
Total	21,896.68	3,543.80	(7,792.02)	17,648.46
Self Insurance Trust Fund				
Reserve for Self Insurance.....	697,987.77	135,417.56	(80,539.51)	752,865.82
Total	697,987.77	135,417.56	(80,539.51)	752,865.82
Other Trust Funds:				
State and Federal Grants Receivable.....	(202,835.22)	17,655.00		(185,180.22)
Due to/(from) Current Fund.....	(1,923,308.32)	1,923,308.32	(386,745.74)	(386,745.74)
Due to Grant Fund	277.50		(277.50)	-
Due to Animal Control Fund.....	207.80		(207.80)	-
Due to Sewer Utility Operating Fund	15,379.62		(15,379.62)	-
Payroll Liabilities.....	160,736.09	15,927,919.04	(15,913,974.38)	174,680.75
Prepaid Payroll Expenditures.....	(489,190.40)	489,190.40		-
Unemployment Trust Fund.....	54,676.46	200,000.00	(71,623.33)	183,053.13
Reserve for CDBG.....	168,111.64	150,456.64	(168,111.64)	150,456.64
Reserve for Affordable Housing	1,845,575.83	45,319.76	(467,958.00)	1,422,937.59
Miscellaneous Deposits.....	2,643,358.79	1,712,558.74	(1,534,463.33)	2,821,454.20
Recreation Trust	100,439.29	2,595.00	(19,453.60)	83,580.69
Schedule of Escrows	4,315,167.79	690,625.94	(364,442.04)	4,641,351.69
Total	6,688,596.87	21,159,628.84	(18,942,636.98)	8,905,588.73
Public Assistance Trust Fund:				
Reserve for Public Assistance.....	911.35			911.35
Total	911.35	-	-	911.35
Total	\$ 7,409,392.67	\$ 21,298,590.20	\$ (19,030,968.51)	\$ 9,677,014.36

Ref.

B

Reserve for Animal Control
License Fees Collected:

Year	
2009	\$ 25,829.80
2010	27,134.20
	<u>\$ 52,964.00</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

Purpose	Balance		Increases	Decreases	Balance	
	June 30, 2010				Dec. 31, 2010	
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 796,452.36	\$	125,595.16	\$ 74,815.16	\$	847,232.36
2. CB Engineering & Inspections Fees (under \$5,000)	150,753.88		344.44	8,931.96		142,166.36
3. Performance Bonds (over \$10,000)	222,771.75					222,771.75
4. CB Planning Board (over \$5,000)	220,806.75		66,762.50	35,167.32		252,401.93
5. CB Planning Board (under \$5,000)	364,547.88		14,078.13	35,811.46		342,814.55
6. CB Developers Interest	39,896.54		3,449.90	41,010.96		2,335.48
7. CB Performance (under \$5,000)	215,197.33		2,826.25	19,126.20		198,897.38
8. CB Developers	2,304,741.30		477,569.56	149,578.98		2,632,731.88
	<u>\$ 4,315,167.79</u>	<u>\$</u>	<u>690,625.94</u>	<u>\$ 364,442.04</u>	<u>\$</u>	<u>4,641,351.69</u>

Ref.

B-1

B-1

B

GENERAL CAPITAL FUND

SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - June 30, 2010			\$ 2,508.86
Increased by Receipts:			
Premium on Sale of BAN's	C- 1	6,651.00	
Capital Improvement Fund	C- 7	50,000.00	
Contributions - Off-Site Improvements	C- 8	598,032.67	
Due to Current Fund	C-11	4,676,134.25	
Developer's Tree Contribution	C-13	7,200.00	
Bond Anticipation Notes	C-16	<u>7,000,000.00</u>	
			<u>12,338,017.92</u>
			12,340,526.78
Decreased by Disbursements:			
Contributions - Off-Site Improvements	C- 8	2,500.00	
Improvement Authorizations	C- 9	5,564,356.95	
Due to Current Fund	C-11	6,078,031.56	
Preliminary Expenses	C-12	<u>24,000.00</u>	
			<u>11,668,888.51</u>
Balance - December 31, 2010	C		<u>\$ 671,638.27</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance - June 30, 2010		\$ 46,634,000.00
Decreased by:		
2010 Budget Approp. to Pay Bonds	C-10	<u>1,325,000.00</u>
Balance - December 31, 2010	C	<u>\$ 45,309,000.00</u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE	TY 2010	BALANCE	BOND	ANALYSIS OF BALANCE	
		JUNE 30, 2010	AUTHORIZATION	DEC. 31, 2010	ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
04-52	Various Capital Improvements	\$89,725.00		\$89,725.00		\$78,914.25	\$10,810.75
05-11	Various Capital Projects	213,470.00		213,470.00			213,470.00
05-41	Various Capital Improvements	395,975.00		395,975.00			395,975.00
06-04	Various Capital Improvements	50,500.00		50,500.00		-	50,500.00
06-26	William Street Improvements	204,000.00		204,000.00			204,000.00
06-36	Various Capital Improvements	3,639,000.00		3,639,000.00		224,757.74	3,414,242.26
06-48	Various Capital Improvements	547,000.00		547,000.00		12,380.96	534,619.04
07-02	Various Capital Improvements	275,000.00		275,000.00			275,000.00
07-33	Various Capital Improvements	2,115,000.00		2,115,000.00		856,192.86	1,258,807.14
09-04	Various Capital Improvements	3,853,200.00		3,853,200.00		2,973,344.01	879,855.99
09-40	Various Capital Improvements	3,756,050.00		3,756,050.00		2,034,623.97	1,721,426.03
10-01	Various Improvements	5,357,500.00		5,357,500.00		533,691.75	4,823,808.25
10-02	Tax Appeal Refunding	2,614,504.00		2,614,504.00		2,614,504.00	
10-24	Tax Appeal Refunding		7,821,604.52	7,821,604.52	\$ 7,000,000.00		821,604.52
		<u>\$23,110,924.00</u>	<u>\$7,821,604.52</u>	<u>\$30,932,528.52</u>	<u>\$7,000,000.00</u>	<u>\$9,328,409.54</u>	<u>\$14,604,118.98</u>

Ref.

C-9

C

Unexpended Balances of Unfunded Improv. Authors.
 Less: Unexpended Proceeds of Bond Anticipation Notes

Ord 10-24	\$3,749,952.11	\$18,354,071.09
	<u>3,749,952.11</u>	<u>\$14,604,118.98</u>

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DEC. 31, 2010	INTEREST RATE	BALANCE JUNE 30, 2010	DECREASED	BALANCE DEC. 31, 2010
General Improvements	04/01/98	\$ 6,165,000.00	\$540,000.00	4.500%	\$ 540,000.00		\$ 540,000.00
General Improvement Bonds	10/15/11	5,765,000.00	425,000.00	4.000%	3,240,000.00	425,000.00	2,815,000.00
	10/15/12		500,000.00	4.000%			
	10/15/13		500,000.00	4.125%			
	10/15/14-15		500,000.00	4.250%			
	10/14/16		390,000.00	4.500%			
General Improvement Bonds	02/01/11	7,520,000.00	500,000.00	4.125%	4,220,000.00		4,220,000.00
	02/01/12		500,000.00	4.200%			
	02/01/13		600,000.00	4.200%			
	02/01/14		600,000.00	4.250%			
	02/01/15		700,000.00	4.300%			
	02/01/16		700,000.00	4.400%			
	02/01/17		620,000.00	4.500%			
General Improvement Bonds	03/01/11	9,659,000.00	700,000.00	3.250%	6,059,000.00		6,059,000.00
	3/1/12-13		800,000.00	3.250%			
	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	1,100,000.00	5.000%	13,900,000.00	900,000.00	13,000,000.00
	11/01/12		1,300,000.00	3.750%			
	11/01/13-14		1,400,000.00	3.500%			
	11/01/15		1,500,000.00	3.500%			
	11/01/16		1,500,000.00	3.625%			
	11/01/17-19		1,600,000.00	3.750%			
General Improvement Bonds	03/15/09	17,710,000.00	1,000,000.00	3.000%	16,710,000.00		16,710,000.00
	03/15/12		1,200,000.00	3.000%			
	03/15/13		1,300,000.00	3.000%			
	03/15/14		1,400,000.00	3.000%			
	03/15/15		1,450,000.00	3.250%			
	03/15/16		1,500,000.00	3.250%			
	03/15/17		1,600,000.00	4.000%			
	03/15/18		1,700,000.00	4.000%			
	03/15/19		1,700,000.00	5.000%			
	03/15/20		1,900,000.00	4.000%			
	03/15/21		1,960,000.00	4.000%			
Tax Appeals	03/15/09	2,290,000.00	325,000.00	3.000%	1,965,000.00		1,965,000.00
	03/15/15		325,000.00	3.250%			
	03/15/16		340,000.00	3.250%			
					\$ 46,634,000.00	\$ 1,325,000.00	\$ 45,309,000.00

SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance June 30, 2010		\$ 493,906.90
Decreased by:		
Cash Disbursed	C- 2	<u>24,000.00</u>
Balance December 31, 2010	C	<u>\$ 469,906.90</u>

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance - June 30, 2010		\$ 1,108.99
Increased by:		
Cash Received	C- 2	<u>7,200.00</u>
Balance December 31, 2010	C	<u>\$ 8,308.99</u>

SCHEDULE OF BOND ANTICIPATION NOTES

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

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE JUNE 30, 2010	2010 AUTHORIZATIONS	BONDS ISSUED	BALANCE DEC. 31, 2010
	<u>General Improvements</u>				
04-52,05-40	Various Capital Improvements	\$ 89,725.00	\$		\$ 89,725.00
05-11	Various Capital Improvements	213,470.00			213,470.00
05-41, 06-14	Various Capital Improvements	395,975.00			395,975.00
06-04	Various Capital Improvements	50,500.00			50,500.00
06-26	William Street Improvements	204,000.00			204,000.00
06-36	Various Capital Improvements	3,639,000.00			3,639,000.00
06-48	Various Capital Improvements	547,000.00			547,000.00
07-02	Various Capital Improvements	275,000.00			275,000.00
07-33	Various Capital Improvements	2,115,000.00			2,115,000.00
09-04	Various Capital Improvements	3,853,200.00			3,853,200.00
09-40	Various Capital Improvements	3,756,050.00			3,756,050.00
10-01	Various Improvements	5,357,500.00			5,357,500.00
10-02	Tax Appeal Refunding	2,614,504.00			2,614,504.00
10-24	Tax Appeal Refunding		7,821,604.52	7,000,000.00	821,604.52
		\$ 23,110,924.00	\$ 7,821,604.52	\$ 7,000,000.00	\$ 23,932,528.52

Ref.

C

SEWER UTILITY FUND

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS
TREASURER

	REF.	OPERATING FUND	CAPITAL FUND
Balance - June 30, 2010		\$ 472,737.88	\$ 177,048.33
Increased by Receipts:			
Interest on Investments	D-3	639.05	
Collector	D-6	3,833,857.35	
Due from Current Fund	D-19	2,308,253.54	
Capital Improvement Fund	D-20		25,000.00
Due from Payroll Fund	D-22	15,379.62	
		6,158,129.56	25,000.00
		6,630,867.44	202,048.33
Decreased by Disbursements:			
TY 2010 Budget	D-4	2,909,930.53	
Appropriation Reserves	D-12	124,122.25	
Accrued Interest	D-13	66,875.00	
Improvement Authorizations	D-17		130,107.74
Due from Current Fund	D-19	1,152,146.75	
		4,253,074.53	130,107.74
Balance - December 31, 2010	D	\$ 2,377,792.91	\$ 71,940.59

ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS

	BALANCE JUNE 30, <u>2010</u>	BALANCE DEC. 31, <u>2010</u>
Fund Balance	\$ 80,113.41	\$ 80,113.41
Capital Improvement Fund	3,750.00	28,750.00
Due (from)/to Sewer Operating Fund	161,000.00	161,000.00
Reserve for Encumbrances	221,495.78	704,714.05
Improvement Authorizations Funded	405,056.25	240,209.24
Improvement Authorizations Unfunded	2,884,132.89	2,435,653.89
Bonds and Notes Authorized Not Issued	<u>(3,578,500.00)</u>	<u>(3,578,500.00)</u>
	<u>\$ 177,048.33</u>	<u>\$ 71,940.59</u>

Ref.

D

SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND

<u>ORD</u> <u>NO.</u>	BALANCE JUNE 30 <u>2010</u>	BALANCE DEC. 31 <u>2010</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	-	-
89-52 Road Sanitary Sewer	600,000.00	600,000.00
03-40 Various Sewer Improvements	400,000.00	400,000.00
04-10 Various Sewer Projects	495,000.00	495,000.00
	<u>\$ 13,107,561.49</u>	<u>\$ 13,107,561.49</u>

REF.

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE JUNE 30, 2010	BALANCE DEC. 31, 2010
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
				<u>\$ 7,030,000.00</u>	<u>\$ 7,030,000.00</u>

Ref. D

SCHEDULE OF SFY 2010 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	APPROPRIATION RESERVES	BALANCE JUNE 30, 2010	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
Operations:						
Salaries and Wages	\$ 25,304.59	\$	\$	25,304.59	\$ 15,379.62	\$ 9,924.97
Other Expenses	112,164.69		58,583.61	170,748.30	62,670.66	108,077.64
Middlesex County Utilities Authority						
Service Charges - Contractual	340,298.78			340,298.78	100,981.42	239,317.36
Total Operations	\$ 477,768.06	\$	58,583.61	\$ 536,351.67	\$ 179,031.70	\$ 357,319.97

REF.

D-1

Disbursed		\$ 124,122.25
Transfer to Accounts Payable		54,909.45
		<u>\$ 179,031.70</u>

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

	<u>REF.</u>	
Balance - June 30, 2010		\$ 29,197.40
Increased by:		
Accrued Interest Charged to:		
TY 2010 Budget Appropriations	D-4	<u>66,375.00</u>
		95,572.40
Decreased by:		
Payment	D-5	<u>66,875.00</u>
Balance - December 31, 2010	D	<u>\$ 28,697.40</u>

Analysis of Balance - December 31, 2010:

	<u>Principal Outstanding 12/31/10</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	30,000.00	3.250%	09/01/10	12/31/10	4 mos.	\$ 325.00
	30,000.00	3.250%	09/01/10	12/31/10	4 mos.	325.00
	30,000.00	3.250%	09/01/10	12/31/10	4 mos.	325.00
	30,000.00	3.375%	09/01/10	12/31/10	4 mos.	337.50
	30,000.00	3.500%	09/01/10	12/31/10	4 mos.	350.00
	40,000.00	3.625%	09/01/10	12/31/10	4 mos.	483.33
	40,000.00	3.750%	09/01/10	12/31/10	4 mos.	500.00
	60,000.00	5.000%	11/01/10	12/31/10	2 mos	500.00
	66,000.00	3.750%	11/01/10	12/31/10	2 mos	412.50
	70,000.00	3.500%	11/01/10	12/31/10	2 mos	408.33
	70,000.00	3.500%	11/01/10	12/31/10	2 mos	408.33
	70,000.00	3.500%	11/01/10	12/31/10	2 mos	408.33
	70,000.00	3.625%	11/01/10	12/31/10	2 mos	422.92
	80,000.00	3.750%	11/01/10	12/31/10	2 mos	500.00
	80,000.00	3.750%	11/01/10	12/31/10	2 mos	500.00
	80,000.00	3.750%	11/01/10	12/31/10	2 mos	500.00
	80,000.00	4.000%	11/01/10	12/31/10	2 mos	533.33
	90,000.00	4.000%	11/01/10	12/31/10	2 mos	600.00
	90,000.00	4.000%	11/01/10	12/31/10	2 mos	600.00
	90,000.00	4.000%	11/01/10	12/31/10	2 mos	600.00
	100,000.00	4.000%	11/01/10	12/31/10	2 mos	666.67
	100,000.00	4.000%	11/01/10	12/31/10	2 mos	666.67
	100,000.00	4.000%	11/01/10	12/31/10	2 mos	666.67
	100,000.00	4.125%	11/01/10	12/31/10	2 mos	687.50
	110,000.00	4.125%	11/01/10	12/31/10	2 mos	756.25
	110,000.00	4.125%	11/01/10	12/31/10	2 mos	756.25
	110,000.00	4.125%	11/01/10	12/31/10	2 mos	756.25
	120,000.00	4.125%	11/01/10	12/31/10	2 mos	825.00
	120,000.00	4.250%	11/01/10	12/31/10	2 mos	850.00

SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - June 30, 2010		\$ 218,278.49
Increased by:		
Collections	D- 6	14,974.59
		233,253.08
Decreased by:		
Prepays Applied	D-3,D-8	218,278.49
Balance - December 31, 2010	D	\$ 14,974.59

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D- 6	\$ 10,507.41
Decreased by:		
Applied to Sewer Charges Receivable	D-3,D-8	6,937.99
Balance - June 30, 2010	D	\$ 3,569.42

SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - June 30, 2010		\$ 10,486.00
Increased by:		
Transferred from Appropriation Reserves	D-12	54,909.45
Balance - December 31, 2010	D	\$ 65,395.45

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE - JUNE 30, 2010		PAID OR CHARGED	ENCUMBRANCES PAYABLE JUNE 30, 2010	ENCUMBRANCES PAYABLE DEC. 31, 2010	BALANCE - DEC. 31, 2010	
				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	57,019.18	500.00	41,651.34	24,159.47	25,199.74	14,327.57	500.00
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	103,116.77	845,000.00				103,116.77	845,000.00
06-05	Various Sewer Projects	01/03/06	1,400,000.00	223,378.80			2,314.18		112,605.80	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00		876,693.37		139,251.57	113,087.18		876,693.37
07-34	Acquisition of Various Equipment	12/18/07	770,000.00		48,488.06					48,488.06
09-05	Various Sewer Improvements	02/17/09	945,000.00		709,701.46		55,770.56	121,749.56		643,722.46
10-13	Acquisition of Various Vehicles	04/27/10	425,000.00	21,250.00	403,750.00	88,456.40		305,426.00		31,117.60
				\$ 405,056.25	\$ 2,884,132.89	\$ 130,107.74	\$ 221,495.78	\$ 704,714.05	\$ 230,341.64	\$ 2,445,521.49

Ref.

D-5 D D D D

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	BALANCE	
			JUNE 30, 2010	DEC. 31, 2010
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
			\$ 323,500.00	\$ 323,500.00

Ref.

D

SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - June 30, 2010		\$ 12,829,561.49
Increased by:		
Serial Bonds	D- 25	60,000.00
Balance - December 31, 2010	D	\$ 12,889,561.49

SCHEDULE OF DUE FROM PAYROLL FUND
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - June 30, 2010		\$ 15,379.62
Decreased by:		
Cash Receipts	D- 5	\$ 15,379.62

SCHEDULE OF GENERAL SERIAL BONDS

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2010		INTEREST RATE	BALANCE JUNE 30, 2010	DECREASE	BALANCE DEC. 31, 2010
			DATE	AMOUNT				
Sewer Improvements	03/01/04	\$ 380,000.00	3/1/2011-2013	\$ 30,000.00	3.250%			
			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%	\$ 230,000.00		\$ 230,000.00
Sewer Improvements	11/01/07	2,146,000.00	11/01/11	60,000.00	5.000%			
			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%			2,026,000.00
Sewer Improvements	03/15/09	1,200,000.00	03/15/11	50,000.00	3.000%			
			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%			1,150,000.00
						\$ 3,406,000.00	\$ 60,000.00	\$ 3,346,000.00

Ref.

D

D-21

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION
05-10	Various Sewer Projects
05-42	Freedom Avenue Improvements
06-49	Various Sewer Projects
07-34	Acquisition of Various Equipment
09-05	Various Sewer Improvements
10-13	Acquisition of Various Vehicles

Exhibit D-26

BALANCE JUNE 30, 2010	BALANCE DEC. 31, 2010
\$ 500.00	\$ 500.00
845,000.00	845,000.00
1,300,000.00	1,300,000.00
131,500.00	131,500.00
897,750.00	897,750.00
403,750.00	403,750.00
\$ 3,578,500.00	\$ 3,578,500.00

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 - June 30, 2010		\$ 828,104.29	\$ 92,596.99
Increased by Receipts:			
Rental Income	E-3	664,055.14	
Interest on Investments	E-3	353.12	
Miscellaneous Revenues	E-3	7,299.01	
Security Deposits	E-9	12,968.53	
Capital Improvement Fund	E-13		<u>17,500.00</u>
		<u>684,675.80</u>	<u>17,500.00</u>
		1,512,780.09	110,096.99
Decreased by Disbursements:			
Budget Appropriations	E-4	582,798.57	
Appropriation Reserves	E-7	95,553.37	
Accounts Payable	E-7	8,236.00	
Accrued Interest	E-8	32,255.00	
Security Deposits	E-9	10,366.28	
Improvement Authorizations	E-11		<u>10,327.22</u>
		<u>729,209.22</u>	<u>10,327.22</u>
Balance - December 31, 2010	E	<u>\$ 783,570.87</u>	<u>\$ 99,769.77</u>

ANALYSIS OF SENIOR HOUSING UTILITY CAPITAL CASH AND INVESTMENTS

Fund Balance Capital Improvement Fund Reserve for Encumbrance Payable	BALANCE JUNE 30, 2010	RECEIPTS MISCEL- LANEOUS	DISB. MISCELLA- NEOUS	TRANSFERS		BALANCE DEC. 31, 2010
				FROM	TO	
	\$ 2,177.74					\$ 2,177.74
	36,535.75	17,500.00				54,035.75
	34,252.45			34,252.45	828,051.63	828,051.63
<u>ORD. IMPROVEMENT NO. AUTHORIZATION</u>						
06-50 Various Capital Projects	10,198.90			5,000.00	5,000.00	10,198.90
07-33 Various Capital Projects	9,432.15			29,252.45	29,252.45	9,432.15
10-14 S.H Building Improvements			10,327.22	793,799.18		(804,126.40)
	<u>\$ 92,596.99</u>	<u>\$ 17,500.00</u>	<u>\$ 10,327.22</u>	<u>\$ 862,304.08</u>	<u>\$ 862,304.08</u>	<u>\$ 99,769.77</u>

Ref.

E-13

E-11

E-11

E-11

E

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

	<u>BALANCE</u> JUNE 30, 2010	<u>BALANCE</u> AFTER TRANSFERS	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCED</u> <u>LAPSED</u>
	<u>APPROPRIATION</u> <u>RESERVES</u>	<u>RESERVE FOR</u> <u>ENCUMBRANCES</u>		
Operations:				
Other Expenses	\$ 60,566.38	\$ 112,540.95	\$ 114,162.46	\$ 58,944.87
Capital Improvements:				
Capital Improvement Fund	<u>160,945.00</u>	<u>90,592.60</u>	<u>90,592.60</u>	<u>160,945.00</u>
	<u>\$ 221,511.38</u>	<u>\$ 203,133.55</u>	<u>\$ 204,755.06</u>	<u>\$ 219,889.87</u>
				E-1
Cash Disbursements			\$ 95,553.37	
Accounts Payable			<u>109,201.69</u>	
			<u>\$ 204,755.06</u>	
<u>Accounts Payable Analysis</u>				
Balance June 30, 2010			\$ 8,236.00	
Transfer from Appropriation Reserves			109,201.69	
Cash Disbursements			<u>8,236.00</u>	
Balance December 31, 2010			<u>\$ 109,201.69</u>	

REF.

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

	<u>REF.</u>	
Balance - June 30, 2010		\$ 24,191.25
Increased by:		
Interest on Bonds	E-4	<u>30,305.00</u>
		54,496.25
Decreased by:		
Disbursed	E-5	<u>32,255.00</u>
Balance - December 31, 2010	E	<u><u>\$ 22,241.25</u></u>

Analysis of Balance - December 31, 2010:

<u>Principal</u> <u>Outstanding</u> <u>December 31, 2010</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 125,000.00	4.000%	08/16/10	12/31/10	4 1/2 mos.	\$ 1,875.00
• 125,000.00	4.100%	08/16/10	12/31/10	4 1/2 mos.	1,921.88
120,000.00	4.200%	08/16/10	12/31/10	4 1/2 mos.	1,890.00
145,000.00	4.300%	08/16/10	12/31/10	4 1/2 mos.	2,338.13
140,000.00	4.400%	08/16/10	12/31/10	4 1/2 mos.	2,310.00
<u>635,000.00</u>	5.000%	08/16/10	12/31/10	4 1/2 mos.	<u>11,906.25</u>
 <u>\$ 1,290,000.00</u>					 <u><u>\$ 22,241.25</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE JUNE 30, 2010		ENCUMB 06/30/10	PAID OR CHARGED	ENCUMB 12/31/10	BALANCE DECEMBER 31, 2010	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 10,198.90		\$ 5,000.00	\$ 5,000.00	\$ 10,198.90		
07-35	Various Capital Projects	12/18/07	353,000.00	9,432.15		29,252.45	29,252.45	9,432.15		
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00		1,000,000.00		793,799.18			\$ 195,873.60
				\$ 19,631.05	\$ 1,000,000.00	\$ 34,252.45	\$ 828,051.63	\$ 19,631.05	\$ 195,873.60	

Ref.

E-5

E

E

SCHEDULE OF GENERAL SERIAL BONDS

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2010</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2010</u>
Senior Citizen Housing Utility Refunding Bonds 2002	08/01/02	\$ 2,204,500.00	08/15/11	4.00%	\$ 1,420,000.00	\$ 130,000.00	\$ 1,290,000.00
			08/15/12	4.10%			
			08/15/13	4.20%			
			08/15/14	4.30%			
			08/15/15	4.40%			
			08/15/16	5.00%			
			08/15/17	5.00%			
			08/15/18	5.00%			
			08/15/19	5.00%			
					<u>\$ 1,420,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 1,290,000.00</u>

Ref.

E-10

E

SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

<u>ORD NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE JUNE 30, 2010</u>	<u>BALANCE DEC. 31, 2010</u>
89-58	Design and Construction of a Senior Citizen Complex	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51	Replacement of Trunk Line	144,000.00	144,000.00	144,000.00
05-43	Various Capital Improvements	80,000.00	80,000.00	80,000.00
06-22	HVAC System	28,800.00	28,800.00	28,800.00
			<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>

REF. E

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

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE JUNE 30, 2010</u>	<u>BALANCE DEC. 31, 2010</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	1,000,000.00	1,000,000.00
				<u>\$ 1,483,000.00</u>	<u>\$ 1,483,000.00</u>

REF. E

SUPPLEMENTARY DATA

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET
FOR THE SIX MONTH TRANSITION YEAR ENDING DECEMBER 31, 2010

	ASSETS					MEMORANDUM ONLY TOTALS		
	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	DEC. 31, 2010	JUNE 30, 2010
Cash and Investments	\$ 21,110,826.83	\$ 9,677,014.36	\$ 671,638.27	\$ 2,449,833.50	\$ 883,340.64	\$	\$ 34,792,653.60	\$ 27,694,471.61
Accounts Receivable								
State and Federal Grants Receivable	1,255,388.08	185,180.22	640,200.00				2,080,768.30	1,955,707.46
Due from State of New Jersey	158,766.86						158,766.86	154,906.98
Taxes, Assessments, Liens & Utility Charges	2,953,040.40			1,176,022.44			2,953,040.40	2,113,758.10
Sewer Charges Receivable				161,000.00			1,176,022.44	851,986.24
Interfund Loans	100.20	386,745.74					547,845.94	5,160,930.96
Other Accounts Receivable	56,703.20						56,703.20	91,110.09
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00	2,592,900.00
Prepaid Expenditures								489,190.40
Fixed Assets - General						58,851,082.00	58,851,082.00	58,645,066.00
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				7,030,000.00	1,483,000.00		8,513,000.00	8,513,000.00
Deferred Charges to Future Taxation:								
General Capital Fund			76,241,528.52				76,241,528.52	69,744,924.00
	\$ 28,127,725.57	\$ 10,248,940.32	\$ 77,553,366.79	\$ 23,924,417.43	\$ 12,717,392.90	\$ 58,851,082.00	\$ 211,422,925.01	\$ 201,466,565.59
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds and Notes Payable								
Prepaid Taxes, Assessments, Utility Charges and Licenses	509,526.51			14,974.59				787,218.10
Tax, Assessment, Lien, License and Utility Charge Overpayments	14,241.21			3,569.42			17,810.63	60,761.12
Appropriation Reserves	2,677,677.50			381,687.78	228,066.21		3,287,431.49	4,252,172.31
Reserves for Encumbrances/Accounts Payable	2,559,976.30	174,743.15	3,301,979.23	823,101.56	1,004,459.54		7,864,259.78	6,691,367.79
Other Liabilities				28,697.40	22,241.25		50,938.65	52,951.15
Amounts Pledged to Specific Purposes	4,519,841.25	5,432,845.48	2,125,226.07	28,750.00	166,738.80		12,273,401.60	10,848,207.94
Interfund Loans	386,845.94			161,000.00			547,845.94	5,160,930.96
Investments in General Fixed Assets						58,851,082.00	58,851,082.00	58,645,066.00
Escrow Funds		4,641,351.69	19,706,248.70	2,675,863.13	215,504.65		4,641,351.69	4,315,167.79
Improvement Authorization							22,597,616.48	21,509,366.12
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				13,213,061.49	9,544,052.26		22,757,113.75	22,567,113.75
Reserve for Certain Assets Acquired or Receivables & Inventories	5,602,743.80			1,176,022.44			6,778,766.24	7,051,651.74
Fund Balance	11,856,873.06		110,912.79	2,071,689.62	246,330.19		14,285,805.66	8,064,590.82
	\$ 28,127,725.57	\$ 10,248,940.32	\$ 77,553,366.79	\$ 23,924,417.43	\$ 12,717,392.90	\$ 58,851,082.00	\$ 211,422,925.01	\$ 201,466,565.59

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	TRANSITION YEAR 2010		STATE FISCAL YEAR 2010	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 718,898.55	0.88	\$ 4,054,233.19	2.53
Miscellaneous - From Other than Local Property Tax Levies	12,792,645.50	15.56	19,225,183.47	12.00
Collection of Delinquent Taxes and Tax Title Liens	494,825.83	0.60	2,370,382.57	1.48
Collections of Current Tax Levy	68,202,465.34	82.96	134,585,095.95	83.99
Total Income	\$ 82,208,835.22	100.00	\$ 160,234,895.18	100.00
<u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	\$ 23,796,990.32	31.34	\$ 50,065,622.47	32.36
Special District Taxes	1,728,654.50	2.28	3,092,993.50	2.00
County Taxes	10,118,514.50	13.33	21,214,595.48	13.71
Local School Taxes	40,282,098.00	53.05	79,028,217.00	51.07
Other Expenditures	1,328,362.68	0.86	1,328,362.68	0.86
Total Expenditures	75,926,257.32	100.00	154,729,791.13	100.00
Excess in Revenue	6,282,577.90		5,505,104.05	
Fund Balance - Beginning	6,293,193.71		4,842,322.85	
	12,575,771.61		10,347,426.90	
Less: Util. as Anticipated Revenue	718,898.55		4,054,233.19	
Fund Balance - Ending	\$ 11,856,873.06		\$ 6,293,193.71	

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	TRANSITION YEAR 2010		STATE FISCAL YEAR 2010	
	AMOUNT	%	AMOUNT	%
Fund Balance	\$ 250,498.00	21.93	\$ 397,162.74	22.09
Rental Income	664,055.14	58.15	1,254,312.90	69.76
Miscellaneous - From Other than Rental Income	227,542.00	19.92	146,600.63	8.15
Total Income	\$ 1,142,095.14	100.00	\$ 1,798,076.27	100.00
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 520,057.00	57.25	\$ 1,125,600.00	69.21
Capital Improvements	225,514.00	24.83	325,000.00	19.98
Debt Service	160,305.00	17.65	170,018.60	10.45
Statutory Expenditures	2,500.00	0.27	5,018.40	0.31
Miscellaneous Expenditures	777.00	0.05	777.00	0.05
Total Expenditures	908,376.00	100.00	1,626,414.00	100.00
Excess in Revenue	233,719.14		171,662.27	
Fund Balance - Beginning	260,931.31		486,431.78	
	494,650.45		658,094.05	
Less: Util. As Anticip. Revenue	250,498.00		397,162.74	
Fund Balance - Ending	\$ 244,152.45		\$ 260,931.31	

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>
2010 TY	\$446,852.55	\$2,506,187.85	\$2,953,040.40	4.23%
2010 SFY	407,532.86	1,706,225.24	2,113,758.10	1.54%
2009 SFY	361,106.45	1,848,811.03	2,209,917.48	1.66%
2008 SFY	333,447.77	2,518,393.96	2,851,841.73	2.24%
2007 SFY	310,811.47	1,701,159.48	2,011,970.95	1.67%

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2010 TY	\$ 3,838,972	\$ 3,514,476
2010 SFY	7,331,101	7,391,729
2009 SFY	7,445,878	6,852,150
2008 SFY	5,210,550	5,041,299
2007 SFY	5,039,758	5,063,947

TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTH BENEFITS
SCHEDULE OF FUNDING PROGRESS

<u>Year</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued <u>Liability (AAL)</u>	Unfunded AAL (<u>UAAAL</u>)	Funded Ratio	Covered <u>Payroll</u>	UAAAL as a Percentage of <u>Covered Payroll</u>
07/01/09	\$ -	\$ 79,859,700	\$ 79,859,700	0.00%	\$ 21,779,431	366.67%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2010:

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

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

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

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

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY
SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2010**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the six-month transition year ended December 31, 2010, 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 six-month transition year ended December 31, 2010, 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

OTHER MATTERS (CONT'D):

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

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

Materials, Supplies and Equipment

Biodegradable leaf bags; rock salt; HVAC maintenance; recreational uniforms and equipment; traffic lighting material

Services and Rentals

Professional services; snow plowing services; janitorial services; security services

Construction and Repairs

Road improvements; communications site lease and cellular tower construction; sewer remediation and reconstruction; bike path improvements

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

Contracts

Vehicles; auto parts and supplies; 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.

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$21,000 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 5, 2010, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

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

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

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

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

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Interfund Balances

The following interfund balances appear in the balance sheets of the Township's financial statements of the year ended December 31, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$100.20	\$386,745.74
Grant Fund		100.20
Trust Fund	386,745.74	
Sewer Utility Operating Fund	161,000.00	
Sewer Utility Capital Fund		<u>161,000.00</u>
Total	<u>\$547,845.94</u>	<u>\$547,845.94</u>

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

Outside Offices/Departments and Other Officials Collecting Fees

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

Municipal Court

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting system during TY 2010. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

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

Other Compliance Matters:

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

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

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

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

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

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted for those items tested.

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

RECOMMENDATIONS

We recommended the following:

None

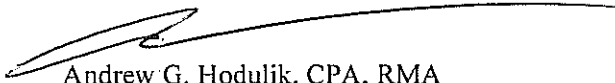
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During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

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

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406

