

Report of Audit

on the

Financial Statements

of the

Township of Readington

in the

*County of Hunterdon
New Jersey*

for the

*Year Ended
December 31, 2011*

TOWNSHIP OF READINGTON

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YEAR ENDED DECEMBER 31, 2011 AND 2010



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Readington
County of Hunterdon
509 Route 23
Whitehouse Station, New Jersey 08889

We have audited the accompanying financial statements – regulatory basis of the various individual funds and the account group of the Township of Readington, County of Hunterdon, New Jersey as of and for the year ended December 31, 2011 and 2010, and for the year ended December 31, 2011 as listed as financial statements – regulatory basis in the foregoing table of contents. These financial statements – regulatory basis are the responsibility of the management of the Township of Readington, County of Hunterdon. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements 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 and provisions 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 1, the Township of Readington, County of Hunterdon, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates 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 U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the Township of Readington prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Township of Readington as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

However, in our opinion, the financial statements – regulatory basis present fairly, in all material respects, the financial position – regulatory basis of the various individual funds and account groups of the Township of Readington, County of Hunterdon, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance – regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2012 on our consideration of the Township of Readington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 18, 2012

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CURRENT FUND

TOWNSHIP OF READINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash	A-4	\$ 7,331,271.39	\$ 7,098,595.63
Change Fund	A-6	450.00	450.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	31,449.31	
		<u>\$ 7,363,170.70</u>	<u>\$ 7,099,045.63</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 982,271.10	\$ 916,632.16
Tax Title Liens Receivable	A-9	91,380.02	87,170.05
Property Acquired For Taxes	A-16	22,650.00	22,650.00
Interfunds Receivable	A-12	1,288.30	4,317.87
	A	<u>\$ 1,097,589.42</u>	<u>\$ 1,030,770.08</u>
Deferred Charges	A-32	<u>\$ 70,000.00</u>	<u>\$ 105,000.00</u>
		<u>\$ 8,530,760.12</u>	<u>\$ 8,234,815.71</u>
Grant Fund:			
Grants Receivable	A-30	\$ 3,000.00	\$ 49,231.55
Interfunds Receivable	A-10	15,667.26	17,679.23
		<u>\$ 18,667.26</u>	<u>\$ 66,910.78</u>
		<u>\$ 8,549,427.38</u>	<u>\$ 8,301,726.49</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Appropriation Reserves	A-3:A-14	\$ 690,242.29	\$ 603,478.48
Due State of New Jersey - Senior Citizens and Veterans	A-7		3,153.81
Prepaid Taxes	A-18	366,026.92	325,425.98
Accounts Payable	A-11	113,378.59	101,040.05
Tax Overpayments	A-17	13,840.77	6,772.81
Interfunds Payable	A-12	208,810.46	24,404.03
Reserve For:			
Sale of Municipal Assets	A-25		124,382.27
Due State of New Jersey:			
Marriage/Domestic Partnership Licenses	A-19	400.00	200.00
Construction Code DCA	A-21	4,172.00	4,082.00
Master Plan	A-24	83,310.95	83,310.95
Due County Food Inspectors	A-15	6,000.00	4,800.00
Outside Liens	A-22		14,691.90
Tax Sale Premiums	A-31	332,200.00	182,600.00
Garden State Trust-Unappropriated	A-20	3,962.00	3,962.00
Reserve for Tax Appeals	A-34	370,000.00	370,000.00
County Tax Payable	A-26	27,265.81	64,864.42
Regional District School Tax Payable	A-27	3,052,130.18	3,052,130.18
		<u>\$ 5,271,739.97</u>	<u>\$ 4,969,298.88</u>
Reserve for Receivables and Other Assets	A	1,097,589.42	1,030,770.08
Fund Balance	A-1	<u>2,161,430.73</u>	<u>2,234,746.75</u>
		<u>\$ 8,530,760.12</u>	<u>\$ 8,234,815.71</u>
Grant Fund:			
Reserve for Grants - Appropriated	A-23	<u>\$ 18,667.26</u>	<u>\$ 66,910.78</u>
		<u>\$ 18,667.26</u>	<u>\$ 66,910.78</u>
		<u>\$ 8,549,427.38</u>	<u>\$ 8,301,726.49</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,293,000.00	\$ 800,000.00
Miscellaneous Revenue Anticipated	A-2	3,137,005.43	3,517,729.59
Receipts From Delinquent Taxes	A-2	805,640.97	942,085.82
Receipts From Current Taxes	A-2	72,519,236.09	73,325,160.78
Non-Budget Revenue	A-2	99,890.08	143,647.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	524,878.18	736,299.67
Interfunds Returned & Canceled Reserves		3,029.57	4,192.20
Reserve For Receivable-Lien Overpayment			10,000.00
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 78,382,680.32</u>	<u>\$ 79,479,115.76</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 11,712,702.00	\$ 11,577,800.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,308,098.00	1,148,870.34
Operations Excluded From "CAPS"	A-3	218,403.61	245,490.24
Municipal Debt Service	A-3	2,340,898.02	2,559,438.37
Capital Improvements	A-3	150,000.00	375,000.00
Open Space Tax	A-29	548,035.90	568,438.10
Added Open Space Tax	A-29	1,201.80	2,944.42
County Tax	A-26	11,902,934.13	12,458,909.88
County Share of Added Taxes	A-26	27,265.81	64,864.42
Regional District School Tax	A-27	19,454,665.46	19,279,794.72
Local District School Tax	A-28	29,496,732.56	29,475,594.50
Refund of Prior Revenue	A-4	2,059.05	
Reserve For Tax Appeals Pending			275,000.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 77,162,996.34</u>	<u>\$ 78,032,144.99</u>
Excess in Revenue		<u>\$ 1,219,683.98</u>	<u>\$ 1,446,970.77</u>
Fund Balance, January 1	A	<u>\$ 2,234,746.75</u>	<u>\$ 1,587,775.98</u>
		<u>\$ 3,454,430.73</u>	<u>\$ 3,034,746.75</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,293,000.00</u>	<u>800,000.00</u>
Fund Balance, December 31	A	<u><u>\$ 2,161,430.73</u></u>	<u><u>\$ 2,234,746.75</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 1,293,000.00		\$ 1,293,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 14,000.00	\$	\$ 17,613.15	\$ 3,613.15
Fees and Permits:					
Construction Code Official	A-13	349,200.00		376,351.00	27,151.00
Other	A-2	137,700.00		138,684.96	984.96
Municipal Court:					
Fines and Costs	A-13	102,000.00		99,668.34	(2,331.66)
Interest and Costs on Taxes	A-13	202,500.00		174,471.16	(28,028.84)
Interest on Investments and Deposits	A-13	108,900.00		65,300.38	(43,599.62)
Consolidated Municipal Property Tax Relief Aid	A-13	8,270.00		8,270.00	
Energy Receipts Tax	A-13	1,413,441.00		1,413,441.00	
Garden State Trust Fund	A-20	3,962.00		3,962.00	
Sale of Municipal Assets	A-25	124,382.27		124,382.27	
Fire Safety - Life Hazard Use Fees	A-13	24,000.00		25,691.83	1,691.83
Utility Operating Surplus	A-13	75,000.00		75,000.00	
Capital Fund Balance	A-13	547,093.73		547,093.73	
Clean Communities Program	A-30		41,965.82	41,965.82	
Over the Limit Grant	A-30		4,400.00	4,400.00	
Alcohol Education Rehabilitation	A-30		4,746.25	4,746.25	
Drunk Driving Enforcement Fund	A-30		9,003.77	9,003.77	
Body Armor	A-30		2,459.77	2,459.77	
BPU Direct Install	A-30		4,500.00	4,500.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 3,110,449.00	\$ 67,075.61	\$ 3,137,005.43	\$ (40,519.18)
Receipts From Delinquent Taxes	A-1:A-8	\$ 850,000.00	\$	\$ 805,640.97	\$ (44,359.03)
Amt. to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 11,837,590.00	\$	\$ 12,513,400.43	\$ 675,810.43
<u>BUDGET TOTALS</u>		\$ 17,091,039.00	\$ 67,075.61	\$ 17,749,046.83	\$ 658,007.83
Non-Budget Revenues	A-2	\$	\$	\$ 99,890.08	\$ 99,890.08
		\$ 17,091,039.00	\$ 67,075.61	\$ 17,848,936.91	\$ 757,897.91
	REF.	A-3	A-3		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 72,519,236.09
Allocated To:		
County Taxes	A-8	\$ 11,930,199.94
Local District School Taxes	A-8	29,496,732.55
Regional District School Taxes	A-8	19,454,665.46
Municipal Open Space	A-8	<u>549,237.70</u>
Balance for Support of Municipal Budget Appropriations		\$ 11,088,400.44
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,425,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,513,400.44</u>
Other - Fees and Permits:		
Clerk	A-13	\$ 28,181.70
Health Department & Registrar	A-13	23,831.00
Planning & Zoning	A-13	28,312.14
Police	A-13	3,474.12
Fire	A-13	48,466.00
Public Works	A-13	<u>6,420.00</u>
	A-2	<u>\$ 138,684.96</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Rental of Polls	\$	1,280.00
Library Aid		744.00
Senior Citizens and Veterans Administrative Fee		3,430.00
Cable TV Franchise Fee		15,842.16
Museum Reimbursements		600.00
Emergency Management		15,074.10
Tenant Rents		39,742.00
Recycling Tonnage		7,294.41
Tax Collector		<u>15,883.41</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	\$ <u><u>99,890.08</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT</u>					
General Administration:					
Salaries and Wages	\$ 345,115.00	\$ 345,115.00	\$ 317,343.07	\$ 27,771.93	\$
Other Expenses:					
Elections	19,500.00	19,500.00	10,146.00	9,354.00	
Misc. Other Expenses	139,240.00	112,740.00	105,796.28	6,943.72	
Mayor & Committee:					
Salaries and Wages	40,788.00	40,788.00	40,788.00		
Financial Administration:					
Salaries and Wages	208,500.00	208,500.00	203,203.83	5,296.17	
Other Expenses:	18,800.00	13,800.00	7,287.74	6,512.26	
Audit Services:					
Other Expenses	35,500.00	35,500.00	35,500.00		
Revenue Administration:					
Salaries and Wages	128,200.00	128,200.00	108,035.30	20,164.70	
Other Expenses	26,880.00	26,880.00	23,228.37	3,651.63	
Assessment of Taxes:					
Salaries & Wages	114,330.00	114,330.00	104,624.70	9,705.30	
Other Expenses:					
Revision of Tax Map	15,200.00	15,200.00	8,929.28	6,270.72	
Misc. Other Expenses	13,570.00	8,570.00	4,679.87	3,890.13	
Legal Services:					
Other Expenses	275,000.00	275,000.00	264,842.79	10,157.21	
Engineering Services and Costs:					
Other Expenses	150,000.00	173,000.00	156,986.68	16,013.32	
Museum Committee:					
Salaries and Wages	25,800.00	25,800.00	20,694.70	5,105.30	
Other Expenses	18,000.00	18,000.00	17,786.43	213.57	
Historic Preservation Committee					
Other Expenses	3,000.00	3,000.00	1,043.00	1,957.00	
Planning Board:					
Salaries and Wages	40,170.00	40,170.00	37,703.14	2,466.86	
Other Expenses	8,500.00	8,500.00	2,770.79	5,729.21	
Board of Adjustment:					
Salaries & Wages	70,250.00	70,250.00	70,250.00		
Other Expenses	7,200.00	7,200.00	2,444.07	4,755.93	
Environmental Health Services:					
Salaries and Wages	5,820.00	5,820.00	5,820.00		
Other Expenses:					
Consultants	75,000.00	50,000.00	39,163.62	10,836.38	
Misc. Other Expenses	6,500.00	6,500.00	4,050.21	2,449.79	
Insurance:					
General Liability	403,940.00	403,940.00	399,970.98	3,969.02	
Employee Group Health	1,777,672.00	1,754,672.00	1,731,378.73	23,293.27	
Worker's Compensation	233,584.00	233,584.00	233,584.00		
<u>PUBLIC WORKS & FUNCTIONS:</u>					
Waste Collection/Recycling:					
Salaries and Wages	22,500.00	22,500.00	22,500.00		
Other Expenses	726,600.00	726,600.00	667,048.82	59,551.18	
Public Buildings & Grounds:					
Salaries and Wages	194,600.00	194,600.00	187,796.79	6,803.21	
Other Expenses	111,704.00	111,704.00	100,938.99	10,765.01	
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police:					
Salaries and Wages	2,398,000.00	2,398,000.00	2,319,341.83	78,658.17	
Other Expenses	211,200.00	211,200.00	199,091.35	12,108.65	
Patrol of School Crossing:					
Salaries and Wages	41,100.00	41,100.00	40,649.96	450.04	
Emergency Management:					
Salaries and Wages	13,000.00	13,000.00	12,828.96	171.04	
Other Expenses	4,600.00	4,600.00	1,545.86	3,054.14	

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC SAFETY FUNCTIONS (CONTINUED):</u>					
Uniform Fire Safety Act:					
Salaries and Wages	\$ 62,100.00	\$ 62,100.00	\$ 42,341.90	\$ 19,758.10	\$
Other Expenses	4,500.00	4,500.00	3,757.75	742.25	
Fire:					
Aid to Volunteer Fire Companies	104,000.00	104,000.00	104,000.00		
Equipment for Volunteer Fire Company	77,400.00	77,400.00	63,673.20	13,726.80	
Training Fire Department Personnel	16,000.00	16,000.00	10,447.20	5,552.80	
Supplemental Fire Service Program:					
Other Expenses	10,000.00	10,000.00	9,910.12	89.88	
Aid to Volunteer Ambulance Companies:					
Whitehouse First Aid Organization	26,000.00	26,000.00	26,000.00		
Equipment for First Aid Organizations	20,400.00	20,400.00	1,910.13	18,489.87	
Municipal Prosecutor's Office:					
Other Expenses	35,000.00	35,000.00	34,803.29	196.71	
Municipal Court:					
Salaries and Wages	125,200.00	125,200.00	121,685.64	3,514.36	
Other Expenses	26,500.00	26,500.00	16,345.37	10,154.63	
Public Defender:					
Other Expenses	9,000.00	9,000.00	2,160.00	6,840.00	
Public Safety:					
Cost of Peosha Requirement	55,000.00	55,000.00	44,558.24	10,441.76	
<u>STREETS AND ROADS:</u>					
Road Repairs and Maintenance:					
Salaries and Wages	1,346,650.00	1,346,650.00	1,292,268.03	54,381.97	
Other Expenses	337,300.00	337,300.00	299,438.22	37,861.78	
Snow Removal:					
Other Expenses	150,000.00	210,000.00	189,736.50	20,263.50	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Salaries and Wages	37,300.00	37,300.00	36,528.66	771.34	
Other Expenses	24,139.00	24,139.00	23,108.45	1,030.55	
Animal Control:					
Salaries and Wages	6,400.00	6,400.00	6,400.00		
Other Expenses	10,000.00	10,000.00	10,000.00		
Administration of Public Assistance:					
Salaries and Wages	91,600.00	91,600.00	90,626.56	973.44	
Other Expenses	3,500.00	3,500.00	600.74	2,899.26	
Aid to Hunterdon County Charities:					
Other Expenses	3,000.00	3,000.00		3,000.00	
<u>RECREATION AND EDUCATION:</u>					
Recreation:					
Salaries and Wages	115,400.00	115,400.00	100,945.35	14,454.65	
Other Expenses	40,900.00	40,900.00	28,560.72	12,339.28	
Senior Citizens Transportation:					
Other Expenses	8,500.00	8,500.00	7,408.54	1,091.46	
Contribution to Visiting Homemaker Service:					
Other Expenses	1,100.00	1,100.00	1,100.00		
Expense of Participation in Free County Library:					
Salaries and Wages	133,900.00	133,900.00	130,310.74	3,589.26	
Other Expenses	13,850.00	13,850.00	4,685.40	9,164.60	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Official:					
Salaries and Wages	272,500.00	272,500.00	261,062.88	11,437.12	
Other Expenses	43,500.00	18,500.00	11,865.94	6,634.06	
<u>UNCLASSIFIED:</u>					
Celebration of Public Events:					
Other Expenses	8,000.00	8,000.00	6,017.36	1,982.64	
Utility Expenses and Bulk Purchases:					
Fire Hydrant Service	80,800.00	80,800.00	79,785.61	1,014.39	
Electricity	169,500.00	169,500.00	148,515.02	20,984.98	

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>UNCLASSIFIED (Continued):</u>					
Street Lighting	\$ 50,000.00	\$ 50,000.00	\$ 44,451.30	\$ 5,548.70	\$
Telephone	77,900.00	77,900.00	72,496.77	5,403.23	
Fuel Oil	8,500.00				
Gasoline	175,000.00	210,000.00	190,669.14	19,330.86	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 11,709,702.00	\$ 11,709,702.00	\$ 11,027,968.91	\$ 681,733.09	\$
Contingent	\$ 3,000.00	\$ 3,000.00	\$ 1,260.00	\$ 1,740.00	\$
TOTAL OPERATIONS INCLUDING CONTINGENT-WITHIN "CAPS"	\$ 11,712,702.00	\$ 11,712,702.00	\$ 11,029,228.91	\$ 683,473.09	\$
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Deferred Charges:					
Public Employees Retirement System	\$ 348,251.00	\$ 348,251.00	\$ 348,251.00	\$	\$
Contribution to Social Security System (O.A.S.I.)	447,000.00	447,000.00	440,232.49	6,767.51	
Police & Firemen's Retirement System	467,847.00	467,847.00	467,847.00		
Unemployment Insurance	10,000.00	10,000.00	10,000.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"	\$ 1,273,098.00	\$ 1,273,098.00	\$ 1,266,330.49	\$ 6,767.51	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'	\$ 12,985,800.00	\$ 12,985,800.00	\$ 12,295,559.40	\$ 690,240.60	\$
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					
Council on Affordable Housing:					
Salaries and Wages	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$	\$
Group Health Insurance	85,328.00	85,328.00	85,328.00		
Matching Funds For Grants	1,000.00	1,000.00			1,000.00
LOSAP Program	65,000.00	65,000.00	65,000.00		
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	\$ 152,328.00	\$ 152,328.00	\$ 151,328.00	\$	\$ 1,000.00
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>					
Clean Communities Program (40A:4-87 +\$41,968.82)	\$	\$ 41,965.82	\$ 41,965.82	\$	\$
Drunk Driving Enforcement Fund (40A:4-87 +\$9,003.77)		9,003.77	9,003.77		
Body Armor (40A:4-87 +\$2,459.77)		2,459.77	2,459.77		
Police Over The Limit (40A:4-87 +\$4,400.00)		4,400.00	4,400.00		
NJDEP Green Communities (40A:4-87 +\$4,500.00)		4,500.00	4,500.00		
Alcohol Education Rehabilitation (40A:4-87 +\$4,574.85)		4,746.25	4,746.25		
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	\$	\$ 67,075.61	\$ 67,075.61	\$	\$
TOTAL OPERATION-EXCLUDED FROM "CAPS"	\$ 152,328.00	\$ 219,403.61	\$ 218,403.61	\$	\$ 1,000.00
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":</u>					
Road Repair and Improvement	\$ 150,000.00	\$ 150,000.00	\$ 149,998.31	\$ 1.69	\$
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	\$ 150,000.00	\$ 150,000.00	\$ 149,998.31	\$ 1.69	\$
<u>MUNICIPAL DEBT SERVICES-EXCLUDED FROM "CAPS":</u>					
Payment of Bond Principal	\$ 1,135,000.00	\$ 1,135,000.00	\$ 1,135,000.00	\$	\$
Interest on Bonds	809,311.00	809,311.00	809,310.59		0.41
Interest on Notes	212,000.00	212,000.00	211,999.94		0.06
Green Acres Loans	186,600.00	186,600.00	184,587.49		2,012.51
TOTAL MUN. DEBT SERVICE-EXCLUDED FROM "CAPS"	\$ 2,342,911.00	\$ 2,342,911.00	\$ 2,340,898.02	\$	\$ 2,012.98

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
DEFERRED CHARGES					
Special Emergency Authorizations - 5 Years	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE EXCLUDED FROM "CAPS"	\$ 2,680,239.00	\$ 2,747,314.61	\$ 2,744,299.94	\$ 1.69	\$ 3,012.98
SUBTOTAL GENERAL APPROPRIATIONS	\$ 15,666,039.00	\$ 15,733,114.61	\$ 15,039,859.34	\$ 690,242.29	\$ 3,012.98
RESERVE FOR UNCOLLECTED TAXES	1,425,000.00	1,425,000.00	1,425,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 17,091,039.00	\$ 17,158,114.61	\$ 16,464,859.34	\$ 690,242.29	\$ 3,012.98
	REF.	A-2:A-3	A-1:A-3	A:A-1	
Budget	A-3	\$ 17,091,039.00			
Amendment - NJSA 40A: 4-87	A-2	67,075.61			
		\$ 17,158,114.61			
Reserve for Accounts Payable	A-11		\$ 86,969.59		
Reserve for Grants Appropriated	A-23		67,075.61		
Reserve for Uncollected Taxes	A-2		1,425,000.00		
Deferred Charges	A-32		35,000.00		
Disbursements	A-4		15,298,450.53		
			\$ 16,912,495.73		
Less: Refunds	A-4		447,636.39		
	A-3		\$ 16,464,859.34		

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TRUST FUND

"B"

TOWNSHIP OF READINGTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ <u>2,740.15</u>	\$ <u>9,788.47</u>
		\$ <u>2,740.15</u>	\$ <u>9,788.47</u>
Other Funds:			
Cash	B-1	\$ 1,829,927.99	\$ 1,779,222.02
Due Current Fund	B-3	9,303.11	6,724.80
Due General Capital Fund - Housing Trust	B-5	2,076.00	
Due Net Payroll - Payroll Deduction	B-9	1,353.59	956.54
Accounts Receivable - Other	B-8	400,000.00	400,000.00
Intrafund - Museum/General Trust	B-11	100.00	
		\$ <u>2,242,760.69</u>	\$ <u>2,186,903.36</u>
		\$ <u>2,245,500.84</u>	\$ <u>2,196,691.83</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due State of New Jersey	B-6	\$ 100.20	\$ 93.00
Prepaid Licenses	B-2	874.80	903.00
Reserve for Animal Control Expenditures	B-7	<u>1,765.15</u>	<u>8,792.47</u>
		\$ <u>2,740.15</u>	\$ <u>9,788.47</u>
Other Funds:			
Due Current Fund	B-3	\$ 604.18	\$ 79.31
Reserve for Various Trust Deposits	B-4	2,241,441.51	2,186,824.05
Reserve for Accounts Payable	B-10	615.00	
Intrafund - Museum/General Trust	B-11	100.00	
		\$ <u>2,242,760.69</u>	\$ <u>2,186,903.36</u>
		\$ <u>2,245,500.84</u>	\$ <u>2,196,691.83</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,154,863.45	\$ 7,080,632.64
Deferred Charges to Future Taxation:			
Funded	C-5	26,781,533.93	17,315,677.59
Unfunded	C-7	35,089,896.76	46,686,727.87
Due Current Fund	C-4	<u>107,140.09</u>	
		<u>\$ 64,133,434.23</u>	<u>\$ 71,083,038.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 23,366,000.00	\$ 13,501,000.00
Bond Anticipation Notes Payable	C-13	34,200,000.00	50,200,000.00
Loans Payable	C-10	3,415,533.93	3,814,677.59
Contracts Payable	C-12	5,281.00	66,085.00
Due Trust Other Fund	C-15	2,076.00	
Due Current Fund	C-4		124.06
Capital Improvement Fund	C-8	214,236.12	280,336.12
Improvement Authorizations:			
Funded	C-9	836,157.57	53,587.55
Unfunded	C-7:C-9	1,363,812.88	2,425,047.06
Reserve for Capital Projects	C-6	107,250.00	80,334.59
Fund Balance	C-1	<u>623,086.73</u>	<u>661,846.13</u>
		<u>\$ 64,133,434.23</u>	<u>\$ 71,083,038.10</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 661,846.13
Increased by:			
Canceled Reserves	C-6	\$ 80,334.59	
County Aid on Fully Funded Ordinances	C-2	22,666.39	
Debt Premium	C-2	<u>405,333.35</u>	
			\$ <u>508,334.33</u>
			\$ <u>1,170,180.46</u>
Decreased by:			
Current Fund-Miscellaneous Revenue Anticipated	C-2		<u>547,093.73</u>
Balance, December 31, 2011	C		\$ <u><u>623,086.73</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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SEWER UTILITY FUND

"D"

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>OPERATING FUND:</u>			
Cash	D-4	\$ 217,890.47	\$ 247,887.50
Due Current Fund	D-11	76,700.00	
		<u>\$ 294,590.47</u>	<u>\$ 247,887.50</u>
Receivables with Full Reserves: Sewer Use Charges Receivable	D:D8	\$ 88,657.98	\$ 77,328.62
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 383,248.45</u>	<u>\$ 325,216.12</u>
<u>TRUST FUND:</u>			
Cash	D-4	\$ 841,107.57	\$ 111.66
<u>TOTAL TRUST FUND</u>	D	<u>\$ 841,107.57</u>	<u>\$ 111.66</u>
		<u>\$ 1,224,356.02</u>	<u>\$ 325,327.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
<u>Liabilities:</u>			
Appropriation Reserves	D-3:D-7	\$ 2,716.28	\$ 42,589.42
Sewer Overpayments	D-10	1,112.75	28.90
Prepaid Sewer Rents	D-9	1,635.06	3,798.96
Reserve for Refundable Hook-Up Fees	D-5	3,720.25	3,720.25
		<u>\$ 9,184.34</u>	<u>\$ 50,137.53</u>
Reserve for Receivables	D	88,657.98	77,328.62
Fund Balance	D-1	285,406.13	197,749.97
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 383,248.45</u>	<u>\$ 325,216.12</u>
<u>TRUST FUND:</u>			
Reserve for Expansion	D-6	\$ 841,107.57	\$ 111.66
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 841,107.57</u>	<u>\$ 111.66</u>
		<u>\$ 1,224,356.02</u>	<u>\$ 325,327.78</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2011</u>	YEAR ENDED DECEMBER 31, <u>2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 100,000.00	\$ 113,175.00
Sewer Use Charges	D-2	1,265,105.82	1,190,479.64
Miscellaneous Revenue	D-2:D-4	7,962.67	13,569.34
User Fees From Other Contracts	D-2:D-4	349,986.00	266,480.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>2,601.67</u>	<u>163.72</u>
<u>TOTAL INCOME</u>		<u>\$ 1,725,656.16</u>	<u>\$ 1,583,867.70</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 1,457,080.00	\$ 1,473,600.00
Statutory Expenditures	D-3	5,920.00	6,575.00
Surplus General Budget	D-3	<u>75,000.00</u>	<u>100,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,538,000.00</u>	<u>\$ 1,580,175.00</u>
Excess in Revenue		\$ 187,656.16	\$ 3,692.70
Fund Balance, January 1	D	<u>197,749.97</u>	<u>307,232.27</u>
Decreased by:		\$ 385,406.13	\$ 310,924.97
Utilization as Anticipated Revenue	D-1:D-2	<u>100,000.00</u>	<u>113,175.00</u>
Fund Balance, December 31	D	<u><u>\$ 285,406.13</u></u>	<u><u>\$ 197,749.97</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON
SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/DEFICIT</u>
Fund Balance Utilized	D-1	\$ 100,000.00	\$ 100,000.00	\$
Sewer Use Charges	D-1	1,160,000.00	1,265,105.82	105,105.82
Miscellaneous Revenue	D-1:D-4	12,000.00	7,962.67	(4,037.33)
User Fees From Other Contracts	D-1:D-4	<u>266,000.00</u>	<u>349,986.00</u>	<u>83,986.00</u>
<u>BUDGET TOTALS</u>	D-3	<u>\$ 1,538,000.00</u>	<u>\$ 1,723,054.49</u>	<u>\$ 185,054.49</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>OPERATING:</u>				
Salaries and Wages	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$
Other Expenses	52,580.00	39,680.00	37,042.72	2,637.28
Service Fees - RLSA	1,224,500.00	1,224,500.00	1,224,481.00	19.00
Service Fees - RTMUA	135,000.00	147,900.00	147,840.00	60.00
<u>TOTAL OPERATING</u>	\$ 1,457,080.00	\$ 1,457,080.00	\$ 1,454,363.72	\$ 2,716.28
<u>STATUTORY EXPENDITURES:</u>				
Statutory Expenditures:				
Public Employee Retirement System	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$
Social Security System (O.A.S.I.)	3,445.00	3,445.00	3,445.00	
<u>TOTAL STATUTORY EXPENDITURES</u>	\$ 5,920.00	\$ 5,920.00	\$ 5,920.00	\$
 SURPLUS GENERAL BUDGET	 \$ 75,000.00	 \$ 75,000.00	 \$ 75,000.00	 \$
	<u>\$ 1,538,000.00</u>	<u>\$ 1,538,000.00</u>	<u>\$ 1,535,283.72</u>	<u>\$ 2,716.28</u>
 REF.	 D-2	 D-1	 D-4	 D

The accompanying Notes to Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF READINGTON
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
<u>ASSETS</u>		
Cash-Treasurer: Public Assistance Trust Fund I	\$ <u>8,400.72</u>	\$ <u>8,400.72</u>
	\$ <u>8,400.72</u>	\$ <u>8,400.72</u>
<u>LIABILITIES AND RESERVES</u>		
Reserve for Public Assistance: Public Assistance Trust Fund I	\$ <u>8,400.72</u>	\$ <u>8,400.72</u>
	\$ <u>8,400.72</u>	\$ <u>8,400.72</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF READINGTON
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
<u>FIXED ASSETS</u>		
Land	\$ 73,468,780.83	\$ 73,460,269.96
Buildings	14,395,852.29	14,395,852.29
Machinery and Equipment	<u>10,017,630.10</u>	<u>9,566,934.43</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 97,882,263.22</u>	<u>\$ 97,423,056.68</u>
 <u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 97,882,263.22</u>	<u>\$ 97,423,056.68</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Readington is an instrumentality of the State of New Jersey established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Readington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Readington, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Readington do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the local and regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Readington 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 financial transactions and accounts of the Township of Readington are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund – resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Operating and Trust Funds – account for the operations and of the municipally-owned sewer utility.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

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

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, 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 the deposits to the governmental unit.

The Township of Readington had the following cash and cash equivalents at December 31, 2011:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current	\$ 7,447,608.97	\$ (116,337.58)	\$ 7,331,271.39
Animal Control Trust	2,742.55	(2.40)	2,740.15
Other Trust	1,858,681.75	(28,753.76)	1,829,927.99
General Capital	2,455,197.44	(300,333.99)	2,154,863.45
Sewer Operating	217,890.47		217,890.47
Sewer Trust	841,107.57		841,107.57
Public Assistance Trust	8,400.72		8,400.72
<u>Total December 31, 2011</u>	<u>\$ 12,831,629.47</u>	<u>\$ (445,427.73)</u>	<u>\$ 12,386,201.74</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Based upon GASB criteria, the Township considers change funds; cash in bank, investment in certificates of deposits as cash and cash equivalents. Of the cash on balance in the bank of \$12,831,629.47, \$1,139,340.46 was covered by Federal Depository Insurance and \$11,425,629.97 was covered under the provision of NJGUDPA. \$266,659.04 was on deposit with the New Jersey Cash Management Fund.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitation set forth by New Jersey Statutes 40A:55.1 and existing investment practices, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.77%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
School District Debt	\$ 32,147,101.98	\$ 32,147,101.98	\$ -0-
General Debt	<u>63,571,831.17</u>	<u>1,700,400.48</u>	<u>61,871,430.69</u>
	<u>\$ 95,718,933.15</u>	<u>\$ 33,847,502.46</u>	<u>\$ 61,871,430.69</u>

NET DEBT \$61,871,430.69 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$3,501,189,004 EQUALS 1.77%.

SUMMARY OF MUNICIPAL DEBT

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Issued:			
Bonds, Notes, & Loans:			
General	\$ <u>60,981,533.93</u>	\$ <u>67,515,677.59</u>	\$ <u>69,298,929.69</u>
Total Issued	\$ <u>60,981,533.93</u>	\$ <u>67,515,677.59</u>	\$ <u>69,298,929.69</u>
Authorized But Not Issued:			
Bonds, Notes, & Loans:			
General	\$ <u>2,590,297.24</u>	\$ <u>2,087,260.66</u>	\$ <u>3,428,140.39</u>
	\$ <u>2,590,297.24</u>	\$ <u>2,087,260.66</u>	\$ <u>3,428,140.39</u>
Net Bonds, Notes, & Loans Issued and Authorized But Not Issued	\$ <u>63,571,831.17</u>	\$ <u>69,602,938.25</u>	\$ <u>72,727,070.08</u>
Less:			
Cash on Hand to Pay Notes	\$ <u>1,700,400.48</u>	\$ <u>5,600,532.79</u>	\$ <u>2,766,629.73</u>
Net Debt Issued and Authorized But Not Issued	\$ <u>61,871,430.69</u>	\$ <u>64,002,405.46</u>	\$ <u>69,960,440.35</u>

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2011	\$ <u>3,501,189,004</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 122,541,615.14
Net Debt	<u>61,871,430.69</u>
Remaining Borrowing Power	\$ <u>60,670,184.45</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township of Readington for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$4,406,000.00 General Obligation Bonds of 1997 due In annual installments of \$330,000.00 to \$371,000.00 through 2012 at a variable interest rate	\$371,000.00
\$6,000,000.00 General Obligation Bonds of 2002 due In annual installments of \$480,000.00 to \$1,065,000.00 through 2014 at a variable interest rate	2,695,000.00
\$10,000,000.00 General Obligation Bonds of 2005 due In annual installments of \$100,000.00 to \$1,000,000.00 through 2025 at a variable interest rate	9,300,000.00
\$10,000,000.00 General Obligation Bonds of 2011 due In annual installments of \$250,000.00 to \$875,000.00 through 2031 at a variable interest rate	<u>11,000,000.00</u>
	<u>\$23,366,000.00</u>

Bond Anticipation Notes:

General Capital, Interest Rate 1.5%, Issued 2/2/11, Maturity 2/2/12	<u>\$34,200,000.00</u>
	<u>\$34,200,000.00</u>

Loans:

\$544,274.25 'Recreation Area Acquisition' loan of 1995 due in semi-annual installments of \$14,007.31 to \$16,754.81 through 2015 at an interest rate of 2.00%	\$113,856.89
\$169,303.50 'Rockaway Creek' loan of 1995 due in semi- annual installments of \$4,314.01 to \$5,211.80 through 2011 at an interest rate of 2.0%	40,277.79
\$169,347.19 'Rockaway Creek' loan of 1998 due in semi- annual installments of \$4,146.75 to \$5,213.14 through 2017 at an interest rate of 2.0%	59,261.07
\$1,000,000.00 'Incentive' loan of 2002 due in semi-annual installments of \$24,088.79 to \$32,146.58 through 2020 at an interest rate of 2.0%	532,419.79
\$2,250,000.00 'Greenway Acquisition' loan of 2001 due In semi-annual installments of \$57,696.84 to \$73,992.27 through 2017 at an interest rate of 1.0%	971,795.30
\$500,000.00 'Summer Road Park' loan of 2002 due in semi-annual installments of \$11,306.52 to \$15,391.88 through 2017 at an interest rate of 1.0%	280,532.51

NOTE 3: LONG-TERM DEBT (CONTINUED)

Loans (Continued):

\$1,271,572.00 'N.J. Infrastructure-Dreahook Road' loan of 2001 due in annual installments of \$20,000.00 to \$50,000.00 through 2021 at a variable interest rate	\$734,183.07
\$185,000.00 'N.J. Infrastructure-Salt Barn' loan of 2002 due in annual installments of \$10,000.00 through 2012 at a variable interest rate	18,702.50
\$285,829.00 'N.J. Infrastructure-2003' loan of 2003 due in annual installments of \$5,000.00 through 2023 at a variable interest rate	188,862.76
\$672,696.00 'N.J. Infrastructure-2004' loan of 2004 due in annual installments of \$5,000.00 to \$15,000.00 through 2024 at a variable interest rate	<u>475,642.25</u>
	<u>\$3,415,533.93</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT AND LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2011

Year	Bonds		Loans	
	Principal	Interest	Principal	Interest
2012	\$1,431,000.00	\$1,037,881.01	401,460.47	68,295.71
2013	1,520,000.00	986,146.26	393,827.91	60,134.82
2014	1,565,000.00	925,683.76	396,590.50	52,093.23
2015	1,045,000.00	851,246.26	382,840.96	44,218.78
2016	1,070,000.00	810,008.76	366,429.33	36,846.26
2017-2031	16,735,000.00	5,888,104.49	1,474,384.76	85,745.52
	<u>\$23,366,000.00</u>	<u>\$10,499,070.54</u>	<u>\$3,415,533.93</u>	<u>\$347,334.32</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$ 1,359,175.00
Sewer Utility Fund	\$ 85,000.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the School Districts. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Prepaid Taxes	\$ <u>366,026.92</u>	\$ <u>325,425.98</u>

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$818,573.00 for 2011, \$692,322.00 for 2010, and \$601,324.00 for 2009.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The Township's management has estimated the liability for unused sick pay to be \$293,684.91 at December 31, 2011.

NOTE 8: LITIGATION

The Township is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Township's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2011 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has reserved \$370,000.00 for tax appeals.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceed this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

NOTE 11: RISK MANAGEMENT (CONTINUED)

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 38.88	\$ 15,769.46	\$ 22,614.97	\$ 40,757.18
2010	39.62	15,409.85	20,555.43	47,563.81
2009	84.51	7,846.93	22,854.77	52,669.77

NOTE 12: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the Variable Annuity Life Insurance Company (VALIC).

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township approved a voluntary Length of Service Awards Program (LOSAP) on May 3, 1999. Under the program, a fixed amount of funds may be contributed on behalf of those volunteer fire and medical personnel which meet the eligibility criteria adopted by the governing body of the Township. The Township's sponsoring agency is Lincoln National, with the maximum contribution per volunteer set at \$800.00 for 2011.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance December 31, <u>2011</u>	Required To Be Raised <u>2012 Budget</u>
Current Fund:		
Special Emergency-Master Plan	<u>\$70,000.00</u>	<u>\$35,000.00</u>

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,288.30	\$ 208,810.46
Grant Fund	15,667.26	
Trust Other Fund	12,732.70	604.18
General Capital Fund	107,140.09	2,076.00
Sewer Utility Operating	76,700.00	
Net Payroll		2,037.71
	<u>\$ 213,528.35</u>	<u>\$ 213,528.35</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 16: GASB 45 – OTHER POST-RETIREMENT BENEFITS

Plan Description. The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's contributions to SHBP for the years ended December 31, 2011, 2010, and 2009 were \$404,637.01, \$383,348.63, and \$284,941.75, respectively, which equaled the required contributions for each year.

TOWNSHIP OF READINGTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2010	A	\$ 7,098,595.63	\$ - 0 -
Increased by Receipts:			
Taxes Receivable	A-8	\$ 72,793,347.96	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	171,500.00	
Interfunds	A-10:A-12	190,703.80	2,011.97
Petty Cash	A-5	200.00	
2011 Appropriation Refunds	A-3	447,636.39	
Revenue Accounts Receivable	A-13	2,941,585.55	
Miscellaneous Revenue Not Anticipated	A-2	99,890.08	
Tax Overpayments	A-17	54,304.91	
Prepaid Taxes	A-18	366,026.92	
Grants Receivable	A-30		113,307.16
Due State of New Jersey:			
Marriage & Domestic Partnerships	A-19	1,475.00	
Construction Code	A-21	24,762.00	
Reserve for Due County Food Inspectors	A-15	13,950.00	
Reserve for Outside Liens	A-22	322,477.77	
Reserve for Tax Sale Premiums	A-31	205,600.00	
Reserve for Police Equipment	A-33	81,639.50	
Reserve for Due Fire Company	A-35	52,930.20	
Reserve for Garden State Trust-Unappropriated	A-20	3,962.00	
		<u>77,771,992.08</u>	<u>115,319.13</u>
		\$ 84,870,587.71	\$ 115,319.13
Decreased by Disbursements:			
2011 Appropriations	A-3	\$ 15,298,450.53	\$
Appropriation Reserves	A-14	179,640.35	
Interfunds	A-12	3,267.80	
Tax Overpayments	A-17	47,236.95	
Regional District School Taxes Payable	A-27	19,454,665.46	
Local District School Taxes Payable	A-28	29,496,732.56	
County Taxes Payable	A-26	11,967,798.55	
Municipal Open Space Taxes Payable	A-29	549,237.70	
Due State of New Jersey:			
Marriage & Domestic Partnerships	A-19	1,275.00	
Construction Code	A-21	24,672.00	
Reserve for Due County-Food Inspection	A-15	12,750.00	
Reserve for Outside Liens	A-22	337,169.67	
Reserve for Tax Sale Premiums	A-31	56,000.00	
Reserve for Police Equipment	A-33	55,230.50	
Reserve for Due Fire Company	A-35	52,930.20	
Refund of Prior Revenue	A-1	2,059.05	
Petty Cash	A-5	200.00	
Reserve for Grants-Appropriated	A-23		115,319.13
		<u>77,539,316.32</u>	<u>115,319.13</u>
Balance, December 31, 2011	A	\$ <u>7,331,271.39</u>	\$ <u>- 0 -</u>

"A-5"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF PETTY CASH

REF.

Increased by:			
Disbursements	A-4	\$	200.00
Decreased by:			
Receipts	A-4	\$	<u>200.00</u>

"A-6"

SCHEDULE OF CHANGE FUND

BALANCE
DECEMBER 31,
2010 AND
2011

OFFICE

Tax Collector	\$	150.00
Municipal Court		200.00
Police Department		<u>100.00</u>
	\$	<u>450.00</u>

REF.

A

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2010 (Due To)	A	\$	3,153.81
Increased by:			
Received From State	A-4	\$	171,500.00
Senior Citizens and Veterans Deductions Disallowed by Tax Collector	A-7		<u>1,326.72</u>
			172,826.72
		\$	<u>175,980.53</u>
Decreased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$	24,000.00
Veterans Deductions Per Tax Billing	A-7		143,750.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7		<u>39,679.84</u>
			207,429.84
Balance, December 31, 2011 (Due From)	A	\$	<u><u>31,449.31</u></u>

ANALYSIS OF STATE SHARE OF 2011 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	24,000.00
Veterans Deductions Per Tax Billing	A-7		143,750.00
Senior Citizens and Veterans Deductions Allowed by Collector	A-7		<u>39,679.84</u>
		\$	207,429.84
Less:			
Senior Citizens and Veterans Deductions Disallowed by Tax Collector	A-7		<u>1,326.72</u>
	A-8	\$	<u><u>206,103.12</u></u>

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>	<u>2011 LEVY</u>	<u>COLLECTIONS</u>		<u>CANCELED</u>	<u>TRANSFERRED</u> <u>TO TAX TITLE</u> <u>LIENS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
			<u>2010</u>	<u>2011</u>			
Prior	\$ 916,632.16	\$	\$	\$ 805,640.97	\$ 3,051.89	\$	\$ 107,939.30
2011		73,420,299.21	325,425.98	72,193,810.11	22,521.35	4,209.97	874,331.80
	<u>\$ 916,632.16</u>	<u>\$ 73,420,299.21</u>	<u>\$ 325,425.98</u>	<u>\$ 72,999,451.08</u>	<u>\$ 25,573.24</u>	<u>\$ 4,209.97</u>	<u>\$ 982,271.10</u>
<u>REF.</u>	A		A-2:A-18	A-2		A-9	A

REF.

Collector
Senior Citizens and Veterans Deductions

A-4
A-7

\$ 72,793,347.96
206,103.12
\$ 72,999,451.08

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD

General Property Tax		\$ 73,254,948.31
Added Taxes (54:4-63.1 et seq.)		165,350.90
		<u>\$ 73,420,299.21</u>

TAX LEVY

Local District School Tax (Abstract)	A-2:A-28	\$ 29,496,732.55
Regional District School Tax (Abstract)	A-2:A-27	19,454,665.46
County Tax (Abstract)		\$ 10,013,670.20
County Library Tax (Abstract)		844,257.37
County Open Space (Abstract)		<u>1,045,006.56</u>
Due County for Added Taxes (54:4-63.1 et seq.)	A-26	\$ 11,902,934.13
<u>Total County Taxes</u>	A-26	<u>27,265.81</u>
	A-2	11,930,199.94
Municipal Open Space Tax	A-29	\$ 548,035.90
Added Taxes	A-29	<u>1,201.80</u>
	A-2	549,237.70
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 11,837,590.00
Add: Additional Tax Levied		<u>151,873.56</u>
Local Tax for Municipal Purposes Levied		<u>11,989,463.56</u>
		<u>\$ 73,420,299.21</u>

"A-9"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 87,170.05
Increased by:		
Transfer From Taxes Receivable	A-8	<u>4,209.97</u>
Balance, December 31, 2011	A	<u>\$ 91,380.02</u>

"A-10"

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2010 (Due From)	A	\$ 17,679.23
Decreased by:		
Receipts	A-4	<u>2,011.97</u>
Balance, December 31, 2011 (Due From)	A	<u>\$ 15,667.26</u>

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 101,040.05
Increased by:			
2011 Budget Appropriations	A-3	\$ 86,969.59	
Reserve For Police Equipment	A-33	<u>26,409.00</u>	
			<u>113,378.59</u>
			\$ <u>214,418.64</u>
Decreased by:			
Transferred to Appropriation Reserves	A-14		<u>101,040.05</u>
Balance, December 31, 2011	A		\$ <u><u>113,378.59</u></u>

TOWNSHIP OF READINGTON
 CURRENT FUND
 SCHEDULE OF INTERFUNDS

	REF	TOTAL	GRANT FUND	TRUST OTHER FUND							GENERAL CAPITAL FUND	SEWER OPERATING FUND	NET PAYROLL ACCOUNT
				GENERAL TRUST	OPEN SPACE	MUSEUM TRUST	RECREATION TRUST	DRIVEWAY/APRON TRUST	PAYROLL AGENCY	FLEXIBLE SPENDING			
Balance, December 31, 2010													
Due From	A	\$ 4,317.87	\$	\$	\$	\$ 1.57	\$ 7.08	\$ 25.66	\$ 45.00	\$	\$ 124.06	\$	\$ 4,114.50
Due To	A	<u>24,404.03</u>	<u>17,679.23</u>	<u>6,724.80</u>									
Receipts	A-4	\$ 190,703.80	\$	\$ 378.00	\$ 1,201.80	\$	\$ 1.84	\$	\$ 1,043.51	\$	\$ 107,264.15	\$ 76,700.00	\$ 4,114.50
Disbursements	A-4	<u>3,267.80</u>	<u>2,011.97</u>			<u>17.84</u>		<u>53.67</u>		<u>500.00</u>			<u>684.12</u>
Balance, December 31, 2011													
Due From	A	\$ 1,288.30	\$	\$	\$	\$ 19.41	\$ 5.24	\$ 79.53	\$	\$ 500.00	\$	\$	\$ 684.12
Due To	A	<u>208,810.46</u>	<u>15,667.26</u>	<u>7,102.80</u>	<u>1,201.80</u>			<u>998.51</u>		<u>107,140.09</u>	<u>76,700.00</u>		

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>ACCRUED</u>	<u>COLLECTED</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	\$ 17,613.15	\$ 17,613.15
Fees and Permits	A-2	28,181.70	28,181.70
Interest and Costs on Taxes	A-2	174,471.16	174,471.16
Construction Code Official	A-2	376,351.00	376,351.00
Fire Safety:			
Fees and Permits	A-2	48,466.00	48,466.00
Planning & Zoning Board:			
Fees and Permits	A-2	28,312.14	28,312.14
Public Works:			
Fees and Permits	A-2	6,420.00	6,420.00
Health Department & Registrar:			
Fees and Permits	A-2	23,831.00	23,831.00
Municipal Court:			
Fines and Costs	A-2	99,668.34	99,668.34
Police:			
Fees and Permits	A-2	3,474.12	3,474.12
Interest on Investments and Deposits	A-2	65,300.38	65,300.38
Energy Receipts Tax	A-2	1,413,441.00	1,413,441.00
Consolidated Municipal Property Tax Relief Aid	A-2	8,270.00	8,270.00
Utility Operating Surplus	A-2	75,000.00	75,000.00
Capital Fund Balance	A-2	547,093.73	547,093.73
Fire Safety - Life Hazard Use Fees	A-2	25,691.83	25,691.83
		<u>\$ 2,941,585.55</u>	<u>\$ 2,941,585.55</u>
	<u>REF.</u>		A-4

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Administrative & Executive	\$ 186.05	\$	\$ 186.05	\$	\$ 186.05
Financial Administration	275.90		275.90		275.90
Revenue Administration	141.16		141.16		141.16
Assessment of Taxes	4,196.03		4,196.03		4,196.03
Museum Committee	22,856.52		22,856.52		22,856.52
Planning Board	1,089.22		1,089.22		1,089.22
Waste Collection/Recycling	3,135.14		3,135.14		3,135.14
Public Buildings & Grounds	1,589.65		1,589.65		1,589.65
Police	79,198.35		79,198.35	6,527.10	72,671.25
Crossing Guards	45.60		45.60		45.60
Emergency Management	102.96		102.96		102.96
Uniform Fire	1,142.62		1,142.62		1,142.62
Municipal Court	59.78		59.78		59.78
Road Repairs	12,070.89		12,070.89		12,070.89
Board of Health	1,028.02		1,028.02		1,028.02
Animal Control	104.33		104.33		104.33
Administration of Public Assistance	9,065.61		9,065.61		9,065.61
Recreation	7,175.18		7,175.18		7,175.18
Expense of Participation in Free County Library	542.82		542.82		542.82
Construction Official	147.68		147.68		147.68
<u>OTHER EXPENSES</u>					
Administrative & Executive	31,987.81	1,024.75	33,012.56	2,227.93	30,784.63
Elections	8,298.90		8,298.90		8,298.90
Financial Administration	11,965.97	63.29	12,029.26	63.29	11,965.97
Revenue Administration	3,352.23	119.80	3,472.03	2,139.80	1,332.23
Revision of Tax Map	2,848.45		2,848.45		2,848.45
Assessment of Taxes	13,039.75		13,039.75	14.34	13,025.41
Legal Services and Costs	46,340.31		46,340.31	1,900.00	44,440.31
Engineering Services and Costs	11,635.16		11,635.16		11,635.16
Museum Committee	5,765.57		5,765.57	510.00	5,255.57
Historic Preservation Committee	1,826.16		1,826.16		1,826.16
Planning Board	4,927.03		4,927.03		4,927.03
Board of Adjustments	685.87		685.87	462.00	223.87
Consultants	37,336.95	10,000.00	47,336.95	10,000.00	37,336.95
Environmental Health Services	4,511.83		4,511.83	100.00	4,411.83
Waste Collection/Recycling	6,261.00	44,372.94	50,633.94	44,372.94	6,261.00
Public Buildings & Grounds	6,483.95	1,046.55	7,530.50	1,907.12	5,623.38
Police	7,314.36	39,754.31	47,068.67	28,038.87	19,029.80
Emergency Management	3,744.00		3,744.00	1,684.39	2,059.61
Uniform Fire	2,322.94		2,322.94		2,322.94
Equipment For Volunteer Fire Company	19,301.51		19,301.51	17,516.40	1,785.11
Training Fire Personnel	9,908.58		9,908.58	5,221.05	4,687.53
Supplemental Fire Service Program	3,123.68		3,123.68		3,123.68
Equipment For First Aid Organizations	17,796.35	458.50	18,254.85	13,000.00	5,254.85
Municipal Prosecutor	14,989.97		14,989.97		14,989.97
Municipal Court	16,879.73		16,879.73		16,879.73
Administration of Public Assistance	2,495.95		2,495.95	134.45	2,361.50
Recreation	10,318.99	195.00	10,513.99	195.00	10,318.99
Senior Citizen Transportation	904.33		904.33		904.33
Expense of Participation in Free County Library	6,759.57		6,759.57	240.00	6,519.57
Construction Official	14,913.50	1,315.11	16,228.61	1,315.11	14,913.50
Celebration of Public Events	293.10		293.10		293.10
Road Repairs	16,241.85	2,689.80	18,931.65	14,337.53	4,594.12
Snow Removal	88.16		88.16		88.16
Board of Health	11,962.42		11,962.42	896.00	11,066.42

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
Fire Hydrant	\$ 3,964.51	\$	\$ 3,964.51	\$ 3,694.51	\$ 270.00
Aid to Charities	3,000.00		3,000.00		3,000.00
Electricity	10,952.39		10,952.39	2,912.64	8,039.75
Street lighting	5,429.28		5,429.28		5,429.28
Telephone	6,048.20		6,048.20	1,090.07	4,958.13
Fuel Oil	8,444.31		8,444.31		8,444.31
Gasoline	1,817.87		1,817.87		1,817.87
Contingent	1,545.75		1,545.75		1,545.75
Contribution to Social Security System	4,964.82		4,964.82		4,964.82
Public Defender	356.97		356.97		356.97
General Liability Insurance	28,647.59		28,647.59	6,834.00	21,813.59
Group Health Insurance	13,412.33		13,412.33		13,412.33
Road Repair and Improvements	36.27		36.27		36.27
LOSAP Program	200.00		200.00		200.00
POESHA	13,878.75		13,878.75	12,305.81	1,572.94
	<u>\$ 603,478.48</u>	<u>\$ 101,040.05</u>	<u>\$ 704,518.53</u>	<u>\$ 179,640.35</u>	<u>\$ 524,878.18</u>
<u>REF.</u>	A	A-11		A-4	A-1

"A-15"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR DUE COUNTY FOOD INSPECTORS

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 4,800.00
Increased by:		
Receipts	A-4	13,950.00
		<u>\$ 18,750.00</u>
Decreased by:		
Disbursements	A-4	<u>12,750.00</u>
Balance, December 31, 2011	A	<u>\$ 6,000.00</u>

"A-16"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2010 and December 31, 2011	A	<u>\$ 22,500.00</u>
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"A-17"

TOWNSHIP OF READINGTON
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 6,772.81
Increased by:		
Overpayments in 2011	A-4	<u>54,304.91</u>
		\$ <u>61,077.72</u>
Decreased by:		
Refunded	A-4	<u>47,236.95</u>
Balance, December 31, 2011	A	<u>\$ 13,840.77</u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2010	A	\$ 325,425.98
Increased by:		
Collection of 2012 Taxes	A-4	<u>366,026.92</u>
		\$ <u>691,452.90</u>
Decreased by:		
Application to 2011 Taxes	A-8	<u>325,425.98</u>
Balance, December 31, 2011	A	<u>\$ 366,026.92</u>

"A-19"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE & DOMESTIC PARTNERSHIP LICENSES - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 200.00
Increased by:		
Receipts	A-4	<u>1,475.00</u>
		\$ <u>1,675.00</u>
Decreased by:		
Disbursements	A-4	<u>1,275.00</u>
Balance, December 31, 2011	A	\$ <u><u>400.00</u></u>

"A-20"

SCHEDULE OF RESERVE FOR GARDEN STATE TRUST - UNAPPROPRIATED

Balance, December 31, 2010	A	\$ 3,962.00
Increased by:		
Receipts	A-4	<u>3,962.00</u>
		\$ <u>7,924.00</u>
Decreased by:		
Applied To Revenue	A-2	<u>3,962.00</u>
Balance, December 31, 2011	A	\$ <u><u>3,962.00</u></u>

"A-21"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF N.J.

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 4,082.00
Increased by:		
Receipts	A-4	24,762.00
		\$ <u>28,844.00</u>
Decreased by:		
Disbursements	A-4	24,672.00
Balance, December 31, 2011	A	\$ <u><u>4,172.00</u></u>

"A-22"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2010	A	\$ 14,691.90
Increased by:		
Receipts	A-4	322,477.77
		\$ <u>337,169.67</u>
Decreased by:		
Disbursements	A-4	337,169.67

TOWNSHIP OF READINGTON

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER <u>31, 2010</u>	BUDGET APPROPRIATION	EXPENDED	BALANCE DECEMBER <u>31, 2011</u>
NJ Body Armor	\$ 4,068.18	\$ 2,459.77	\$ 5,142.50	\$ 1,385.45
Drunk Driving Enforcement Fund	12,655.79	9,003.77	14,254.32	7,405.24
Alcohol Education Rehabilitation	3,954.21	4,746.25	4,910.94	3,789.52
NJ Museum Grant	4,586.00		4,586.00	
Watershed Management	1,587.05			1,587.05
NJ BPU Direct Install	40,059.55		40,059.55	
Clean Communities		41,965.82	41,965.82	
Over the Limit Grant		4,400.00	4,400.00	
NJDEP Green Communities		4,500.00		4,500.00
	<u>\$ 66,910.78</u>	<u>\$ 67,075.61</u>	<u>\$ 115,319.13</u>	<u>\$ 18,667.26</u>
<u>REF.</u>	A	A-3:A-30	A-4	A

"A-24"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MASTER PLAN

REF.

Balance, December 31, 2010 and December 31, 2011	A	\$ <u>83,310.95</u>
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"A-25"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2010	A	\$ 124,382.27
Decreased By: Applied To Revenue	A-2	<u>124,382.27</u>

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2010	A	\$ 64,864.42
Increased by:		
2011 Levy	A-1:A-8	\$ 11,902,934.13
Added and Omitted	A-1:A-8	<u>27,265.81</u>
		11,930,199.94
		\$ <u>11,995,064.36</u>
Decreased by:		
Disbursements	A-4	<u>11,967,798.55</u>
Balance, December 31, 2011	A	\$ <u>27,265.81</u>

"A-27"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 3,052,130.18
Increased by:		
School Levy	A-1:A-8	<u>19,454,665.46</u>
		\$ 22,506,795.64
Decreased by:		
Disbursements	A-4	<u>19,454,665.46</u>
Balance, December 31, 2011	A	<u>\$ 3,052,130.18</u>

"A-28"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
School Levy	A-1:A-8	\$ 29,496,732.56
Decreased by:		
Disbursements	A-4	<u>\$ 29,496,732.56</u>

"A-29"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:		
2011 Tax Levy	A-1:A-8	\$ 548,035.90
Added Taxes	A-1:A-8	<u>1,201.80</u>
		\$ 549,237.70
Decreased by:		
Disbursements	A-4	<u>\$ 549,237.70</u>

TOWNSHIP OF READINGTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER <u>31, 2010</u>	BUDGET APPROPRIATION	RECEIPTS	BALANCE DECEMBER <u>31, 2011</u>
Over the Limit Grant	\$	\$ 4,400.00	\$ 4,400.00	\$
Clean Communities		41,965.82	41,965.82	
NJDEP Green Communities		4,500.00	1,500.00	3,000.00
Historical Commission Grant	9,172.00		9,172.00	
Alcohol Education Rehabilitation		4,746.25	4,746.25	
Drunk Driving Enforcement Fund		9,003.77	9,003.77	
Body Armor		2,459.77	2,459.77	
NJ BPU Direct Install Program	<u>40,059.55</u>		<u>40,059.55</u>	
	<u>\$ 49,231.55</u>	<u>\$ 67,075.61</u>	<u>\$ 113,307.16</u>	<u>\$ 3,000.00</u>
<u>REF.</u>	A	A-2:A-23	A-4	A

"A-31"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 182,600.00
Increased by:		
Receipts	A-4	<u>205,600.00</u>
		\$ <u>388,200.00</u>
Decreased by:		
Disbursements	A-4	<u>56,000.00</u>
Balance, December 31, 2011	A	\$ <u><u>332,200.00</u></u>

"A-32"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2010	A	\$ 105,000.00
Decreased by:		
Appropriations	A-3	<u>35,000.00</u>
Balance, December 31, 2011	A	\$ <u><u>70,000.00</u></u>

"A-33"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR POLICE EQUIPMENT

	<u>REF.</u>		
Increased by:			
Receipts	A-4		\$ 81,639.50
Decreased by:			
Disbursements	A-4	\$ 55,230.50	
Accounts Payable	A-11	<u>26,409.00</u>	
			<u>81,639.50</u>

"A-34"

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2010 and December 31, 2011	A		\$ <u>370,000.00</u>
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"A-35"

SCHEDULE OF RESERVE FOR DUE FIRE COMPANIES

Increased by:			
Receipts	A-4		\$ 52,930.20
Decreased by:			
Disbursements	A-4		\$ <u>52,930.20</u>

TOWNSHIP OF READINGTONTRUST FUNDSCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2010	B	\$ <u>9,788.47</u>	\$ <u>1,779,222.02</u>
Increased by Receipts:			
Due Current Fund	B-3	\$	\$ 571.71
Reserve for Animal Control Fund Expenditures	B-7	21,597.00	
Due State of New Jersey	B-6	1,546.20	
Prepaid Dog Licenses	B-2	874.80	
Reserve for Miscellaneous Trust Deposits	B-4		5,131,985.30
Intrafund - Museum/General Trust	B-11		5,972.00
		\$ <u>24,018.00</u>	\$ <u>5,138,529.01</u>
		\$ <u>33,806.47</u>	\$ <u>6,917,751.03</u>
Decreased by Disbursements:			
Due Current Fund	B-3	\$	\$ 2,625.15
Reserve for Animal Control Fund Expenditures	B-7	29,527.32	
Due Net Payroll - Payroll Deduction	B-9		397.05
Miscellaneous Trust Deposits	B-4		5,076,752.84
Due General Capital Fund - Housing Trust	B-5		2,076.00
Due State of New Jersey	B-6	1,539.00	
Intrafund - Museum/General Trust	B-11		5,972.00
		\$ <u>31,066.32</u>	\$ <u>5,087,823.04</u>
Balance, December 31, 2011	B	\$ <u><u>2,740.15</u></u>	\$ <u><u>1,829,927.99</u></u>

TOWNSHIP OF READINGTON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF PREPAID DOG LICENSES

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 903.00
Increased by:		
Receipts	B-1	874.80
		<u>\$ 1,777.80</u>
Decreased by:		
Applied to Reserve	B-7	<u>903.00</u>
Balance, December 31, 2011	B	<u>\$ 874.80</u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2010		\$ 6,645.49
Increased by:		
Disbursements	B-1	<u>2,625.15</u>
		\$ 9,270.64
Decreased by:		
Receipts	B-1	<u>571.71</u>
Balance, December 31, 2011		\$ <u><u>8,698.93</u></u>
<u>Analysis of Balance:</u>		
Open Space		\$ 1,201.80
General Trust		7,102.80
Payroll Agency		<u>998.51</u>
Due From	B	\$ <u>9,303.11</u>
Recreation		\$ (5.24)
Driveway Apron/Maintenance		(79.53)
Museum		(19.41)
Flexible Spending		<u>(500.00)</u>
Due To	B	\$ <u>(604.18)</u>
		\$ <u><u>8,698.93</u></u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2010	RECEIPTS	DECREASES	BALANCE DECEMBER 31, 2011
Open Space	\$ 107,544.78	\$ 549,353.55	\$ 580,000.00	\$ 76,898.33
State Unemployment Insurance	47,563.81	15,808.34	22,614.97	40,757.18
General:				
Hunting Escrow	2,474.00		2,474.00	
Police Escrow	8,398.58	84,903.47	74,763.76	18,538.29
Police Donations	2,000.00			2,000.00
Public Defender	10,732.50	8,071.50	10,000.00	8,804.00
Parking Offense Adjudication Act	48.00	2.00		50.00
Library	6,463.97	2,728.30	1,770.08	7,422.19
Length of Service Awards Program	19,790.82		5,409.00	14,381.82
Rent Security	5,898.49	2.55		5,901.04
Museum	61,565.59	7,148.88	7,211.75	61,502.72
Board of Health Escrow	94,468.76	21,817.50	9,528.96	106,757.30
Housing:				
Deposits	171,493.78	222,251.38	69,258.78	324,486.38
Loans Receivable	400,000.00			400,000.00
COAH	68,266.84	167.49	9.00	68,425.33
Developers Escrow	915,862.97	142,447.18	157,488.83	900,821.32
Recreation	6,905.60	609,536.13	585,849.07	30,592.66
Driveway Apron / Maintenance	118,901.55	1,800.00	6,600.00	114,101.55
Payroll Deduction	43,450.46	3,465,335.48	3,462,750.14	46,035.80
Forfeited Funds	94,993.55	611.55	81,639.50	13,965.60
	<u>\$ 2,186,824.05</u>	<u>\$ 5,131,985.30</u>	<u>\$ 5,077,367.84</u>	<u>\$ 2,241,441.51</u>

REF.

B

B-1

B

Disbursements
Accounts Payable

B-1
B-10

\$ 5,076,752.84
615.00
\$ 5,077,367.84

"B-5"

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND - HOUSING TRUST

	<u>REF.</u>		
Increased by:			
Receipts	B-1	\$	2,076.00
Balance, December 31, 2011	B	\$	<u>2,076.00</u>

"B-6"

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2010	B	\$	93.00
Increased by:			
Receipts	B-1	\$	<u>1,546.20</u>
		\$	<u>1,639.20</u>
Decreased by:			
Disbursements	B-1		<u>1,539.00</u>
Balance, December 31, 2011	B	\$	<u>100.20</u>

TOWNSHIP OF READINGTON

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 8,792.47
Increased by:			
License & Late Fees	B-1	\$ 11,597.00	
Budget Appropriation	B-1	10,000.00	
Prepaid Licenses Applied	B-2	<u>903.00</u>	
			\$ <u>22,500.00</u>
			\$ 31,292.47
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-1		<u>29,527.32</u>
Balance, December 31, 2011	B		\$ <u><u>1,765.15</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2010	\$ 14,299.80
2009	<u>11,789.60</u>
	\$ <u><u>26,089.40</u></u>

TOWNSHIP OF READINGTON
TRUST FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	B	\$ <u>400,000.00</u>

SCHEDULE OF DUE NET PAYROLL - PAYROLL DEDUCTION

Balance, December 31, 2010	B	\$ 956.54
Increased by: Disbursements	B-1	<u>397.05</u>
Balance, December 31, 2011	B	\$ <u>1,353.59</u>

"B-10"

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Increased by:			
Accounts Payable - Recreation	B-4	\$	615.00
Balance, December 31, 2011	B	\$	<u>615.00</u>

"B-11"

SCHEDULE OF INTRAFUNDS - MUSEUM/GENERAL TRUST

Increased by:			
Disbursements	B-1	\$	5,972.00
Decreased by:			
Receipts	B-1		<u>5,972.00</u>
Balance, December 31, 2011			
Due To General Trust - Museum	B	\$	100.00
Due From Museum - General Trust	B		<u>(100.00)</u>
		\$	<u>- 0 -</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 7,080,632.64
Increased by Receipts:			
Deferred Charges To Future Taxation - Unfunded	C-7	\$ 1,805,922.63	
Bonds Issued	C-11	11,000,000.00	
Bond Anticipation Notes	C-13	34,200,000.00	
Fund Balance	C-1	<u>427,999.74</u>	
			<u>47,433,922.37</u>
			\$ <u>54,514,555.01</u>
Decreased by Disbursements:			
Contracts Payable	C-12	\$ 1,612,583.68	
Bond Anticipation Notes	C-13	50,200,000.00	
Due Current Fund	C-4	14.15	
Fund Balance	C-1	<u>547,093.73</u>	
			<u>52,359,691.56</u>
Balance, December 31, 2011	C		\$ <u><u>2,154,863.45</u></u>

"C-3"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2011
Capital Improvement Fund	\$ 214,236.12
Cash on Hand to Pay Notes	1,700,400.48
Improvement Authorizations Expended	(2,172,303.31)
Unexpended Proceeds of Notes	945,818.95
Reserve for Capital Projects	107,250.00
Due Current Fund	(107,140.09)
Due Trust Other Fund	2,076.00
Contracts Payable	5,281.00
Fund Balance	623,086.73
Improvement Authorizations Funded	836,157.57
	<u>\$ 2,154,863.45</u>

REF.

C

"C-4"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2010 (Due To)	C	\$ 124.06
Decreased by:		
Disbursements	C-2	\$ 14.15
Reserve for Capital Projects	C-6	<u>107,250.00</u>
		<u>107,264.15</u>
Balance, December 31, 2011 (Due From)	C	<u>\$ 107,140.09</u>

"C-5"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 17,315,677.59
Increased by:			
Bonds Issued	C-11		<u>11,000,000.00</u>
			\$ 28,315,677.59
Decreased by:			
Bonds Paid by Budget	C-11	\$ 1,135,000.00	
Loans Paid by Budget	C-10	<u>399,143.66</u>	
			<u>1,534,143.66</u>
Balance, December 31, 2011	C		\$ <u>26,781,533.93</u>

"C-6"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2010	C		\$ 80,334.59
Increased by:			
Due From Current	C-4		<u>107,250.00</u>
			\$ 187,584.59
Decreased by:			
Canceled	C-1		<u>80,334.59</u>
Balance, December 31, 2011	C		\$ <u>107,250.00</u>
<u>Analysis of Balance</u>			
County Line Road Project			\$ <u>107,250.00</u>
			\$ <u>107,250.00</u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 280,336.12
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-9	<u>66,100.00</u>
Balance, December 31, 2011	C	\$ <u><u>214,236.12</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2010		2011 AUTHORIZATIONS	EXPENDED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
01-09/02-16	Various Capital Improvements	5/7/01-5/20/02	\$ 1,377,000.00	\$ 43,511.55	\$	\$			\$ 43,511.55	\$
04-32	Various Capital Improvements	09/20/04	1,517,500.00		55,550.43		29,297.02		26,253.41	
05-21/06-33	Various Capital Improvements	7/18/05-8/7/06	1,712,000.00		209,686.28		5,014.78		204,671.50	
05-22	Various Capital Improvements	07/18/05	1,035,000.00		580,894.60		19,173.49		561,721.11	
06-41	Various Capital Improvements	11/06/06	1,740,000.00		221,180.38		11,336.69			209,843.69
08-05	Various Capital Improvements	03/17/08	1,900,000.00		392,445.58		73,020.78			319,424.80
08-26	Acquire Development Rights - SAQA	09/02/08	2,700,000.00		39,442.98		425.84	39,017.14		
09-15	Various Capital Improvements	04/22/09	1,485,000.00		367,062.24		181,207.14			185,855.10
09-29	Acquisition of Property	10/19/09	571,000.00		7,876.37		85.03	7,791.34		
09-31	Acquisition of Property-Affordable Housing	12/07/09	270,000.00		26,042.28		281.16			25,761.12
10-09	Sewer Improvements-Mimosa & Pulaski	04/19/10	120,000.00		91,311.63		12,172.82			79,138.81
10-13	Overlay of Various Roads	04/19/10	1,065,000.00		433,554.29		307,570.70			125,983.59
10-29	Acquisition of Blk 94 Lot 16.03	10/18/10	8,000.00	8,000.00			8,000.00			
10-33	Acquisition of Blk 21.06 Lot 301.06	12/20/10	115,000.00	2,076.00				2,076.00		
11-09	Various Capital Improvements	4/18/11	1,322,000.00			1,322,000.00	904,194.23			417,805.77
				<u>\$ 53,587.55</u>	<u>\$ 2,425,047.06</u>	<u>\$ 1,322,000.00</u>	<u>\$ 1,551,779.68</u>	<u>\$ 48,884.48</u>	<u>\$ 836,157.57</u>	<u>\$ 1,363,812.88</u>
REF.				C	C		C-12		C:C-3	C:C-7
Deferred Charges To Future Taxation - Unfunded Capital Improvement Fund		C-7				\$ 1,255,900.00				
		C-8				66,100.00				
						<u>\$ 1,322,000.00</u>				
Due Trust - Housing		C-15					\$ 2,076.00			
Deferred Charges To Future Taxation - Unfunded		C-7					46,808.48			
							<u>\$ 48,884.48</u>			

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 3,814,677.59
Decreased by:		
Loans Paid By Budget	C-5	<u>399,143.66</u>
Balance, December 31, 2011	C	\$ <u><u>3,415,533.93</u></u>

Analysis of Balance:

Recreation Area Acquisition	\$	113,856.89
Rockaway Creek - 1995		40,277.79
Rockaway Creek - 1998		59,261.07
Incentive		532,419.79
Greenway Acquisition		971,795.30
Summer Road Park		280,532.51
N.J. Infrastructure:		
Dreahook Road		734,183.07
Salt Barn		18,702.50
2003		188,862.76
2004		<u>475,642.25</u>
	\$	<u><u>3,415,533.93</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2011		INTEREST RATE	BALANCE DECEMBER 31, 2010	INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
			DATE	AMOUNT					
General Improvement Bonds of 1997	April 15, 1997	\$ 4,406,000.00	2012	\$ 371,000.00	Variable	\$ 731,000.00	\$	\$ 360,000.00	\$ 371,000.00
General Improvement Bonds of 2002	August 1, 2002	6,000,000.00	2012	610,000.00	3.750%	3,270,000.00		575,000.00	2,695,000.00
			2013	1,020,000.00	3.875%				
			2014	1,065,000.00	4.000%				
General Improvement Bonds of 2005	December 15, 2005	10,000,000.00	2012	200,000.00	4.375%	9,500,000.00		200,000.00	9,300,000.00
			2013-2015	250,000.00	4.375%				
			2016	350,000.00	4.375%				
			2017-2020	750,000.00	4.375%				
			2021-2022	1,000,000.00	4.375%				
General Improvement Bonds of 2011	January 18, 2011	11,000,000.00	2012-2014	250,000.00	4.00%				
			2015	795,000.00	4.000%				
			2016	720,000.00	4.000%				
			2017	340,000.00	4.000%				
			2018	380,000.00	4.000%				
			2019	420,000.00	4.000%				
			2020	470,000.00	5.000%				
			2021	265,000.00	5.000%				
			2022	320,000.00	4.200%				
			2023	370,000.00	4.500%				
			2024	430,000.00	4.625%				
			2025	490,000.00	5.000%				
			2026-2031	875,000.00	Variable				
						<u>11,000,000.00</u>		<u>11,000,000.00</u>	
						<u>\$ 13,501,000.00</u>	<u>\$ 11,000,000.00</u>	<u>\$ 1,135,000.00</u>	<u>\$ 23,366,000.00</u>
REF.	C		C-2:C-5:C-7	C-5	C				

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 66,085.00
Increased by:		
Improvement Authorizations	C-9	<u>1,551,779.68</u>
		\$ <u>1,617,864.68</u>
Decreased by:		
Disbursements	C-2	<u>1,612,583.68</u>
Balance, December 31, 2011	C	\$ <u><u>5,281.00</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Various Ordinances	2/3/10	2/3/11	1.00%	\$ 50,200,000.00	\$	\$ 50,200,000.00	\$
Various Ordinances	2/2/11	2/2/12	1.50%		34,200,000.00		34,200,000.00
				<u>\$ 50,200,000.00</u>	<u>\$ 34,200,000.00</u>	<u>\$ 50,200,000.00</u>	<u>\$ 34,200,000.00</u>
			<u>REF.</u>	C	C-2	C-2	C:C-7

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
03-08/05-01	Acquisition of Property - Eggerman	\$	75,448.02
03-18	Acquisition of Property - Y.E.S. Farms		50,000.00
03-24 / 04-27	Acquisition of Property - O'Urso		805,223.65
04-15	Acquisition of Development Rights - Jackson		10,574.20
04-35	Acquisition of Development Rights - Hamewith		73,260.09
04-41	Acquisition of Property - Ilva Saronno		117,736.66
05-08	Acquisition of Land		51,835.22
05-13	Acquisition of Development Rights - Staats		54,142.46
05-17	Acquisition of Development Rights - Amaudy		25,313.23
05-31	Acquisition of Development Rights - Padovani		28,004.58
06-11	Acquisition of Property - Cuchiaro		26,518.55
06-28	Acquisition of Property - Accettola		16,152.42
10-13	Various Overlay of Roads		188.16
11-09	Various Capital Improvements		<u>1,255,900.00</u>
		\$	<u><u>2,590,297.24</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF DUE TRUST OTHER FUND (HOUSING TRUST)

REF.

Increased by:			
Improvement Authorizations Canceled	C-9	\$	2,076.00
Balance, December 31, 2011 (Due To)	C	\$	<u>2,076.00</u>

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>TRUST</u>
Balance December 31, 2010	D	\$ <u>247,887.50</u>	\$ <u>111.66</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-9	\$ 1,261,277.96	\$
Miscellaneous Revenue	D-1:D-2	7,962.67	
User Fees From Other Contracts	D-1:D-2	349,986.00	
Prepaid Sewer Charges	D-9	1,635.06	
Reserve for Overpayments	D-10	1,112.75	
Reserve for Expansion	D-6		<u>840,995.91</u>
		\$ <u>1,621,974.44</u>	\$ <u>840,995.91</u>
		\$ <u>1,869,861.94</u>	\$ <u>841,107.57</u>
Decreased by Disbursements:			
2011 Budget Appropriations	D-3	\$ 1,535,283.72	\$
2010 Appropriation Reserves	D-8	39,987.75	
Due Current Fund	D-11	76,700.00	
		\$ <u>1,651,971.47</u>	\$ <u>0.00</u>
Balance, December 31, 2011	D	\$ <u><u>217,890.47</u></u>	\$ <u><u>841,107.57</u></u>

"D-5"

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR REFUNDABLE HOOK-UP FEES

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	D	\$ <u>3,720.25</u>

"D-6"

SCHEDULE OF RESERVE FOR EXPANSION - TRUST FUND

Balance, December 31, 2010	D	\$ 111.66
Increased by: Receipts	D-4	<u>840,995.91</u>
Balance, December 31, 2011	D	\$ <u>841,107.57</u>

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2010</u>	<u>MODIFIED</u>	<u>PAID OR CHARGED</u>	BALANCE <u>LAPSED</u>
Operating:				
Other Expenses	\$ 239.80	\$ 239.80	\$	\$ 239.80
Service Fees - RLSA	52.00	52.00		52.00
Service Fees - RTMUA	<u>42,297.62</u>	<u>42,297.62</u>	<u>39,987.75</u>	<u>2,309.87</u>
	<u>\$ 42,589.42</u>	<u>\$ 42,589.42</u>	<u>\$ 39,987.75</u>	<u>\$ 2,601.67</u>
<u>REF.</u>	D		D-4	D-1

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	D		\$ 77,328.62
Increased by:			
Sewer Charges Levied (Net)			1,276,435.18
			<u>\$ 1,353,763.80</u>
Decreased By:			
Receipts	D-4	\$ 1,261,277.96	
Prepaid Applied to Revenue	D-9	3,798.96	
Overpayments Applied to Revenue	D-10	<u>28.90</u>	
			<u>1,265,105.82</u>
Balance, December 31, 2011	D		<u>\$ 88,657.98</u>

"D-9"

TOWNSHIP OF READINGTON
SEWER UTILITY FUND
SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2010	D	\$ 3,798.96
Increased by:		
Receipts	D-4	1,635.06
		\$ <u>5,434.02</u>
Decreased by:		
Applied to Revenue	D-8	<u>3,798.96</u>
Balance, December 31, 2011	D	\$ <u><u>1,635.06</u></u>

"D-10"

SCHEDULE OF RESERVE FOR SEWER OVERPAYMENTS

Balance, December 31, 2010	D	\$ 28.90
Increased by:		
Receipts	D-4	1,112.75
		\$ <u>1,141.65</u>
Decreased by:		
Applied to Revenue	D-8	<u>28.90</u>
Balance, December 31, 2011	D	\$ <u><u>1,112.75</u></u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Increased by:		
Disbursements	D-4	\$ 76,700.00
Balance, December 31, 2011 (Due From)	D	\$ <u>76,700.00</u>

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TOWNSHIP OF READINGTON

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Township Committee
Township of Readington
County of Hunterdon
509 Route 523
Whitehouse Station, New Jersey 08889

We have audited the accompanying financial statements – regulatory basis of the Township of Readington, County of Hunterdon, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated July 18, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Readington prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township of Readington'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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Readington's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations section of this report.

This report is intended solely for the information of the Township of Readington, County of Hunterdon, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 18, 2012

TOWNSHIP OF READINGTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2011

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>RECEIVED</u>	<u>EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2011</u>
<u>Department of Law and Public Safety</u>					
Drunk Driving Enforcement Fund - Prior Year(s)	6400-100-078-6400-YYY	\$ 30,769.99	\$	\$ 12,655.79	\$ 30,769.99
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	9,003.77	9,003.77	1,598.53	1,598.53
Over The Limit Under Arrest		4,400.00	4,400.00	4,400.00	4,400.00
			<u>\$ 9,003.77</u>	<u>\$ 14,254.32</u>	<u>\$ 32,368.52</u>
<u>Department of Environmental Protection</u>					
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	41,965.82	\$ 41,965.82	\$ 41,965.82	\$ 41,965.82
Green Communities		4,500.00	1,500.00		
Alcohol Education Rehabilitation Grant - Prior	9735-760-098-Y900-001	4,574.85			620.64
Alcohol Education Rehabilitation Grant	9735-760-098-Y900-001	4,746.25	4,746.25	4,746.25	4,746.25
			<u>\$ 48,212.07</u>	<u>\$ 46,712.07</u>	<u>\$ 47,332.71</u>
<u>Board of Public Utilities-Office of Clean Energy</u>					
BPUE Direct Install		40,059.00	\$ 40,059.55	\$ 40,059.55	\$ 40,059.55
			<u>\$ 40,059.55</u>	<u>\$ 40,059.55</u>	<u>\$ 40,059.55</u>
<u>New Jersey Historical Commission</u>					
Museum Grant - Prior	N/A	9,172.00	\$	\$ 4,586.00	\$ 9,172.00
				<u>\$ 4,586.00</u>	<u>\$ 9,172.00</u>
<u>Division of Criminal Justice</u>					
Body Armor Replacement Fund - Prior	1020-718-066-100-001	11,207.82	\$	\$ 4,068.18	\$ 11,207.82
Body Armor Replacement Fund	1020-718-066-100-001	2,459.77	2,459.77	1,074.32	1,074.32
			<u>\$ 2,459.77</u>	<u>\$ 5,142.50</u>	<u>\$ 12,282.14</u>
			<u>\$ 99,735.16</u>	<u>\$ 110,754.44</u>	<u>\$ 141,214.92</u>

TOWNSHIP OF READINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Readington, County of Hunterdon, New Jersey. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. All of these amounts are reported in the Current Fund in 2011.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ _____	\$ 99,735.16	\$ 13,572.00	\$ 113,307.16
	\$ <u>- 0 -</u>	\$ <u>99,735.16</u>	\$ <u>13,572.00</u>	\$ <u>113,307.16</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ _____	\$ 110,754.44	\$ 4,564.69	\$ 115,319.13
	\$ <u>- 0 -</u>	\$ <u>110,754.44</u>	\$ <u>4,564.69</u>	\$ <u>115,319.13</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

PART III

TOWNSHIP OF READINGTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,293,000.00	1.65%	\$ 800,000.00	1.01%
Miscellaneous - From Other Than Local Property Tax Levies	3,764,803.26	4.80%	4,411,869.16	5.55%
Collection of Delinquent Taxes and Tax Title Liens	805,640.97	1.03%	942,085.82	1.19%
Collections of Current Tax Levy	<u>72,519,236.09</u>	<u>92.52%</u>	<u>73,325,160.78</u>	<u>92.25%</u>
<u>Total Revenue</u>	<u>\$ 78,382,680.32</u>	<u>100.00%</u>	<u>\$ 79,479,115.76</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 15,730,101.63	20.39%	\$ 15,906,598.95	20.38%
County Taxes	11,930,199.94	15.46%	12,523,774.30	16.05%
Local School District Taxes	29,496,732.56	38.23%	29,475,594.50	37.77%
Regional School District Taxes	19,454,665.46	25.21%	19,279,794.72	24.71%
Municipal Open Space Taxes	549,237.70	0.70%	571,382.52	0.73%
Other Expenditures	<u>2,059.05</u>	<u>0.01%</u>	<u>275,000.00</u>	<u>0.35%</u>
<u>Total Expenditures</u>	<u>\$ 77,162,996.34</u>	<u>100.00%</u>	<u>\$ 78,032,144.99</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,219,683.98		\$ 1,446,970.77	
Fund Balance - January 1	<u>\$ 2,234,746.75</u>		<u>\$ 1,587,775.98</u>	
	\$ 3,454,430.73		\$ 3,034,746.75	
Less: Utilization as Anticipated Revenue	<u>1,293,000.00</u>		<u>800,000.00</u>	
Fund Balance, December 31	<u>\$ 2,161,430.73</u>		<u>\$ 2,234,746.75</u>	

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

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 100,000.00	5.79%	\$ 113,175.00	7.15%
Collection of Sewer Use Charges	1,265,105.82	73.32%	1,190,479.64	75.17%
Miscellaneous	<u>360,550.34</u>	<u>20.89%</u>	<u>280,213.06</u>	<u>17.69%</u>
<u>Total Revenue</u>	<u>\$ 1,725,656.16</u>	<u>100.00%</u>	<u>\$ 1,583,867.70</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,457,080.00	94.74%	\$ 1,473,600.00	93.26%
Statutory Expenditures	5,920.00	0.38%	6,575.00	0.42%
Surplus General Budget	<u>75,000.00</u>	<u>4.88%</u>	<u>100,000.00</u>	<u>6.33%</u>
<u>Total Expenditures</u>	<u>\$ 1,538,000.00</u>	<u>100.00%</u>	<u>\$ 1,580,175.00</u>	<u>100.00%</u>
Excess in Revenue	<u>\$ 187,656.16</u>		<u>\$ 3,692.70</u>	
Fund Balance - January 1	<u>197,749.97</u>		<u>307,232.27</u>	
	\$ 385,406.13		\$ 310,924.97	
Less: Utilization as Anticipated Revenue	<u>100,000.00</u>		<u>113,175.00</u>	
Fund Balance, December 31	<u>\$ 285,406.13</u>		<u>\$ 197,749.97</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$2.673</u>	<u>\$2.604</u>	<u>\$2.570</u>
Appointment of Tax Rate:			
Municipal	\$0.431	\$0.429	\$0.413
Municipal Open Space	0.019	0.020	0.020
County	0.436	0.440	0.442
Local School	1.077	1.037	1.042
Regional School	<u>0.710</u>	<u>0.678</u>	<u>0.653</u>

Assessed Valuation:

Year 2011	\$ <u>2,740,551,605.00</u>		
Year 2010		\$ <u>2,841,611,685.00</u>	
Year 2009			\$ <u>2,845,738,089.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$73,420,299.21	\$72,519,236.09	98.77%
2010	\$74,377,407.36	\$73,315,883.01	98.57%
2009	\$73,577,354.10	\$72,475,976.79	98.50%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2011	\$ 91,380.02	\$ 982,271.10	\$ 1,073,651.12	1.46%
2010	87,170.05	916,632.16	1,003,802.21	1.36%
2009	2,471.38	988,125.93	990,597.31	1.38%

PROPERTY ACQUIRED BY TAX TITLE
LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31st on the basis of the last assessed valuations of such properties was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2011	\$ 22,650.00
2010	22,650.00
2009	22,650.00

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>COLLECTIONS</u>
2011	\$ 1,244,880.00	\$ 1,190,542.57
2010	1,204,826.20	1,192,755.94
2009	1,203,458.66	1,228,168.87

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2011	\$ 2,161,430.73	\$ 1,359,175.00
	2010	2,234,746.75	1,293,000.00
	2009	1,587,855.29	800,000.00
	2008	1,311,463.41	850,000.00
	2007	1,907,957.72	1,150,000.00
Sewer Utility Operating Fund	2011	\$ 285,406.13	\$ 85,000.00
	2010	197,749.97	100,000.00
	2009	307,232.27	113,175.00
	2008	130,997.49	120,688.45
	2007	325,782.68	204,337.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Frank Gatti	Mayor	*
Thomas Auriemma	Deputy Mayor	*
Beatrice Muir	Councilperson	*
Julia Allen	Councilperson	*
Donna Simon	Councilperson	*
Vita Mekovetz	Administrator, Clerk, Registrar, Qualified Purchasing Agent	*
Thomas Carro	Chief Financial Officer	*
Michael Balogh	Tax Collector, Tax Search Officer	*
Mary Mastro	Tax Assessor	*
Gerard Shamey	Municipal Court Judge	*
Nicole Heater	Municipal Court Administrator	*
Sebastian Donaruma	Police Chief	*

* All officials and employees (except as noted) handling and collecting Township funds are covered under a special multi-peril policy public employees blanket coverage endorsement for \$1,000,000.00.

All of the bonds were examined and were properly executed and were in accordance with the state promulgated schedule.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2010 the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$36,000 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Road Reclamation & Surfacing Program
County Line Road Project
Maintenance & Repair Materials
Sewer Extension – Pulaski Road

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.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any material, supplies or services, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6."

CONTRACTS AND AGREEMENTS REQUIRED TO BE
ADVERTISED FOR N.J.S.A. 40A:11-4

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 for the following services:

Municipal Attorney
Municipal Auditor
Special Labor Counsel
Bond Counsel
Planning Services
Municipal Prosecutor
Municipal Public Defender
Various Other Consulting Services

COLLECTION OF INTEREST ON DELINQUENT
TAXES AND ASSESSMENTS

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

The Governing Body on January 3, 2011 adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 20, 2011 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2011	5
2010	5
2009	5

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Information Tax Positive Confirmation	50
Delinquent Tax Positive Confirmation	25
Information Utility Positive Confirmation	20
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OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

OTHER COMMENTS (CONTINUED)

Purchasing

We noted that numerous purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation. We have noted that in 2012 the Township has taken steps to address this issue.

Fixed Assets

Our audit of the fixed assets ledger revealed that not all applicable purchases are being accounted for as fixed assets. Also, the ledger is not monitored for deletions as Township property is disposed.

Finance

Our audit of the financial records revealed that certain accounts do not have accurate and detailed general ledgers maintained.

RECOMMENDATIONS

That the practice of issuing confirming orders be discontinued, and that the Township implements a complete encumbrance system.

That the Township maintains a complete and detailed fixed assets ledger.

That the Township maintains complete general ledgers for all funds.

