

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION

FOR THE FISCAL YEARS
ENDED JUNE 30, 2011 and 2010**

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

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

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

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)
(E-MAIL) admin@hm-pa.net

ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and governmental fixed assets of the Township of North Brunswick, County of Middlesex, New Jersey, as of June 30, 2011 and 2010 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended June 30, 2011, which collectively comprise of the Township's financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The financial statements referred to above include the assets and reserves of the Township's Length of Service Award Program, which, by regulation, is subject to an accountant's review report and is unaudited. The Length of Service Award Program is included in the Trust Funds.

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

In our opinion, because the prescribed regulatory basis of accounting as described in the preceding paragraph is utilized by the Township of North Brunswick, County of Middlesex, New Jersey for the purpose of financial statement preparation, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of North Brunswick, County of Middlesex, New Jersey as of June 30, 2011 and 2010, the changes in its financial position, or where applicable, its cash flows of its proprietary funds for the year then ended.

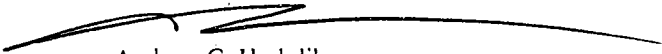
Further, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the Township of North Brunswick, County of Middlesex, New Jersey as of June 30, 2011 and 2010 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended June 30, 2011, on the basis of accounting described in Note 2.

In accordance with Government Auditing Standards, we have also issued a report dated February 13, 2012 on our consideration of the Township of North Brunswick's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

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

Hodulik & Morrison, P.A.

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



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
February 13, 2012

HODULIK & MORRISON, P.A.

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)
(E-MAIL) admin@hm-pa.net

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ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPAS
NEW JERSEY SOCIETY OF CPAS
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

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

We have audited the financial statements –regulatory basis of the Township of North Brunswick as of and for the year ended June 30, 2011, which collectively comprise the Township of North Brunswick's financial statements and have issued our report thereon dated February 13, 2012. Our report expressed an unqualified opinion on the financial statements in conformity with this regulatory basis. Our report also expressed a modified opinion on the conformity of the financial statements to accounting principles generally accepted in the United States of America, due to the differences between those principles and the prescribed regulatory basis, which is more fully described in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we have reported to the management of the Township of North Brunswick in accompanying the General Comments and Recommendations section of the Report of Audit.

This report is intended solely for the information of the Mayor and Township Council, management, Division of Local Government Services and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Hodulik & Morrison, P.A.

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

Highland Park, New Jersey
February 13, 2012

HODULIK & MORRISON, P.A.

FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

Assets	Ref.	June 30, 2011	June 30, 2010	Liabilities	Ref.	June 30, 2011	June 30, 2010
<u>Current Fund:</u>							
Cash.....	A-4	\$ 10,280,758.58	\$ 13,246,114.06	Accounts Payable.....	A-9	\$ 335,738.26	\$ 366,246.00
Change Fund.....	A-5	1,175.00	1,125.00	Encumbrances, Current Budget.....	A-3, A-10	610,951.75	535,804.01
Due New Jersey - Sr Citizens				Appropriation Reserves.....	A-3, A-10	1,702,124.91	1,514,356.52
& Veterans Deductions.....	A-6	217,637.41	220,134.59	Prepaid & Overpaid Taxes.....	A-11	178,761.92	214,100.40
				Taxes Payable.....	A-12	35,888,970.00	34,423,352.50
Total.....		10,499,570.99	13,467,373.65	Less Deferred School Taxes.....	A-12	(35,217,758.00)	(33,467,758.00)
				Filing Fees Due State of NJ.....	A-9	19,820.00	11,075.00
				Reserve, Master Plan.....	A-9	2,516.00	2,516.00
				Reserve, Tax Appeals.....	A-9	230,263.67	225,585.41
Receivable Offset by Reserves:				Reserve, Tax Map Revisions.....	A-9	9,346.25	9,346.25
Municipal Service Reimburse....	A-9	3,400.00	3,400.00	Reserve, Loreal Land Lease.....	A-9		125,000.00
Property Tax Receivables.....	A-7	200.00	8,975.62	Reserve, FMBA Health.....	A-9	5,769.73	3,960.96
Tax Title Liens Receivables.....	A-7	280,954.61	300,717.43	Total Cash Liabilities.....		3,766,504.49	3,963,585.05
Property Acquired for Taxes.....	A-7	161,970.58	161,970.58	Reserve for Accounts Receivable....	A	446,525.19	475,063.63
Total.....	A	446,525.19	475,063.63	Fund Balance.....	A-1	6,733,066.50	9,503,788.60
Total Current Fund.....		\$ 10,946,096.18	\$ 13,942,437.28	Total Current Fund.....		\$ 10,946,096.18	\$ 13,942,437.28
<u>Grant Fund:</u>							
Cash.....	A-4	\$ 187,414.64	\$ 54,941.00	Unappropriated Grant Reserves.....	A-14	\$ 59,857.72	\$ 60,049.86
Grant Accounts Receivable.....	A-15	1,366,320.36	1,318,932.41	Reserve for Encumbrances.....	A-16	671,339.85	478,001.24
				Appropriated Grant Reserves.....	A-16	822,537.43	835,822.31
Total Grant Fund.....		\$ 1,553,735.00	\$ 1,373,873.41	Total Grant Fund.....		\$ 1,553,735.00	\$ 1,373,873.41
Total.....		\$ 12,499,831.18	\$ 15,316,310.69	Total.....		\$ 12,499,831.18	\$ 15,316,310.69

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	Ref.	June 30, 2011	June 30, 2010
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1, A-2	\$ 6,390,475.00	\$ 6,200,000.00
Miscellaneous Revenues Anticipated.....	A- 2	23,270,337.74	13,288,618.40
Receipts from Current Taxes.....	A- 7	115,983,210.50	111,485,542.57
Non Budget Revenue (MRNA).....	A- 8	492,698.98	728,998.58
Unexpended Balance of Appropriation Reserves....	A-10	689,327.72	1,025,756.54
Prior Period Adjustments			
Tax Overpayments.....	A-11	9,487.75	
Grant Balances Canceled.....	A-17	4,756.70	47,895.59
Total Revenue and Realized Income.....		<u>146,840,294.39</u>	<u>132,776,811.68</u>
<u>Expenditures</u>			
Budget Appropriations.....	A- 3	56,017,284.12	44,993,117.27
Tax Collections			
County Taxes.....	A-12	14,976,668.72	15,599,259.72
Local School District Taxes.....	A-12	73,243,557.50	68,664,111.50
Less Additional School Taxes Deferred.....	A-12	(1,750,000.00)	(1,950,000.00)
Municipal Open Space Trust Fund.....	A-12	733,031.15	756,904.46
Total Expenditures.....		<u>143,220,541.49</u>	<u>128,063,392.95</u>
Statutory Excess.....		3,619,752.90	4,713,418.73
Fund Balance, Beginning of Year.....	A	9,503,788.60	10,990,369.87
Decreased by Surplus Anticipated.....	A-1, A-2	(6,390,475.00)	(6,200,000.00)
Fund Balance, End of Year.....	A	<u>\$ 6,733,066.50</u>	<u>\$ 9,503,788.60</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Ref.	Anticipated SFY 2011	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 6,390,475.00		\$ 6,390,475.00	
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		53,000.00		50,960.00	\$ (2,040.00)
Licenses - Other.....		172,040.00		191,724.51	19,684.51
Fees & Permits.....		242,460.00		240,120.45	(2,339.55)
Mayor Marraiges & Civil Unions.....		2,100.00		1,750.00	(350.00)
Fines & Costs - Municipal Court.....		884,000.00		1,033,702.32	149,702.32
Interest & Costs on Taxes.....		120,000.00		128,345.26	8,345.26
Interest on Investments and Deposits.....		184,000.00		168,139.56	(15,860.44)
Water & Sewer Operating Funds.....		1,225,000.00		1,225,000.00	
Fire Prevention Fines & Fees.....		135,540.00		138,323.28	2,783.28
Cable Television Franchise Fee.....		116,850.00		118,165.00	1,315.00
Hotel Tax.....		60,000.00		55,572.30	(4,427.70)
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		218,850.00		225,550.00	6,700.00
Technology Center of NJ.....		1,068,000.00		1,059,390.49	(8,609.51)
Loreal		125,000.00		125,000.00	
Uniform Construction Code Fees.....		423,000.00		574,429.00	151,429.00
Uniform Fire Safety Act.....		65,000.00		54,515.34	(10,484.66)
Open Space Trust Fund.....		774,525.00		774,525.00	
General Capital Surplus		100,000.00		100,000.00	
North Brunswick BOE - Contribution to					
Soil Remediation Project.....		275,965.00		289,969.20	14,004.20
1.5% Health Care Contribution		82,235.00		84,255.53	2,020.53
Library Contribution		84,000.00		111,399.32	27,399.32
State Aid					
Consolidated Municipal					
Property Tax Relief Aid.....		542,821.00		547,474.00	4,653.00
Energy Receipts Tax.....		3,939,495.00		3,939,495.00	
Watershed Moratorium Aid.....		4,653.00		4,653.00	
Sub-total.....		10,898,534.00		11,242,458.56	343,924.56
<u>Public and Private Revenues</u>					
<u>Offset with Appropriations:</u>					
Public Safety:					
Drunk Driving Enforcement Fund.....			8,858.25	8,858.25	
Safe & Secure.....		60,000.00		60,000.00	
Over the limit - Under Arrest.....		4,400.00	5,000.00	9,400.00	
Great Office of Justice Program.....					
Cops in Shops			1,200.00	1,200.00	
Bullet Proof Vests.....			2,499.00	2,499.00	
Body Armor Grant - State.....		6,650.07		6,650.07	
Justice Assistance Grant.....		12,616.00		12,616.00	
Bias Grant		5,000.00		5,000.00	
BJA Congressionally Selected - Video Surv.			185,000.00	185,000.00	
Click or Ticket.....			4,000.00	4,000.00	

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Ref.</u>	Anticipated SFY 2011	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Municipal Court					
Alcohol Education & Enforce Fund.....		2,262.29		2,262.29	
Parks Recreation & Community Service					
Municipal Alliance.....			32,682.00	32,682.00	
County Human Service - Dodgeball		5,000.00		5,000.00	
Senior Center Outreach Grant.....		12,500.00		12,500.00	
Senior Center Congregate Meals.....		9,218.00		9,218.00	
County Open Space - Pulda.....			11,000,000.00	11,000,000.00	
Senior Center Transportation Program		11,000.00		11,000.00	
Heritage Day (County/Federal).....			4,150.00	4,150.00	
Community Development					
NJDOT - Omaha Road.....			250,000.00	250,000.00	
Public Works:					
Recycling Tonnage Grant.....			82,131.00	82,131.00	
Middlesex County Economic Growth -Lights			60,000.00	60,000.00	
Clean Energy.....		206,275.00		206,275.00	
Bristol Myers Squibb.....			2,500.00	2,500.00	
NJ Clean Energy Program - Boiler.....			3,150.00	3,150.00	
Clean Communities.....		51,787.57		51,787.57	
Sub-total.....		386,708.93	11,641,170.25	12,027,879.18	
Current Fund Total Miscellaneous.....	A-1	11,285,242.93	11,641,170.25	23,270,337.74	343,924.56
Local Purpose Tax.....	A-7	27,254,425.00		27,594,224.13	339,799.13
Total General Revenues.....	A-1	\$ 44,930,142.93	\$ 11,641,170.25	\$ 57,255,036.87	\$ 683,723.69
	<u>Ref.</u>	A-3	A-3	A-1	
			<u>Ref.</u>		
Federal & State Grants.....			A-15	\$ 12,027,879.18	
Cash.....			A-4	11,242,458.56	
Total Miscellaneous Revenue.....				\$ 23,270,337.74	

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SFY 2011 Budget	Modified Budget	Expended	Balance	Balance Reserved
	Salaries	Salaries	Salaries	Canceled	Salaries Other
General Government:					
Administration.....	\$ 362,200.00	\$ 32,600.00	\$ (342,137.37)	(17,655.43)	\$ 17,362.63
Purchasing.....	2,550.00	2,550.00	(2,293.21)	(72.20)	184.59
Municipal Clerk.....	169,116.25	30,445.00	(165,715.55)	(14,069.08)	6,100.70
Financial Administration.....	180,500.00	54,100.00	(168,320.10)	(16,332.81)	3,815.48
Audit.....	55,000.00	55,000.00	-	(420.00)	12,179.90
Information Technology.....	147,000.00	61,000.00	(141,080.98)	(4,268.23)	-
Tax Collection.....	109,000.00	16,400.00	(103,917.55)	-	5,919.02
Tax Assessment.....	83,750.00	125,550.00	(74,641.92)	(85,004.00)	5,082.45
Reserve for Tax Appeals.....	50,000.00	50,000.00	(50,000.00)	(33,150.90)	4,108.08
Legal.....	350,000.00	350,000.00	(320,091.52)	(26,352.56)	3,555.92
Insurance:					
Other Insurance.....	1,241,760.00	1,241,760.00	(1,088,109.32)	-	153,650.68
Employee Group Insurance.....	4,148,151.00	4,106,551.00	(4,001,373.60)	(48,108.93)	57,068.47
Community Development					
Engineering.....	85,800.00	88,950.00	(83,883.70)	(42,913.19)	3,416.30
Planning.....	227,250.00	23,700.00	(224,463.81)	(17,861.16)	8,986.19
Zoning.....	97,500.00	8,300.00	(96,124.46)	(3,568.02)	3,775.54
Affordable Housing.....	3,600.00	250.00	(3,600.00)	-	4,403.98
Code Enforcement.....	129,250.00	3,850.00	(113,145.63)	(3,342.38)	250.00
Rent Control Board.....	100.00	100.00	-	-	507.62
Fire Safety.....	192,133.00	9,400.00	(181,826.17)	(6,323.85)	100.00
Uniform Construction Code.....	283,000.00	56,800.00	(272,350.72)	(42,724.86)	2,321.31
Public Safety:					
Police.....	11,501,000.00	532,900.00	(10,923,278.49)	(480,134.05)	11,649.28
Emergency Management.....	59,500.00	45,800.00	(65,789.16)	(44,573.55)	577,721.51
Volunteer Fire Departments.....	198,000.00	198,000.00	(191,556.16)	(10.00)	3,210.84
First Aid Organizations.....	65,000.00	65,000.00	(60,190.00)	(6,400.16)	1,216.45
Length of Service Award Program.....	70,000.00	76,500.00	(66,725.12)	(4,761.33)	43.68
Juvenile Aid.....	5,000.00	5,000.00	(2,400.00)	(9,532.16)	48.67
Municipal Court.....	382,800.00	13,150.00	(377,022.73)	(214.00)	242.72
Public Defender.....	25,000.00	25,000.00	(2,000.00)	(13,500.00)	5,000.00
Public Works:					
Streets and Roads.....	799,371.75	215,100.00	(751,157.35)	(196,372.07)	20,777.27
Sanitation.....	628,600.00	490,500.00	(607,024.11)	(8,161.99)	48,214.40
Solid Waste Disposal Fees.....	762,500.00	762,500.00	(673,834.16)	(45,085.08)	26,575.89
Recycling.....	290,000.00	290,000.00	(216,231.39)	(80,964.84)	7,701.00
Buildings and Grounds.....	153,621.00	153,621.00	(170,018.71)	(2,154.43)	71,614.18
Motor Vehicle Maintenance.....	319,000.00	335,500.00	(128,643.11)	(12,141.76)	12,836.13
Muni Service Reimbursement.....			(309,376.91)	(287,719.07)	7,842.14
Condominiums.....	119,500.00	119,500.00	-	-	119,500.00
NJDEP - Stormwater Permit.....	317,000.00	28,000.00	(302,413.27)	(15,987.95)	9,749.75

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SFY 2011 Budget Salaries	Other	Modified Budget Salaries	Other	Expended Salaries	Other	Encumbrances	Balance Canceled	Salaries	Balance Reserved Other
Parks Recreation & Community Services										
Board of Health		90,000.00	-	90,000.00		(63,726.75)	(21,242.25)		-	5,031.00
Committee Board Secretaries			15,000.00	20,000.00		(2,804.00)	(3,299.00)		15,000.00	13,897.00
Animal Control	15,000.00	20,000.00	1,200.00	550.00	(1,200.00)	(520.00)				30.00
Environmental Commission	1,200.00	550.00	236,000.00	57,550.00	(226,878.02)	(43,450.88)	(10,876.22)		9,121.98	3,222.90
Recreation & Community Services	229,000.00	57,550.00	168,000.00	26,950.00	(155,522.31)	(20,882.81)	(5,421.00)		12,477.69	646.19
Senior Services	178,500.00	26,950.00	591,300.00	249,200.00	(549,578.99)	(187,505.30)	(61,105.11)		41,721.01	589.59
Parks and Playgrounds	591,300.00	249,200.00		1,648,293.00		(1,648,293.00)	-			
Education - Library		1,648,293.00								
Unclassified			17,500.00			(1,726,103.89)	(26,242.75)		17,500.00	57,653.36
Salary Adjustments	17,500.00			1,810,000.00						1,000.00
Utilities / Facilities Costs		1,810,000.00		1,000.00						
Contingency		1,000.00								
Statutory Expenditures:										
Public Employees Retirement		887,607.00		887,607.00		(887,157.00)				450.00
Police & Fire Retirement		2,527,617.00		2,527,617.00		(2,527,169.00)				448.00
Defined Contribution (DCRP)		1,000.00		1,000.00		(45.94)				954.06
Social Security		1,338,322.00		1,338,322.00		(1,246,317.33)				92,004.67
Unemployment Compensation		150,000.00		150,000.00		(150,000.00)				29,584.00
Matching Funds for Grants		40,000.00		40,000.00		(10,416.00)				
Sub-Total Operations	17,282,271.00	18,556,566.00	17,322,371.00	18,516,466.00	(16,412,868.01)	(17,112,892.33)	(610,951.75)	-	909,502.99	792,621.92
Public & Private Programs										
Offset by Revenues:										
Public Safety:										
Drunk Driving Enforcement Fund		-		8,858.25		(8,858.25)				
Safe & Secure		60,000.00		60,000.00		(60,000.00)				
Over the limit - Under Arrest		4,400.00		9,400.00		(9,400.00)				
Cops in Shops				1,200.00		(1,200.00)				
Secure Our Schools Grant				-						
Justice Assistance Grant				12,616.00		(12,616.00)				
Bias grant		5,000.00		5,000.00		(5,000.00)				
BJA Congressionally Selected Vic		-		185,000.00		(185,000.00)				
Safe Route To School		-		-						
Bullet Proof Vests				2,499.00		(2,499.00)				
Body Armor Grant		6,650.07		6,650.07		(6,650.07)				
Click it or Ticket				4,000.00		(4,000.00)				
Municipal Court										
Alcohol Education & Enforce Func		2,262.29		2,262.29		(2,262.29)				

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SFY 2011 Budget		Modified Budget	Expended		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Parks Recreation & Community Service								
Municipal Alliance.....		9,218.00	40,852.50	(40,852.50)				
Senior Center Congregate Meals.....		11,000.00	9,218.00	(9,218.00)				
Senior Center Transportation Program.....		12,500.00	11,000.00	(11,000.00)				
Senior Center Outreach Grant.....		5,000.00	12,500.00	(12,500.00)				
County Human Service - Dodgeball.....		-	5,000.00	(5,000.00)				
Heritage Day (County/Federal).....		-	6,225.00	(6,225.00)				
County Open Space - Pulaia.....		-	11,000,000.00	(11,000,000.00)				
Community Development.....		-	250,000.00	(250,000.00)				
NJDOT - OMAHA Road.....		-	-	-				
NJDOT - Rt 130/Adams - Sewer.....		-	-	-				
Public Works:								
Recycling Tonnage Grant.....		-	82,131.00	(82,131.00)				
Clean Energy.....		206,275.00	206,275.00	(206,275.00)				
Clean Communities.....		51,787.57	51,787.57	(51,787.57)				
Middlesex County Economic Growth - Lights			60,000.00	(60,000.00)				
BMS.....			2,500.00	(2,500.00)				
Energy Efficiency.....			3,150.00	(3,150.00)				
NJ Clean Energy Program - Boiler								
Public and Private Programs.....	386,708.93		12,038,124.68	(12,038,124.68)				
Total Operations.....	17,282,271.00	18,943,274.93	17,322,371.00	(16,412,868.01)	(29,151,017.01)	(610,951.75)	909,502.99	792,621.92
Capital Improvements:								
Capital Improvement Fund.....		150,000.00	150,000.00	(150,000.00)				
Total Capital Improvements.....		150,000.00	150,000.00	(150,000.00)				

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SPY 2011 Budget	Modified Budget	Expended	Encumbrances	Balance	Balance Reserved
	Salaries	Salaries	Salaries	Other	Canceled	Salaries
	Other	Other	Other			Other
Debt Service:						
MCIA Equipment Lease.....						
EDA Loan.....	45,456.00	45,456.00	(45,455.60)		(0.40)	
Bond Principal.....	5,550,000.00	5,550,000.00	(5,550,000.00)			
Interest on Bonds.....	1,714,472.00	1,714,472.00	(1,714,471.02)		(0.98)	
Note Principal.....	259,278.00	259,278.00	(259,278.00)			
Interest on Notes.....	384,120.00	384,120.00	(384,117.82)		(2.18)	
Deferred Charges.....	37,000.00	37,000.00	(37,000.00)			
Special Emergency - Tax Map.....						
Total Debt Service.....	7,990,326.00	7,990,326.00	(7,990,322.44)		(3.56)	
Total.....	17,282,271.00	17,322,371.00	(16,412,868.01)	(37,291,339.45)	(610,951.75)	792,621.92
Reserve for Uncollected Taxes.....	564,271.00	564,271.00	(564,271.00)			
Total Current Fund Budget.....	17,282,271.00	17,322,371.00	(16,412,868.01)	(37,855,610.45)	(610,951.75)	792,621.92
Total Current Fund Budget.....	\$ 17,282,271.00	\$ 17,322,371.00	\$ (16,412,868.01)	\$ (37,855,610.45)	\$ (610,951.75)	\$ 792,621.92
Adopted Budget:						
Salaries.....	\$ 17,282,271.00	Cash Disbursed.....	A-4	\$ (41,616,082.78)		
Other Expenses.....	27,647,871.93	Reserve for Tax Appeals.....	A-9	(50,000.00)		
		Reserve for Uncollected Taxes.....	A-7	(564,271.00)		
		State & Federal Grants.....	A-16	(12,038,124.68)		
Total Adopted Budget.....	44,930,142.93	Total Paid or Charged.....		\$ (54,268,478.46)		
Budget Amendments-NISA 40A 4-87.....	11,641,170.25					
Total Modified Budget.....	\$ 56,571,313.18					
		Reserved Balance				
		Salaries.....				\$ 909,502.99
		Other Expenses.....				792,621.92
		A				\$ 1,702,124.91

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

		June 30, 2011	June 30, 2010
<u>ASSETS</u>			
Cash.....	Ref. B-2	\$ 13,160,075.65	\$ 13,163,452.57
Investment LOSAP, Funds held by Trustee (unaudited)...	B	693,624.39	522,054.21
Trust Assessment - Accounts Receivable.....	B-1	71,055.00	113,805.00
Trust Other - Accounts Receivable			
Middlesex County			
CDBG - FY 2004.....	B-2	33,778.25	35,956.00
CDBG - FY 2008.....	B-2	27,800.00	27,800.00
CDBG - FY 2009.....	B-2		52,032.98
CDBG - FY 2010.....	B-2	23,845.20	133,790.00
CDBG - FY 2011.....	B-2	89,383.44	
Total.....		<u>\$ 14,099,561.93</u>	<u>\$ 14,048,890.76</u>
<u>LIABILITIES</u>			
LOSAP Funds (unaudited).....	B	\$ 693,624.39	\$ 522,054.21
Trust Assessment - Reserve for Receivables.....	B-1	71,055.00	113,805.00
Fund Balance.....	B-1	42,750.00	
Parks and Recreation			
Due NJ - Animal License Fees.....	B-2	183.60	1,852.80
Animal Control Reserves.....	B-2	15,948.39	59,754.86
Recreation Programs.....	B-2	812,051.61	747,491.36
Open Space.....	B-2	366,423.87	240,984.83
Finance			
NJ Unemployment.....	B-2	218,724.70	267,981.80
Terminal Leave.....	B-2	661,145.29	737,738.56
Tax Sale, Premium on TTL.....	B-2	250,550.13	172,400.00
Payroll Liabilities Payable.....	B-2	26,944.76	26,165.91

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

		June 30, 2011	June 30, 2010
<hr/>			
Public Safety			
Forfeited Funds.....	B-2	19,046.91	23,618.09
Seized Funds.....	B-2	968.00	805.00
Unclaimed Funds.....	B-2	6,502.80	6,502.80
Outside Employment.....	B-2	36,539.19	28,687.62
Uniform Fire Code.....	B-2	64,815.88	32,530.35
Municipal Court			
Handicapped Parking.....	B-2	8,926.41	8,870.41
Public Defender.....	B-2	24,884.09	18,389.59
POAA Fines.....	B-2	804.57	694.57
Spinal Research.....	B-2	24.16	24.16
Public Works - Snow Removal.....	B-2	199,184.18	31,750.46
Donations, Gifts, & Bequests.....	B-2	7,263.47	12,945.46
Community Development Block Grant			
CDBG - FY04.....	B-2	33,778.25	33,778.25
CDBG - FY08.....	B-2		27,800.00
CDBG - FY09.....	B-2		
CDBG - FY10.....	B-2	23,845.20	89,772.54
CDBG - FY11.....	B-2	64,073.64	
Community Development Department			
Growth Share Reserve.....	B-2	806,183.97	802,416.16
Prepaid Rental C/O's.....	B-2	1,330.00	3,130.00
Third Party UCC Inspections.....	B-2	233,826.14	238,968.54
Developers' Escrow.....	B-2	1,555,043.76	1,795,533.39
Regional Contribution Agreement			
Affordable Housing Contribution, Phase II.....	B-2	7,853,119.57	8,002,444.04
<hr/>			
Total.....		<u>\$ 14,099,561.93</u>	<u>\$ 14,048,890.76</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

	<u>Ref.</u>	June 30, 2011	June 30, 2010
<u>ASSETS</u>			
Cash.....	C-2	\$ 9,929,425.83	\$ 19,507,769.73
Deferred Charges to Future Taxation:			
Funded.....	C-4	40,731,000.00	46,326,455.60
Unfunded.....	C-5	43,821,894.00	41,268,172.00
Total.....		<u>\$ 94,482,319.83</u>	<u>\$ 107,102,397.33</u>
<u>LIABILITIES, RESERVES, & FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 34,300,000.00	\$ 30,042,000.00
Serial Bonds Payable.....	C-7	40,731,000.00	46,281,000.00
EDA Loan Payable.....	C-9		45,455.60
Improvement Authorizations:			
Funded.....	C-6	614,667.44	2,300,122.67
Unfunded.....	C-6	10,728,188.46	19,538,866.54
Reserve for Encumbrances.....	C-6	3,810,611.11	4,145,731.68
Reserve to Retire Debt.....	C-11	4,075,634.50	4,295,853.65
Capital Improvement Fund.....	C-10	342.00	342.00
Fund Balance.....	C-1	221,876.32	453,025.19
Total.....		<u>\$ 94,482,319.83</u>	<u>\$ 107,102,397.33</u>
Bonds & Notes Authorized not Issued.....	C-12	<u>\$ 9,521,894.00</u>	<u>\$ 11,226,172.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Ref.</u>	
Balance June 30, 2010.....	C	\$ 453,025.19
Increased by Cash Receipts		
Premium on Sale of Notes.....	C-2	<u>125,395.13</u>
		578,420.32
Decreased by Cash Disbursements		
Disbursements from Reserve.....	C-2	(256,544.00)
Surplus - Anticipated in Current Fund.....	C-2	<u>(100,000.00)</u>
		(356,544.00)
Balance June 30, 2011.....	C	<u><u>\$ 221,876.32</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

Assets	Ref.	June 30, 2011	June 30, 2010	Liabilities	Ref.	June 30, 2011	June 30, 2010
<u>Water Operating</u>							
Cash.....	D-5	\$ 1,158,613.37	\$ 718,455.57	Reserve for Encumbrances.....	D-4,D-9	\$ 188,822.25	\$ 146,089.18
Due from Water Capital Fund.....	D	1,705,000.00	3,005,000.00	Appropriation Reserves.....	D-4,D-9	98,211.41	306,033.64
				Accounts Payable.....	D-9	247,168.82	49,444.88
				Accrued Interest Payable.....	D-12	388,661.76	387,206.43
				Total Liabilities.....		922,864.24	888,774.13
				Fund Balance.....	D-1	1,940,749.13	2,834,681.44
Total Water Operating Fund.....		\$ 2,863,613.37	\$ 3,723,455.57	Total Water Operating Fund.....		\$ 2,863,613.37	\$ 3,723,455.57
<u>Water Assessment</u>							
Assessment Liens Receivable				Reserve for Receivables.....	D	\$ 700.00	\$ 700.00
Accounts Receivable.....	D	\$ 412.00	412.00				
Liens Interest & Costs.....	D	288.00	288.00				
Total Water Assessment Fund.....		\$ 700.00	\$ 700.00	Total Water Assessment Fund.....		\$ 700.00	\$ 700.00

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

Assets	Ref.	June 30, 2011	June 30, 2010	Liabilities	Ref.	June 30, 2011	June 30, 2010
<u>Water Capital</u>							
Cash.....	D-5,D-6	\$ 201,851.59	\$ 57,910.80	Due to Water Operating Fund.....	D	\$ 1,705,000.00	\$ 3,005,000.00
				Bond Anticipation Notes.....	D-14	1,500,000.00	
				Serial Bonds Payable.....	D-11	4,725,000.00	4,890,000.00
				NJEIT Loan Obligation.....	D-15	17,782,650.14	18,639,498.00
				Lease Purchase Obligation.....	D-13	12,332,500.00	13,087,500.00
Fixed Capital				Improvement Authorizations:			
Completed.....	D-7	30,065,994.03	30,065,994.03	Funded.....	D-10	2,375.40	4,614.91
Authorized not Completed.....	D-8	25,972,695.56	25,872,695.56	Unfunded.....	D-10	830,882.04	897,695.53
				Reserve for Encumbrances.....	D-10	834,473.05	734,859.26
				Reserve for Amortization.....	D-16	16,088,037.45	14,311,189.59
				Reserve for:			
				Water System Improvements.....	D-18	30,900.00	30,900.00
				Capital Improvement Fund.....	D-17	89,067.59	89,067.59
				Fund Balance.....	D-2	319,655.51	306,275.51
Total Water Capital Fund.....		\$ 56,240,541.18	\$ 55,996,600.39	Total Water Capital Fund.....		\$ 56,240,541.18	\$ 55,996,600.39
Total.....		\$ 59,104,854.55	\$ 59,720,755.96	Total.....		\$ 59,104,854.55	\$ 59,720,755.96

Note: See Notes to Financial Statements

There were Bonds and Notes Authorized but Not Issued at June 30, 2011 in the amount of \$3,610,502 (Exhibit - D-19).

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	Ref.	June 30, 2011	June 30, 2010
<u>Revenue and Other Realized Income</u>			
Water Rents.....	D-3	\$ 5,594,336.65	\$ 5,215,215.13
Connection Fees.....	D-3	42,296.62	71,460.00
Developer Contribution.....	D-3	152,490.00	157,290.00
Miscellaneous Revenues.....	D-3	595,242.92	588,758.02
Operating Surplus Anticipated	D-3	1,350,000.00	
Unexpended Balance of Appropriation Reserves.....	D-9	36,324.40	133,273.93
SREC Sales.....	D-3	60,243.00	
Prior Years' Accounts Payable Canceled.....			20,000.00
Total Revenue and Realized Income.....		7,830,933.59	6,185,997.08
<u>Expenditures</u>			
Budget Appropriations.....	D-4	(7,374,865.90)	(6,185,032.63)
Total Expenditures.....		(7,374,865.90)	(6,185,032.63)
Statutory Excess.....		456,067.69	964.45
Decrease by Surplus Anticipated in Budget.....	D-3	(1,350,000.00)	
Fund Balance, Beginning of Year.....	D	2,834,681.44	2,833,716.99
Fund Balance, End of Year.....	D	\$ 1,940,749.13	\$ 2,834,681.44

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011 AND JUNE 30, 2010

	<u>Ref.</u>	
Balance June 30, 2010.....	D	\$ 306,275.51
Increased by:		
Premium on BAN Sale	D-5	<u>13,380.00</u>
Balance June 30, 2011.....	D	<u><u>\$ 319,655.51</u></u>

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 1,350,000.00	\$ 1,350,000.00	\$ -
Water Rents.....	D-1, D-5	\$ 5,380,821.00	\$ 5,594,336.65	\$ 213,515.65
Connection Fees.....	D-1, D-5	70,000.00	42,296.62	(27,703.38)
Fire Service Charge.....	D-1, D-5	60,000.00		(60,000.00)
Developer Contribution.....	D-1, D-5	152,490.00	152,490.00	
Miscellaneous				
Meter Fees.....	D-1, D-5	472,000.00	483,185.49	11,185.49
Interest on Delinquent Accounts.....	D-1, D-5	35,000.00	49,215.78	14,215.78
Other.....	D-1, D-5	63,000.00	62,841.65	(158.35)
SREC Sales.....	D-1, D-5		60,243.00	60,243.00
Water Utility Operating Fund Total.....		<u>\$ 7,583,311.00</u>	<u>\$ 7,794,609.19</u>	<u>\$ 211,298.19</u>

Ref.

D-4

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Budget				Canceled	Reserved
	Original	Modified	Paid/Charged	Encumbrances		
Operating Salaries.....	\$ 84,500.00	\$ 84,500.00	\$ (81,063.54)			\$ 3,436.46
Operating Expenses.....	3,564,615.00	3,564,615.00	(3,287,581.52)	\$ (182,258.53)		94,774.95
Debt - MCIA Lease Payments.....	1,376,660.00	1,376,660.00	(1,362,501.75)	(6,563.72)	\$ (7,594.53)	
Debt - Bond Principal.....	165,000.00	165,000.00	(165,000.00)			
Debt - Interest on Bonds.....	198,270.00	198,270.00	(196,643.47)		(1,626.53)	
Debt - Interest on Notes.....	83,000.00	83,000.00	(16,615.00)		(66,385.00)	
Debt - NJEIT.....	1,311,266.00	1,311,266.00	(1,303,426.96)		(7,839.04)	
Surplus - Current Fund.....	800,000.00	800,000.00	(675,000.00)		(125,000.00)	
Deferred Charges.....						
Total Water Utility Operating.....	\$ 7,583,311.00	\$ 7,583,311.00	\$ (7,087,832.24)	\$ (188,822.25)	\$ (208,445.10)	\$ 98,211.41
	D-3			D		D
Cash.....	D-5		\$ (7,086,376.91)			
Accrued Interest 6/30/2010.....	D-12		387,206.43			
Accrued Interest 6/30/2011.....	D-12		(388,661.76)			
Total Paid or Charged.....			\$ (7,087,832.24)			

() Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

Assets	Ref.	June 30, 2011	June 30, 2010	Liabilities	Ref.	June 30, 2011	June 30, 2010
<u>Sewer Utility Operating:</u>							
Cash.....	E-5	\$ 1,959,023.84	\$ 927,823.55	Encumbrances Payable.....	E-4 E-9	\$ 82,862.47	\$ 49,231.17
Due Sewer Capital.....	E, E-5		650,000.00	Appropriation Reserves.....	E-4 E-9	93,418.70	14,508.14
				Accounts Payable.....	E-9	39,400.11	38,597.04
				Accrued Interest Payable.....	E-11	176,801.74	170,387.57
				Total Liabilities.....		392,483.02	272,723.92
				Fund Balance.....	E-1	1,566,540.82	1,305,099.63
Total Sewer Operating Fund.....		\$ 1,959,023.84	\$ 1,577,823.55	Total Sewer Operating Fund.....		\$ 1,959,023.84	\$ 1,577,823.55

<u>Sewer Utility Capital:</u>							
Cash.....	E-5 E-6	\$ 384,300.52	\$ 20,258.48	Due Sewer Operating Fund.....	E		650,000.00
Fixed Capital				Debt			
Completed.....	E-7	13,795,637.00	13,795,637.00	NJ EJT Loan Payable.....	E-13	876,423.70	\$ 932,226.28
Authorized and Uncompleted.....	E-8	10,790,000.00	10,790,000.00	Lease Purchase Obligation.....	E-12	12,332,500.00	13,087,500.00
				Serial Bonds.....	E-10	1,020,000.00	1,095,000.00
				Bond Anticipation Notes.....	E-17	1,200,000.00	
Deferred Charge				Improvement Authorizations:			
MCIA Lease Purchase.....	E-16	2,881,701.00	3,636,701.00	Funded	E-14	117,706.00	117,706.00
				Unfunded	E-14	5,533,951.85	6,258,611.03
				Encumbrances.....	E-14	1,324,390.67	796,393.45

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011 AND 2010

Assets	Ref.	June 30, 2011	June 30, 2010	Liabilities	Ref.	June 30, 2011	June 30, 2010
Reserve for:							
				Amortization.....	E-16	4,995,102.30	4,864,299.72
				Deferred Amortization.....	E-16	370,000.00	370,000.00
				Capital Improvement Fund.....	E-15	28,900.00	28,900.00
				Fund Balance.....	E- 2	52,664.00	41,960.00
Total Sewer Capital Fund.....		\$ 27,851,638.52	\$ 28,242,596.48	Total Sewer Capital Fund.....		\$ 27,851,638.52	\$ 28,242,596.48
Total Sewer Utility Funds.....		\$ 29,810,662.36	\$ 29,820,420.03	Total Sewer Utility Funds.....		\$ 29,810,662.36	\$ 29,820,420.03

Note: See Notes to Financial Statements

There were Bonds and Notes Authorized but Not Issued at June 30, 2011 in the amount of \$6,673,312 (Exhibit E-18).

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>Ref.</u>	June 30, 2011	June 30, 2010
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....			295,000.00
Sewer Rents.....	E-3	5,876,097.44 \$	5,574,580.77
Connection Fees.....	E-3	40,200.00	30,775.00
Miscellaneous.....	E-3	10,662.39	
Unexpended Balance of Appropriation Reserves.....	E-9	10,778.22	69,027.03
Total Revenue and Realized Income.....		5,937,738.05	5,969,382.80
Budget Appropriations.....	E-4	(5,676,296.86)	(5,818,349.75)
Statutory Excess.....		261,441.19	151,033.05
Fund Balance, Beginning of Year.....	E	1,305,099.63	1,449,066.58
Decreased by:			
Utilized as Anticipated Surplus.....	E-3		295,000.00
Fund Balance, End of Year.....	E	\$ 1,566,540.82 \$	1,305,099.63

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Ref.</u>	
Balance June 30, 2010.....	E	41,960.00
Premium on BAN	E-5	10,704.00
Balance June 30, 2011.....	E	\$ <u>52,664.00</u>

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Sewer Rents.....	E-1,	5,682,731.00	5,876,097.44	\$ 193,366.44
Connection Fees.....	E-1	13,000.00	40,200.00	27,200.00
Miscellaneous Revenue.....	E-1		10,662.39	10,662.39
Sewer Utility Operating Fund Total.....		\$ 5,695,731.00	\$ 5,926,959.83	\$ 231,228.83
	<u>Ref.</u>	E-4	E-5	

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Modified Budget	Cash Disbursed	Encumbrances	Canceled	Reserved
Operating Salaries & Wages.....	\$ 328,541.00	\$ 353,541.00	\$ (332,743.30)		\$	20,797.70
Operating Other Expenses.....	3,188,000.00	3,188,000.00	(3,049,080.25)	(76,298.75)		62,621.00
Statutory Expenditures						
PERS Retirement.....	14,000.00					
Social Security.....	21,000.00	10,000.00				10,000.00
Debt Service:						
Debt - Bond Principal.....	75,000.00	75,000.00	(75,000.00)			
Debt - Bond Interest.....	39,050.00	39,050.00	(38,713.63)		(336.37)	
Debt - MCIA Lease.....	1,376,220.00	1,376,220.00	(1,362,501.75)	(6,563.72)	(7,154.53)	
Debt - NJ EIT Principal.....	55,810.00	55,810.00	(55,802.58)		(7.42)	
Debt - NJ EIT Interest.....	22,400.00	22,400.00	(21,172.18)		(1,227.82)	
Debt - NJ EIT Administration.....	1,710.00	1,710.00	(1,710.00)			
Debt - Interest on Notes.....	24,000.00	24,000.00	(13,292.00)		(10,708.00)	
Surplus - Current Fund.....	550,000.00	550,000.00	(550,000.00)			
Total Sewer Utility Operating.....	\$ 5,695,731.00	\$ 5,695,731.00	\$ (5,500,015.69)	\$ (82,862.47)	\$ (19,434.14)	\$ 93,418.70
	Ref.	E-3	E-1	E	E-1	E
Cash.....						
Accrued Interest June 30, 2010.....			\$ (5,493,601.52)			
Accrued Interest June 30, 2011.....			170,387.57			
			(176,801.74)			
Total Paid or Charged.....			\$ (5,500,015.69)			

() Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - REGULATORY BASIS
JUNE 30, 2011 AND JUNE 30, 2010

	6/30/2011	6/30/2010
<u>GOVERNMENTAL FIXED ASSETS</u>		
Land	\$ 57,066,400.00	\$ 35,066,400.00
Buildings	24,587,000.00	24,587,000.00
Equipment and Improvements	3,274,940.75	3,687,499.42
Vehicles	2,325,436.82	2,191,236.55
	<hr/>	<hr/>
Total Governmental Fixed Assets	\$ <u>87,253,777.57</u>	\$ <u>65,532,135.97</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE FISCAL YEAR ENDED JUNE 30, 2011 AND JUNE 30, 2010

Note 1: FORM OF GOVERNMENT

The Township of North Brunswick is managed under a Mayor Council Administrator form of government. Under this plan, created by N.J.S.A. 40:69A-149 et seq., the Mayor and six Council members are elected at partisan elections for terms of four years and three years, respectively. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of North Brunswick include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of North Brunswick, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of North Brunswick do not include the operations of the municipal library, the board of education, first aid organizations, volunteer fire companies or senior housing.

B. Description of Funds

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

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

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

- Animal Control Trust Fund
- Unemployment Compensation Insurance Fund
- Developer's Escrow Fund
- Community Development Block Grant Fund
- Open Space Trust Fund
- Other Trust Funds

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

NOTES TO THE FINANCIAL STATEMENTS

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

B. Description of Funds (Cont'd.)

Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Water Utility activities and the assets and liabilities relative to such activities.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Sewer Utility activities and the assets and liabilities relative to such activities.

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

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles in the United States of America. This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

C. Basis of Accounting

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

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and water and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Funds, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water and sewer utility consumer charges, which should be recognized in the period they are earned and become measurable.

NOTES TO THE FINANCIAL STATEMENTS

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

C. Basis of Accounting (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP.

Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

C. Basis of Accounting (Cont'd.)

Property Acquired for Taxes - 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 asset account group at the lower of cost or fair market value.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

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

Governmental Fixed Assets - N.J.A.C. 5:30-5.6 established a mandate for fixed accounting by municipalities, effective December 31, 1985. The Township with a third party inventory service performed a physical inventory and assessment of fixed assets in June of 2000. Assets acquired through June 2000 were valued based on actual costs, where available, and other methods, including current replacement values and estimated historical costs. The Township records assets acquired subsequent to June 2000 at original cost.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

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

NOTES TO THE FINANCIAL STATEMENTS

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

C. Basis of Accounting (Cont'd.)

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

Recent Accounting Standards

GASB issued Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies" in December 2009. The objective of the statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors for filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

GASB issued Statement No. 59, "Financial Instruments Omnibus" in June 2010. The objective of this statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" in November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-private partnership.

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

GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB AND AICPA Pronouncements" in December 2010. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1. Financial Accounting Standards Board (FASB) Statements of Interpretation; 2. Accounting Principles Board Opinions; 3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" in June 2011. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards

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

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

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

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications have been made to the fiscal year 2010 financial statements to conform with classifications used in fiscal year 2011.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

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

A. Summary of Municipal Debt for Capital Projects

	<u>SFY 2011</u>	<u>SFY 2010</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 75,031,000.00	\$ 76,323,000.00
Water Utility:		
Bonds and Notes	6,225,000.00	4,890,000.00
Sewer Utility:		
Bonds and Notes	<u>2,220,000.00</u>	<u>1,095,000.00</u>
Total Issued	<u>83,476,000.00</u>	<u>82,308,000.00</u>
Net Issued	<u>83,476,000.00</u>	<u>82,308,000.00</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	9,521,894.00	11,226,172.00
Water Utility:		
Bonds and Notes	3,610,502.00	5,510,502.00
Sewer Utility:		
Bonds and Notes	<u>6,673,312.00</u>	<u>7,873,312.00</u>
Total Authorized But Not Issued	<u>19,805,708.00</u>	<u>24,609,986.00</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 103,281,708.00</u>	<u>\$ 106,917,986.00</u>

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at June 30, 2011 and 2010:

	<u>SFY 2011</u>	<u>SFY 2010</u>
<u>General Debt:</u>		
\$9,995,000 , Refunding Bonds of 1998, due in annual installments of \$1,445 to \$1,695,000 through July 2010, interest at 4.00% to 4.40%.		\$ 1,695,000.00
\$3,794,000, General Obligation Bonds of 2002 due in annual installments of \$225,000 to \$419,000 through January 2015, interest at 4.65%.	\$ 1,769,000.00	1,994,000.00
\$2,075,000, Refunding Bonds of 2003 due in annual installments of \$105,000 to \$310,000 through August 2014, interest at 2.50% to 4.85%.	815,000.00	1,105,000.00
\$6,000,000, General Obligation Bonds of 2003 due in annual installments of \$300,000 to \$600,000 through August 2017, interest at 3.25% to 4.00%.	3,800,000.00	4,200,000.00
\$4,500,000, Open Space Bonds of 2003 due in annual installments of \$125,000 to \$200,000 through August 2028, interest at 3.25% to 4.50%.	3,575,000.00	3,750,000.00
\$3,000,000, General Obligation Bonds of 2004 due in annual installments of \$150,000 to \$300,000 through August 2015, interest at 3.25% to 3.70%.	1,500,000.00	1,800,000.00
\$5,075,000, Refunding Bonds of 2006 due in annual installments of \$345,000 to \$815,000 through April 2015, interest at 3.50% to 4.25%.	2,395,000.00	3,175,000.00
\$6,550,000, Refunding Bonds of 2007 due in annual installments of \$1,205,000 to \$1,365,000 through May 2013, interest at 4.00% to 5.00%.	2,700,000.00	3,980,000.00

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	<u>SFY 2011</u>	<u>SFY 2010</u>
<u>General Debt (cont'd.):</u>		
\$4,205,000, General Obligation Bonds of 2006 due in annual installments of \$170,000 to \$340,000 through November 2021, interest at 3.875% to 4.000%.	3,525,000.00	3,695,000.00
\$5,500,000, General Obligation Bonds of 2007 due in annual installments of \$235,000 to \$465,000 through August 2022, interest at 4.12% to 4.25%.	4,795,000.00	5,030,000.00
\$7,811,435 General Obligation Bonds of 2010 due in annual installments of \$78,000 to \$1,090,000 through August 2022, interest at 1.50% to 4.00%.	7,811,435.00	7,811,435.00
\$8,045,565 General Obligation Bonds of 2010 due in annual installments of \$17,000 to \$1,048,000 through August 2029, interest at 1.50% to 4.00%.	8,045,565.00	8,045,565.00
\$30,042,000, General Capital Bond Anticipation Notes issued on 8/14/09 due on 8/13/10, interest 1.50% to 1.75%		30,042,000.00
\$34,300,000, General Capital Bond Anticipation Notes issued on 8/12/10 due on 8/11/11, interest 1.25%	34,300,000.00	
Total General Capital Debt	<u>\$ 75,031,000.00</u>	<u>\$ 76,323,000.00</u>
<u>Utility Debt:</u>		
\$2,020,000, Ordinance 96-21 due in annual installments of \$90,000 to \$150,000 through April 2019, interest at 4.80% to 4.90%.	985,000.00	1,085,000.00
\$2,000,000, Ordinance 03-31 due in annual installments of \$65,000 to \$130,000 through November 2026, interest at 3.875% to 4.000%.	1,740,000.00	1,805,000.00
\$1,095,000, Ordinance 97-25 due in annual installments of \$50,000 to \$100,000 through August 2018, interest at 3.25% to 4.00%.	720,000.00	795,000.00
\$1,500,000, Water Utility Capital Bond Anticipation Notes issued on 8/12/10 due on 8/11/11, interest 2.50%	1,500,000.00	
\$1,200,000, Sewer Utility Capital Bond Anticipation Notes issued on 8/12/10 due on 8/11/11, interest 1.25%	1,200,000.00	
\$2,000,000, Ordinance 5-16/6-16 due in annual installments of \$4,000 to \$260,000 through August 2030, interest at 1.50% to 4.00%.	2,000,000.00	2,000,000.00
\$300,000, Ordinance 5-17 due in annual installments of \$4,000 to \$39,000 through August 2029, interest at 1.50% to 4.00%.	300,000.00	300,000.00
Total Utility Debt	<u>8,445,000.00</u>	<u>5,985,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 83,476,000.00</u>	<u>\$ 82,308,000.00</u>

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

B. 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:

<u>SFY 2011</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 59,142,000.00	\$ 59,142,000.00	
Water Utility and Sewer Utility Debt *	62,052,888.00	62,052,888.00	
General Debt**	<u>81,252,000.00</u>	<u>16,160,797.00</u>	<u>65,091,203.00</u>
	<u>\$ 202,446,888.00</u>	<u>\$ 137,355,685.00</u>	<u>\$ 65,091,203.00</u>

Net Debt \$65,091,203 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$4,987,663,382.00 = 1.31\%$

* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

** Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

<u>SFY 2010</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 62,502,000.00	\$ 62,502,000.00	
Water Utility and Sewer Utility Debt *	64,615,538.28	64,615,538.28	
General Debt**	<u>88,044,655.60</u>	<u>16,846,015.65</u>	<u>71,198,639.95</u>
	<u>\$ 215,162,193.88</u>	<u>\$ 143,963,553.93</u>	<u>\$ 71,198,639.95</u>

Net Debt \$71,198,639.95 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$5,098,814,988.00 = 1.40\%$

* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

** Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

	<u>2011</u>	<u>2010</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 174,568,218.37 <u>65,091,203.00</u>	\$ 178,458,524.58 <u>71,198,639.95</u>
Remaining Borrowing Power	<u>\$ 109,477,015.37</u>	<u>\$ 107,259,884.63</u>

SFY 2011 Equalized Valuation Basis

2008 Equalized Valuation Basis of Real Property	\$ 5,217,536,641.00
2009 Equalized Valuation Basis of Real Property	4,941,534,143.00
2010 Equalized Valuation Basis of Real Property	<u>4,803,919,361.00</u>
Average Equalized Valuation	<u>\$ 4,987,663,381.67</u>

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

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)SFY 2010 Equalized Valuation Basis

2007 Equalized Valuation Basis of Real Property	\$	5,137,374,180.00
2008 Equalized Valuation Basis of Real Property		5,217,536,641.00
2009 Equalized Valuation Basis of Real Property		<u>4,941,534,143.00</u>
Average Equalized Valuation	\$	<u><u>5,098,814,988.00</u></u>

Calculation of "Self-Liquidating Purpose"Water and Sewer Utility Per N.J.S.A. 40A:2-45

The calculation of "Self-Liquidating Purpose" for the Water Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2011</u>	<u>2010</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,794,609.19	\$ 6,032,723.15
Deductions:		
Operating & Maintenance Cost	3,649,115.00	3,788,640.00
Debt Service Per Water Acct.	<u>3,050,750.90</u>	<u>1,946,392.63</u>
Total Deductions	<u>6,699,865.90</u>	<u>5,735,032.63</u>
Excess/(Deficit) in Revenue	\$ <u><u>1,094,743.29</u></u>	\$ <u><u>297,690.52</u></u>

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Water Utility is as follows:

	<u>2011</u>	<u>2010</u>
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 456,067.69	\$ 964.45
Add: Revenue in Municipal Budget	675,000.00	450,000.00
Prior Years' Receivables Cancelled	<u>1,131,067.69</u>	<u>450,964.45</u>
Less: Unexpended Balance of Appropriation Reserves	36,324.40	133,273.93
Prior Years' Accounts Payables Cancelled	<u>20,000.00</u>	<u>20,000.00</u>
	<u>36,324.40</u>	<u>153,273.93</u>
Excess/(Deficit) in Revenue	\$ <u><u>1,094,743.29</u></u>	\$ <u><u>297,690.52</u></u>

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2011</u>	<u>2010</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 5,926,959.83	\$ 5,900,355.77
Deductions:		
Operating & Maintenance Cost	3,551,541.00	3,634,996.00
Debt Service Per Sewer Acct.	<u>1,574,755.86</u>	<u>1,533,353.75</u>
Total Deductions	<u>5,126,296.86</u>	<u>5,168,349.75</u>
Excess/(Deficit) in Revenue	\$ <u><u>800,662.97</u></u>	\$ <u><u>732,006.02</u></u>

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

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Sewer Utility is as follows:

		<u>2011</u>	<u>2010</u>
Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$	261,441.19	\$ 151,033.05
Add: Revenue in Municipal Budget		<u>550,000.00</u>	<u>650,000.00</u>
		811,441.19	801,033.05
Less: Unexpended Balance of Appropriation Reserves		10,778.22	69,027.03
Prior Years' Accounts Payables Cancelled		<u>10,778.22</u>	<u>69,027.03</u>
Excess/(Deficit) in Revenue	\$	<u>800,662.97</u>	<u>\$ 732,006.02</u>

C. North Brunswick Senior Housing Bonds

\$8,300,000 North Brunswick Taxable Guaranteed Revenue Bonds were issued by the Middlesex County Improvement Authority for the Senior Citizens housing Project. The Bonds were dated November 1, 1994 and come due on December 1, in years 1998 through 2027. Payment, when due, of the principal and interest on the Bonds is guaranteed by the Township of North Brunswick.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 185,000.00	\$ 620,243.76	\$ 805,243.76
2013	200,000.00	602,918.76	802,918.76
2014	220,000.00	566,018.76	786,018.76
2015	240,000.00	563,318.76	803,318.76
2016	260,000.00	560,656.26	820,656.26
2017	285,000.00	515,790.63	800,790.63
2018	310,000.00	488,643.75	798,643.75
2019	340,000.00	458,987.50	798,987.50
2020	370,000.00	426,593.75	796,593.75
2021	405,000.00	391,236.38	796,236.38
2022	440,000.00	372,678.26	812,678.26
2023	485,000.00	310,478.13	795,478.13
2024	525,000.00	264,396.88	789,396.88
2025	575,000.00	214,209.38	789,209.38
2026	625,000.00	159,459.38	784,459.38
2027	685,000.00	99,690.63	784,690.63
2028	750,000.00	34,218.75	784,218.75
	<u>\$6,900,000.00</u>	<u>\$6,649,539.72</u>	<u>\$13,549,539.72</u>

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

D. Water/Wastewater System Lease Revenue Bonds-Water Utility and Sewer Utility

In connection with the water/wastewater operating agreements, the Middlesex County Improvement Authority issued \$34,805,000 Township of North Brunswick Lease Revenue Bonds dated September 15, 2002. The Bonds carry interest rates from 2.00% to 5.00%. The annual principal and interest requirements payable from the Water Utility and Sewer Utility combined, are set forth below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,560,000.00	\$ 1,148,900.00	\$ 2,708,900.00
2013	1,625,000.00	1,081,950.00	2,706,950.00
2014	1,710,000.00	998,575.00	2,708,575.00
2015	1,800,000.00	910,825.00	2,710,825.00
2016	1,890,000.00	818,575.00	2,708,575.00
2017	1,975,000.00	731,825.00	2,706,825.00
2018	2,070,000.00	640,575.00	2,710,575.00
2019	2,175,000.00	534,450.00	2,709,450.00
2020	2,285,000.00	422,950.00	2,707,950.00
2021	2,405,000.00	305,700.00	2,710,700.00
2022	2,525,000.00	185,606.26	2,710,606.26
2023	2,645,000.00	62,818.76	2,707,818.76
	<u>\$ 24,665,000.00</u>	<u>\$ 7,842,750.02</u>	<u>\$ 32,507,750.02</u>

E. North Brunswick Refunding Pension Bonds - Series 2003 (Taxable)

The Township issued taxable Refunding Pension Bonds - Series 2003, dated May 1, 2003. The Refunding Pension Bonds were issued to retire the Township's unfunded Early Retirement Incentive (ERI) Programs liability under the ERI Programs previously adopted by the Township. The ERI Programs provided early retirement opportunities for Township members of the Public Employees Retirement System (PERS) adopted in 1991 and 1993 and the Police and Fire Retirement (PFRS) adopted in 1993. The implementation of these programs created unfunded liabilities which would be retired by annual payments to PERS through the years 2021 and 2033, respectively, and to PFRS through the year 2012. P.L. 2002, c.42, was enacted to permit local units to sell refunding bonds in accordance with the Local Bond Law to retire the present value of the liabilities attributable to ERI programs. The total gross annual pension liability payments due from fiscal year 2004 through 2033 amounted to \$3,565,629. The present value of the Township's liabilities for the ERI programs was established by the State Division of Pensions as of May 14, 2003, in the amount of \$560,046 for PERS and \$1,423,781 for PFRS. The net present value savings benefit resulting from the paydown of the unfunded ERI program liabilities was \$450,988.33 or 22.525% of the refunded principal. The enabling legislation for the pension refunding bonds allows a deduction from gross debt for the these bonds. The bonds carry interest rates from 1.40% in fiscal year 2003 to 4.85% in fiscal year 2015.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 310,000.00	\$ 30,712.50	\$ 340,712.50
2013	200,000.00	19,242.50	219,242.50
2014	200,000.00	9,842.50	209,842.50
2015	105,000.00	2,546.25	107,546.25
	<u>\$ 815,000.00</u>	<u>\$ 62,343.75</u>	<u>\$ 877,343.75</u>

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

F. Department of Environmental Protection - Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Draw Down Date	11/4/04	11/4/04
Loan Amount	\$ 570,000.00	\$ 581,688.00
Interest Rates	various	0.00%
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	19	39
Final Payment Date	August 1, 2024	August 1, 2024

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition.

<u>Fiscal Year</u>	<u>Fund Loan</u> <u>Principal</u>	<u>Trust Loan</u> <u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 29,990.18	\$ 25,000.00	\$ 21,143.76	\$ 76,133.94
2013	29,177.76	25,000.00	19,893.76	74,071.52
2014	28,365.35	25,000.00	18,643.76	72,009.11
2015	30,818.84	30,000.00	17,418.36	78,237.20
2016	30,038.92	30,000.00	16,218.76	76,257.68
2017	29,259.00	30,000.00	15,018.76	74,277.76
2018	28,381.60	30,000.00	13,668.76	72,050.36
2019	30,575.11	35,000.00	12,043.76	77,618.87
2020	29,437.73	35,000.00	10,293.76	74,731.49
2021	28,300.36	35,000.00	8,543.76	71,844.12
2022	30,331.38	40,000.00	6,668.76	77,000.14
2023	29,031.53	40,000.00	4,668.76	73,700.29
2024	27,829.35	40,000.00	2,818.76	70,648.11
2025	29,886.59	45,000.00	984.64	75,871.23
	<u>\$ 411,423.70</u>	<u>\$ 465,000.00</u>	<u>\$ 168,028.12</u>	<u>\$ 1,044,451.82</u>

NOTES TO THE FINANCIAL STATEMENTS

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

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

SFY Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2012	\$ 4,435,000.00	\$ 1,065,732.15	\$ 189,000.00	\$ 190,764.38
2013	4,243,000.00	901,267.78	199,000.00	182,848.13
2014	3,525,000.00	708,404.65	265,000.00	173,547.50
2015	3,090,000.00	589,820.09	249,000.00	163,493.75
Subtotal	15,293,000.00	3,265,224.67	902,000.00	710,653.76
2016	2,754,000.00	470,858.03	279,000.00	152,776.88
2017	1,974,000.00	392,602.40	257,000.00	141,870.00
2018	2,004,000.00	320,569.90	273,000.00	130,770.00
2019	1,427,000.00	256,954.90	295,000.00	118,835.00
2020	1,454,000.00	201,319.90	151,000.00	105,740.00
Subtotal	9,613,000.00	1,642,305.13	1,255,000.00	649,991.88
2021	1,486,000.00	141,363.65	152,000.00	99,680.00
2022	1,514,000.00	80,201.15	159,000.00	93,460.00
2023	1,204,435.00	24,669.95	166,000.00	86,960.00
2024			322,000.00	77,200.00
2025			331,000.00	64,140.00
Subtotal	4,204,435.00	246,234.75	1,130,000.00	421,440.00
2026			341,000.00	50,700.00
2027			354,000.00	36,800.00
2028			235,000.00	25,020.00
2029			248,000.00	15,360.00
2030			260,000.00	5,200.00
	-	-	1,438,000.00	133,080.00
Totals	\$ 29,110,435.00	\$ 5,153,764.55	\$ 4,725,000.00	\$ 1,915,165.64

NOTES TO THE FINANCIAL STATEMENTS

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

G. Schedule of Annual Debt Service for Principal and Interest for
Township Bonded Debt Issued and Outstanding (Cont'd)

SFY Year	Sewer Utility		Open Space		Total
	Principal	Interest	Principal	Interest	
2012	\$ 79,000.00	\$ 36,422.50	\$ 272,000.00	\$ 442,198.85	\$ 6,710,117.88
2013	76,000.00	33,760.00	217,000.00	434,781.35	6,287,657.26
2014	84,000.00	31,037.50	441,000.00	425,243.85	5,653,233.50
2015	99,000.00	27,932.50	316,000.00	414,673.85	4,949,920.19
Subtotal	338,000.00	129,152.50	1,246,000.00	1,716,897.90	23,600,928.83
2016	109,000.00	24,334.38	438,000.00	403,885.10	4,631,854.39
2017	105,000.00	20,529.38	329,000.00	392,524.48	3,612,526.26
2018	105,000.00	16,545.00	333,000.00	381,297.60	3,564,182.50
2019	105,000.00	12,395.00	338,000.00	369,232.60	2,922,417.50
2020	5,000.00	10,220.00	345,000.00	356,262.60	2,628,542.50
Subtotal	429,000.00	84,023.76	1,783,000.00	1,903,202.38	17,359,523.15
2021	6,000.00	10,000.00	351,000.00	342,342.60	2,588,386.25
2022	6,000.00	9,760.00	356,000.00	328,077.60	2,546,498.75
2023	6,000.00	9,520.00	363,565.00	313,361.30	2,174,511.25
2024	29,000.00	8,820.00	974,000.00	286,160.00	1,697,180.00
2025	30,000.00	7,640.00	1,009,000.00	245,875.00	1,687,655.00
Subtotal	77,000.00	45,740.00	3,053,565.00	1,515,816.50	10,694,231.25
2026	32,000.00	6,400.00	1,052,000.00	203,880.00	1,685,980.00
2027	33,000.00	5,100.00	1,098,000.00	159,980.00	1,686,880.00
2028	35,000.00	3,740.00	1,145,000.00	114,120.00	1,557,880.00
2029	37,000.00	2,300.00	1,195,000.00	66,320.00	1,563,980.00
2030	39,000.00	780.00	1,048,000.00	20,960.00	1,373,940.00
Subtotal	176,000.00	18,320.00	5,538,000.00	565,260.00	7,868,660.00
Totals	\$ 1,020,000.00	\$ 277,236.26	\$ 11,620,565.00	\$ 5,701,176.78	\$ 59,523,343.23

NOTES TO THE FINANCIAL STATEMENTS

Note 4: FUND BALANCES APPROPRIATED

Fund balances at June 30, 2011 and 2010, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2011 and 2010 as follows:

	<u>FUND BALANCE</u> <u>JUNE 30, 2011</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$6,733,066.50	\$5,150,479.00
Sewer Utility Fund	1,566,540.82	150,000.00
Water Utility Fund	1,940,749.13	790,000.00

	<u>FUND BALANCE</u> <u>JUNE 30, 2010</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$9,503,788.60	\$6,390,475.00
Sewer Utility Fund	1,305,099.63	-0-
Water Utility Fund	2,834,681.44	1,350,000.00

Note 5: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The State of New Jersey Cash Management Fund is authorized by statutes and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one and one-half percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

NOTES TO THE FINANCIAL STATEMENTS

Note 5: DEPOSITS AND INVESTMENTS (CONT'D).

At June 30, 2011 and 2010 the cash and cash equivalents and investments of the Township consisted of the following:

	<u>2011</u>	<u>2010</u>
Cash (Demand Accts.)	\$37,848,906.71	\$48,936,163.05
Change Funds (On-Hand)	1,175.00	1,125.00
Total	<u>\$37,850,081.71</u>	<u>\$48,937,288.05</u>

Based upon GASB criteria, the Township considers change fund, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year- end, the book value of the Township's deposits was \$37,261,462.49 and the bank balance was \$37,848,906.71. Of the bank balance, \$1,609,459.83 was covered by Federal depository insurance and \$36,239,446.88 was covered under the provisions of NJGUDPA.

At June 30, 2009, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS

Note 5: DEPOSITS AND INVESTMENTS (CONT'D).

As of June 30, 2011, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the Township's bank balance were considered exposed to custodial credit risk.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 1,609,459.83
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>36,239,446.88</u>
Total	<u>\$ 37,848,906.71</u>

Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 5: DEPOSITS AND INVESTMENTS (CONT'D).

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2011, the Township had no funds on deposit with the New Jersey Cash Management Fund.

Generally, the Township's investments consist of money market and savings accounts. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

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

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

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. In addition, the law now allows for, and the Township has authorized, the imposition of a penalty of 6% on delinquencies exceeding \$10,000.00 that remain unpaid at the end of a calendar year. If taxes remain delinquent on or after April 1 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14.

NOTES TO THE FINANCIAL STATEMENTS

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONT'D)

The statutory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

In accordance with the accounting principles presented by the State of New Jersey, taxes receivable and tax title liens are realized when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

Note 7: PENSION AND RETIREMENT PLANS

Employees of the Township of North Brunswick are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plan are not available. For 2011 and 2010, the Township contributed \$887,157.00 and \$722,002.00 for PERS and \$2,527,169.00 and \$2,167,516.00 for PFRS.

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

Note 8: POST-RETIREMENT HEALTH CARE BENEFITS

Plan Description: The Township of North Brunswick contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment 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. 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 SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Township of North Brunswick provides postretirement health benefits to retirees of the PBA, SOA and FMBA only. All active full time employees are covered by the SHBP.

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 www.state.nj.us/treasury/pensions.

Funding Policy: Participating employers are contractually required to be contributed based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

NOTES TO THE FINANCIAL STATEMENTS

Note 8: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of North Brunswick on a monthly basis. Currently there is no cost-sharing requirement for retirees.

At June 30, 2011 and 2010, forty-one (41) and forty-one (41) retirees were receiving post retirement health care benefits at an annual cost to the Township of approximately \$715,637.80 and \$654,946.00.

Note 9: ACCRUED SICK AND VACATION BENEFITS

The Township has established uniform personnel policies via employee contracts and municipal ordinances that set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave - Sick Leave shall accumulate at the rate of one (1) day per month for the first year of service and fifteen (15) days for each subsequent year for all permanent employees and shall be cumulative from year to year without limit. Upon retirement, the employee is entitled to receive partial payment for any unused accumulated sick leave computed on the basis of final wages and subject to limitations that vary with union affiliation.

Vacations - Vacation pay for permanent employees accumulates in accordance with the approved schedules. Vacation days may be taken in year earned, but not to exceed the number of days earned at time of vacation. Earned vacation day may be accumulated up to one (1) year of current vacation credits with the exception of employees in the PBA or SOA unions who may accumulate vacation days without limit.

Any employee who has separated his/her employment may be paid the salary equivalent to accrued vacation earned, not to exceed more than one (1) year of current vacation credits earned with the exception of those employees in the PBA or SOA.

The Township maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$3,506,884.27 and \$3,553,622.00 at June 30, 2011 and 2010. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 10: RISK MANAGEMENT

Prior to December 31, 2010, the Township was a member of the Middlesex County Municipal Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. Lines of coverage provided by the Fund include property; boiler and machinery; equipment floater; auto physical; blanket bond; auto liability; general liability; law enforcement liability; public official liability and worker compensation and employer liability.

NOTES TO THE FINANCIAL STATEMENTS

Note 10: RISK MANAGEMENT (CONT'D)

On January 1, 2011, the Township joined the Garden State Municipal Joint Insurance Fund. This fund provides for a pooling of self-retained risks of insurable losses, as well as cost effective excess insurance coverage.

Summary of Risk Management Program

The GSMJIF provides the following coverage to its participants:

1. Workers Compensation

The Fund covers \$500,000.00 for each accident or each employee for disease. The State National Insurance Company covers excess claims to the following limits: Workers Compensation – statutory

2. General Liability

The Fund covers \$250,000.00 Combined Single Limit (CSL)

The State National Insurance Company covers excess claims to the following limits:

General Liability -\$9,750,000*

Public Officials -\$9,850,000*

*-subject to annual aggregate limits

3. Automobile Liability

The Fund covers \$250,000.00 (CSL) for bodily injury, property damage and PIP. The Fund covers \$15,000.00/person and \$30,000.00/occurrence for uninsured/underinsured motorist liability.

The Travelers Insurance Company covers excess claims as part of its excess General Liability Limit.

4. Property

Coverage is provided through the State National Insurance Company.

Basic Limit -\$500,000.00/occurrence*

*Subject to per occurrence and annual aggregate limits

Note 11: LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Township has instituted a Length of Service Award Program (LOSAP) pursuant to section 457(e) of the Internal Revenue Code and P.L. 1997, C. 388 as amended by P.L. 2001, C. 272 of the Statutes of New Jersey. The Program provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. The Township sponsors the Program, which is administered by a private contractor. The LOSAP section of this document includes the relevant unaudited financial statements and notes for the Program.

NOTES TO THE FINANCIAL STATEMENTS

Note 12: DEFERRED COMPENSATION

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

Note 13: WATER AND SEWER UTILITY AGREEMENTS

In February 1996, the Township of North Brunswick entered into an agreement with U.S. Water, Inc. ("U.S. Water") for the operation, maintenance and management services for the Township's water and wastewater systems (collectively, the "System"). The agreement, which was completed under the New Jersey Water Supply Public-Private Contracting Act and the New Jersey Wastewater Treatment Public-Private Contracting Act, covers a period of 20 years commencing July 1, 1996 and it may be extended for up to four additional five-year periods. The agreement was approved by the New Jersey Department of Community Affairs, Division of Local Government Services. The portion of the agreement pertaining to water supply was approved by the New Jersey Board of Public Utilities.

U.S. Water paid \$6,000,000 to the Township as an initial concession payment upon the execution of the agreement. In addition, U.S. Water provided funds in sufficient amounts to complete the retirement (through tender offer and defeasance) in June 1996 of the Township's water utility loans, notes and bonds payable totaling \$20,390,298 and sewer utility notes and bonds payable totaling \$1,473,000. U.S. Water also agreed to make the following annual payments to the Township over the 20 - year period commencing on June 1, 1997: \$1,000,000 in the first year and \$2,000,000 from the 16th to the 20th year. The Township is also entitled to share in revenues under certain provisions of the agreement.

The initial concession payment was recorded as concession fee revenue in the statements of operations of the Water Utility and Sewer Utility Operating funds. The amount paid for the retirement of the water and sewer utility debts was accounted for as contributed capital from U.S. Water, based on the carrying amount of such debts, in the balance sheets of the Township's Water Utility and Sewer Utility Capital Funds. The annual payments and revenue sharing, if any, to be received in future years shall be recognized as revenues of both utility operating funds.

On August 27, 2002, pursuant to the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et. seq and other applicable law, the Township entered into a water services agreement with the Middlesex County Improvement Authority and a joint venture of American Water Services, Inc. and JJS Management Services, LLC (the "Water Operator"). The agreement transfers the responsibilities for the operation, management, maintenance and repairs of the water system to the Water Operator.

Pursuant to the New Jersey Wastewater Treatment Public-Private Contracting Act, N.J.S.A. 58:27-19 et. seq and other applicable law, the Township, also on August 27, 2002, entered into a wastewater operating agreement with the Middlesex County Improvement Authority and U.S. Water Company, Inc. (the "Wastewater Operator"). The wastewater agreement transfers the responsibilities for the operation, management, maintenance and repairs of the wastewater system to the Wastewater Operator. The execution of these agreements effectively terminates the agreement as described above.

NOTES TO THE FINANCIAL STATEMENTS

Note 13: WATER AND SEWER UTILITY AGREEMENTS (CONT'D)

Under the agreement, American Water operates, maintains and manages the System at all times on behalf of the Township in compliance with federal, state and local laws and regulations for a fixed annual fee. The Township receives the revenues generated from user charges to water and sewer customers. Such user charges are based on annual base rates established by Township ordinance. American Water is responsible for the billing and collection of such user charges.

In connection with the August 27, 2002 operating agreements with the water operator and wastewater operator, the Middlesex County Improvement Authority issued \$34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002. The Bonds finally mature October 1, 2022, and carry interest rates from 2.00% to 4.75% with yields of 1.40% to 4.65%. As of the date of the Bonds, the Township and the Authority entered into a Franchise Agreement, pursuant to which the Township conveyed to the Authority the franchise to operate and a leasehold interest in the Wastewater and Water Systems.

Simultaneously, the Authority, as lessor, and the Township, as lessee, entered into a lease agreement conveying a sub-leasehold interest in the Water and Wastewater Systems to the Township, subject to the operating agreements and the franchise agreement.

On September 24, 2006, the Township of North Brunswick terminated its agreement with United Water, Inc. ("fka U.S. Water") for the operation, maintenance and management services for the Township's wastewater system, and initiated an "in-house" sewer maintenance operation under the Department of Public Works.

Note 14: SCHOOL TAXES

Tax revenue for the Township of North Brunswick Board of Education has been collected and the liability deferred by statute. The following is a schedule of deferred taxes:

	<u>2011</u>	<u>June 30</u>	<u>2010</u>
Balance of Tax	\$ 35,888,970.00		\$ 34,423,352.50
Deferred	<u>35,217,758.00</u>		<u>33,467,758.00</u>
Payable	<u>\$ 671,212.00</u>		<u>\$ 955,594.50</u>

Note 15: INTERFUND RECEIVABLES AND PAYABLES

The following inter-fund balances remained on the Balance Sheets - as of June 30, 2011:

<u>Fund</u>	<u>Inter-fund</u>	
	<u>Receivable</u>	<u>Payable</u>
Water Utility Operating Fund	\$1,705,000.00	
Water Utility Capital Fund	<u> </u>	<u>\$1,705,000.00</u>
	<u>\$1,705,000.00</u>	<u>\$1,705,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 16: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2011 and 2010, the Township does not believe that any material liabilities will result from such audits.

As of the filing date of this report, the Township had pending litigations. Management's review of the pending litigations indicates that any judgments rendered against the Township will not have a material adverse impact on the Township's financial position.

Note 17: SUBSEQUENT EVENTS

On September 6, 2011, the Township issued a Bond Ordinance for capital improvement and appropriating the aggregate amount of \$3,500,000 and authorizing the issuance of \$3,325,000 in Bonds or Notes.

On September 6, 2011, the Township issued a Bond Ordinance for improvement of the sewer distribution system and appropriating the aggregate amount of \$1,000,000 and authorizing the issuance of \$1,000,000 in Bonds or Notes.

On November 21, 2011, the Township issued a Refunding Bond Ordinance for the refunding of MCIA Lease Revenue Bonds Series 2002A dated 9/15/02 and appropriating the aggregate amount of \$23,000,000 and authorizing the issuance of \$23,000,000 Refunding Bonds.

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART II
SUPPLEMENTARY SCHEDULES

Current Fund

CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2010.....	A	\$ 13,246,114.06	\$ 54,941.00
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-17		10,245.50
Grant Adjustment.....	A-17	4,756.70	
NJ Sr Citizens and Vets Deductions.....	A-6	212,649.59	
Revenue Collection			
Taxes Receivable.....	A-7	115,213,491.43	
Homestead Benefits Credits	A-7	826,124.12	
Misc Anticipated Revenue.....	A-2	11,242,458.56	
Misc Revenue Not Anticipated.....	A-8	337,314.16	
Grants Receivable.....	A-15		11,866,208.87
Unappropriated Grant Reserves.....	A-14		53,857.72
Miscellaneous Reserves.....	A-9	67,332.77	
Total Cash Receipts.....		127,905,177.33	11,930,312.09
Decreased by Disbursements			
Petty Cash.....	A-5	(1,100.00)	
Budget			
Budget Appropriations.....	A-3	(41,616,082.78)	
Appropriation Reserves.....	A-10	(1,307,172.94)	
Appropriated Grant Reserves.....	A-16		(11,793,081.75)
Interfund Transfers			
Grant Adjustment.....	A-17		(4,756.70)
Matching Funds for Transfer.....	A-17	(10,245.50)	
Tax Collections			
Tax Overpayments.....	A-11	(137,023.37)	
Taxes Payable.....	A-12	(87,487,639.87)	
Miscellaneous Reserves.....	A-9	(311,268.35)	
Total Cash Disbursements.....		(130,870,532.81)	(11,797,838.45)
Cash Balance June 30, 2011.....	A	\$ 10,280,758.58	\$ 187,414.64

CURRENT FUND
SCHEDULE OF CHANGE PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2010	Advanced	Returned	Balance June 30, 2011
Change Fund.....	\$ 1,125.00	\$ 50.00		\$ 1,175.00
Petty Cash Funds:				
Senior Center.....	-	\$ 200.00	\$ 200.00	-
Public Works.....	-	200.00	200.00	-
Police.....	-	250.00	250.00	-
Purchasing.....	-	200.00	200.00	-
Recreation.....	-	200.00	200.00	-
Total	\$ 1,125.00	\$ 1,100.00	\$ 1,050.00	\$ 1,175.00
<u>Ref.</u>	A	A-4	A-4	A

CURRENT FUND
SCHEDULE OF DUE NJ - SR CITIZENS & VETERANS DEDUCTIONS

	<u>Ref.</u>	
Balance June 30, 2010.....	A	\$ 220,134.59
Revenue - Eligible Sr Citizens & Veterans Deductions		
Original SFY 2011 Tax Levy.....		\$ 210,750.00
Disallowed - SFY 2011 Taxes.....		(597.59)
Total Revenue.....	A-7	210,152.41
Decreased by Cash Received from State of NJ.....	A-4	(212,649.59)
Balance June 30, 2011	A	\$ 217,637.41

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

Ref.	Total	FY 2012 Prepaid	FY 2011 Current	FY 2010 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2010.....	A \$ 471,663.63				\$ 8,975.62	\$ 300,717.43	\$ 161,970.58
<u>Levy & Adjustments</u>							
Original Levy.....	115,895,860.35		\$ 115,895,860.35				
Added Omitted & Rollback.....	183,405.53		183,405.53				
Assessor's Appeals.....	1,468.41		1,468.41				
Appeals & Canceled Taxes.....	100,136.36		(45,127.53)	145,263.89			
Homestead Benefit Rebates, A-4	(826,124.12)		(826,124.12)				
Cost & Interest on Taxes	504.82		504.82				
Transfers.....			(52,701.08)			52,701.08	
Cancel Municipal Liens	(71,318.59)					(71,318.59)	
<u>Revenue</u>							
Sr. Citizens & Vets.....	A-6 (210,152.41)		(210,152.41)				
Prepays Applied.....	A-11 (145,198.23)		(145,198.23)				
Cash Receipts.....	A-4 (115,213,491.43)	\$ (111,186.26)	(114,891,524.09)	(199,677.12)	(9,958.65)	(1,145.31)	
Inter-account Transfers.....	A-7	(61,969.42)	6,573.16	54,413.23	983.03		
Transfer to Overpayment.....	A-11	83,215.19	83,215.19				
Transfer to Prepaid.....	A-11	173,155.68	173,155.68				
Balance June 30, 2011.....	A \$ 443,125.19	\$ -	\$ 200.00	\$ -	\$ -	\$ 280,954.61	\$ 161,970.58
<u>Analysis of FY 2011 Property Tax Levy.....</u>							
<u>Tax Yield:</u>							
General Purpose Tax.....	Ref. A-7	\$ 115,895,860.35	Non-Municipal Taxes.....	Ref. A-12			88,953,257.37
Added Taxes.....	A-7	183,405.53	Municipal Purpose Tax.....	A-2			27,254,425.00
Added - Tax Appeals.....	A-7	1,468.41	Total Tax Levy.....				116,207,682.37
Total Levy.....		\$ 116,080,734.29	Additional Taxes Levied (Rounding)				(311,822.02)
			Total Amount to be Raised.....				\$ 115,895,860.35
<u>Current Taxes Realized</u>							
Sr. Citizens & Veterans Deductions.....	Ref. A-6, A-7		\$ 210,152.41	<u>% of Tax Levy Collected</u>			
Cash Receipts.....	A-7		114,891,524.09				
Prepaid Taxes Applied.....	A-7		145,198.23				
Transfers to Overpayment.....	A-11		(83,215.19)				
Homestead Benefit Rebates	A-4		826,124.12				
Credit Balances transferred to Overpayment.....	A-7		(6,573.16)				
Subtotal - Revenue Realized through Collections.....	A-1		115,983,210.50	Total Tax Revenue.....			115,983,210.50
Reserve for Uncollected Taxes	A-3		564,271.00	Total Tax Levy.....			116,080,734.29
Total Revenue, Current Taxes			116,547,481.50				
Non-Municipal Taxes Payable.....	A-12		(88,953,257.37)	% of Tax Levy Collected.....			99.916%
Revenue, Local Purpose Tax.....	A-2		\$ 27,594,224.13				

CURRENT FUND
SCHEDULE OF NON-BUDGET REVENUE

	Ref	June 30, 2011	June 30, 2010
Receipts from Delinquent Taxes.....	A-7	\$ 155,384.82	\$ 467,800.93
Other Miscellaneous Revenues Not Anticipated:			
Prior Year Grant Reimbursement		4,758.82	2,719.29
NSF Fees.....		380.00	390.00
Cellular Tower Lease.....		35,535.63	31,650.63
Cellular Franchise Fee.....		24,086.88	15,839.58
Inspection Fees - State of NJ.....		12,754.00	14,076.75
Miscellaneous.....		7,042.74	912.09
Sale of Municipal Assets (Auction).....		26,869.19	
LOSAP		36,663.58	
Escrow Inspections.....		36,517.75	9,653.31
Admin Fee Sr. Ctr. & Vet Deduction		4,620.19	
Collector - Lot Clean -up Fees		1,335.12	
Church & Dwight - Lease Agreement		14,450.00	
Change of Use.....			151.00
Bail Returned		2,737.00	
Parks Recreation & Community Services			
Senior Citizen Center.....		5,720.00	13,038.06
Public Works			
Sanitation Bins / Automated Carts.....		-	
Refuse Container Rental.....		7,400.00	4,800.00
Police - Admin Fee, Off-Duty Police.....		100,443.26	167,966.94
Sale of Easement Parcels		16,000.00	
Total.....	A-4	\$ 337,314.16	\$ 261,197.65
Total.....	A-1	\$ 492,698.98	\$ 728,998.58

CURRENT FUND
SCHEDULE OF CHANGES IN MISCELLANEOUS RECEIVABLES, ACCOUNTS PAYABLE & RESERVES

	June 30, 2010	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	June 30, 2011
Accounts Receivable:					
Municipal Services Reimbursement.....	\$ (3,400.00)	\$ -	\$ -	\$ -	\$ (3,400.00)
Total Accounts Receivable.....	(3,400.00)	-	-	-	(3,400.00)
Accounts Payable:					
Filing Fees Due State of NJ:					
Marriage Licenses.....	2,250.00		7,300.00	(7,350.00)	2,200.00
DCA - UCC Training.....	8,725.00		58,074.00	(49,329.00)	17,470.00
Civil Union.....	100.00		150.00	(100.00)	150.00
Burial Permits.....	-				-
Total Filing Fees Due NJ.....	11,075.00	-	65,524.00	(56,779.00)	19,820.00
Vendor Accounts Payable.....	366,246.00	53,659.87		(84,167.61)	335,738.26
Total Payable.....	377,321.00	53,659.87	65,524.00	(140,946.61)	355,558.26
Reserves:					
Master Plan.....	2,516.00				2,516.00
Tax Map Revisions.....	9,346.25				9,346.25
Reserve for Tax Appeals.....	225,585.41	50,000.00		(45,321.74)	230,263.67
Reserve for Loreal Land Lease.....	125,000.00			(125,000.00)	-
Reserve for FMBA Health.....	3,960.96		1,808.77		5,769.73
Total Reserves.....	366,408.62	50,000.00	1,808.77	(170,321.74)	247,895.65
Total.....	\$ 740,329.62	\$ 103,659.87	\$ 67,332.77	\$ (311,268.35)	\$ 600,053.91
Ref:	A	A-3, A-10	A-4	A-4	A

CURRENT FUND
SCHEDULE OF FY 2010 APPROPRIATION RESERVES

	June 30, 2010 Balance	Salaries	Other	Encumbrances	Transfer	Salaries	Expended	Other	Transferred to Accounts Payable	Balance Lapsed
General Government:										
Administration.....	\$ 24,208.27	\$	6,055.34	\$ 1,123.00	\$ (17,259.93)	\$ (6,948.34)	\$	(1,932.64)	\$ -	\$ 5,245.70
Purchasing.....			3,281.93	209.72				(56.60)		3,435.05
Municipal Clerk.....	15,586.31		1,215.92	2,661.35	(11,124.13)	(4,462.18)		(2,967.58)		909.69
Financial Administration.....	11,406.12		32,812.17	994.14	(8,642.93)	(3,763.19)		(3,115.14)		27,691.17
Audit.....				55,000.00				(20,000.00)	(35,000.00)	
Information Technology.....	4,223.14		1.53	3,157.08	(2,174.19)	(2,048.95)		(3,157.08)		1.53
Tax Collection.....	8,751.48		65.95	68.95	(5,111.05)	(2,640.43)		(947.95)		186.95
Tax Assessment.....	1,835.88		3,031.38	33,416.99	(219.51)	(1,616.37)		(12,764.30)		23,684.07
Reserve for Tax Appeals.....										
Legal.....			12,531.96	37,914.19	10,000.00			(33,322.03)	(1,478.30)	25,645.82
Insurance:										
Other Insurance.....			35,574.10							35,574.10
Employee Group Insurance.....			14,804.86	4,844.98	(10,000.00)					9,649.84
Community Development										
Engineering.....	4,013.58		12,991.02	13,099.92	(2,540.32)	(1,473.26)		(18,416.09)	(502.25)	7,172.60
Planning.....	5,209.15		6,225.44	4,132.83	(618.35)	(4,590.80)		(10,336.91)		1.36
Zoning.....	2,193.97		1,875.95	3,668.00	(413.17)	(1,780.80)		(223.00)		5,320.95
Affordable Housing.....			250.00							250.00
Code Enforcement.....	8,420.36		873.66	1.00	(5,230.51)	(3,189.85)				874.66
Rent Control Board.....			100.00							100.00
Uniform Construction Code.....	5,313.87		5,963.12		(1,133.87)	(4,180.00)				5,963.12
Public Safety:										
Police.....	224,675.00		19,353.41	51,837.73	(41,742.23)	(182,932.72)		(27,084.55)	(1,705.20)	42,401.44
Emergency Management.....	2,479.96		4,533.21	1,368.00	(2,479.96)			(687.50)		5,213.71
Volunteer Fire Departments.....			37.12	10,476.80				(8,928.78)		1,585.14
First Aid Organizations.....			89.35	3,393.10				(3,137.90)		344.55
Fire Safety.....	4,478.84		4,523.90	6,065.92	(839.68)	(3,639.16)				4,523.90
Length of Service Award Program.....			5,874.56					(6,932.48)	(4,332.80)	675.20
Juvenile Aid.....			1,608.00	3,392.00				(3,392.30)		1,607.70
Public Works:										
Streets and Roads.....	36,490.05		102,835.46	37,810.64	(19,611.34)	(16,878.06)		(138,754.84)		1,891.91
Solid Waste Disposal Fees.....			15,509.20	64,505.25				(79,203.62)		810.83
Sanitation.....	12,994.75		45,422.12	29,702.69	4,749.61	(10,744.32)		(39,950.34)		42,174.51
Recycling.....			14,174.96	17,497.85				10,701.09		42,373.90
Buildings and Grounds.....	10,833.45		6,743.14	20,018.58	(8,265.69)	(2,567.76)		(7,538.20)		19,223.52
Motor Vehicle Maintenance.....	16,328.38		53,678.23	49,494.96	(17,556.54)	(5,771.84)		(43,450.58)	(1,451.53)	51,271.08
Muni Service Reimbursement										
Condominiums.....										
Apartments.....			88,441.87					(78,222.64)	(5,989.79)	4,229.44
NJDEP - Stormwater Permit.....	6,754.71		236.95	2,709.80		(6,753.75)				2,947.71

CURRENT FUND
SCHEDULE OF FY 2010 APPROPRIATION RESERVES

	June 30, 2010 Balance	Other	Encumbrances	Transfer	Salaries	Expended	Other	Transferred to Accounts Payable	Balance Lapsed
Parks Recreation & Community Services									
Board of Health.....	7,200.00	2,194.57	19,262.68				(21,242.25)		215.00
Committee Board Secretaries.....	12,036.15	9,246.60	100.00	(7,200.00)			(600.00)		8,746.60
Animal Control.....		685.31		(12,036.15)					685.31
Environmental Commission.....									
Recreation & Community Services.....	40,568.32	7,907.64	1,283.02	(35,164.38)	(5,403.94)		(8,970.49)		270.17
Senior Services.....	24,653.52	3,803.04	5.00	(19,752.72)	(4,900.80)		5,502.66		9,310.70
Parks and Playgrounds.....	49,208.09	16,388.56	11,936.56	(37,843.50)	(11,363.84)		(4,171.52)		24,154.35
Education - Library.....									
Municipal Court.....	25,761.27	5,333.14	1,060.00	(18,658.50)	(7,102.70)		(1,310.00)		5,083.21
Public Defender.....		321.21	11,800.00				(9,200.00)		2,921.21
Unclassified.....									
Salary Adjustments.....	13,000.00	199,051.81	31,791.28	270,869.04	(268,867.57)		(136,239.25)	(3,200.00)	11,801.47
Utilities / Facilities Costs.....		1,000.00							94,603.84
Contingency.....									1,000.00
Statutory Expenditures:									
Public Employees Retirement.....		68,076.00							68,076.00
DCRP.....		100.00							100.00
Social Security.....		89,428.71							89,428.71
Matching Funds for Grants.....		31,479.50					(31,479.50)		
Total Operations	\$ 578,624.62	\$ 935,731.90	\$ 535,804.01	\$ -	\$ (563,620.63)	\$ (743,552.31)	\$ (53,659.87)	\$ 689,327.72	
Salaries.....	<u>Ref</u>	<u>A</u>						A-9	A-1
Other Expenses.....	\$ 578,624.62					\$ (563,620.63)			
	<u>935,731.90</u>					<u>(743,552.31)</u>			
Total.....	<u>A</u>	<u>\$ 1,514,356.52</u>			<u>Ref</u>	<u>\$ (1,307,172.94)</u>	<u>A-4</u>		

CURRENT FUND
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

Ref.	Total	FY 2012 Prepaid	FY 2011 Prepaid	FY 2011 Current Overpayments	FY 2010 Delinquent Overpayments	Arrears Overpayments
Balance June 30, 2010.....	A \$ (214,100.40)	\$ -	\$ (145,198.23)	-	\$ (67,919.14)	\$ (983.03)
Taxes Received.....	A-7 (83,215.19)					
Transferred (from) or to Taxes Receivable.....	A-7 (173,155.68)	(173,155.68)		(83,215.19)		
Prepaid Taxes Applied.....	A-7 \$ 145,198.23		145,198.23			
Cancelled	A-1 9,487.75				9,487.75	
Cash Payments - Refund of Overpayments.....	A-4 137,023.37			77,608.95	58,431.39	983.03
Balance June 30, 2011.....	A \$ (178,761.92)	\$ (173,155.68)	\$ -	\$ (5,606.24)	\$ -	\$ -

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

Ref.	June 30, 2010	Taxes Levied	Cash Disbursements	June 30, 2011
County - General.....		\$ 13,945,454.78	\$ (13,945,454.78)	
County - Open Space.....		1,006,937.39	(1,006,937.39)	
County - Added & Omitted.....		24,276.55	(24,276.55)	
Local School District Taxes.....	\$ 34,423,352.50	73,243,557.50	(71,777,940.00)	\$ 35,888,970.00
Local Open Space.....		733,031.15	(733,031.15)	
Sub-Total.....	A-7 34,423,352.50	88,953,257.37	(87,487,639.87)	35,888,970.00
School Taxes Deferred.....	(33,467,758.00)	(1,750,000.00)		(35,217,758.00)
Total Taxes Payable.....	\$ 955,594.50	\$ 87,203,257.37	\$ (87,487,639.87)	\$ 671,212.00
Ref.	A	A-1, A-7	A-4	A

CURRENT FUND
NON-LOCAL TAX LEVY CALCULATION

Ref.	Total	County Lax Levy.....				School Taxes	Local Open Space
		General	Open Space	Added & Omitted			
Calendar Year 2010 Tax Levy.....	\$ 87,429,454.14	\$ 13,903,587.82	\$ 1,006,937.40		\$ 71,777,940.00	\$	740,988.92
1/1-6/30/2009 Levy (1/2 CY10)....	42,215,200.38	6,909,926.95	503,468.70		34,423,352.50		378,452.23
7/1-12/31/2009 Levy.....	45,214,253.76	6,993,660.87	503,468.70		37,354,587.50		362,536.69
1/1-6/30/2010 Levy (1/2 CY11)....	43,714,727.06	6,951,793.91	503,468.69		35,888,970.00		370,494.46
SFY 2011 Tax Levy..... A-12	\$ 88,928,980.82	\$ 13,945,454.78	\$ 1,006,937.39	\$ -	\$ 73,243,557.50	\$	733,031.15
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	CY 2009		CY 2010		CY 2011		
	Rate	Levy	Rate	Levy	Rate	Levy	
County General Tax.....	\$ 0.556	\$ 13,819,853.90	\$ 0.563	\$ 13,903,587.82	\$ 0.602	\$ 14,777,889.00	
County Open Space.....	0.063	1,567,404.64	0.041	1,006,937.40	0.059	1,447,561.42	
Local School Tax.....	2.770	68,846,705.00	2.906	71,777,940.00	3.005	73,816,483.00	
Municipal Open Space.....	0.030	756,904.46	0.030	740,988.92	0.030	737,254.71	
Library					0.032	801,257.50	
Total - Non Municipal.....	3.419	84,990,868.00	3.540	87,429,454.14	3.728	91,580,445.63	
Local Purpose Municipal Tax.....	1.024	25,417,884.21	1.079	26,652,126.74	1.093	26,861,539.72	
Total CY Tax Levy.....	\$ 4.443	\$ 110,408,752.21	\$ 4.619	\$ 114,081,580.88	\$ 4.821	\$ 118,441,985.35	
Net Valuation Taxable.....		2,485,483,817.00		2,469,963,068.00		2,456,909,811.00	

STATE AND FEDERAL GRANT FUND
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2010	Appropriated	Cash Receipts	June 30, 2011
<u>Fiscal Year 2010</u>				
Byrne - County Narcotics Task Force Grant	6,000.00			6,000.00
Clean Communities.....	51,787.57	51,787.57		
Alcohol Education & Enforcement Fund..	2,262.29	2,262.29		
<u>Fiscal Year 2011</u>				
Clean Communities.....			51,268.85	51,268.85
Alcohol Ed. Rehab. Enforcement Fund			2,588.87	2,588.87
Total.....	\$ 60,049.86	\$ 54,049.86	\$ 53,857.72	\$ 59,857.72
Ref.	A	A-15	A-4	A

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2010	Adopted	Budget.....	Cash Received	Unappropriated Realized	Canceled	June 30, 2011
STATE GRANTS							
Community Development:							\$
NJ DOT - Rt 27 (Utilities).....	92,000.00						92,000.00
NJ DOT - Mae Brook (Water).....	30,793.50						30,793.50
NJ DOT - Mae Brook (Sewer).....	32,371.00						32,371.00
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	20,000.00						20,000.00
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	20,000.00						20,000.00
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	25,000.00						25,000.00
NJ DOT - Rt 130/Adams Lane (Water).....	15,000.00						15,000.00
NJ DOT - Rt 130/Adams Lane (Sewer).....	10,000.00						10,000.00
NJ DOT - Rt 130 - Mae Brook.....	5,000.00			(62,500.00)			5,000.00
NJ DOT - Linwood Place.....	62,500.00						
NJ DOT - Hermann Road.....	375,000.00			(7,000.00)		(10,500.00)	375,000.00
NJ DCA - Smart Growth.....	10,500.00						
NJ DCA - Business Stimulus.....	7,000.00						
Public Safety:							
Safe & Secure.....		60,000.00					
Drunk Driving Enforcement.....			8,858.25	(60,000.00)			
Bias Grant.....		5,000.00		(8,858.25)			
Body Armor Grant - State.....		6,650.07		(5,000.00)			
Parks Recreation & Community Service				(6,650.07)			
Municipal Alliance.....	32,682.00			(32,682.00)			
Dodgeball Prevention.....		5,000.00	32,682.00				
Open Space & Recreation Grant-Acquisition of Pulda			11,000,000.00	(4,996.68)		(3.32)	32,682.00
Public Works:				(11,000,000.00)			(0.00)
Clean Communities.....		51,787.57			(51,787.57)		
Recycling Tonnage Grant.....			82,131.00	(82,131.00)			
Municipal Court.....	16.91					(16.91)	
Alcohol Education & Enforce Fund.....		2,262.29			(2,262.29)		
Alcohol Education & Enforce Fund.....							
Total - State Grants.....	737,863.41	130,699.93	11,123,671.25	(11,269,818.00)	(54,049.86)	(10,520.23)	657,846.50

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2010	Adopted	Budget.....	Cash Received	Unappropriated Realized	Canceled	June 30, 2011
			NJSA 40A:4-87				
FEDERAL GRANTS							
Community Development:							
NJ DOT - Hermann Road Crosswalk.....	44,463.33			(57,500.00)		(44,463.33)	
NJ DOT - Walnut Street.....	57,500.00		250,000.00				250,000.00
NJ DOT - Omaha Road.....			2,499.00				2,499.00
Public Safety:							
Bullet Proof Vest Grant - Federal.....				(6,375.00)		(1,500.48)	(1,500.48)
Bullet Proof Vest Grant - Federal - fy08.....							(1,433.52)
Bullet Proof Vest Grant - Federal.....	4,941.48	12,616.00					12,616.00
Justice Assistance Grant.....			185,000.00				185,000.00
Justice Assistance Grant.....	27,265.67			(27,265.67)			732.52
Justice Assistance Grant.....	16,636.56			(15,904.04)			
Justice Assistance Grant - Great.....	14,116.00			(14,116.00)			
COPS - Secure Our Schools.....	82,900.00			(11,100.00)			71,800.00
COPS in Shops.....							1,200.00
Click-it or Ticket.....				4,000.00			4,000.00
Over the Limit / Under Arrest.....		4,400.00		(9,400.00)			118,000.00
DWI Check Point.....	118,000.00						
Parks Recreation & Community Service							
Heritage Day (County/Federal).....	3,900.00			(3,900.00)			
Heritage Day (County/Federal).....				(3,150.00)			1,000.00
Senior Center Outreach Grant.....		9,218.00		(7,807.66)			1,410.34
Senior Center - Transportation Program.....		11,000.00		(11,000.00)			
Senior Center Outreach Grant.....		12,500.00		(12,500.00)		(3,748.46)	
Senior Center Outreach Grant.....	3,748.46						
Public Works:							
Clean Energy.....	42,097.50			(42,097.50)			
Energy Efficiency Conserv. Block Grant.....	165,500.00			(165,500.00)			
NJ Clean Energy Program - Solar Panel System				(206,275.00)			
NJ Clean Energy Program - Boiler.....		206,275.00					3,150.00
Sustainable Economic Growth Improvement							60,000.00
Other Grants							
Bristol Myers Squibb - Abilities Council			2,500.00	(2,500.00)			
Total - Federal Grants.....	581,069.00	256,009.00	517,499.00	(596,390.87)		(49,712.27)	708,473.86
Total - All Grants.....	\$ 1,318,932.41	\$ 386,708.93	\$ 11,641,170.25	\$ (11,866,208.87)	\$ (54,049.86)	\$ (60,232.50)	\$ 1,366,320.36
	A			A-4	A-14	A-17	A
Adopted Budget.....		A-2	\$ 386,708.93				
Amended (NJSA 40A:4-87).....		A-2	11,641,170.25				
Total.....		A-2, A-17	\$ 12,027,879.18				

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2010	Adopted	Budget NISA 40A:4-87	June 30, 2010 Encumbrances	Paid or Charged	Canceled	June 30, 2011 Encumbrances	June 30, 2011
STATE GRANTS									
Community Development:									
NJ DOT - Mae Brook (Water).....	FY04	\$ -			\$ 14,698.25			\$ (14,698.25)	-
NJ DOT - Mae Brook (Sewer).....	FY04	-			15,342.75			(15,342.75)	-
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	FY06	-			11,952.75	\$ (4,467.50)		(7,485.25)	-
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	FY06	-			19,474.00			(19,474.00)	-
NJ DOT - Rt 130/Adams Lane (Water).....	FY09	-			12,563.50	(535.75)		(12,027.75)	-
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY09	-			4,589.00	(445.25)		(4,143.75)	-
NJ DOT - Rt 130 - Mae Brook.....	FY09	-			2,532.75	(102.75)		(2,430.00)	-
NJ DOT - Hermann Road.....	FY10	93,750.00			281,250.00	(281,250.00)		(93,750.00)	-
NJ DCA - Smart Growth Grant.....	FY07	7,300.00			800.00	2,400.00	(10,500.00)		-
NJ DCA - Business Stimulus.....	FY10	723.34				(723.34)			-
NJ DOT - Omaha Road.....	FY11			\$ 250,000.00			(250,000.00)		-
Public Safety:									
Drunk Driving Enforcement Fund.....	FY11	-		8,858.25		(215.70)		(148.70)	8,493.85
Drunk Driving Enforcement Fund.....	FY09	1,262.42				(1,262.42)			-
Drunk Driving Enforcement Fund.....	FY10	17,699.58				(16,818.28)		(881.30)	0.00
Body Armor Grant - State.....	FY11	-	\$ 6,650.07						6,650.07
Body Armor Grant - State.....	FY10	2,502.27			60,000.00				2,502.27
Safe & Secure.....	FY11	-				(60,000.00)			-
Parks Recreation & Community Service									
County Human Services - Dodgeball.....	FY11	-		5,000.00		(4,996.68)	(3.32)		(0.00)
Clean Communities.....	FY09	(0.00)			40.00	(40.00)			(0.00)
Clean Communities.....	FY11		51,787.57			(10,948.10)		(22,360.49)	18,478.98
Clean Communities.....	FY10	7,401.38			931.56	(6,854.83)		(1,478.11)	-
Green Community Challenge Grant.....	FY07	1,500.00							-
Municipal Alliance.....	FY09	532.00			2,500.00	(2,500.00)	(1,500.00)		-
Municipal Alliance.....	FY10	29,491.47				(29,491.47)	(532.00)		-
Municipal Alliance.....	FY11			40,852.50		(18,447.47)			22,405.03
Bias Grant.....	FY11		5,000.00			(4,927.60)	(72.40)	(75,585.50)	(0.00)
Open Space - Recreation Pedestrian/Bicycle.....	FY07	224.00			75,585.50				224.00
Public Works:									
Recycling Tonnage Grant.....	FY05	222.45				(222.45)			-
Recycling Tonnage Grant.....	FY11	-		82,131.00			(15,740.00)		66,391.00
Recycling Tonnage Grant.....	FY09	447.84				(447.84)			-
Recycling Tonnage Grant.....	FY10	93,012.03				(16,319.51)		(76,585.00)	107.52
NJ Clean Energy - Boiler.....	FY11			3,150.00					3,150.00
Stormwater Regulation Management.....	FY06	8,119.00							8,119.00
Municipal Court									
Alcohol Education & Enforce Fund.....	FY11	2,496.56				(300.00)			1,962.29
Alcohol Education & Enforce Fund.....	FY10		2,262.29			(1,500.00)	(16.91)		979.65
Total - State Grants.....		266,684.34	130,699.93	384,991.75	466,327.56	(460,416.94)	(12,624.63)	(612,130.85)	163,531.16

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2010	Adopted	Budget NISA 40A:4-87	June 30, 2010 Encumbrances	Paid or Charged	June 30, 2011 Encumbrances	June 30, 2011
FEDERAL GRANTS							
Community Development:							
NJ DOT - Hermann Road Crosswalk.....	FY08	32,479.15		5,046.60	3,813.00	(41,338.75)	-
NJ DOT - Safe Streets to Schools.....	FY04			3,124.58	(3,124.58)		-
NJ DOT - Pedestrian/Bicycle Path.....	FY09	80,000.00			32,000.00		112,000.00
Public Safety:							
Bullet Proof Vest Grant - Federal.....	FY11		2,499.00			(4,152.78)	2,499.00
Bullet Proof Vest Grant - Federal.....	FY10	4,152.78			(11,100.00)		-
COPS Secure Our Schools Grant.....	FY10	82,900.00			(600.00)		71,800.00
COPS in Shops.....	FY11		1,200.00		(4,000.00)		600.00
Click-it or Ticket.....	FY11		4,400.00		(9,400.00)		-
Over the Limit / Under Arrest.....	FY11						-
BIA Congressionally Selected Video Surv Progn.....	FY11		185,000.00		(16,154.57)		185,000.00
Justice Assistance Grant.....	FY10	16,154.57		1,502.50	(15,904.04)		-
Justice Assistance Grant.....	FY10	15,134.06			(14,116.00)		732.52
Justice Assistance Grant.....	FY08	24,742.33			(12,616.00)		24,742.33
Justice Assistance Grant.....	FY09	14,116.00			(10,175.00)		-
Justice Assistance Grant.....	FY11		12,616.00			(7,709.00)	100,116.00
Safe Routes to Schools.....	FY10	118,000.00					6,225.00
Parks Recreation & Community Service							
Fed/County - Heritage Day.....	FY11		6,225.00		(3,400.00)		-
Fed/County - Heritage Day.....	FY10	1,400.00		2,000.00		(3,748.46)	-
Fed/County - Senior Center Outreach Grant.....	FY10	3,748.46			(12,500.00)		-
Fed/County - Senior Center Outreach Grant.....	FY11		12,500.00		(7,807.66)		1,410.34
Fed/County - Senior Center Congregate Meals.....	FY11		9,218.00		(11,000.00)		-
Fed/County - Senior Center Transportation Grant.....	FY11		11,000.00				-
Public Works							
Middlesex County Economic Growth-Lights	FY11		60,000.00		(30,396.80)		8,500.00
Energy Efficiency Conserv. Block Grant.....	FY10	163,741.35				(51,500.00)	133,344.55
Total - Federal Grants.....		556,568.70	49,734.00	263,924.00	(123,357.07)	(52,364.57)	646,969.74
Other/Local Grants:							
County Open Space Grant.....	FY 11				(11,000,000.00)		-
NJ Clean Energy - Solar Panel System.....	FY 11		11,000,000.00		(206,275.00)		1,224.43
Bristol Myers Squibb - Abilities Council.....	FY 10	1,880.25	206,275.00		(655.82)		1,653.00
Bristol Myers Squibb - Abilities Council.....	FY 11		2,500.00		(847.00)		9,159.10
Cablevision Grant.....	FY06	10,689.02			(1,529.92)		-
Total - Other/Local Grants.....		12,569.27	206,275.00	11,002,500.00	(11,209,307.74)		12,036.53
TOTAL - ALL Grants		\$ 835,822.31	\$ 386,708.93	\$ 11,651,415.75	\$ 478,001.24	\$ (671,339.85)	\$ 822,537.43
Ref	A	A-3,A-17	A-3,A-17	A	A-4	A-17	A

STATE & FEDERAL GRANT FUND
SCHEDULE OF INTERFUND CURRENT FUND / GRANT FUND

	<u>Ref.</u>	
Interfund Balance (Due Current Fund) June 30, 2010.....	A	
Increased by		
Cash Disbursed from Grant Fund to Current Fund.....	A-4	\$ 4,756.70
Local Match Requirement		
Appropriated Reserves.....	A-16	\$ 12,038,124.68
Less Grant Revenues.....	A-15	<u>(12,027,879.18)</u>
Local Match Requirement.....		<u>10,245.50</u>
Total Increases.....		\$ 15,002.20
Decreased by		
Adjustments		
Appropriated Reserves Canceled.....	A-16	(64,989.20)
Less Grant Receivables Canceled.....	A-15	<u>60,232.50</u>
Net Adjustments.....	A-1	(4,756.70)
Cash Disbursed from Current Fund to Grant Fund.....	A-4	<u>(10,245.50)</u>
Total Decreases.....		(15,002.20)
Interfund Balance (Due Current Fund) June 30, 2011	A	\$ -

Trust Fund

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation Date	Installments	Due Dates	Balance 06/30/10	Collected	Balance 06/30/11
<u>Assessments Receivable</u>						
Georges Road / Route #1 - Water.....	12/8/81	10	12/8/1981-1990	\$ 371.00		\$ 371.00
Maple Meade/Church Lane - Sewer	8/21/74	10	10/1/1974-1983	42,750.00	(42,750.00)	
Total Assessments Receivable.....				\$ 43,121.00	\$ (42,750.00)	\$ 371.00
<u>Assessment Liens</u>						
Maple Meade - Sewer.....	11/12/72			255.00		255.00
Maple Meade/Church Lane - Sewer...	8/21/74			396.00		396.00
East Adams - Sewer.....	11/15/76			13,763.00		13,763.00
Adams Lane - Water.....	7/7/75			34,791.00		34,791.00
East Adams - Water.....	12/18/77			3,659.00		3,659.00
Linder, Evelyn & Thomas.....	6/19/78			3,666.00		3,666.00
Aaron Road - Section 1.....	12/3/83			1,278.00		1,278.00
Marigold - LaRose.....	12/28/77			2,654.00		2,654.00
Interest & Costs on Assessment Liens.....				10,222.00		10,222.00
Total Assessment Liens Receivable.....				\$ 70,684.00	\$ -	\$ 70,684.00
Total Assessments & Assessment Liens Receivable.....				\$ 113,805.00	\$ (42,750.00)	\$ 71,055.00
Ref.				B	B-2	B

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2010	Receipts	Cash.....	Disbursements	Adjustments	Balance June 30, 2011
Animal Control Trust Fund						
Due NJ - Animal License Fees.....	\$ 1,852.80	\$ 2,536.80	\$	(4,206.00)	\$	183.60
Animal Control Reserves.....	59,754.86	15,771.20		(59,577.67)		15,948.39
Payroll						
Deductions Payable.....	8,681.30	20,413,137.55		(20,412,650.35)		9,168.50
Miscellaneous.....	17,484.61			(660.97)	952.62	17,776.26
Trust Assessment						
Fund Balance.....		42,750.00				42,750.00
Recreation Trust.....	747,491.36	1,241,833.52		(1,186,332.92)	9,059.65	812,051.61
Developers' Escrow						
Inspections.....	366,233.31	16,705.83		(108,608.01)		274,331.13
Technical Review.....	283,324.56	208,376.92		(276,880.80)		214,820.68
Performance Bonds.....	1,145,975.52	107,026.63		(187,110.20)		1,065,891.95
Regional Contribution Agreement						
Affordable Housing Contribution, Phase II.	8,002,444.04	10,810.53		(160,135.00)		7,853,119.57
Growth Share Reserve.....	802,416.16	3,767.81				806,183.97
Other Trust Funds						
Finance						
NJ Unemployment.....	267,981.80	183,012.96		(232,270.06)		218,724.70
Terminal Leave.....	737,738.56	106,654.00		(183,247.27)		661,145.29
Tax Sale - Premium on TTL.....	172,400.00	189,400.00		(111,249.87)		250,550.13
Open Space						
Dedicated Tax Levy - Open Space.....	12,738.29	877,624.35		(774,525.00)		115,837.64
Developer Parkland Improvements.....	21,318.69	11,384.35		(7,114.66)		21,318.69
Tree Preservation.....	185,362.26	18,070.00				189,631.95
Program Income.....	21,565.59					39,635.59
Public Safety						
Forfeited Funds.....	23,618.09	4,504.70		(9,075.88)		19,046.91
Seized Funds.....	805.00	163.00				968.00
Unclaimed Funds.....	6,502.80					6,502.80
Miscellaneous.....	28,687.62	516,466.57		(508,615.00)		36,539.19
Uniform Fire Code.....	32,530.35	40,693.00		(8,407.47)		64,815.88

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2010	Receipts	Disbursements	Adjustments	Balance June 30, 2011
Municipal Court					
Handicapped Parking.....	8,870.41	56.00			8,926.41
Public Defender.....	18,389.59	11,494.50	(5,000.00)		24,884.09
POAA Fines.....	694.57	110.00			804.57
Spinal Research.....	24.16				24.16
Public Works - Snow Removal.....	31,750.46	215,027.38	(47,593.66)		199,184.18
Donations, Gifts, & Bequests.....	12,945.46	3,425.00	(9,106.99)		7,263.47
Community Development Department					
FY04 - Livingston Ave Streetscape.....	33,778.25				33,778.25
FY04 - Due Middlesex County.....	(35,956.00)	2,177.75			(33,778.25)
FY08 - Sr/Handicapped Crosswalk.....	27,800.00				
FY08 - Due Middlesex County.....	(27,800.00)		(27,800.00)		(27,800.00)
FY09 - Housing Repairs.....					
FY09 - Code Enforcement.....					
FY09 - Sr/Handicapped Crosswalk.....					
FY09 - Babbage Park Bldg Repairs.....					
FY09 - Due Middlesex County.....	(52,032.98)	52,032.98			
FY10 - Housing Repairs.....	25,220.51		(25,220.51)		
FY10 - Code Enforcement.....	20,000.00		(20,000.00)		
FY10 - Sr/Handicapped Crosswalk.....	31,902.75		(8,057.55)		23,845.20
FY10 - Due Middlesex County.....	(98,800.00)	74,954.80			(23,845.20)
FY10 - Berdines Corner Area Curb Proj.....	12,649.28		(12,649.28)		
FY10 - Due Middlesex County.....	(34,990.00)	34,990.00			
FY11 - Individual Housing Rehab.....	40,000.00		(34,726.36)		5,273.64
FY11 - Code Enforcement.....	40,000.00		(20,000.00)		20,000.00
FY11 - Volunteer Fire Dept. Generator.....	38,800.00				38,800.00
FY11 - Due Middlesex County.....	(118,800.00)	29,416.56			(89,383.44)
Prepaid Rental C/O's.....	3,130.00	6,000.00	(7,800.00)		1,330.00
Third Party UCC Inspections.....	238,968.54	79,516.00	(84,658.40)		233,826.14
Total - All Trust Funds.....	\$ 13,163,452.57	\$ 24,519,890.69	\$ (24,533,279.88)	\$ 10,012.27	\$ 13,160,075.65
Ref.	B			B	

TRUST FUND
SCHEDULE OF PAYROLL LIABILITIES

	Balance June 30, 2010	Receipts	Disbursements	Adjustments	Balance June 30, 2011
	Cash.....			
Miscellaneous.....	\$ 17,484.61		\$ (660.97)	\$ 952.62	\$ 17,776.26
Federal and State Taxes					
Federal Withholding.....		2,488,939.96	(2,488,939.96)		\$ -
Social Security/Medicare.....	394.72	2,407,908.64	(2,407,737.52)		565.84
NJ State Withholding.....	37.75	660,879.56	(660,879.56)		37.75
NJ Unemployment.....	7,811.61	34,255.20	(42,066.81)		-
PA State Withholding.....	124.06	1,709.69	(1,706.16)		127.59
Pension					
Police & Fire Pension.....	(399.56)	1,024,414.16	(1,024,014.94)		-
Public Employees Pension.....	678.34	568,332.59	(560,573.27)		(0.34)
Deferred Compensation (IRS 457).....	34.38	393,228.93	(393,263.31)		8,437.66
Garnishments - Wage Attachments.....		90,705.50	(90,705.50)		-
Union Dues.....		78,325.56	(78,325.56)		-
Employee Medical Premium Cost Sharing.....		203,047.77	(203,047.77)		-
Life & Disability Insurance.....		116,765.86	(116,765.86)		-
Net Pay.....		12,344,624.13	(12,344,624.13)		-
Total - Payroll Liabilities.....	8,681.30	20,413,137.55	(20,412,650.35)		9,168.50
Total - Payroll Trust Fund.....	\$ 26,165.91	\$ 20,413,137.55	\$ (20,413,311.32)	\$ 952.62	\$ 26,944.76
	B, B-2	B-2	B-2	B-2	B, B-2

General Capital Fund

GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>	
Balance June 30, 2010.....	C	\$ 19,507,769.73
Increased by Receipts:		
Capital Improvement Fund.....	C-10,A-3	150,000.00
Deferred Charges, Unfunded		
Current Fund Appropriation.....	C-5, A-3	37,000.00
Retire Notes.....	C-5, A-3	259,278.00
Proceeds from Issuing Debt		
Sale of Bond Anticipation Notes.....	C-8	4,968,200.00
Premium on Sale of Notes.....	C-1	125,395.13
Reserve to Retire Debt -		
Interest Earned - Soil Remediation.....	C-12	<u>8,712.85</u>
Total Receipts.....		5,548,585.98
Decreased by Disbursements:		
Redemption of Bond Anticipation Notes....	C-8	(710,200.00)
Improvement Authorizations.....	C-6	(13,831,253.88)
Surplus Anticipated in Current Fund.....	C-1	(100,000.00)
Disbursement from Reserve.....	C-1	(256,544.00)
Reserve to Retire Debt -		
Current Fund Revenue.....	C-11	<u>(228,932.00)</u>
Total Disbursements.....		<u>(15,126,929.88)</u>
Balance June 30, 2011.....	C	<u><u>\$ 9,929,425.83</u></u>

Analysis of Cash Balance

Soil Remediation Account.....	\$ 5,019,714.28
General Account.....	4,909,711.55
	<u> </u>
Total Cash.....	<u><u>\$ 9,929,425.83</u></u>

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
88-16	Fire Fighting Equipment.....		\$ (121,000.00)					\$ (121,000.00)
97-24	Drainage System - Washington Place.....			\$ 4,502.52				4,502.52
99-13	Underground Storage Tanks.....			6,875.37				6,875.37
00-27	Acquisition of Lands.....		(5,450,000.00)	1,889,736.10	\$ 47,665.09	\$ 5,000,000.00	\$ 300,000.00	1,787,401.19
00-28	Improvement of Various Streets.....			76,082.81	478.80			76,561.61
01 -19	Various Improvements.....			185.39				185.39
02-24	Fire Communications System.....			85,461.93	60,000.00			145,461.93
02-38	Various Capital Improvements.....			24,655.06				24,655.06
03-12	Refunding Unfunded Pension Liability....			14,094.33				14,094.33
03-13	Refunding of the Outstanding FYABs.....			3,050.00				3,050.00
03-30	Various Capital Improvements.....			39,036.00				39,036.00
04-05	High School/Vets Park Soil Remediation..		(5,033,144.00)	2,157,865.17	136,617.61	4,032,250.00	\$ 3,725,231.50	5,018,820.28
04-26	Otken Farm Improvements.....			92,139.01	300.00			92,439.01
04-27	UCC Scanning/Indexing System.....			70,962.33				70,962.33
04-28	Various Capital Improvements.....		(360,000.00)	115,079.31		360,000.00		115,079.31
05-15	Various Capital Improvements.....			161,424.44				161,424.44
06-07	Various Capital Improvements.....			11,198.25				11,198.25

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
06-15	Various Capital Improvements.....		(5,786,550.00)	1,687,685.34	395,099.97	5,786,550.00		2,082,785.31
07-01	Various Capital Improvements.....		(1,710,000.00)	157,069.03		1,710,000.00		157,069.03
07-22	Various Capital Improvements.....		(3,701,200.00)	80,151.04	165,355.22	3,701,200.00		245,506.26
08-23	Various Capital Improvements.....		(3,800,000.00)	380,505.11	364,340.78	2,500,000.00		(555,154.11)
09-16	Various Capital Improvements.....		(3,325,000.00)	353,478.69	1,412,262.50			(1,559,258.81)
09-22	Acquisition of Pulda Farm.....		(11,210,000.00)	1,919,696.24		11,210,000.00	50,403.00	1,970,099.24
10-06	Capital Items.....		(475,000.00)	500,000.00				25,000.00
10-23	Various Capital Improvements.....		(2,850,000.00)	1,511,922.43	1,228,491.14			(109,586.43)
	Capital Improvement Fund..... C-10						342.00 \$	342.00
	Fund Balance..... C-1						221,876.32	221,876.32
<hr/>								
Total.....			\$ (43,821,894.00)	\$ 11,342,855.90	\$ 3,810,611.11	\$ 34,300,000.00	\$ 4,297,852.82	\$ 9,929,425.83
<hr/>								
	<u>Ref.</u>	C, C-5	C, C-6	C, C-6	C, C-6	C, C-8	C, C-1, C-10	C, C-2

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - FUNDED

	Total Funded Deferred Charges	Serial Bonds	EDA Loan
Balance - June 30, 2010.....	\$ 46,326,455.60	\$ 46,281,000.00	\$ 45,455.60
Serial Bonds/Loans paid from Budget Appropriation.....	(5,595,455.60)	(5,550,000.00)	(45,455.60)
Serial Bond Issued.....			
Balance - June 30, 2011.....	\$ 40,731,000.00	\$ 40,731,000.00	\$ -
<u>Ref.</u>	C	C-7	C-9

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2010	Authorizations	Reduced	Balance June 30, 2011	Notes Outstanding	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
88-16	Fire Fighting Equipment.....	\$ 158,000.00		(37,000.00)	\$ 121,000.00		\$ (121,000.00)	
00-27	Acquisition of Lands.....	5,450,000.00			5,450,000.00	\$ (5,000,000.00)		\$ (450,000.00)
04-05	High School/Vets Park - Soil Remediation.....	5,188,972.00		(155,828.00)	5,033,144.00	(4,032,250.00)		\$ (1,000,894.00)
04-28	Various Capital Improvements.....	360,000.00			360,000.00	(360,000.00)		
06-15	Various Capital Improvements.....	5,890,000.00		(103,450.00)	5,786,550.00	(5,786,550.00)		
07-01	Various Capital Improvements.....	1,710,000.00			1,710,000.00	(1,710,000.00)		
07-22	Various Capital Improvements.....	3,701,200.00			3,701,200.00	(3,701,200.00)		
08-23	Various Capital Improvements.....	3,800,000.00			3,800,000.00	(2,500,000.00)	(919,494.89)	(380,505.11)
09-16	Various Capital Improvements.....	3,325,000.00			3,325,000.00		(2,971,521.31)	(353,478.69)
09-22	Acquisition of Pulda Farm.....	11,210,000.00			11,210,000.00	(11,210,000.00)		
10-06	Capital Items.....	475,000.00			475,000.00			(475,000.00)
10-23	Various Capital Improvements.....		2,850,000.00		2,850,000.00		(1,338,077.57)	(1,511,922.43)
Total.....		\$ 41,268,172.00	\$ 2,850,000.00	\$ (296,278.00)	\$ 43,821,894.00	\$ (34,300,000.00)	\$ (5,350,093.77)	\$ (4,171,800.23)
		Ref.	C	C-6	C	C-8		
Current Fund Appropriation								
Debt Service.....				C-2	\$ (37,000.00)			
BAN's Principal.....				C-2	(259,278.00)			
Total.....					\$ (296,278.00)			
Improvement Authorization Unfunded								\$ 10,728,188.46
Less: Unexpended proceeds of BAN issued:								
00-27								(1,439,736.10)
04-05								(1,156,971.17)
04-28								(115,079.31)
06-15								(1,687,685.34)
07-01								(157,069.03)
07-22								(80,151.04)
09-22								(1,919,696.24)
Total								\$ 4,171,800.23

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2010		Authorized	Encumbrance June 30, 2010	Paid or Charged	Encumbrance June 30, 2011	June 30, 2011	
		Funded	Unfunded					Funded	Unfunded
97-24	Washington Place Drainage.....	\$ 4,502.52					\$	4,502.52	
99-29	Underground Storage Tanks.....	6,875.37						6,875.37	
00-27	Acquisition of Land.....		\$ 1,028,104.16		\$ 943,223.12	\$ (33,926.09)	\$ (47,665.09)		\$ 1,889,736.10
00-28	Various Street Improvements.....	72,837.94			3,723.67		(478.80)	76,082.81	
01-19	Various Capital Improvements.....				185.39			185.39	
02-24	Fire Communications System, Parks Improvements & Playground Equipment.....	16,417.00			255,632.27	(126,587.34)	(60,000.00)	85,461.93	
02-38	Various Capital Improvements.....	21,917.97			5,472.70	(2,735.61)		24,655.06	
03-12	Refunding Pension Liability.....	14,094.33						14,094.33	
03-13	Refunding of FYABs.....	3,050.00						3,050.00	
03-30	Various Capital Improvements.....	40,656.43			199.68	(1,820.11)		39,036.00	
04-05	High School / Vets Park Soil Remediation.....		2,460,024.72		106,814.09	(272,356.03)	(136,617.61)		2,157,865.17
04-26	Otken Farm Improvements.....	92,139.01			300.00		(300.00)	92,139.01	
04-27	UCC Scan/Index System.....	70,300.03			662.30			70,962.33	
04-28	Various Capital Improvements....		112,852.00		2,998.28	(770.97)			115,079.31
05-15	Various Capital Improvements....	161,424.14			0.30			161,424.44	
06-07	Various Capital Improvements....	11,198.25						11,198.25	
06-15	Various Capital Improvements....		1,684,214.47		470,439.43	(71,868.59)	(395,099.97)		1,687,685.34

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2010		Authorized	Encumbrance June 30, 2010	Paid or Charged	Encumbrance June 30, 2011	June 30, 2011	
		Funded	Unfunded					Funded	Unfunded
06-19	Library Improvements.....				5,520.53	(5,520.53)			
07-01	Various Streets & Roads.....		149,167.84		7,901.19				157,069.03
07-22	Various Capital Improvements....		136,231.35		128,675.61	(19,400.70)	(165,355.22)		80,151.04
08-23	Various Capital Improvements....		733,344.59		445,894.53	(434,393.23)	(364,340.78)		380,505.11
09-16	Various Capital Improvements....		1,549,927.41		1,768,088.59	(1,552,274.81)	(1,412,262.50)		353,478.69
09-22	Acquisition of Pulda Farms.....	1,759,709.68	11,210,000.00			(11,050,013.44)			1,919,696.24
10-06	Capital Items.....	25,000.00	475,000.00					25,000.00	475,000.00
10-23	Capital Improvement.....			3,000,000.00		(259,586.43)	(1,228,491.14)		1,511,922.43
Total.....		<u>\$ 2,300,122.67</u>	<u>\$ 19,538,866.54</u>	<u>\$ 3,000,000.00</u>	<u>\$ 4,145,731.68</u>	<u>\$ (13,831,253.88)</u>	<u>\$ (3,810,611.11)</u>	<u>\$ 614,667.44</u>	<u>\$ 10,728,188.46</u>
		<u>C</u>	<u>C</u>		<u>C</u>	<u>C-2</u>	<u>C</u>	<u>C</u>	<u>C</u>
		Ref.	Ref.						
Capital Improvement Fund.....			C-10	\$ 150,000.00					
Deferred Chgs Unfunded.....			C-5	2,850,000.00					
Total.....				<u>\$ 3,000,000.00</u>					

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/11 Date	Amount	Rate	June 30, 2010	Budget Appropriation June 30, 2011
Refunding Bonds.....	11/15/98	9,995,000				1,695,000	(1,695,000)
General Obligation Bonds....	1/1/02	3,794,000	01/01/12-14 01/01/15	450,000 419,000	4.650% 4.650%	1,994,000	(225,000) 1,769,000
General Obligation Bonds....	12/15/03	6,000,000	08/15/11 8/15/12-13 08/15/14 08/15/15 08/15/16 08/15/17	400,000 500,000 600,000 600,000 600,000 600,000	3.500% 3.500% 3.500% 3.600% 3.700% 4.000%	4,200,000	(400,000) 3,800,000
Refunding Bonds (ERI).....	5/15/03	2,075,000	08/15/11 08/15/12 08/15/13 08/15/14	310,000 200,000 200,000 105,000	4.400% 4.650% 4.750% 4.850%	1,105,000	(290,000) 815,000

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/11	Rate	June 30, 2010	Budget Appropriation June 30, 2011
			Date	Amount		
Open Space Bonds.....	12/15/03	4,500,000	08/15/11	175,000	3.500%	
			8/15/12-14	200,000	3.500%	
			08/15/15	200,000	3.600%	
			08/15/16	200,000	3.700%	
			8/15/17-20	200,000	4.000%	
			08/15/21	200,000	4.125%	
			08/15/22	200,000	4.200%	
			08/15/23	200,000	4.250%	
			08/15/24	200,000	4.375%	
			08/15/25	200,000	4.400%	
			8/15/26-28	200,000	4.500%	
				3,750,000	(175,000)	3,575,000
General Obligation Bonds.....	11/17/04	3,000,000	8/15/11-13	300,000	3.500%	
			08/15/14	300,000	3.625%	
			08/15/15	300,000	3.700%	
				1,800,000	(300,000)	1,500,000
Refunding Bonds.....	4/1/06	5,075,000	04/01/12	790,000	3.750%	
			04/01/13	815,000	4.000%	
			04/01/14	405,000	4.250%	
			04/01/15	385,000	4.250%	
				3,175,000	(780,000)	2,395,000

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/11	Rate	June 30, 2010	Budget Appropriation	June 30, 2011
			Amount				
General Obligation Bonds.....	11/1/06	4,205,000	11/01/11	170,000	3.875%		
			11/01/12	295,000	3.875%		
			11/01/13	340,000	3.875%		
			11/01/14-21	340,000	4.000%	3,695,000	3,525,000
Refunding Bonds.....	5/15/07	6,550,000	05/15/12	1,335,000	4.000%		
			05/15/13	1,365,000	5.000%	3,980,000	2,700,000
General Obligation Bonds.....	8/20/07	5,500,000	08/15/11-13	240,000	4.125%		
			08/15/14	415,000	4.200%		
			08/15/15	435,000	4.250%		
			08/15/16	450,000	4.250%		
			08/15/17-19	460,000	4.250%		
			08/15/20-22	465,000	4.250%	5,030,000	4,795,000
General Obligation	8/14/09	7,811,435	8/15/11	440,000	1.500%		
			8/15/12	78,000	1.500%		
			8/15/13	1,090,000	2.000%		
			8/15/14	526,000	2.000%		
			8/15/15	1,079,000	2.125%		
			8/15/16	584,000	2.375%		
			8/15/17	604,000	3.000%		
			8/15/18	627,000	3.000%		
			8/15/19	654,000	4.000%		
			8/15/20	681,000	4.000%		
			8/15/21	709,000	4.000%		
			8/15/22	739,435	4.000%	7,811,435	7,811,435

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/11	Rate	Amount	June 30, 2010	Budget Appropriation	June 30, 2011
			Date					
Open Space	8/14/09	8,045,565	8/15/11	1.500%	97,000			
			8/15/12	1.500%	17,000			
			8/15/13	2.000%	241,000			
			8/15/14	2.000%	116,000			
			8/15/15	2.125%	238,000			
			8/15/16	2.375%	129,000			
			8/15/17	3.000%	133,000			
			8/15/18	3.000%	138,000			
			8/15/19	4.000%	145,000			
			8/15/20	4.000%	151,000			
			8/15/21	4.000%	156,000			
			8/15/22	4.000%	163,565			
			8/15/23	4.000%	774,000			
			8/15/24	4.000%	809,000			
			8/15/25	4.000%	852,000			
			8/15/26	4.000%	898,000			
			8/15/27	4.000%	945,000			
			8/15/28	4.000%	995,000			
			8/15/29	4.000%	1,048,000	8,045,565		8,045,565
Total						46,281,000	(5,550,000)	40,731,000
				Ref.		C	C-4	C

FY 2011 Budget..... 5,550,000

GENERAL CAPITAL
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities		Notes Outstanding June 30, 2010	New Financing	BAN's Not Re-issued	Notes Outstanding June 30, 2011
		Interest Rate	Issue Date	Maturity Date			
00-27	Land Acquisition.....	1.25%	8/12/10	8/11/11	\$ 5,450,000.00	\$ (450,000.00)	\$ 5,000,000.00
04-05	High School / Vets Park Soil Remediation.....	1.25%	8/12/10	8/11/11	4,189,000.00	(156,750.00)	4,032,250.00
04-28	Various Capital Improvements	1.25%	8/12/10	8/11/11		360,000.00	360,000.00
06-15	Various Capital Improvements.....	1.25%	8/12/10	8/11/11	5,890,000.00	(103,450.00)	5,786,550.00
07-01	Various Streets & Roads.....	1.25%	8/12/10	8/11/11	1,710,000.00		1,710,000.00
07-22	Various Capital Improvements.....	1.25%	8/12/10	8/11/11	1,593,000.00	2,108,200.00	3,701,200.00
08-23	Various Capital Improvements.....	1.25%	8/12/10	8/11/11		2,500,000.00	2,500,000.00
09-22	Land Acquisition	1.25%	8/12/10	8/11/11	\$ 11,210,000.00		11,210,000.00
Total.....					\$ 30,042,000.00	\$ (710,200.00)	\$ 34,300,000.00

Ref. C C-2 C

GENERAL CAPITAL FUND
SCHEDULE OF EDA LOAN PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities 06/30/2011		Rate	June 30, 2010	Budget Appropriation	June 30, 2011
Underground Storage Tanks...	4/1/01	454,556				\$ 45,455.60	\$ (45,455.60)	\$ -
Total.....						\$ 45,455.60	\$ (45,455.60)	\$ -
						<u>Ref.</u>	A-3, C-4	C

GENERAL CAPITAL
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance June 30, 2010.....	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	A-3, C-2	150,000.00
Appropriated to Fund Improvement Authorizations	C-6	(150,000.00)
Balance June 30, 2011.....	C	<u>\$ 342.00</u>

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND RESERVE TO RETIRE DEBT

	Ordinance Number	Balance June 30, 2010	Increases Cash Receipts	Decreases	Balance June 30, 2011
Reserve to Retire Debt					
High School/Vets Park Soil Remediation.....	2004-05	\$ 3,945,450.65	\$ 8,712.85	\$ (228,932.00)	\$ 3,725,231.50
Land Acquisition.....	2000-27	\$ 300,000.00			300,000.00
Land Acquisition.....	2009-22	50,403.00			50,403.00
Total.....		\$ 4,295,853.65	\$ 8,712.85	\$ (228,932.00)	\$ 4,075,634.50
	<u>Ref.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C</u>

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

Ord.	Description	Balance June 30, 2010	FY 2011 Authorizations	Notes Redeemed	Budget Appropriation	Cash Receipts	Notes Issued	Bonds Issued/ Adjustment	Balance June 30, 2011
1988-16	Fire Fighting Equipment.....	\$ 158,000.00			(37,000.00)				\$ 121,000.00
2000-27	Acquisition of Lands.....			\$ 5,450,000.00		\$ -	\$ (5,000,000.00)		450,000.00
2004-05	High School/Vets Park Soil Remediation...	999,972.00		4,189,000.00	\$ (155,828.00)		(4,032,250.00)		1,000,894.00
2004-28	Various Capital Improvements.....	360,000.00					(360,000.00)		
2006-15	Various Capital Improvements.....			5,890,000.00	(103,450.00)		(5,786,550.00)		
2007-01	Various Streets & Roads.....			1,710,000.00			(1,710,000.00)		
2007-22	Various Capital Improvements.....	2,108,200.00		1,593,000.00			(3,701,200.00)		
2008-23	Various Capital Improvements.....	3,800,000.00					(2,500,000.00)		1,300,000.00
2009-16	Various Capital Improvements.....	3,325,000.00							3,325,000.00
2009-22	Pulda Farm Acquisition.....			11,210,000.00			(11,210,000.00)		
2010-06	Capital Items.....	475,000.00							475,000.00
2010-23	Various Capital Improvements.....		2,850,000.00						2,850,000.00
	Total.....	\$ 11,226,172.00	\$ 2,850,000.00	\$ 30,042,000.00	\$ (296,278.00)	\$ -	\$ (34,300,000.00)	\$ -	\$ 9,521,894.00
	Ref.	C			A-3, C-5				C

Water Utility Fund

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	Operating	Capital
Cash Balance June 30, 2010.....	D	\$ 718,455.57	\$ 57,910.80
Increased by Cash Receipts			
Due Water Capital/Operating.....	D	1,300,000.00	
Premium on BAN Sale.....	D-2		13,380.00
Revenues Collected.....	D-3	6,444,609.19	
Bond Anticipation Notes.....	D-14		1,500,000.00
Total Cash Receipts.....		7,744,609.19	1,513,380.00
Decreased by Disbursements			
Due Water Capital/Operating.....	D		(1,300,000.00)
Accounts Payable.....	D-9	(8,000.00)	
Appropriation Reserves.....	D-9	(210,074.48)	
Budget Appropriations.....	D-4	(7,086,376.91)	
Improvement Authorizations.....	D-10		(69,439.21)
Total Cash Disbursements.....		(7,304,451.39)	(1,369,439.21)
Cash Balance June 30, 2011.....	D	\$ 1,158,613.37	\$ 201,851.59

WATER CAPITAL UTILITY FUND
ANALYSIS OF CASH BALANCE

	Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2011
<u>Improvement Authorizations</u>					
03-31 Water Distribution System.....		\$ 2,375.40	\$ 29,017.73		\$ 31,393.13
05-16 Water Distribution System.....	\$ (500,000.00)	84,411.14	284,366.03		(131,222.83)
06-16 Water Distribution System.....	-		215,746.20		215,746.20
07-20 Water Treatment Plant.....	(360,502.00)	596,546.00	5,000.00		241,044.00
07-24 Water Distribution System.....	(2,150,000.00)	607.25	193.37		(2,149,199.38)
08-22 Water Distribution System.....	(500,000.00)	49,317.65	300,149.72		(150,532.63)
07-24/11-04 Water Distribution System.....	(100,000.00)	100,000.00			
Accounts Receivable					
Due Water Operating Fund.....				1,705,000.00	1,705,000.00
Reserve, Water System Improvements.....				30,900.00	30,900.00
Capital Improvement Fund.....				89,067.59	89,067.59
Fund Balance.....				319,655.51	319,655.51
Total.....	\$ (3,610,502.00)	\$ 833,257.44	\$ 834,473.05	\$ 2,144,623.10	\$ 201,851.59
	D, D-10	D, D-10	D, D-10	D	D

Exhibit D-7

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Balance - June 30, 2011 & 2010.....	<u>Ref.</u> D	<u>\$ 30,065,994.03</u>
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Exhibit D-8

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord.	Improvement Description	Balance June 30, 2010	Balance June 30, 2011
03-31	Water Distribution System.....	\$ 222,695.56	\$ 222,695.56
05-16	Water Distribution System.....	2,000,000.00	2,000,000.00
06-16	Water Distribution System.....	1,500,000.00	1,500,000.00
07-20	Water Treatment Plant.....	19,000,000.00	19,000,000.00
07-24	Water Distribution System.....	2,150,000.00	2,150,000.00
08-22	Water Distribution System.....	1,000,000.00	1,000,000.00
07-24/11-04	Water Distribution System.....		100,000.00
	Total.....	<u>\$ 25,872,695.56</u>	<u>\$ 25,972,695.56</u>
	Ref.	D	D

WATER UTILITY OPERATING FUND
SCHEDULE OF SFY 2010 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2010	June 30, 2010 Encumbrances	Paid or Charged	Lapsed
Operating - Other Expenses.....	\$ 306,033.64	\$ 138,155.93	\$ (410,615.42)	\$ 33,574.15
MCIA Lease Payments.....	-	7,933.25	(5,183.00)	2,750.25
Total Water Utility Operating.....	\$ 306,033.64	\$ 146,089.18	\$ (415,798.42)	\$ 36,324.40

Ref. D D D-1

	<u>Ref.</u>	
Cash Disbursements.....	D-5	\$ (210,074.48)
June 30, 2010 Accounts Payable.....	D-9	<u>(205,723.94)</u>
Total Paid or Charged.....		<u>\$ (415,798.42)</u>

Accounts Payable Analysis

Balance June 30, 2010.....	D	\$ 49,444.88
Transfer from Appropriation Reserves...	D-9	205,723.94
Cash Disbursements.....	D-5	<u>(8,000.00)</u>
Balance June 30, 2011	D	<u>\$ 247,168.82</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2010 Funded	June 30, 2010 Unfunded	SFY 2011 Authorizations	Encumbrances June 30, 2010	Paid or Charged	Encumbrances June 30, 2011	June 30, 2011 Funded	June 30, 2011 Unfunded
03-31	\$ 2,000,000	Water Distribution System...	\$ 4,614.91			\$ 26,778.22	\$ -	\$ (29,017.73)	\$ 2,375.40	
05-16	2,000,000	Water Distribution System...		\$ 156,832.21		48,190.11	163,754.85	(284,366.03)		\$ 84,411.14
06-16	1,500,000	Water Distribution System...		36,749.95		273,897.45	(94,901.20)	(215,746.20)		
07-20	19,000,000	Water Treatment Plant.....		\$388,717.00		6,554.00	206,275.00	(5,000.00)		596,546.00
07-24	2,150,000	Water Distribution System...				317,290.73	(316,490.11)	(193.37)		607.25
08-22	1,000,000	Water Distribution System...		\$315,396.37		62,148.75	(28,077.75)	(300,149.72)		49,317.65
07-24/11-04	100,000	Water Distribution System...			100,000					100,000.00
			\$ 4,614.91	\$ 897,695.53	\$ 100,000	\$ 734,859.26	\$ (69,439.21)	\$ (834,473.05)	\$ 2,375.40	\$ 830,882.04
			\$ 27,750,000	Total.....						

Ref.

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WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

.....OUTSTANDING MATURITIES.....					INTEREST EXPENSE.....				
Purpose	Issue Date	Original Issue	Date	Principal	Rate	Interest	Accrued Interest.....	Ending	FY Budget Appropriation Interest
						Cash Payments	Beginning			
Ordinance 96-21	04/01/99	\$2,020,000	04/01/12	100,000	4.800%	47,690.00	(11,923.00)	10,723.00	46,490.00	
			04/01/13	110,000	4.800%	42,890.00	(10,723.00)	9,403.00	41,570.00	
			04/01/14	115,000	4.800%	37,610.00	(9,403.00)	8,023.00	36,230.00	
			04/01/15	125,000	4.800%	32,090.00	(8,023.00)	6,523.00	30,590.00	
			04/01/16	125,000	4.800%	26,090.00	(6,523.00)	5,023.00	24,590.00	
			04/01/17	125,000	4.900%	20,090.00	(5,023.00)	3,491.00	18,558.00	
			04/01/18	135,000	4.900%	13,965.00	(3,491.00)	1,838.00	12,312.00	
			04/01/19	150,000	4.900%	7,350.00	(1,838.00)		5,512.00	
Ordinance 03-31	11/01/06	\$2,000,000	11/01/11	65,000	3.875%	68,040.63	(11,550.00)	11,130.00	67,620.63	
			11/01/12	85,000	3.875%	65,134.38	(11,130.00)	10,581.25	64,585.63	
			11/01/13	90,000	3.875%	61,743.75	(10,581.25)	10,000.00	61,162.50	
			11/01/14	95,000	4.000%	58,100.00	(10,000.00)	9,366.67	57,466.67	
			11/01/15	95,000	4.000%	54,300.00	(9,366.67)	8,733.33	53,666.66	
			11/01/16	100,000	4.000%	50,400.00	(8,733.33)	8,066.67	49,733.34	
			11/01/17	105,000	4.000%	46,300.00	(8,066.67)	7,366.67	45,600.00	
			11/01/18	110,000	4.000%	42,000.00	(7,366.67)	6,633.33	41,266.66	
			11/01/19	115,000	4.000%	37,500.00	(6,633.33)	5,866.67	36,733.34	
			11/01/20	115,000	4.000%	32,900.00	(5,866.67)	5,100.00	32,133.33	
			11/01/21	120,000	4.000%	28,200.00	(5,100.00)	4,300.00	27,400.00	
			11/01/22	125,000	4.000%	23,300.00	(4,300.00)	3,466.67	22,466.67	
			11/01/23	130,000	4.000%	18,200.00	(3,466.67)	2,600.00	17,333.33	
			11/01/24	130,000	4.000%	13,000.00	(2,600.00)	1,733.33	12,133.33	
			11/01/25	130,000	4.000%	7,800.00	(1,733.33)	866.67	6,933.34	
			11/01/26	130,000	4.000%	2,600.00	(866.67)		1,733.33	

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original IssueOUTSTANDING MATURITIES.....		INTEREST EXPENSE.....					FY Budget Appropriation Interest
			Date	Principal	Rate	Interest	Accrued Interest.....		Ending	
						Cash Payments	Beginning	Beginning	Ending		
Ordinance 5-16/6-16	08/14/09	\$2,000,000	08/15/11	24,000	1.500%	75,033.76	(28,205.00)	28,070.00	74,898.76		
			08/15/12	4,000	1.500%	74,823.75	(28,070.00)	28,048.00	74,801.75		
			08/15/13	60,000	2.000%	74,193.75	(28,048.00)	27,598.00	73,743.75		
			08/15/14	29,000	2.000%	73,303.75	(27,598.00)	27,380.00	73,085.75		
			08/15/15	59,000	2.125%	72,386.88	(27,380.00)	26,910.00	71,916.88		
			08/15/16	32,000	2.375%	71,380.00	(26,910.00)	26,625.00	71,095.00		
			08/15/17	33,000	3.000%	70,505.00	(26,625.00)	26,254.00	70,134.00		
			08/15/18	35,000	3.000%	69,485.00	(26,254.00)	25,860.00	69,091.00		
			08/15/19	36,000	4.000%	68,240.00	(25,860.00)	25,320.00	67,700.00		
			08/15/20	37,000	4.000%	66,780.00	(25,320.00)	24,765.00	66,225.00		
			08/15/21	39,000	4.000%	65,260.00	(24,765.00)	24,180.00	64,675.00		
			08/15/22	41,000	4.000%	63,660.00	(24,180.00)	23,565.00	63,045.00		
			08/15/23	192,000	4.000%	59,000.00	(23,565.00)	20,685.00	56,120.00		
			08/15/24	201,000	4.000%	51,140.00	(20,685.00)	17,670.00	48,125.00		
			08/15/25	211,000	4.000%	42,900.00	(17,670.00)	14,505.00	39,735.00		
		08/15/26	224,000	4.000%	34,200.00	(14,505.00)	11,145.00	30,840.00			
		08/15/27	235,000	4.000%	25,020.00	(11,145.00)	7,620.00	21,495.00			
		08/15/28	248,000	4.000%	15,360.00	(7,620.00)	3,900.00	11,640.00			
		08/15/29	260,000	4.000%	5,200.00	(3,900.00)		1,300.00			

June 30, 2010 Balance.....	Ref.	D	\$ 4,890,000.00
Principal Payments.....	D-4,D-16		(165,000.00)
June 30, 2011 Balance.....	D		<u>\$ 4,725,000.00</u>

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	MCIA Lease Purchase	Environmental Infrastructure Trust
Accrued Interest June 30, 2010.....	D	(387,206.43)		\$ (53,297.67)	\$ (152,943.13)	(180,965.63)
Cash Payments - SFY 2011.....		1,222,934.74		198,263.14	599,692.50	424,979.10
Accrued Interest June 30, 2011.....	D	388,661.76	16,615.00	51,678.00	146,903.13	173,465.63
SFY 2010 Budget Expense.....		\$ 1,224,390.07	\$ 16,615.00	\$ 196,643.47	\$ 593,652.50	\$ 417,479.10

WATER CAPITAL
SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
WATER/SEWER-LEASE PAYMENT AMORTIZATION
ORIGINAL ISSUE \$17,402,500 DATED OCTOBER 1, 2003

OUTSTANDING MATURITIES				INTEREST EXPENSE.....			
Date	Mgt/Trustee	Principal	Rate	Interest	Accrued Interest.....	FY Budget	
				Annual Cash Payments	Beginning Ending	Appropriation Interest	
FY 2011	20,878.24	755,000.00	3.20%	\$ 599,692.50	\$ (152,943.13)	\$ 146,903.13	\$ 593,652.50
FY 2012	20,866.43	780,000.00	3.375%	574,450.00	(146,903.13)	140,321.88	567,868.75
FY 2013	20,845.72	812,500.00	5.00%	540,975.00	(140,321.88)	130,165.63	530,818.75
FY 2014	20,815.25	855,000.00	5.00%	499,287.50	(130,165.63)	119,478.13	488,600.00
FY 2015	20,775.40	900,000.00	5.00%	455,412.50	(119,478.13)	108,228.13	444,162.50
FY 2016	20,727.84	945,000.00	5.00%	409,287.50	(108,228.13)	96,415.63	397,475.00
FY 2017	20,670.50	987,500.00	4.00%	365,912.50	(96,415.63)	86,540.63	356,037.50
FY 2018	20,601.31	1,035,000.00	5.00%	320,287.50	(86,540.63)	73,603.13	307,350.00
FY 2019	20,519.48	1,087,500.00	5.00%	267,225.00	(73,603.13)	60,009.38	253,631.25
FY 2020	20,422.97	1,142,500.00	5.00%	211,475.00	(60,009.38)	45,728.13	197,193.75
FY 2021	20,901.00	1,202,500.00	5.00%	152,850.00	(45,728.13)	30,696.88	137,818.75
FY 2022	20,187.82	1,262,500.00	4.75%	92,803.13	(30,696.88)	15,704.69	77,810.94
FY 2023	8,980.19	1,322,500.00	4.75%	31,409.38	(15,704.69)		15,704.69

Ref.

Balance - June 30, 2010..... \$ 13,087,500.00 D
Principal Payments..... (755,000.00) D-4,D-16

Balance - June 30, 2011..... \$ 12,332,500.00 D

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2011				Notes Outstanding June 30, 2011
		Interest Rate	Issue Date	Maturity Date	Increase	
05-16	Improvements to Water Distribution System...	1.25%	8/12/10	8/11/11	\$ 500,000	\$ 500,000
06-16	Water Distribution System.....	1.25%	8/12/10	8/11/11	500,000	500,000
08-22	Water Distribution System.....	1.25%	8/12/10	8/11/11	500,000	500,000
Total.....						\$ 1,500,000
						<u>D-5</u>
						<u>D</u>

Calculation of Accrued Interest

	Total	8/12/10	8/11/11
Principal Outstanding.....		1,500,000	1,500,000
Interest Rate.....		1.25%	1.25%
Accrued Interest at June 30, 2011.....			16,615.00
SFY 2011 Budget Expense.....	-	-	16,615.00
Memo - Cash Interest at August 11, 2011 Maturity.....			18,697.92

SCHEDULE OF WATER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OUTSTANDING MATURITIES June 30, 2011					INTEREST EXPENSE.....				
Purpose	Drawdown Date	Original Issue	Fiscal Year	Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 07-20	11/8/07	\$ 9,700,000	2012	380,000	5.00%	406,817.50	(173,465.63)	165,548.96	398,900.83
			2013	400,000	3.40%	390,517.50	(165,548.96)	159,882.29	384,850.83
			2014	415,000	3.50%	376,455.00	(159,882.29)	153,830.21	370,402.92
			2015	430,000	3.60%	361,452.50	(153,830.21)	147,380.21	355,002.50
			2016	445,000	5.00%	342,587.50	(147,380.21)	138,109.38	333,316.67
			2017	465,000	5.00%	319,837.50	(138,109.38)	128,421.88	310,150.00
			2018	490,000	5.00%	295,962.50	(128,421.88)	118,213.54	285,754.17
			2019	515,000	5.00%	270,837.50	(118,213.54)	107,484.38	260,108.33
			2020	540,000	4.00%	247,162.50	(107,484.38)	98,484.38	238,162.50
			2021	560,000	4.00%	225,162.50	(98,484.38)	89,151.04	215,829.17
			2022	585,000	5.00%	199,337.50	(89,151.04)	76,963.54	187,150.00
			2023	610,000	5.00%	169,462.50	(76,963.54)	64,255.21	156,754.17
			2024	640,000	4.25%	140,612.50	(64,255.21)	52,921.88	129,279.17
			2025	670,000	4.50%	111,937.50	(52,921.88)	40,359.38	99,375.00
			2026	700,000	4.50%	81,112.50	(40,359.38)	27,234.38	67,987.50
			2027	730,000	4.50%	48,937.50	(27,234.38)	13,546.88	35,250.00
			2028	765,000	4.25%	16,256.25	(13,546.88)		2,709.38
Trust Loan June 30, 2011 Balance.....				\$	9,340,000				

SCHEDULE OF WATER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						1-Aug	1-Feb
Fund Loan Ordinance 07-20	11/8/07	\$ 8,939,498	2012	497,796.86	0.00%	372,111.17	125,685.69
			2013	495,137.75	0.00%	378,754.22	116,383.53
			2014	492,730.88	0.00%	383,942.13	108,788.75
			2015	493,729.29	0.00%	388,837.42	104,891.87
			2016	498,284.03	0.00%	393,430.62	104,853.41
			2017	500,544.17	0.00%	399,045.57	101,498.60
			2018	497,255.93	0.00%	407,507.55	89,748.38
			2019	497,176.84	0.00%	415,574.11	81,602.73
			2020	498,015.13	0.00%	423,245.25	74,769.88
			2021	496,749.79	0.00%	429,065.83	67,683.96
			2022	496,227.84	0.00%	437,796.69	58,431.15
			2023	505,143.57	0.00%	444,360.66	60,782.91
			2024	494,871.14	0.00%	453,692.56	41,178.58
			2025	493,709.43	0.00%	464,068.37	29,641.06
			2026	494,187.47	0.00%	473,510.99	20,676.48
			2027	496,811.42	0.00%	482,526.56	14,284.86
			2028	494,278.60	0.00%	494,278.60	

Fund Loan June 30, 2011 Balance..... \$ 8,442,650.14

Ref.

June 30, 2010 NJEIT Loan Balance.....	D	\$ 18,639,498.00
Principal Payments.....	D-4,D-16	(856,847.86)
June 30, 2011 NJEIT Loan Balance.....	D	<u>\$ 17,782,650.14</u>

Exhibit D-16

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Balance June 30, 2010.....	<u>Ref.</u> D		\$ 14,311,189.59
Principal Payments			
Serial Bonds.....	D-4,D-11	\$ 165,000.00	
Lease Obligation.....	D-4,D-13	755,000.00	
NJEIT Loan	D-13, D-15	<u>856,847.86</u>	
Total Principal Payments.....			<u>1,776,847.86</u>
Balance June 30, 2011.....	D		<u><u>\$ 16,088,037.45</u></u>

Exhibit D-17

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance June 30, 2011 and 2010.....	D	<u><u>\$ 89,067.59</u></u>
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WATER UTILITY CAPITAL FUND
RESERVE FOR WATER SYSTEM IMPROVEMENTS

	<u>Ref.</u>	
Balance June 30, 2011 and 2010.....	D	<u>\$ 30,900.00</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	Balance June 30, 2010	SFY 2011 Notes New Authorization	Balance June 30, 2011
05-16	Water Distribution System.....	\$ 1,000,000	(500,000)	\$ 500,000
06-16	Water Distribution System.....	500,000	(500,000)	-
07-20	Water Treatment Plant.....	360,502		360,502
07-24	Water Distribution System.....	2,150,000		2,150,000
08-22	Water Distribution System.....	\$ 1,000,000	(500,000)	500,000
07-24/11-04	Water Distribution System.....		100,000	100,000
Total Bonds & Notes				
	Authorized but not Issued.....	\$ 5,010,502	(1,500,000.00)	\$ 3,610,502

Ref.

D

Sewer Utility Fund

SEWER UTILITY OPERATING & CAPITAL FUNDS
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2010.....	E	\$ 927,823.55	\$ 20,258.48
Increased by Cash Receipts			
Anticipated Revenue.....	E-3	5,926,959.83	
Due Sewer Operating Fund.....	E	650,000.00	
Premium on BAN issue.....	E-2		10,704.00
Bond Anticipation Notes	E-17		1,200,000.00
Total Cash Receipts.....		6,576,959.83	1,210,704.00
Decreased by Disbursements			
Accounts Payable.....	E-9	(8,000.00)	
Appropriation Reserves.....	E-9	(44,158.02)	
Budget Appropriations.....	E-4	(5,493,601.52)	
Due Sewer Capital Fund.....	E		(650,000.00)
Improvement Authorizations.....	E-14		(196,661.96)
Total Cash Disbursements.....		(5,545,759.54)	(846,661.96)
Cash Balance June 30, 2011.....	E	\$ 1,959,023.84	\$ 384,300.52

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCES

Ord.		Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Other	Cash Balance
<u>Improvement Authorizations</u>						
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ (2,380,000.00)	\$ 2,497,706.00			\$ 117,706.00
97-25	Replacement of Schmidt Lane & West Lawrence St Sanitary Sewer Pumping Station.....	(2,593,312.00)	2,523,694.08	\$ 1.00		(69,616.92)
05-17	Improve Sanitary Sewer System.....		61,990.21	39,719.20		101,709.41
06-18	Improve Sanitary Sewer System.....		10,674.36			10,674.36
08-21	Improve Sanitary Sewer System.....	(500,000.00)	54,111.25	594,009.18		148,120.43
09-17	Improvement to Sewer Distribution.....	(1,200,000.00)	503,481.95	690,661.29		(5,856.76)
	Fund Balance.....				52,664.00	52,664.00
	Capital Improvement Fund.....				28,900.00	28,900.00
<hr/>						
Total.....		\$ (6,673,312.00)	\$ 5,651,657.85	\$ 1,324,390.67	\$ 81,564.00	\$ 384,300.52
	<u>Ref.</u>	E-18	E-14	E-14	E-2, E-15	E, E-5

Exhibit E-7

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Balance June 30, 2011 and 2010

\$ 13,795,637.00

Exhibit E-8

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord. Date	Description	June 30, 2010	June 30, 2011
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,500,000.00	\$ 2,500,000.00
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	4,840,000.00	4,840,000.00
05-17	Improve Sanitary Sewer System.....	1,000,000.00	1,000,000.00
06-18	Improve Sanitary Sewer System.....	250,000.00	250,000.00
08-21	Improve Sanitary Sewer System.....	1,000,000.00	1,000,000.00
09-17	Improvement to Sewer Distribution System.....	1,200,000.00	1,200,000.00
Total Fixed Capital Authorized but not Completed.....		\$ 10,790,000.00	\$ 10,790,000.00

E E

SEWER UTILITY OPERATING FUND
SCHEDULE OF SFY 2010 APPROPRIATION RESERVES

	June 30, 2010	Encumbrances	Paid or Charged	Balance Lapsed
Operating Salaries.....	\$ 3,128.05		\$3,031.20	\$ 6,159.25
Operating Expenses.....	11,380.09	\$ 41,777.92	\$ (50,809.29)	2,348.72
MCIA Lease Payments.....	-	7,453.25	(5,183.00)	2,270.25
Total Sewer Utility Operating.....	<u>\$ 14,508.14</u>	<u>\$ 49,231.17</u>	<u>\$ (52,961.09)</u>	<u>\$ 10,778.22</u>

Ref.

E

E

E-1

Cash Disbursements.....	<u>Ref.</u>	
June 30, 2011 Accounts Payable.....	E-5	\$ (44,158.02)
Total Paid or Charged.....	E-9	<u>(8,803.07)</u>
		<u>\$ (52,961.09)</u>

Accounts Payable Analysis

Balance June 30, 2010.....	E	\$ 38,597.04
Transfer to Appropriation Reserve.....	E-9	8,803.07
Cash Disbursements.....	E-5	<u>(8,000.00)</u>
Balance June 30, 2011.....	E	<u>\$ 39,400.11</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

OUTSTANDING MATURITIES						INTEREST EXPENSE				
Purpose	Issue Date	Original Issue	Date	June 30, 2011		Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest	
				Principal	Rate					
Ordinance 97-25	12/15/03	\$1,095,000	08/15/11	75,000.00	3.50%	25,187.50	(3,312.50)	2,984.38	24,859.38	
			08/15/12	75,000.00	3.50%	22,562.50	(2,984.38)	2,656.25	22,234.37	
			08/15/13	75,000.00	3.50%	19,937.50	(2,656.25)	2,328.13	19,609.38	
			08/15/14	95,000.00	3.50%	16,962.50	(2,328.13)	1,912.50	16,546.87	
			08/15/15	100,000.00	3.60%	13,500.00	(1,912.50)	1,462.50	13,050.00	
			08/15/16	100,000.00	3.70%	9,850.00	(1,462.50)	1,000.00	9,387.50	
			08/15/17	100,000.00	4.00%	6,000.00	(1,000.00)	500.00	5,500.00	
			08/15/18	100,000.00	4.00%	2,000.00	(500.00)		1,500.00	
Ordinance 5-17	8/15/09	\$300,000	08/15/11	4,000.00	1.500%	11,235.00	(4,224.38)	4,201.88	11,212.50	
			08/15/12	1,000.00	1.500%	11,197.50	(4,201.88)	4,196.25	11,191.87	
			08/15/13	9,000.00	2.000%	11,100.00	(4,196.25)	4,128.75	11,032.50	
			08/15/14	4,000.00	2.000%	10,970.00	(4,128.75)	4,099.00	10,940.25	
			08/15/15	9,000.00	2.125%	10,834.38	(4,099.00)	4,027.03	10,762.41	
			08/15/16	5,000.00	2.375%	10,679.38	(4,027.03)	3,982.50	10,634.85	
			08/15/17	5,000.00	3.000%	10,545.00	(3,982.50)	3,926.25	10,488.75	
			08/15/18	5,000.00	3.000%	10,395.00	(3,926.25)	3,870.00	10,338.75	
			08/15/19	5,000.00	4.000%	10,220.00	(3,870.00)	3,795.00	10,145.00	
			08/15/20	6,000.00	4.000%	10,000.00	(3,795.00)	3,705.00	9,910.00	
			08/15/21	6,000.00	4.000%	9,760.00	(3,705.00)	3,615.00	9,670.00	
			08/15/22	6,000.00	4.000%	9,520.00	(3,615.00)	3,523.00	9,428.00	
			08/15/23	29,000.00	4.000%	8,820.00	(3,523.00)	3,090.00	8,387.00	
			08/15/24	30,000.00	4.000%	7,640.00	(3,090.00)	2,640.00	7,190.00	
			08/15/25	32,000.00	4.000%	6,400.00	(2,640.00)	2,160.00	5,920.00	
			08/15/26	33,000.00	4.000%	5,100.00	(2,160.00)	1,665.00	4,605.00	
			08/15/27	35,000.00	4.000%	3,740.00	(1,665.00)	1,140.00	3,215.00	
			08/15/28	37,000.00	4.000%	2,300.00	(1,140.00)	585.00	1,745.00	
			08/15/29	39,000.00	4.000%	780.00	(585.00)		195.00	
	June 30, 2010 Balance			Ref.	E	\$	1,095,000.00			
	Principal Payments				E-4, E-16		(75,000.00)			
	June 30, 2011 Balance				E	\$	1,020,000.00			

SEWER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	MCIA Lease Purchase	Environmental Infrastructure Trust
Accrued Interest June 30, 2010.....	E	\$ (170,387.57)	\$	(7,853.29)	\$ (152,943.13)	\$ (9,591.15)
Cash Payments - SFY 2011.....		660,416.14		39,030.63	599,692.50	21,693.01
Accrued Interest June 30, 2011.....	E	176,801.74	\$ 13,291.41	7,536.88	146,903.13	9,070.32
SFY 2011 Budget Expense.....		\$ 666,830.31	\$ 13,291.41	\$ 38,714.22	\$ 593,652.50	\$ 21,172.18

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
 WATER/SEWER-LEASE PAYMENT AMORTIZATION
 ORIGINAL ISSUE \$17,402,500 DATED OCTOBER 1, 2003

OUTSTANDING MATURITIES				INTEREST EXPENSE.....			
Date	Mgt/Trustee	June 30, 2011 Principal	Rate	Interest Annual Cash Payments	Accrued Interest..... Beginning	Ending	FY Budget Appropriation Interest
FY 2012	20,866.43	780,000.00	3.375%	574,450.00	(146,903.13)	140,321.88	567,868.75
FY 2013	20,845.72	812,500.00	5.00%	540,975.00	(140,321.88)	130,165.63	530,818.75
FY 2014	20,815.25	855,000.00	5.00%	499,287.50	(130,165.63)	119,478.13	488,600.00
FY 2015	20,775.40	900,000.00	5.00%	455,412.50	(119,478.13)	108,228.13	444,162.50
FY 2016	20,727.84	945,000.00	5.00%	409,287.50	(108,228.13)	96,415.63	397,475.00
FY 2017	20,670.50	987,500.00	4.00%	365,912.50	(96,415.63)	86,540.63	356,037.50
FY 2018	20,601.31	1,035,000.00	5.00%	320,287.50	(86,540.63)	73,603.13	307,350.00
FY 2019	20,519.48	1,087,500.00	5.00%	267,225.00	(73,603.13)	60,009.38	253,631.25
FY 2020	20,422.97	1,142,500.00	5.00%	211,475.00	(60,009.38)	45,728.13	197,193.75
FY 2021	20,901.00	1,202,500.00	5.00%	152,850.00	(45,728.13)	30,696.88	137,818.75
FY 2022	20,187.82	1,262,500.00	4.75%	92,803.13	(30,696.88)	15,704.69	77,810.94
FY 2023	8,980.19	1,322,500.00	4.75%	31,409.38	(15,704.69)		15,704.69
Balance - June 30, 2010.....				\$	13,087,500.00		
Principal Payments.....					(755,000.00)		
Balance - June 30, 2011.....				\$	12,332,500.00		

Ref.
 E
 E-4,E-16

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OUTSTANDING MATURITIES					INTEREST EXPENSE.....			
Purpose	Drawdown Date	Original Issue	Fiscal Year	June 30, 2011 Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 97-25	11/4/04	\$570,000	2012	25,000.00	5.000%	21,143.76	(9,070.32)	8,549.48	20,622.92
			2013	25,000.00	5.000%	19,893.76	(8,549.48)	8,028.65	19,372.93
			2014	25,000.00	5.000%	18,643.76	(8,028.65)	7,507.82	18,122.93
			2015	30,000.00	4.000%	17,418.76	(7,507.82)	7,007.82	16,918.76
			2016	30,000.00	4.000%	16,218.76	(7,007.82)	6,507.82	15,718.76
			2017	30,000.00	4.000%	15,018.76	(6,507.82)	6,007.82	14,518.76
			2018	30,000.00	5.000%	13,668.76	(6,007.82)	5,382.82	13,043.76
			2019	35,000.00	5.000%	12,043.76	(5,382.82)	4,653.65	11,314.59
			2020	35,000.00	5.000%	10,293.76	(4,653.65)	3,924.48	9,564.59
			2021	35,000.00	5.000%	8,543.76	(3,924.48)	3,195.32	7,814.60
			2022	40,000.00	5.000%	6,668.76	(3,195.32)	2,361.98	5,835.42
			2023	40,000.00	5.000%	4,668.76	(2,361.98)	1,528.65	3,835.43
			2024	40,000.00	4.250%	2,818.76	(1,528.65)	820.32	2,110.43
			2025	45,000.00	4.375%	984.38	(820.32)		164.06
Trust Loan June 30, 2011 Balance.....				\$	465,000.00				

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL 1-Aug	1-Feb
Fund Loan							
Ordinance 97-25	11/4/04	\$ 581,688	2012	29,990.18	0.00%	23,322.31	6,667.87
			2013	29,177.76	0.00%	22,916.10	6,261.66
			2014	28,365.35	0.00%	22,509.89	5,855.46
			2015	30,818.84	0.00%	25,353.34	5,465.50
			2016	30,038.92	0.00%	24,963.38	5,075.54
			2017	29,259.00	0.00%	24,573.42	4,685.58
			2018	28,381.60	0.00%	24,183.46	4,198.14
			2019	30,575.11	0.00%	26,945.66	3,629.45
			2020	29,437.73	0.00%	26,376.97	3,060.76
			2021	28,300.36	0.00%	25,808.29	2,492.07
			2022	30,331.38	0.00%	28,489.24	1,842.14
			2023	29,031.53	0.00%	27,839.32	1,192.21
			2024	27,829.35	0.00%	27,189.58	639.77
			2025	29,886.59	0.00%	29,886.59	
Fund Loan June 30, 2011 Balance.....				\$ 411,423.70			

June 30, 2010 Balance.....	Ref.	
Principal Payments.....	E	\$ 932,226.28
June 30, 2011 Balance.....	E-4,E-16	(55,802.58)
	E	<u>\$ 876,423.70</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord	Original	Description	June 30, 2010		Encumbrances 6/30/10	Paid or Charged	Encumbrances 6/30/11	June 30, 2011	
			Funded	Unfunded				Funded	Unfunded
95-19	\$ 2,500,000	North/South Brunswick joint outlet sewer project.....	\$ 117,706.00	\$ 2,380,000.00			\$	\$ 117,706.00	\$ 2,380,000.00
97-25	4,840,000	Replacement of Schmidt Lane & West Lawrence Street sanitary sewer pumping station.....		2,523,694.08	\$ 1.00	\$ (1.00)			2,523,694.08
05-17	1,000,000	Improve Sanitary Sewer System.....		49,192.70	115,822.76	(63,306.05)	(39,719.20)		61,990.21
06-18	250,000	Improve Sanitary Sewer System.....			10,674.36				10,674.36
08-21	1,000,000	Improve Sanitary Sewer System.....		106,424.25	669,895.33	(128,199.15)	(594,009.18)		54,111.25
09-17	1,200,000	Sewer Distribution System.....		1,199,300.00		(5,156.76)	(690,661.29)		503,481.95
	<u>\$ 8,590,000</u>	<u>Total.....</u>	<u>\$ 117,706.00</u>	<u>\$ 6,258,611.03</u>	<u>\$ 796,393.45</u>	<u>\$ (196,661.96)</u>	<u>\$ (1,324,390.67)</u>	<u>\$ 117,706.00</u>	<u>\$ 5,533,951.85</u>
		<u>Ref.</u>	<u>E</u>	<u>E</u>	<u>E</u>	<u>E-5</u>	<u>E</u>	<u>E</u>	<u>E</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance - June 30, 2011 and June 30, 2010.....	E	<u>\$ 28,900.00</u>

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES,
 RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION

	Ref.	Deferred Charge MCIA Lease	Amortization	Deferred Amortization
Balance June 30, 2010.....	E	\$ 3,636,701.00	\$ (4,864,299.72)	\$ (370,000.00)
Principal Payments on Lease Obligation.....	E-4, E-10, E-12, E-13	(755,000.00)	(130,802.58)	
Balance June 30, 2011.....	E	\$ 2,881,701.00	\$ (4,995,102.30)	\$ (370,000.00)

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2011				Notes Outstanding June 30, 2011
		Interest Rate	Issue Date	Maturity Date	Increase	
05-17	Improve Sanitary Sewer System.....	1.25%	8/12/10	8/11/11	\$ 700,000	\$ 700,000
08-21	Improve Sanitary Sewer System.....	1.25%	8/12/10	8/11/11	500,000	500,000
	Total.....				\$ 1,200,000	\$ 1,200,000
					<u>Ref.</u>	<u>E</u>
					E-5	
<u>Calculation of Accrued Interest</u>						
		<u>Total</u>	<u>8/12/10</u>	<u>8/11/11</u>		
	Principal Outstanding.....	1,200,000	1,200,000	1,200,000		
	Interest Rate.....	1.25%				
	Accrued Interest at June 30, 2011.....			13,291.41		
	SFY 2012 Budget Expense.....	-	-	13,291.41		
						<u>14,958.33</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	SFY 2011	
		June 30, 2010	New Notes June 30, 2011
1995-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,380,000	\$ 2,380,000
1997-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	2,593,312	2,593,312
2005-17	Improvements to Sanitary Sewerage System.....	700,000	(700,000)
2008-21	Improvements to Sanitary Sewerage System.....	1,000,000	\$ (500,000)
2009-17	Improvements to Sanitary Sewerage System.....	\$ 1,200,000	1,200,000
Total Bonds & Notes Authorized but not Issued.....		\$ 7,873,312	\$ (1,200,000)
			\$ 6,673,312

Ref.

E

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

Length of Service Award Program (LOSAP) (Unaudited)

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)

ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

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

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

We have reviewed the accompanying statement of assets, liabilities and net assets of the Township of North Brunswick Length of Service Award Program (LOSAP) as of June 30, 2011, and the related statement of revenues, expenses and other changes in net assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists primarily of inquiries of the administration of the Township and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The Length of Service Award Program is a Township sponsored program and has no separate legal status or existence. The program prepares its financial statements in conformity with the accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in the note.

Hodulik & Morrison, P.A.

Hodulik and Morrison, P.A.
Highland Park, N.J.
February 13, 2012

TOWNSHIP OF NORTH BRUNSWICK
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

	June 30, 2011	June 30, 2010
Assets		
Investments, at fair value	\$ <u>693,624.39</u>	\$ <u>522,054.21</u>
Total Assets	\$ <u><u>693,624.39</u></u>	\$ <u><u>522,054.21</u></u>
Net Assets		
Restricted	\$ <u>693,624.39</u>	\$ <u>522,054.21</u>
Total Net Assets	\$ <u><u>693,624.39</u></u>	\$ <u><u>522,054.21</u></u>

See Accompanying Notes and Accountant's Review Report

TOWNSHIP OF NORTH BRUNSWICK
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

FOR THE YEAR ENDED

	June 30, 2011	June 30, 2010
Restricted Net Assets		
Contributions	\$ 158,049.28	\$
Earnings	114,424.17	47,068.85
Withdrawals	(94,799.63)	(17,592.35)
Service Charges	<u>(6,103.64)</u>	<u>(3,275.00)</u>
Increase in Net Assets	171,570.18	26,201.50
Net Assets - Beginning of Year	<u>522,054.21</u>	<u>495,852.71</u>
Net Assets - End of Year	\$ <u><u>693,624.39</u></u>	\$ <u><u>522,054.21</u></u>

NOTE: See Notes to Unaudited Financial Statements

TOWNSHIP OF NORTH BRUNSWICK LENGTH OF SERVICE AWARD PROGRAM
(LOSAP)

NOTES TO UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Township of North Brunswick Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and pursuant to P.L. 1997, c.388. The Township established the LOSAP Program for the North Brunswick Fire Company #1, #2 & #3 and the North Brunswick First Aid and Rescue Squad on September 4, 2001 through Ordinance #01-17. LOSAP provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the LOSAP Point System. The Township of North Brunswick sponsors LOSAP through an annual award appropriated through the municipal budget.

B. Basis of Presentation

The accounting policies of the Township of North Brunswick (the "Township"), Length of Service Award Program (LOSAP) (the "Program") conform to the accounting principles and practices prescribed by the division of Local Government Services, department of Community Affairs, State of New Jersey.

C. Description of Program

The Program was created in accordance with the Internal Revenue Code Section 457. The Program is offered to all volunteer members that meet the criteria set by the Township, and provides for fixed annual contributions for all eligible members. The deferred compensation is not available to volunteer members until termination, retirement, death, or unforeseeable emergency. Earnings of the Program and contributions by the Township are subject to vesting provisions of the plan and are exempt from income taxes until distribution to the participating volunteers.

The Program is offered by the Township to the participants through the Lincoln Financial Group.

All amounts of compensation deferred under the Program, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are (until paid or made available to the volunteer or other beneficiary) solely the property and rights of the Township (without being restricted to the provisions of benefits under the Program), subject only to the claims of the Township's general creditors. Participant's rights under the Program are equal to those of general creditors of the Township in an amount equal to the fair market value of the deferred account for each participant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Description of Program (Cont'd.)

In accordance with standards established by the Governmental Accounting standards Board, the Program balances are displayed in the Trust Fund of the Township. The Program is tax exempt in Internal revenue Code Section 457.

D. Amount of Contribution

The Township will contribute to the plan for an active volunteer who thereafter annually attains the minimum point score as provided below shall receive an annual contribution to their LOSAP account of \$866.56 for each year of qualified service. An active volunteer may also qualify for a retroactive annual contribution of \$100.00 per prior year of service for each of the previous five (5) years.

An active volunteer member will qualify for contribution to a LOSAP deferred account if they earn a cumulative total minimum of 100 points based on the point system below for each service year. For each service year during which a volunteer member is determined to be eligible to receive a LOSAP contribution, he/she will be credited with a year of service for purposes of vesting in accordance with this Plan. All members must be an active volunteer member in good standing throughout the year in order to be considered an eligible "qualified participant" in the Program and must be a qualified participant in the Program for five (5) years in order to be vested.

NOTE 2: QUALIFICATIONS

Qualification – Volunteer Fire Department

Each active volunteer member shall be credited with points for volunteer services provided to Fire Company #1, Fire Company #2 or Fire Company #3 in accordance with the following schedule:

- a. **Response to fire alarm calls – minimum of 25% response to all calls required.** Volunteers must annually respond to not less than 25 percent of the total number of actual calls in order to receive any points under this system and to be eligible to receive a LOSAP contribution to any service year. Providing that a volunteer member meets the minimum response requirements of 25 percent he/she shall receive one point per one percent of call responses, i.e. 29 percent call response equals 29 points. Active members with 30 years of active service are exempt from this minimum requirement.
- b. **Attendance at regular business meeting – 2 points per meeting.** A minimum of 12 points is required. 25 points will be earned if all meetings are made.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer Fire Department (Cont'd)

- c. **Worknights – 1 point per worknight.** A minimum of 12 points for participation in worknight is required and a maximum of 25 points may be earned.
- d. **Fundraisers – 1 point per event.** A minimum of 5 points for participation in fundraisers is required and a maximum of 20 points may be earned.
- e. **Fund Drives – 3 points per session.** A minimum of 6 points for participation in fund drives is required and a maximum of 15 points may be earned.
- f. **Drills – 2 points per drill.** A minimum of 12 points for participation in drills is required and a maximum of 24 points may be earned.
- g. **Training – 1 point per hour.** Maximum of 25 points.
- h. **Memorial Day Parade – 10 points for participation.**
- i. **Elected Officers.** Elected officers in the department and in each company shall receive points, subject to review by the Chief, President and LOSAP Secretary of each Fire Company respectively, for serving in the following positions.

a. Chief Officer	50 points
b. Company Life Member	50 points
c. Company Officer/Engineer or Executive Officer	35 points
d. Committee Member, LOSAP Secretary	25 points
- j. **Miscellaneous Activities – 2 points per qualifying activity.** A maximum of 10 points may be earned for participation in the following activities: wakes and memorial services, weather related standbys, overnight standbys, parades, township activities, special events, department meetings.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer First Aid & Rescue Squad

Each active volunteer member shall be credited with points for volunteer services provided to the North Brunswick First Aid and Rescue Squad organization in accordance with the following schedule:

- a. **Crew Hours:**
 - a. 1 point for each 5 hours of primary duty crew
 - b. 1 point for each 10 hours of backup duty crew
 - c. 1 point for each 2.5 hours of special event/standby duty crew
 - d. 1 point for each 2.5 hours of scramble duty calls
 - e. A minimum of .5 points per scramble call awarded.
- b. **Officers:** Elected officers shall receive points, subject to review by the executive committee, for serving in the following positions:
 - a. Captain or President 20 points
 - b. Asst Capt, V Pres, Recording or LOSAP Secretary 15 points
 - c. Lieutenant or Treasurer 10 points
 - d. Trustee and other administrative positions 5 points
 - e.
- c. **Attendance at Business Executive Board, or Officer meeting** - .5 points per meeting.
- d. **Training** - .5 points per hour of training.
- e. **Various Events (cleanups, fund-drives, fundraising and attendance at wakes and memorial services)** - .5 points per hour.

Other Supplementary Data

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Page 1 of 2

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2011	JUNE 30, 2010
Cash and Investments	\$ 10,469,348.22	\$ 13,853,700.04	\$ 9,929,425.83	\$ 2,343,324.36	\$ 1,360,464.96	\$	\$ 37,956,263.41	\$ 48,219,904.97
Accounts Receivable:								
State & Federal Grants Receivable	1,366,320.36						1,366,320.36	1,318,932.41
Due from State of New Jersey	217,637.41						217,637.41	220,134.59
Taxes, Assessments, Liens & Utility Charges		71,055.00			700.00		71,755.00	114,505.00
Interfund Loans					1,705,000.00		1,705,000.00	3,655,000.00
Other Accounts Receivable	284,354.61	174,806.89					459,161.50	553,696.41
Property Taxes Receivable	200.00						200.00	8,975.62
Property Acquired for Taxes at Assessed Valuation	161,970.58						161,970.58	161,970.58
Fixed Assets - General						87,253,777.57	87,253,777.57	65,532,135.97
Fixed Capital - Utility				13,795,637.00	30,065,994.03		43,861,631.03	43,861,631.03
Fixed Capital - Authorized and Uncompleted - Utility				10,790,000.00	25,872,695.56		36,662,695.56	36,662,695.56
Deferred Charges				2,881,701.00			2,881,701.00	3,636,701.00
MCIA Lease Purchase Obligation								
Deferred Charges to Future Taxation:								
General Capital Fund			84,552,894.00				84,552,894.00	87,594,627.60
	\$ 12,499,831.18	\$ 14,099,561.93	\$ 94,482,319.83	\$ 29,810,662.36	\$ 59,004,854.55	\$ 87,253,777.57	\$ 297,151,007.42	\$ 291,540,910.74

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

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COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2011	JUNE 30, 2010
	\$	\$	\$	\$	\$	\$		
Bonds and Notes Payable				2,220,000.00	6,225,000.00		83,476,000.00	\$ 82,308,000.00
Lease Payable				12,332,500.00	12,332,500.00		24,665,000.00	26,175,000.00
Loans Payable	671,212.00			876,423.70	17,782,650.14		18,659,073.84	19,617,179.88
Taxes Payable							671,212.00	955,594.50
Prepaid Taxes, Assessments, Utility Charges and Licenses	178,761.92						178,761.92	214,100.40
Tax, Assessment, Lien, License and Utility Charge Overpayments		71,055.00		28,457.28	700.00		71,755.00	114,505.00
Appropriation Reserves	1,702,124.91				98,211.41		1,828,793.60	1,834,898.30
Reserve for Encumbrances/ Accounts Payable				1,688,416.41	1,659,125.88		5,847,967.30	8,370,404.08
Other Liabilities	2,500,425.01	27,128.36					46,948.36	39,093.71
Amts. Pledged to Specific Purposes	19,820.00	12,446,259.00	342.00	28,900.00	119,967.59		12,843,364.24	12,627,151.87
Escrow Funds	247,895.65	1,555,119.57					1,555,119.57	1,795,533.39
Improvement Authorizations				5,651,657.85	733,257.44		21,538,382.30	29,541,076.68
Interfund Loans			15,153,467.01		1,705,000.00		1,705,000.00	3,655,000.00
Investments in General Fixed Assets						87,253,777.57	87,253,777.57	65,532,135.97
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				5,365,102.30	16,088,037.45		21,453,139.75	19,545,489.31
Reserve for Certain Assets Acquired or Receivables & Inventories	446,525.19		4,075,634.50				4,522,159.69	4,770,917.28
Fund Balance	6,733,066.50		221,876.32	1,619,204.82	2,260,404.64		10,834,552.28	14,444,830.37
	\$ 12,499,831.18	\$ 14,099,561.93	\$ 94,482,319.83	\$ 29,810,662.36	\$ 59,004,854.55	\$ 87,253,777.57	\$ 297,151,007.42	\$ 291,540,910.74

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

<u>Revenue and Other Income Realized</u>	SFY 2011		SFY 2010	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$6,390,475.00	4.35	\$6,200,000.00	4.67
Miscellaneous Revenues Anticipated	23,270,337.74	15.85	13,288,618.40	10.01
Receipts from Current Taxes	115,983,210.50	78.99	111,485,542.57	83.96
Other Miscellaneous Revenue	1,196,271.15	0.81	1,802,650.71	1.36
Total Income	<u>146,840,294.39</u>	<u>100.00</u>	<u>132,776,811.68</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	56,017,284.12	39.11	44,993,117.27	35.13
Tax Collections				
County Taxes	14,976,668.72	10.46	15,599,259.72	12.18
Local School District Taxes	71,493,557.50	49.92	66,714,111.50	52.09
Other Miscellaneous Expenditures	733,031.15	0.51	756,904.46	0.59
Total Expenditures	<u>143,220,541.49</u>	<u>100.00</u>	<u>128,063,392.95</u>	<u>100.00</u>
Excess in Revenue	3,619,752.90		4,713,418.73	
Adj. to Income Before Fund Balance: Expend. Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years				
Statutory Excess to Fund Balance	3,619,752.90		4,713,418.73	
Fund Balance - Beginning	<u>9,503,788.60</u>		<u>10,990,369.87</u>	
	13,123,541.50		15,703,788.60	
Utilized as Anticipated Revenue	(6,390,475.00)		(6,200,000.00)	
Charges Deferred to Future Years' Budgets				
Fund Balance - Ending	<u>\$6,733,066.50</u>		<u>\$9,503,788.60</u>	

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

<u>Revenue and Other Income Realized</u>	SFY 2011		SFY 2010	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$1,350,000.00	17.24		
Water Rents	5,594,336.65	71.44	5,215,215.13	84.31
Developer Contribution	152,490.00	1.95	157,290.00	2.54
Miscellaneous Revenues	595,242.92	7.60	588,758.02	9.52
Connection Fees	42,296.62	0.54	71,460.00	1.16
Prior Years' Accounts Payable Canceled			20,000.00	0.32
Unexpended Balance of Appropriation Reserve	36,324.40	0.46	133,273.93	2.15
SREC Sales	60,243.00	0.77		
	<u>7,830,933.59</u>	<u>100.00</u>	<u>6,185,997.08</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,374,865.90</u>	<u>100.00</u>	<u>6,185,032.63</u>	<u>100.00</u>
	<u>7,374,865.90</u>	<u>100.00</u>	<u>6,185,032.63</u>	<u>100.00</u>
Excess in Revenue	456,067.69		964.45	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(1,350,000.00)			
Current Fund				
Fund Balance - Beginning	<u>2,834,681.44</u>		<u>2,833,716.99</u>	
Fund Balance - Ending	<u>\$1,940,749.13</u>		<u>\$2,834,681.44</u>	

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

<u>Revenue and Other Income Realized</u>	SFY 2011		SFY 2010	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated			\$295,000.00	4.94
Sewer Rents	5,876,097.44	98.96	5,574,580.77	93.39
Sewer Capital Surplus				
Connection Fees	40,200.00	0.68	30,775.00	0.52
Miscellaneous	10,662.39	0.18		
Prior Year's Accounts Payable Canceled				
Unexpended Balance of Appropriation Reserve	10,778.22	0.18	69,027.03	1.16
Total Income	<u>5,937,738.05</u>	<u>100.00</u>	<u>5,969,382.80</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>5,676,296.86</u>	<u>100.00</u>	<u>5,818,349.75</u>	<u>100.00</u>
Total Expenditures	<u>5,676,296.86</u>	<u>100.00</u>	<u>5,818,349.75</u>	<u>100.00</u>
Excess in Revenue	261,441.19		151,033.05	
Decreased by Surplus Anticipated			(295,000.00)	
Fund Balance - Beginning	<u>1,305,099.63</u>		<u>1,449,066.58</u>	
Fund Balance - Ending	<u>\$1,566,540.82</u>		<u>\$1,305,099.63</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate:</u>	<u>\$4.821</u>	<u>\$4.619</u>	<u>\$4.443</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.093</u>	<u>\$1.079</u>	<u>\$1.024</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.602</u>	<u>\$0.563</u>	<u>\$0.556</u>
County Open Space:	<u>\$0.059</u>	<u>\$0.041</u>	<u>\$0.063</u>
Local School:	<u>\$3.005</u>	<u>\$2.906</u>	<u>\$2.770</u>
<u>Assessed Valuation:</u>			
2011	<u>\$2,453,671,600.00</u>		
2010		<u>\$2,466,332,200.00</u>	
2009			<u>\$2,482,132,600.00</u>

*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2010 to be \$210,750.00

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>
SFY 2011	\$116,080,734.29	\$115,983,210.50	99.92%
SFY 2010	\$111,491,045.86	\$111,267,925.47	99.80%
SFY 2009	\$111,802,306.03	\$111,616,256.78	99.83%

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>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>
SFY 2011	\$280,954.61	\$200.00	\$281,154.61	0.24%
SFY 2010	\$300,717.43	\$8,975.62	\$309,693.05	0.28%
SFY 2009	\$270,204.69	\$6,710.70	\$276,915.39	0.25%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
SFY 2011	\$161,971.00
SFY 2010	\$161,971.00
SFY 2009	\$161,971.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	SYF 2011	\$ 6,727,249.72	\$ 5,150,479.00
	SYF 2010	9,503,788.60	6,390,475.00
	SFY 2009	10,990,369.87	6,200,000.00
	SFY 2008	13,741,021.44	7,000,000.00
	SFY 2007	14,007,060.49	6,700,000.00
Water Utility	SYF 2011	\$ 1,940,749.13	\$ 790,000.00
Operating Fund	SYF 2010	2,834,681.44	1,350,000.00
	SFY 2009	2,833,716.99	
	SFY 2008	2,475,575.19	
	SFY 2007	1,723,515.42	
Sewer Utility	SYF 2011	\$ 1,566,540.82	\$ 150,000.00
Operating Fund	SYF 2010	1,305,099.63	
	SFY 2009	1,499,066.58	295,000.00
	SFY 2008	1,141,027.87	
	SFY 2007	397,811.48	

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at June 30, 2011:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Francis Womack	- Mayor	
Robert Corbin	- Council President	
Ralph Andrews	- Councilperson	
Shanti Narra	- Councilperson	
Robert Davis	- Councilperson	
Cathy Nicola	- Councilperson	
Carlo Socio	- Councilperson	
Robert Lombard	- Business Administrator	
Justine Progebin	- Assistant Business Administrator	
Kala Sriranganathan	Chief Financial Officer	\$1,000,000.00 (A)
Laurie Hammerstrom	- Tax Collector	\$1,000,000.00 (A)
Fran Cipot	- Tax Search Officer	
Justine Progebin	- Purchasing Agent	
Lisa Russo	- Township Clerk	
Diane Walker	- Tax Assessor	
Sheral Rossmann	- Court Administrator	\$1,000,000.00 (A)
Christine Heitman	- Municipal Court Judge	\$1,000,000.00 (A)
E. Ronald Wright	- Municipal Court Judge	\$1,000,000.00 (A)
Ron Gordon, Esq.	- Township Attorney	
Lisa Russo	- Registrar of Vital Statistics	
Louann Benson	- Director of Parks and Recreation/ Community Services	
Michael Hritz	- Director of Community Development	
Glenn Sandor	- Director of Public Works	
Tom Paun	- Construction Official	
Kenneth McCormick	- Director of Public Safety	

(A) Garden State Municipal Joint Insurance Fund

Comments related to surety bond coverages are located in the General Comment section of the report.

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

**PART IV
GENERAL COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FISCAL YEAR ENDED JUNE 30, 2011

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of North Brunswick, County of Middlesex, New Jersey, for the fiscal year ended June 30, 2011, has been completed. The General Comments are herewith set forth:

Scope of Audit

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

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

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey as of and for the fiscal year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Professional accounting standards define the inadequacies or shortcomings of internal controls within an organization, as follows:

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (cont'd.)

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

These general comments do not affect our report on the financial statements of the Township of North Brunswick, dated February 13, 2012. Our comments and recommendations, which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

Control Deficiencies:

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

Conditions exist whereby the same person may collect, records and deposit cash receipts in the following offices – Tax Office, Recreation, Police, Community Development, Fire, Building Regulations and Clerk.

This condition is the result of multiple tasks performed by the same individual and the staffing levels of the respective offices.

2011-2 Transaction Posting

The computerized data processing system allows for the back posting of transactions for those individuals with security rights in the system. The ability to back post transactions can limit the effectiveness of the data processing system.

OTHER MATTERS

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

N.J.S.A. 40A:11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefor, 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 \$21,000 except by contract or agreement."

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

On June 9, 2010, the Local Public Contracts Law was amended, effective on July 1, 2010. The amendments address the bid threshold (Section 7, N.J.S.A. 40A: 11-3), thereby increasing the amount from \$21,000 to \$26,000 under which a contract may be awarded without public advertising. Furthermore, if the Township's Purchasing Agent is "Qualified" the Township may increase the bid threshold from \$29,000.00 to \$36,000.00.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

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

A review of the Township's purchasing procedures indicates bids were requested by public advertising for the following items tested, as disclosed in the official minutes:

Materials, Supplies and Equipment:

Replacement of generators; Software purchases; Printed Forms; Snow Removal Rental Equipment; Seven (7) Public Safety Vehicles; Two Thousand (2000) 95 Gallon Containers; One (1) Front End Loader Vehicle; One (1) Public Works Vehicle; Electronic Ticketing Software.

Service Rentals, Construction and Repairs:

Recycling Collection Services; Senior Transportation Services; Snow Removal Equipment Services; Sewer Jet-Vac Services; Farrington Wastewater Station Reconstruction Project; Boiler System Replacement Project; 2011 Road Improvement Program; Sewer Collection Maintenance and Repair; Township Traffic Control Signal Monitoring System; Manhole Rehabilitation; Tree Removal and Trimming Services; Maintenance and Repairs of Township Sewer Lifts Station.

The examination of expenditures revealed aggregate payments, in excess of the bid threshold then in effect to four (4) vendors, "for the performance of any work or the furnishing or hiring of any materials or supplies", where no resolution awarding a contract pursuant to the statutory exceptions thereto, for the following categories of goods and services: computer supplies, transmission services, tires and hardware supplies.

Of these, we believe the first three items represent the use of state contract vendors that were not approved by resolution of the Township Council; however, the prices paid were in accordance with the established state prices.

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.

Interpretations as to compliance with N.J.S.A. 40A: 11-4 would be in the province of the municipal solicitor.

It is suggested that use of state approved contracts as an exception to the Local Public Contract Law follow the appropriate approval process set forth in the law.

Pay-to-Play and Business Registration Requirements

Tests of expenditures for vendors with payments in excess of \$17,500 and less than applicable bid threshold for contracts not awarded through state contracts, bidding or the "fair and open process" indicated purchases made to two (2) vendors that required additional documents for compliance with P.L. 2005, c.271.

We suggest that the Township monitor all purchases to ensure that required documentation for compliance with the requirements of P.L. 2005,c.271 is obtained.

GENERAL COMMENTS

OTHER MATTERS (CONT'D)

Collection of Interest on Delinquent Taxes, Assessments and Water and Sewer Charges

N.J.S. 54:4-67, as amended, 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 1, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 has been amended to permit the governing body to fix the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment of any installment is made within (10) days after the date upon which the same is payable.

NOW, THEREFORE, BE IT RESOLVED that the Township Council does hereby fix the rate of interest at eight percent (8%) per annum on the first One Thousand Five Hundred Dollars (\$1,500) and at eighteen percent (18%) per annum on any amount in excess of One thousand Five Hundred Dollars (\$1,500) from the date when any tax installment shall be payable and delinquent until the said installment together with interest is paid provided, however, that if any installments shall be paid within ten (10) days after the date payable, in that event there shall be no interest charged.

"In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a tax payer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year of 6 percent to the amount of delinquency".

An examination of the Tax Collector's record indicated that interests on delinquent accounts were calculated in accordance with the foregoing resolution for the items tested.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 21, 2011. Properties that were in bankruptcy proceedings were excluded from the sale.

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

<u>Year</u>	<u>Number of Liens</u>
SFY 2011	84
SFY 2010	84
SFY 2009	78

Investments

During SFY 2011, the Township's funds were invested primarily in interest bearing and sweep accounts.

The Township has adopted a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that "each local unit shall adopt a cash management plan and shall deposit its fund pursuant to that plan".

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Purchase Order and Encumbrance System

The Township utilized a purchase order system for its expenditures in connection with its budgetary accounting encumbrance system during the year under review. Transactions are approved based on availability of funds. The processing of confirming orders was noted.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at June 30, 2011. A review of surety bond coverage as of June 30, 2011, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account included a review to confirm deposits were properly recorded and spread by receipt category and disbursements were made to the appropriate agencies on a timely basis. There were no exceptions for turnover exceeding the 15th day of the following month for disbursements to the Township's Current Fund. It was noted the cash bail on account was not in agreement with cash bail per the bank reconciliations. We also noted that the bank reconciliation for the general account were not prepared on a timely basis. Further, the bank reconciliation for the general account carries non-reconciled adjustments at June 30, 2011 and the interim date of November 31, 2011.

We recommend that bank reconciliations for the general account be prepared on a timely basis; that an outstanding bail analysis be prepared and reconciled to the amount of deposit in the bail account bank statement on a monthly basis; and that the Court continues to implement corrective actions for compliance with the Administrative Office of the Courts required procedures.

Internal Control Documentation

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Condition of Records - Other Officials Collecting Fees

Our review of the records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A:5-15, and the fees charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department timely.

The examination of the records of the various outside offices and departments indicated the following for the fiscal year ended June 30, 2011: all offices were in compliance with 48-hour deposit requirement (N.J.S.A 40A: 5-15).

It is suggested that the Township continue to review its financial accounting and reporting policies and procedures as well as internal control procedures to ensure that all of its control objectives are met and to ensure compliance with N.J.S.A 40A: 5-15.

Water Utility Fund/ Sewer Utility Fund

The results of operation for the Water Utility Operating Fund and the Sewer Utility Operating Fund are set forth in Exhibit "D-1" and Exhibit "E-1", respectively, of this report. Realized revenues amounted to \$7,830,933.59 for Water and \$5,937,738.05 for Sewer. Expenditures amounted to \$7,374,865.90 for Water and \$5,676,296.86 for Sewer. This resulted in excess revenues of \$456,067.69 for Water and \$261,441.19 for Sewer. The calculation of "Self-Liquidating Purpose" water utility operations per N.J.S.A. 40A: 2-45 resulted in a statutory excess for debt statement purposes of \$1,094,743.29, which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2011. The calculation of "Self-Liquidating Purpose" sewer utility operations per N.J.S.A. 40A:2-45 resulted in a statutory excess for debt statement purposes of \$800,662.97, which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2011.

During the audit of the Water Utility Capital Fund, it was noted that the fixed capital and fixed capital authorized and uncompleted was not updated in the general ledger for improvement authorizations authorized during the year.

We suggest that all improvements authorizations authorized by the governing body be posted to the general ledger for fixed capital and fixed capital authorized and uncompleted.

Condition of Records - Collector of Revenues

The records maintained by the Collector of Revenues were reviewed. Computerized cash receipt records were agreed to daily controls and in total monthly with no exceptions noted for items tested. No exceptions were noted in the review of computerized real estate tax billings and billing adjustments for real estate taxes, for items tested.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Condition of Records - Finance Office

The financial records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund. Adjustments were required to be posted and recorded within the general ledger accounting and reporting system in order to utilize the ledger as the basis of financial statement – regulatory basis preparation and presentation. The control accounts were generally in proof with supporting detail.

In the prior and current year audit, it was noted that the Township was unable to produce an accurate listing of outstanding purchase orders to support the accounts payable balances in the general ledger. It is suggested that the Township make a continuous effort to ensure that accounts payable balances be reconciled on a timely basis with outstanding purchase orders as well as reviewed for validity and cancelled where appropriate.

We noted in prior audits that a detail of fixed capital was not maintained with the report schedule for the fixed capital accounts in the Township's various utility funds. The Township has made a good faith effort in the current year audit to maintain a subsidiary listing for these fixed capital accounts. Also contained within the various utility funds are accounts for accrued interest. It was noted that included within these accounts are adjustments through operations for accrued interest. The required annual amounts for accrued interest should be appropriated through the various utility budgets.

We suggest that the Township continue to maintain a detail subsidiary listing for fixed capital accounts.

Capital Projects

There are numerous unfunded capital improvement authorizations that have deficit cash balances in excess of five years old. As part of the Corrective Action Plan for the FY 2009 Audit, it was noted that the Township would permanently finance unfunded improvement authorizations by raising the money in the next three years beginning with 2011. It was noted that \$37,000 was raised in the FY 2012 budget.

We suggest that the Township continue to permanently finance unfunded improvement authorizations in the FY 2013 budget.

Administration and Accounting of State & Federal Grants

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

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Administration and Accounting of State & Federal Grants (cont'd)

We suggest the Township continuously review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants.

As with other local entities, due to weaknesses in the grant notification process followed by certain agencies, that pass-through federal and state assistance to the Township, the Township often does not receive accurate and timely information with respect to the grant funding sources, along with the relevant CFDA and account number information from its grantor agencies, which can inhibit the preparation of these financial assistance schedules.

Animal Control Fund

It was noted during the audit that monthly reports due to the State of New Jersey for dog licenses issued pursuant to R.S. 4:19-15.1 et seq., as amended by Chapter 168. P.L. 1978 and Chapter 235, P.L. 1981, were not being filed within the required thirty days of after collection period. Our audit revealed that registration fees collected in January 2010, April 2010, July 2010, August 2010 and September 2010 were reported in November 2010, registration fees for January and February 2011 were reported in April 2011 and registration fees December 2010 were reported May 2011. Further, it was noted in some instances that the number of dog licenses issued during a month were not properly reconciled to the number of dog licenses reported.

It was further noted that remittances to the State of New Jersey Health Department were delayed as the result of the purchase orders being submitted to the State for signatures and not being returned by the State until two to three months later. In the future, the Township indicates it will no longer submit purchase orders to the State for a signature and that all remittance of dog registration fees will be paid within the thirty-day requirement.

We suggested the Township monitor procedures and ensure that remittance of dog registration fees to the State of New Jersey Health Department are processed within thirty (30) days after collection, for compliance with N.J.S.A 4:19-15.11 and that the total number of dog licenses issued be reconciled to the dog licenses report.

Other Compliance Matters:

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Compliance with Local Finance Notices

N.J.A.C. 5:30 – 5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assigns values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township performed a physical inventory during fiscal year 2001, however the system has not been maintained on a current basis.

It is suggested that the Township continue to establish and revise procedures to allow for perpetual maintenance of the Governmental Fixed Asset Accounting System for compliance with N.J.A.C. 5:30 – 5.6.

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

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

The Township prepared and filed a corrective action plan for the SFY 2010, pursuant to Local Finance Notice No. 92-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

RECOMMENDATIONS

We recommend the following:

We recommend that bank reconciliations for the Municipal Court general account be prepared on a timely basis; that an outstanding bail analysis be prepared and reconciled to the amount of deposit in the bail account bank statement on a monthly basis; and that the Court continues to implement corrective actions for compliance with the Administrative Office of the Courts required procedures.

* * * * *


ACKNOWLEDGMENT

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

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

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406

Hodulik & Morrison, P.A.
Certified Public Accountants
Registered Municipal Accountants
Highland Park, N.J.