

TOWNSHIP OF DELAWARE  
COUNTY OF HUNTERDON  
REPORT OF AUDIT  
YEAR 2011

TOWNSHIP OF DELAWARE  
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TOWNSHIP OF DELAWARE  
PART I  
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2011

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

May 18, 2012

Honorable Mayor and Members  
of the Township Committee  
Township of Delaware, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account groups of the Township of Delaware as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balances-regulatory basis for the years then ended and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis for the year ended December 31, 2011. These financial statements are the responsibility of the management of the Township of Delaware. 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, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, (the "Division") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting as discussed in the preceding paragraph, 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 Delaware at December 31, 2011 and 2010, or the results of its operations for the years then ended.

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township as of December 31, 2011 and 2010, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 18, 2012 on our consideration of the Township of Delaware's internal control over financial reporting and on 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 assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Municipality's basic financial statements. The accompanying supplementary information listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole, on the basis of accounting described in Note 1.

  
William M. Colantano, Jr.  
Registered Municipal Accountant  
No. 68

**FINANCIAL STATEMENTS-REGULATORY BASIS**

TOWNSHIP OF DELAWARE  
COMBINED COMPARATIVE BALANCE SHEET  
REGULATORY BASIS

	<u>Dec. 31, Year 2011</u>	<u>Dec. 31, Year 2010</u>
ASSETS		
Cash and Investments	\$ 5,831,514	\$ 6,816,520
Taxes and Liens Receivable	395,551	473,693
Accounts Receivable	508,390	109,618
Deferred Charges: General Capital Fund	8,249,000	8,541,000
Fixed Assets	<u>4,859,140</u>	<u>4,076,452</u>
TOTAL ASSETS	<u>\$ 19,843,595</u>	<u>\$ 20,017,283</u>
 LIABILITIES, RESERVES AND FUND BALANCES		
Improvement Authorizations	\$ 220,667	\$ 913,658
Appropriation Reserves and Accounts Payable	198,583	209,257
Bonds and Notes Payable	7,757,000	8,019,000
Reserve for Open Space	1,457,768	1,590,227
Capital Reserves	98,412	354,844
Other Liabilities and Special Funds	1,446,448	960,577
School Taxes Payable	2,886,251	2,769,551
County Taxes Payable	14,845	18,173
Reserve for Certain Other Assets Receivable	455,902	551,647
Reserve for Fixed Assets	4,859,140	4,076,452
Fund Balances	<u>448,579</u>	<u>553,897</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	<u>\$ 19,843,595</u>	<u>\$ 20,017,283</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
CURRENT FUND

	Ref.	Dec. 31, Year 2011	Dec. 31, Year 2010
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 4,623,219	\$ 4,369,338
Change Funds	A	175	175
		<u>4,623,394</u>	<u>4,369,513</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	375,395	463,423
Tax Title Liens Receivable	A-8	20,156	10,270
Revenue Accounts Receivable	A-9	5,210	2,629
Due from Animal Control Fund	A-10		2,017
Due from Other Trust Funds	A-11		2,660
Due from Payroll Account	A-12		15,502
Due from General Capital Fund	A-25		5
		<u>400,761</u>	<u>496,506</u>
Total Regular Fund		<u>5,024,155</u>	<u>4,866,019</u>
Federal & State Grant Fund:			
Cash:			
Treasurer	A-4	80,281	65,211
Grants Receivable	A-14	426,189	29,998
Due from Regular Fund	A-29	30,482	18,710
Total Federal & State Grant Fund		<u>536,952</u>	<u>113,919</u>
TOTAL ASSETS		<u>\$ 5,561,107</u>	<u>\$ 4,979,938</u>

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
CURRENT FUND  
(Continued)

	Ref.	Dec. 31, Year 2011	Dec. 31, Year 2010
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-15	\$ 168,965	\$ 159,232
Encumbrances Payable	A-16	29,618	50,025
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-6	22,396	20,646
Due to Federal & State Grant Fund	A-13	30,482	18,710
Due to Animal Control Fund	A-10	17	
Due to Other Trust Funds	A-11	17,461	
Due to General Capital Fund	A-25	1	
Prepaid Taxes	A-17	176,312	161,774
Tax Overpayments	A-18	21,777	25,279
Regional HS Taxes Payable	A-19	1,454,460	1,540,681
Local School Tax Payable	A-20	1,431,791	1,228,870
County Tax Payable	A-21	14,845	18,173
Due County-Food Inspections	A-22		550
Due NJ-State Training Fees	A-23	2,493	3,033
Due NJ-Marriage License and Domestic Ptrs Fees	A-24	100	75
Due to Open Space Trust Fund	A-26	778,194	562,665
Due to Other Trust Funds	A-27	500	500
Reserve for Garden State Preservation Trust	A-28	27,412	27,412
		<u>4,176,824</u>	<u>3,817,625</u>
Reserve for Receivables	A	400,761	496,506
Fund Balance	A-1	446,570	551,888
<b>Total Regular Fund</b>		<u>5,024,155</u>	<u>4,866,019</u>
Federal & State Grant Fund:			
Due to General Capital Fund	A-30	1,676	
Appropriated Reserves for Grants	A-31	535,276	90,418
Unappropriated Reserves for Grants	A-32		23,501
<b>Total Federal &amp; State Grant Fund</b>		<u>536,952</u>	<u>113,919</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 5,561,107</u>	<u>\$ 4,979,938</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2011	Dec. 31, 2010
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 518,000	\$ 742,199
Miscellaneous Revenue Anticipated	A-2	1,187,269	699,040
Receipts from Delinquent Taxes	A-2	447,890	219,123
Receipts from Current Taxes	A-2	18,465,116	18,422,195
Nonbudget Revenue	A-2	22,662	60,984
Other Credits to Income:			
Interfunds Returned-Net	A-2	20,184	1,120
Tax Overpayments Canceled	A-18	1,828	
Unexpended Balance of Appropriation Reserves	A-15	84,622	35,660
Accounts Payable Canceled			747
Total Income		<u>20,747,571</u>	<u>20,181,068</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,493,133	1,631,069
Other Expenses	A-3	1,370,070	1,259,019
Capital Improvements	A-3	543,083	282,050
Debt Service	A-3	153,695	149,694
Deferred Charges & Statutory Expenditures	A-3	317,702	281,536
County Taxes	A-21	3,383,355	3,486,872
County Share of Added Taxes	A-21	14,845	18,172
Regional High School Taxes	A-19	4,854,378	4,635,492
Local District School Taxes	A-20	7,642,622	7,357,793
Municipal Open Space Tax	A-26	550,359	547,817
Other Debits to Income:			
Prior Year Bills			1,990
Prior Year Senior Citizen Deduction Disallowed	A-6	1,571	129
Refund of Prior Year Revenue	A-4	10,076	8,000
Total Expenditures		<u>20,334,889</u>	<u>19,659,633</u>
Regulatory Excess to Fund Balance		412,682	521,435
<b>FUND BALANCE</b>			
Balance January 1,	A	<u>551,888</u>	<u>772,652</u>
		964,570	1,294,087
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>518,000</u>	<u>742,199</u>
Balance December 31,	A	<u>\$ 446,570</u>	<u>\$ 551,888</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	A-1	\$ 518,000	\$ -	\$ 518,000	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-9	4,000		4,850	850
Fees and Permits	A-2	26,000		19,600	(6,400)
Fines and Costs:					
Municipal Court	A-9	37,000		38,156	1,156
Interest on Investments and Deposits	A-4	10,000		7,674	(2,326)
Uniform Construction Code Fees	A-9	145,500		125,929	(19,571)
Interest & Cost on Taxes	A-4	66,000		83,804	17,804
Energy Receipts Tax	A-9	305,180		305,180	
Consolidated Municipal Prop Tax Relief Aid	A-9	28,825		28,825	
Reserve for Payment of Bonds	A-25	72,199		72,199	
Clean Communities Program-2011 Funding	A-14		17,683	17,683	
NJ Division of Criminal Justice-Body Armor Grant	A-14	671	1,096	1,767	
FEMA Grant-Sanford Road Project	A-14	5,307		5,307	
FEMA Grant-Lower Creek Road Project	A-14	29,862		29,862	
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project	A-14	246,191		246,191	
NJ Department of Transportation-Meszaros Road Project	A-14	150,000		150,000	
Historic Preservation Grant-2010 Reserve	A-14	22,830		22,830	
Garden State Trust Fund	A-28	27,412		27,412	
Receipts from Delinquent Taxes	A-1	1,176,977	18,779	1,187,269	(8,487)
Property Tax for Support of Municipal Budget Appropriations:	A-1;A-7	416,466		447,890	31,424
Local Tax for Municipal Purposes	A-2	2,217,461		2,369,557	152,096
Budget Totals		4,328,904	18,779	4,522,716	\$ 175,033
Nonbudget Revenues	A-1;A-2			22,662	
		\$ 4,328,904	\$ 18,779	\$ 4,545,378	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF REVENUES REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>		
Tax Collections	A-1;A-7		\$ 18,465,116
Allocated to:			
Local District School Taxes	A-7	\$ 7,642,622	
Regional High School Taxes	A-7	4,974,378	
County Taxes	A-7	3,398,200	
Municipal Open Space Tax	A-7	<u>550,359</u>	
			<u>16,565,559</u>
Balance for Support of Municipal Budget Appropriations			1,899,557
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3		<u>470,000</u>
Realized for Support of Municipal Budget	A-2		<u><u>\$ 2,369,557</u></u>

<u>Interfund Analysis</u>	<u>Ref.</u>	<u>Dec 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Increase (Decrease)</u>
Due from Animal Control Fund	A-10		\$ 2,017	\$ (2,017)
Due from Other Trust Funds	A-11		2,660	(2,660)
Due from Payroll Fund	A-12		15,502	(15,502)
Due from General Capital Fund	A-25		<u>5</u>	<u>(5)</u>
		<u>\$ -</u>	<u>\$ 20,184</u>	<u>\$ (20,184)</u>
	<u>Ref.</u>			A-1

TOWNSHIP OF DELAWARE  
STATEMENT OF REVENUES REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

<u>Analysis of Nonbudget Revenue</u>	<u>Ref.</u>		
Treasurer:			
Hotel Tax		\$ 1,080	
Municipal Court Security		1,879	
Police Moonlighting Fees		2,100	
Cable TV Franchise Fee		7,924	
Copies		57	
Veterans' & Seniors Citizens'-Administrative Fees		1,029	
Homestead Rebate Processing Fee		343	
Duplicate Tax Bills		555	
Mayor's Marriage Fee		200	
Prior Year Senior Citizen Deduction Disallowed		1,250	
Poll Rental		400	
FEMA Funds		4,644	
Old Outstanding Checks Canceled		379	
Collector's Fees		680	
Miscellaneous Other		958	
Various Refunds		<u>939</u>	
	A-4		\$ 24,417
Less:			
Refunds	A-4		<u>1,755</u>
	A-2		<u>\$ 22,662</u>
<u>Fees and Permits Analysis</u>			
Planning Board & Board of Adjustment		\$ 3,480.00	
Police Department		741	
Board of Health		9,932	
Clerk		3,517	
Assessor		180	
Roads		<u>2,500</u>	
	A-4		\$ 20,350
Less:			
Refunds	A-4		<u>750</u>
	A-2		<u>\$ 19,600</u>

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS":						
General Government:						
Mayor and Committee:						
Salaries and Wages	\$ 10,860	\$ 10,860	\$ 10,860			
Municipal Clerk:						
Salaries and Wages	84,694	82,494	79,734	\$ 2,760		
Postage & Legal Advertising	15,000	15,000	13,851	1,149		
Other Expenses	37,400	41,400	37,726	3,674		
Elections:						
Other Expenses	3,600	3,600	2,866	734		
Financial Administration:						
Salaries and Wages	58,141	58,141	58,110	31		
Other Expenses	14,000	14,000	10,854	3,146		
Audit Services	25,000	25,000	25,000			
Assessment of Taxes:						
Salaries and Wages	31,234	31,234	31,234			
Maintenance of Tax Map	4,000	4,000	2,521	1,479		
Other Expenses	1,925	1,925	1,265	660		
Collection of Taxes:						
Salaries and Wages	54,701	39,391	39,391			
Other Expenses	8,550	9,550	8,945	605		
Legal Services and Costs:						
Other Expenses	88,000	49,900	28,372	21,528		
Municipal Prosecutor:						
Salaries and Wages	8,480	8,480	8,480			
Engineering Services & Costs:						
Other Expenses	10,500	7,500	7,492	8		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
General Government: (Cont'd)						
Public Buildings and Grounds:						
Salaries and Wages-Dilts Farm	\$ 11,308	\$ 11,308	\$ 11,308			
Salaries and Wages-Buildings & Grounds	5,940	5,940	5,940			
Expense of Dilts Farm	16,000	16,000	10,719	\$ 5,281		
Other Expenses	22,750	25,950	25,330	620		
Land Use Administration:						
Planning Board:						
Salaries and Wages	20,847	20,847	20,847			
Other Expenses	18,300	10,300	8,322	1,978		
Board of Adjustment:						
Salaries and Wages	8,050	8,050	8,050			
Other Expenses	8,790	8,790	1,765	7,025		
Zoning Board:						
Salaries and Wages	18,087	18,087	18,087			
Other Expenses	700	700	543	157		
Environmental Commission:						
Salaries and Wages	1,800	1,800	1,412	388		
Other Expenses	1,000	1,500	1,279	221		
Insurance:						
Other Insurance Premiums	133,000	119,000	114,461	4,539		
Surety Bond Premiums	1,800	2,510	2,507	3		
Employee Group Health	397,551	426,751	426,652	99		
Public Safety:						
Fire:						
Aid to Volunteer Fire Companies	50,100	50,100	49,000	1,100		
Supplemental Fire Service Program	2,520	2,520	2,520			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
General Government: (Cont'd)						
Public Safety: (Cont'd)						
Police:						
Salaries and Wages	\$ 581,000	\$ 581,000	\$ 578,113	\$ 2,887		
Purchase of Police Car	25,000	25,000	24,734	266		
Other Expenses	44,150	44,150	27,245	16,905		
Supplemental Safe Neighborhood Prog:						
Salaries and Wages	52,632	52,632	49,649	2,983		
Other Expenses	3,350	3,350	1,953	1,397		
First Aid Organization-Contribution	44,120	44,120	44,120			
Office of Emergency Management:						
Salaries and Wages	10,784	10,784	10,784			
Other Expenses	2,300	3,300	3,081	219		
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	407,275	407,275	407,160	115		
Other Expenses	103,100	115,100	106,147	8,953		
Health and Welfare:						
Board of Health:						
Salaries and Wages	21,302	21,302	13,977	7,325		
Other Expenses	500	500	478	22		
Expenses of Visiting Homemakers:						
Other Expenses	500	500	500			
Municipal Court:						
Salaries and Wages	35,577	35,577	35,428	149		
Other Expenses	16,900	16,900	16,307	593		
Public Defender:						
Salaries and Wages	1,181	1,181	1,130	51		
Contribution to Senior Citizens Center	4,000	4,000	4,000			
Senior Health Services	200	200	200			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
Recreation and Education:						
Board of Recreation Commissioners:						
Other Expenses	\$ 13,300	\$ 13,300	\$ 10,992	\$ 2,308		
Historical Preservation Society:						
Other Expenses	3,000	3,000		3,000		
Construction Official:						
Salaries and Wages	58,420	58,420	58,420			
Other Expenses	5,275	5,275	4,125	1,150		
Sub Code Officials:						
Plumbing Inspector:						
Salaries and Wages	15,165	13,165	12,560	605		
Electrical Inspector:						
Salaries and Wages	15,165	15,165	15,165			
Unclassified:						
Gasoline & Diesel Fuel	60,000	90,000	88,230	1,770		
Fuel Oil	10,500	10,500	9,543	957		
Electricity	24,500	24,500	24,487	13		
Telephone	20,000	21,000	20,988	12		
Street Lighting	7,500	7,500	6,897	603		
Data Processing Services:						
Other Expenses	6,600	6,600	6,167	433		
Accumulated Sick Leave:						
Other Expenses	15,000	15,000	5,000	10,000		
Total Operations Within "CAPS"	2,782,924	2,782,924	2,663,023	119,901	\$ -	\$ -
Contingent	50	50		50		
Total Operations Including Contingent Within "CAPS"	2,782,974	2,782,974	2,663,023	119,951	-	-
Detail:						
Salaries and Wages	1,512,643	1,493,133	1,475,839	17,294	-	-
Other Expenses (Including Contingent)	1,270,331	1,289,841	1,187,184	102,657	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 85,136	\$ 85,136	\$ 85,136			
Social Security System (OASI)	128,000	128,000	114,316	\$ 13,684		
State Unemployment	50	50		50		
Police and Firemens Retirement System	104,516	104,516	104,516			
Total Deferred Charges & Statutory Expenditures- Municipal Within "CAPS"	317,702	317,702	303,968	13,734	\$ -	\$ -
Total General Appropriations for Municipal	3,100,676	3,100,676	2,966,991	133,685	-	-
Operations Excluded from "CAPS":						
Insurance:						
Group Insurance Plan for Employees	2,449	2,449	2,449			
LOSAP (Fire Company)						
Other Expenses	34,500	34,500		34,500		
NJPDES Stormwater Permit						
Street Division-Other Expenses	1,000	1,000	220	780		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Excluded from "CAPS": (Cont'd)						
Other Operations Excluded from "CAPS": (Cont'd)						
Public & Private Programs Offset by Revenues:						
NJ Division of Criminal Justice-Body Armor Grant:						
Other Expenses	\$ 1,767	\$ 1,767	\$ 1,767			
Clean Communities Program:						
Other Expenses	17,683	17,683	17,683			
NJ Historical Preservation Grant						
Other Expenses	22,830	22,830	22,830			
Total Operations Excluded from "CAPS"	<u>80,229</u>	<u>80,229</u>	<u>44,949</u>	\$ 35,280	\$ -	\$ -
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	80,229	80,229	44,949	35,280	-	-
Capital Improve-Excluded from "CAPS":						
Capital Improvement Fund	50,000	50,000	50,000			
Reserve for Purchase of Various Road Equipment	20,000	20,000	20,000			
Reserve for Building Construction	30,000	30,000	30,000			
Public & Private Programs:						
NJ Dept of Transpt-Meszaros Road Project	150,000	150,000	150,000			
FEMA-Sanford Road Project:						
Grant	5,307	5,307	5,307			
Matching Funds	1,769	1,769	1,769			
FEMA-Lower Creek Road Project:						
Grant	29,862	29,862	29,862			
Matching Funds	9,954	9,954	9,954			
Delaware River Joint Toll Bridge-Federal Twist Rd	246,191	246,191	246,191			
Total Capital Improvements Excluded from "CAPS"	<u>543,083</u>	<u>543,083</u>	<u>543,083</u>	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Municipal Debt Service Excluded from "CAPS":						
Payment of Bond Principal	\$ 25,000	\$ 25,000	\$ 25,000			
Interest on Bonds	128,695	128,695	128,695			
Total Dept Service Excluded from "CAPS"	<u>153,695</u>	<u>153,695</u>	<u>153,695</u>	\$ -	\$ -	\$ -
Total General Approp for Municipal Purposes Excluded from "CAPS"	<u>777,007</u>	<u>777,007</u>	<u>741,727</u>	<u>35,280</u>	-	-
Subtotal General Appropriations	<u>3,877,683</u>	<u>3,877,683</u>	<u>3,708,718</u>	<u>168,965</u>	-	-
Reserve for Uncollected Taxes	<u>470,000</u>	<u>470,000</u>	<u>470,000</u>			
Total General Appropriations	<u>\$ 4,347,683</u>	<u>\$ 4,347,683</u>	<u>\$ 4,178,718</u>	<u>\$ 168,965</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Ref.</u>	A-2	A-3	A-1;A-3	A;A-1		A-14

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

<u>Paid or Charged</u>	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	A-4	\$ 3,231,572
Reserve for Encumbrances	A-16	29,618
Reserve for Uncollected Taxes	A-2	470,000
Due to Grant Fund	A-13	11,723
Appropriated Reserve for State Grants	A-31	<u>473,640</u>
		4,216,553
Less: Budget Refunds	A-4	<u>37,835</u>
	A-3	<u><u>\$ 4,178,718</u></u>
<u>Appropriations</u>		
Budget	A-2	\$ 4,328,904
Added by NJSA 40A:4-87	A-2	<u>18,779</u>
	A-3	<u><u>\$ 4,347,683</u></u>

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
TRUST FUND

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 2,952	\$ 11,583
Due from Current Fund	B-4	17	
		<u>2,969</u>	<u>11,583</u>
Other Trust Funds:			
Cash-Treasurer	B-1	1,067,534	1,663,949
Due from Current Fund	B-6	803,694	563,165
Due from General Capital Fund	B-7	245,572	
Loans Receivable	B-8	55,141	55,141
		<u>2,171,941</u>	<u>2,282,255</u>
 TOTAL ASSETS		 <u>\$ 2,174,910</u>	 <u>\$ 2,293,838</u>

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
TRUST FUND  
(Continued)

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b>LIABILITIES AND RESERVES</b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 2,969	\$ 9,566
Due to Current Fund	B-4		2,017
		<u>2,969</u>	<u>11,583</u>
Other Trust Funds:			
Due to General Capital Fund	B-7		26,628
Due to Current Fund	B-6	7,539	2,660
Reserve for Open Space	B-9	1,457,768	1,590,227
Reserve for Loans Receivable	B-8	55,141	55,141
Reserve for Road Improvements	B-10	80,176	81,676
Reserve for Road Opening Permits	B-11	1,000	1,000
Reserve for Quarry Ordinance	B-12	2,916	2,916
Reserve for Cash Bonds	B-13	1,019	1,019
Reserve for Miscellaneous Trust	B-14	462	462
Reserve for Escrow	B-15	118,142	138,257
Reserve for Unemployment	B-16	84,774	84,638
Reserve for Recreation	B-17	20,980	18,692
Reserve for Recycling	B-18	69	2,784
Reserve for Sutton Burial Ground	B-19	8,400	8,395
Reserve for Dilts Farm	B-20	12,941	12,935
Reserve for Municipal Alliance	B-21	(3,773)	8,243
Reserve for Developer's Deposits-COAH	B-22	151,787	128,194
Reserve for COAH-Interest	B-23	25,767	25,585
Reserve for Insurance	B-24	15,979	15,979
Reserve for Public Defender	B-25	1,359	2,172
Reserve for POAA	B-26	10	10
Reserve for Quarry Reclamation Fund	B-27	18,536	16,511
Reserve for Tax Premiums	B-28	40,900	23,500
Reserve for Farmer's Market	B-29	1,745	(400)
Reserve for Playground	B-30		45
Reserve for Snow Removal	B-31	4,277	477
Reserve for Payroll	B-32	33,212	29,509
Reserve for Police Building	B-33	30,815	5,000
		<u>2,171,941</u>	<u>2,282,255</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 2,174,910</u>	<u>\$ 2,293,838</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
GENERAL CAPITAL FUND

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b>ASSETS</b>			
Cash	C-2	\$ 51,133	\$ 700,038
Due from Current Fund	C-5	1	
Due from Open Space Trust Fund	C-6		26,628
Due from Grant Fund	C-7	1,676	
Due from Delaware River Toll Bridge Commission	C-8	21,850	21,850
Deferred Charges to Future Taxation:			
Funded	C-9	7,757,000	8,019,000
Unfunded	C-10	492,000	522,000
<b>TOTAL ASSETS</b>		<u>\$ 8,323,660</u>	<u>\$ 9,289,516</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds Payable	C-20	\$ 7,757,000	\$ 8,019,000
Improvement Authorizations:			
Funded	C-11	191,398	590,658
Unfunded	C-11	29,269	323,000
Due to Current Fund	C-5		5
Due to Open Space Trust Fund	C-6	245,572	
Capital Improvement Fund	C-12	74,953	114,153
Reserves For:			
Payment of Bonds	C-13		72,199
Expansion of Municipal Building	C-14	6,134	6,134
Guard Rails	C-15	2,325	2,325
Various Road Equipment	C-16		5,033
Purchase of Police Equipment	C-17	15,000	15,000
Road Drainage and Construction	C-18		140,000
Fund Balance	C-1	2,009	2,009
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 8,323,660</u>	<u>\$ 9,289,516</u>
 Bonds and Notes Authorized But Not Issued	 C-21	 <u>\$ 492,000</u>	 <u>\$ 522,000</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	<u>\$ 2,009</u>
Balance December 31, 2011	C	<u><u>\$ 2,009</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
PUBLIC ASSISTANCE TRUST FUND

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
ASSETS			
Cash	D-1	<u>\$ 6,220</u>	<u>\$ 6,226</u>
TOTAL ASSETS		<u><u>\$ 6,220</u></u>	<u><u>\$ 6,226</u></u>
RESERVES			
Reserve for Public Assistance	D-7	<u>\$ 6,220</u>	<u>\$ 6,226</u>
TOTAL RESERVES		<u><u>\$ 6,220</u></u>	<u><u>\$ 6,226</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

Except as noted below, the financial statements of the Township of Delaware (the Municipality) include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Delaware, as required by NJS 40A:5-5.

B. Description of Funds

The accounting policies of the Municipality conform to the accounting principles applicable to municipalities, which have been prescribed by the New Jersey 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 Municipality accounts for its financial transactions through the following separate funds and account group:

Governmental Funds:

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Public Assistance Fund – receipt and disbursement of Funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. (Note: Administration of assistance was turned over to the County of Hunterdon on January 1, 1999)

Account Groups:

General Fixed Assets Account Group - to account for all fixed assets of the Municipality. Neither infrastructure or depreciation of assets of the municipality are recorded in the group.

C. Basis of Accounting

The accounting policies of the Municipality conform to the accounting principles and practices prescribed for municipalities by the 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. The aforementioned policies differ in certain respects from accounting policies generally accepted in the United States of America (GAAP). The more significant differences, which may be material, are discussed further in part D of Note 1.

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

Budget and Budgetary Procedures - the State of New Jersey has promulgated the form and procedures for the municipality's cash basis budget in the Local Budget Law (NJSA 40A:4-1). The municipality is only required to adopt budgets for the Current Fund and Utility Funds, if applicable.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Basis of Accounting (Cont'd)

Budget and Budgetary Procedures (Cont'd)

The municipality must introduce and approve its annual budget no later than February 10<sup>th</sup> and adopt no later than March 20<sup>th</sup> of its budget year, unless extended by the Director of the Division of Local Government Services (the Director). All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body. The approved budget must be advertised and a public hearing must be held prior to adoption. No budget or amendment thereof shall be adopted unless the Director has certified his approval thereof.

Emergency and special emergency appropriations may be made by resolution adopted by a 2/3 vote of the full membership of the governing body. All emergency appropriations must be raised in full in the succeeding year's budget, while special emergency appropriations financed from surplus funds shall be raised in installments of a least 20% annually until fully provided for.

Transfers between current year appropriations are allowed only during the last two months of the fiscal year. Transfers between prior year appropriation reserves are allowed only during the first three months of the fiscal year.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Municipal budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Municipality's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Municipality which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Basis of Accounting (Cont'd)

Tax Title Liens - are taxes which have been put up for sale but not been purchased. The Municipality then accepts the lien which will earn 18% per annum until the lien is paid off by the property owner. The Municipality may choose to foreclose and return the property to the tax rolls.

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

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Deferred Charges to Future Taxation-Funded and Unfunded (Capital Fund) - upon authorization of capital projects, the Municipality establishes deferred charges for the costs of the projects that are to be raised by future taxation. Deferred charges that relate to permanent debt issued are shown as funded. All other deferred charges are shown as unfunded.

General Fixed Assets - in accordance with New Jersey Administrative Code Section 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the State of New Jersey, which differs in certain respects from generally accepted accounting principles, all local units are required to have and maintain a fixed assets accounting and reporting system. In accordance with this administrative code requirement, fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

No depreciation has been provided for in the financial statements.

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

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

D. Departures from Generally Accepted Accounting Principles

As noted the accounting principles and practices used differ in some respects from generally accepted accounting principles (GAAP) for local governmental units. The more significant differences, which may be material, are as follows:

1. Financial Reporting Model-These statements are not based on the requirements as promulgated by GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." This statement made dramatic changes to the financial reporting requirements of state and local governments for GAAP purposes.
2. Reporting Entity-These financial statements do not include the operations of the local and regional school districts, fire district and first aid squads which are subject to separate reporting. Included within these statements are taxes levied, collected and transferred to the school districts, fire district and contributions to the volunteer first aid squads.
3. Revenues-GAAP records taxes, utility charges and other revenues as income when levied and there is no reserve for receivables for unpaid balances.
4. Expenditures-GAAP records expenditures when incurred and does not reflect appropriation reserve balances or deferred charges to future taxation.
5. Foreclosed Property-GAAP records the value of foreclosed property at the lower of cost or fair market value and would be recorded in the General Fixed Asset Account Group.
6. Interfunds-GAAP does not require offsetting reserves for Interfund receivables and resulting revenue recognition when interfunds are liquidated.
7. Inventories-GAAP requires inventories to be reported on the balance sheet at year end.
8. Fixed Assets-GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recording of depreciation as an operating expense of the utility.
9. Grant Accounting-GAAP requires that grants be recorded within a special revenue fund and revenues are not to be realized until earned.
10. Capital Funds-GAAP requires separate funds for the recording of capital projects and payment of debt service while New Jersey requirements incorporate these transactions within one fund.

It is not practicable to determine the effect of these differences on the financial statements.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

State Requirements for Deposits and Investments

New Jersey statutes require each local unit to adopt a cash management plan and shall deposit and/or invest according to that plan, which shall include:

1. The designation of public depositories as defined in Section 1 of PL 1970 Ch 236 (C17:9-41) and permit deposits in designated depositories;
2. The designation of any fund that meets the requirements established pursuant to Section 8 PL 1977, Ch 396(C40A5-15.1);
3. The authorization for investments as permitted pursuant to Section 8 of PL 1977, Ch 396 (C.40A:5-15.1); or
4. Any combination of these designations or authorizations.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the municipality are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the municipality has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the municipality has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the municipality has no such investments, this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the municipality may invest with any one issuer. As of December 31, 2011, the municipality had 100% of its investments in the New Jersey Cash Management Fund and with PNC Bank.

TOWNSHIP OF DELAWARE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2011  
 (Continued)

**NOTE 3: TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey Statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey Statutes.

**NOTE 4: LONG-TERM DEBT**

The Local Bond Law of the State of New Jersey governs the authorization of debt by municipalities to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded. Bond anticipation notes may also be issued to temporarily finance capital projects for periods not greater than one year and may be reissued in yearly installments not to exceed ten years. All bonds and notes issued by the municipality are general full faith and credit obligations.

Summary of Municipal Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds and Notes	\$ 7,757,000	\$ 8,019,000	\$ 8,265,000
Authorized but not Issued:			
General:			
Bonds and Notes	<u>492,000</u>	<u>522,000</u>	<u>199,000</u>
Bonds and Notes Issued & Authorized but not Issued	<u>\$ 8,249,000</u>	<u>\$ 8,541,000</u>	<u>\$ 8,464,000</u>

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 4: LONG-TERM DEBT (Cont'd)**

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 .84%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,887,891	\$ 3,887,891	
Regional School District	2,012,282	2,012,282	
General Debt	<u>8,249,000</u>	<u>                    </u>	<u>\$ 8,249,000</u>
	<u>\$ 14,149,173</u>	<u>\$ 5,900,173</u>	<u>\$ 8,249,000</u>

Net Debt \$8,249,000 divided by Equalized Valuation Basis per NJS 40A:2-2 as amended, \$981,328,464 equals .84%.

Borrowing Power Under NJS 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 34,346,496
Net Debt	<u>8,249,000</u>
Remaining Borrowing Power	<u>\$ 26,097,496</u>

Changes in Long-Term Debt

During the year ended December 31, 2011, the following changes occurred in Long-Term Debt.

	<u>Balance Jan. 01, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2011</u>
Issued Debt:				
General Capital:				
Bonds	\$ 8,019,000		\$ 262,000	\$ 7,757,000
Authorized But Not Issued Debt:				
General Capital:				
Bonds and Notes	<u>522,000</u>	<u>                    </u>	<u>30,000</u>	<u>492,000</u>
Total	<u>\$ 8,541,000</u>	<u>\$ -0-</u>	<u>\$ 292,000</u>	<u>\$ 8,249,000</u>

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 4: LONG-TERM DEBT (Cont'd)**

Schedule of Annual Debt Service for Principal and Interest for Outstanding NJ Green Acres Loans

Year	General		Total
	Principal	Interest	
2012	\$ 280,000	\$ 378,665	\$ 658,665
2013	297,000	364,665	661,665
2014	322,000	349,531	671,531
2015	332,000	335,751	667,751
2016	337,000	320,775	657,775
2017-2021	1,770,000	1,352,545	3,122,545
2022-2026	1,057,000	969,465	2,026,465
2027-2031	1,110,000	735,797	1,845,797
2032-2036	1,510,000	429,205	1,939,205
2037-2038	742,000	58,268	800,268
	<u>\$ 7,757,000</u>	<u>\$ 5,294,667</u>	<u>\$ 13,051,667</u>

General Obligation Bonds-General obligation bonds at December 31, 2011 with their outstanding balances are comprised of the following individual issues:

\$4,190,000-2002 general obligation bonds due in annual installments of \$152,000 to \$232,000 beginning April 15, 2003 through Oct 15, 2022, interest at 2.00% to 5.25%	\$ 2,535,000
\$2,738,000-2010 general obligation bonds (Open Space Portion) due in annual installments of \$20,000 to \$191,000 beginning April 15, 2010 Through Oct 15, 2038, interest at 4.55% to 5.20%	2,653,000
\$2,654-2010 general obligation bonds due in annual installments of \$20,000 to \$191,000 beginning April 15, 2010 through Oct 15, 2038, Interest at 4.55% to 5.20%	<u>2,569,000</u>
	<u>\$ 7,757,000</u>

**NOTE 5: FUND BALANCES APPROPRIATED**

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

Current Fund	<u>\$ 414,000</u>
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TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 6: SCHOOL TAXES**

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	Balance	Balance	Balance	Balance
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Balance of Tax	\$ 3,482,868	\$ 3,279,947	\$ 2,487,134	\$ 2,453,355
Deferred	<u>2,051,077</u>	<u>2,051,077</u>	<u>1,032,674</u>	<u>912,674</u>
Tax Payable	<u>\$ 1,431,791</u>	<u>\$ 1,228,870</u>	<u>\$ 1,454,460</u>	<u>\$ 1,540,681</u>

**NOTE 7: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance, include discounts allowed for prepayments and the amount set forth as cash liabilities in the financial statements as follows:

	Balance	Balance
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Prepaid Taxes	\$ 176,312	\$ 161,774
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 176,312</u>	<u>\$ 161,774</u>

**NOTE 8: PENSIONS**

Employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are:

- (1) The Public Employees' Retirement System
- (2) The Consolidated Police and Firemen's Pension Fund
- (3) The Police and Firemen's Retirement System

The plans are considered cost sharing multiple-employer plans.

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in January of 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

TOWNSHIP OF DELAWARE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2011  
 (Continued)

**NOTE 8: PENSIONS (Cont'd)**

Significant legislation which became effective October 1, 2011 under Chapter 78, P.L. 2011 will gradually increase the employee contribution rate for PERS members from 5.5% to 7.5% of annual compensation by July 2018. Effective October 1, 2011, the rate will increase to 6.5%. After that, the rate will increase each July 1<sup>st</sup> over the seven year phase in until 7.5% effective July 1, 2018.

The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in July of 1944 under the provisions of NJSA 43:16A. Its designated purpose is to provide retirement, death and disability benefits to its members. Membership is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of service up to 30 years plus 1% for years of service in excess of 30 years.

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

The contribution policy for PERS and PFRS are set by New Jersey State Statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are a percentage of annual compensation, as defined, and are currently 6.5% for PERS and 10.0% for PFRS. Funding by the municipality is at an actuarially determined rate. Three year trend information for PERS and PFRS contributions are as follows:

Year Funded	PFRS Annual Contribution	PERS Annual Contribution
2011	\$ 104,516	\$ 85,136
2010	88,607	66,868
2009	77,837	59,746

The Federal Insurance Contribution Act also covers township employees.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is available from the State Retirement System.

**NOTE 9: POST-RETIREMENT BENEFITS**

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 9: POST-RETIREMENT BENEFITS (Cont'd)**

**Plan Description-**The Municipality 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 NJSA 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 Municipality adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasur/pension/pdf/financial/gasb-43-aug2010.pdf>

**Funding Policy-** Participating employers are contractually required to contribute 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.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Municipality on a monthly basis. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee.

The Municipality's contributions to the SHBP for post retirement benefits for the years ended December 31, 2011, 2010, and 2009, were \$130,926, \$79,490, and \$71,338, which equaled the required benefit contribution for each year.

In addition, certain retirees were reimbursed for personally paid health benefits for the years ended December 31, 2011 \$8,619, 2010 \$7,467, and 2009 \$5,636.

**NOTE 10: ACCRUED SICK AND VACATION BENEFITS**

The Municipality has permitted employees to accrue vacation, sick and compensatory pay which may be taken off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$100,085. This amount, which is not considered material to the financial statements, is not reported either as an expenditure or liability.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 11: FIXED ASSETS**

The following schedule is a summarization of the changes in general fixed assets for the year ended December 31, 2011:

	Balance Dec.31, 2010	Additions	Deletions	Balance Dec.31, 2011
Sites	\$ 1,650,804	\$ 210,000		\$ 1,860,804
Building & Building Improvements	178,143			178,143
Furniture, Machinery & Equipment	2,247,505	446,348		2,693,853
Construction in Progress		126,340		126,340
	<u>\$ 4,076,452</u>	<u>\$ 782,688</u>	<u>\$ -0-</u>	<u>\$ 4,859,140</u>

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

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

Fund	Interfund Receivables	Interfund Payables
Current Fund:		
Due to Animal Control Fund		\$ 17
Due to Other Trust Fund		17,961
Due to General Capital Fund		1
Due to Grant Fund		30,482
Due to Open Space Trust Fund		778,194
Grant Fund:		
Due from Current Fund	\$ 30,482	
Due to General Capital Fund		1,676
Other Trust Fund:		
Due from Current Fund	17,961	
Open Space Trust Fund:		
Due from Current Fund	778,194	
Due from General Capital	245,572	
Animal Control Fund:		
Due from Current Fund	17	
General Capital Fund:		
Due to Open Space Trust Fund		245,572
Due from Current Fund	1	
Due from Grant Fund	1,676	
	<u>\$ 1,073,903</u>	<u>\$ 1,073,903</u>

**NOTE 13: CONTINGENT LIABILITIES**

The Municipality is involved in various claims and lawsuits incidental to its operations. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Municipality.

TOWNSHIP OF DELAWARE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

**NOTE 14: RISK MANAGEMENT**

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

Property and Liability Insurance – The Municipality maintains commercial insurance coverage for property, liability, and surety bonds. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

**SUPPLEMENTARY SCHEDULES**

TOWNSHIP OF DELAWARE  
COUNTY OF HUNTERDON  
2011  
CURRENT FUND

TOWNSHIP OF DELAWARE  
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2010	A	\$ 4,369,338	\$ 65,211
Increased by Receipts:			
Appropriation Refunds	A-3	\$ 37,835	
Interest on Investments & Deposits	A-2	7,674	
Non Budget Revenue	A-2	24,417	
Interest and Cost on Taxes	A-2	83,804	
Fees & Permits	A-2	20,350	
State of NJ-Veterans' & Senior Citizens' Deductions	A-6	51,465	
Taxes Receivable	A-7	18,667,698	
Revenue Accounts Receivable	A-9	506,858	
Due from Animal Control Fund	A-10	2,034	
Due to Other Trust Fund	A-11	25,000	
Due from Payroll Fund	A-12	15,502	
Due to Grant Fund	A-13	49	
Grants Receivable	A-14		\$ 53,948
Prepaid Taxes	A-17	176,312	
Tax Overpayments	A-18	39,995	
Due County-Food Inspection Fees	A-22	425	
Due NJ-State Training Fees	A-23	8,941	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	575	
Due from General Capital Fund	A-25	510,936	
Due to Open Space Trust Fund	A-26	227,835	
Due from Regular Fund	A-29		41
Reserve for Garden State Preservation Trust Fund	A-28	27,412	
		<u>20,435,117</u>	<u>53,989</u>
		24,804,455	119,200

TOWNSHIP OF DELAWARE  
SCHEDULE OF CURRENT FUND CASH-TREASURER  
(Continued)

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2011 Budget Appropriations	A-3	\$ 3,231,572	
2010 Appropriation Reserves	A-15	124,635	
Construction Code Fees Refunded	A-9	3,918	
Due from Other Trust Fund	A-11	4,879	
Tax Overpayments Refunded	A-18	9,421	
Regional HS Tax Payable	A-19	4,940,599	
Local School Tax Payable	A-20	7,439,701	
County Taxes Payable	A-21	3,401,528	
Due County-Food Inspection Fees	A-22	975	
Due NJ-State Training Fees	A-23	9,481	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	550	
Due to General Capital Fund	A-25	438,731	
Due to Open Space Trust Fund	A-26	562,665	
Due from Regular Fund	A-29		\$ 90
Fees & Permits Refunded	A-2	750	
Refund Prior Year Revenue	A-1	10,076	
Refund Non Budget Revenue	A-2	1,755	
Appropriated Reserves for State Grants	A-31		38,829
		<u>\$ 20,181,236</u>	<u>\$ 38,919</u>
Balance December 31, 2011	A	<u>\$ 4,623,219</u>	<u>\$ 80,281</u>

TOWNSHIP OF DELAWARE  
 SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION  
 PER NJS 40A:5.5-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2011	A-4	\$ 4,623,219	\$ 80,281
Increased by:			
Receipts		4,792,993	62,003
		9,416,212	142,284
Decreased by:			
Disbursements		6,622,462	129,524
Balance March 31, 2012		\$ 2,793,750	\$ 12,760
 <u>Cash Reconciliation March 31, 2012</u>			
Balance Per Statement:			
NJ Cash Management		\$ 407,265	
PNC Bank		2,111,325	\$ 13,588
Petty Cash		650	
		2,519,240	13,588
Add: Deposit-in-Transit		277,432	-
		2,796,672	13,588
Less: Outstanding Checks		2,922	828
Book Balance		\$ 2,793,750	\$ 12,760

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
VETERANS' AND SENIOR CITIZENS' DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 20,646
Increased by:			
Receipts	A-4	\$ 51,465	
2010 Senior Citizen Deductions Disallowed by Collector	A-1	<u>1,571</u>	
			<u>53,036</u>
			73,682
Decreased by:			
Veterans' Deductions per Tax Billings		\$ 44,500	
Veterans' Deductions Allowed by Tax Collector		36	
Senior Citizens' Deductions per Tax Billings		<u>7,000</u>	
		51,536	
Less Senior Citizen Deductions Disallowed by Collector	A-7	<u>250</u>	
			<u>51,286</u>
Balance December 31, 2011	A		<u><u>\$ 22,396</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2011 Levy	Added 2011	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance
	12/31/2010			2010	2011					12/31/2011
2009	\$ 18,939				\$ 8,744	\$ 1,545				\$ 8,650
2010	444,484		\$ 7,223		439,146	2,232		\$ 3,861		6,468
2011		\$ 18,769,409	81,201	\$ 161,774	18,219,808	5,408	\$ 51,286	\$ 32,248	19,809	360,277
	<u>\$ 463,423</u>	<u>\$ 18,769,409</u>	<u>\$ 88,424</u>	<u>\$ 161,774</u>	<u>\$ 18,667,698</u>	<u>\$ 9,185</u>	<u>\$ 51,286</u>	<u>\$ 32,248</u>	<u>\$ 23,670</u>	<u>\$ 375,395</u>
<u>Ref.</u>	A	Reserve	Reserve	A-17	A-4	A-8	A-6	A-18	Reserve	A

TOWNSHIP OF DELAWARE  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS  
OF PROPERTY TAX LEVY  
(Continued)

	<u>Ref.</u>		
<u>Analysis of 2011 Property Tax</u>			
Tax Yield:			
General Purpose Tax		\$ 18,769,409	
Added and Omitted Taxes		<u>81,201</u>	
	A-7		<u>\$ 18,850,610</u>
Tax Levy:			
Local District School Tax	A-2;A-20		\$ 7,642,622
Regional District School Tax	A-2;A-19		4,974,378
County Tax		\$ 2,846,315	
County Library Tax		239,988	
County Open Space Tax		297,052	
County Share of Added and Omitted Taxes		<u>14,845</u>	
Total County Taxes	A-2;A-21		3,398,200
Municipal Open Space Tax		548,000	
Municipal Open Space Share of Added and Omitted Taxes		<u>2,359</u>	
Total Municipal Open Space Tax	A-2;A-26		550,359
Municipal Purpose Tax	A-2	2,217,461	
Additional Tax Levied		<u>67,590</u>	
Total Municipal Purpose Tax			<u>2,285,051</u>
	A-7		<u>\$ 18,850,610</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2010	A	\$	10,270
Increased by:			
Transferred from Taxes Receivable	A-7	\$	9,185
Interest and Cost on 2011 Tax Sale	Reserve		<u>701</u>
			<u>9,886</u>
Balance December 31, 2011	A	\$	<u><u>20,156</u></u>

TOWNSHIP OF DELAWARE  
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2010</u>	<u>Accrued in 2011</u>	<u>Collected Treasurer</u>	<u>Balance Dec.31,2011</u>
Alcoholic Beverage Licenses	A-2		\$ 4,850	\$ 4,850	
Municipal Court	A-2	\$ 2,629	40,737	38,156	\$ 5,210
Energy Receipts Tax	A-2		305,180	305,180	
Consolidated Municipal Property Tax Relief Aid	A-2		28,825	28,825	
Uniform Construction Code Fees	A-2		125,929	125,929	
		<u>\$ 2,629</u>	<u>\$ 505,521</u>	<u>\$ 502,940</u>	<u>\$ 5,210</u>
	<u>Ref.</u>	A	Reserve	Below	A
Receipts	A-4			\$ 506,858	
Construction Code Fees Refunded	A-4			<u>3,918</u>	
				<u>\$ 502,940</u>	

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM/TO ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2010 (Due from)	A	\$ 2,017
Decreased by:		
Receipts	A-4	<u>2,034</u>
Balance December 31, 2011 (Due to)	A	<u><u>\$ 17</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM/TO OTHER TRUST FUNDS

	<u>Ref.</u>	
Balance December 31, 2010 (Due from)	A	\$ 2,660
Increased by:		
Disbursements	A-4	<u>4,879</u>
		7,539
Decreased by:		
Receipts	A-4	<u>25,000</u>
Balance December 31, 2011 (Due to)	A	<u><u>\$ 17,461</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 15,502
Decreased by:		
Receipts	A-4	<u>15,502</u>
Balance December 31, 2011	A	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO FEDERAL & STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 18,710
Increased by:		
Budget Appropriations	A-3	\$ 11,723
Receipts	A-4	<u>49</u>
		<u>11,772</u>
Balance December 31, 2011	A	<u><u>\$ 30,482</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance 12/31/2010	Revenue in 2011	Received	Balance Canceled	Balance 12/31/2011
OES Grant	\$ 390				\$ 390
Wild & Scenic River	4,000				4,000
Sidewalk Grant	1,044				1,044
Cool Cities	23,150				23,150
Recreation Trails Program	1,414				1,414
NJ Division of Criminal Justice-Body Armor Fund		\$ 1,767	\$ 1,767		
Clean Communities Program		17,683	17,683		
Historic Preservation Grant		22,830	22,830		
FEMA Grant-Sanford Road Project		5,307	5,307		
FEMA Grant-Lower Creek Road Project		29,862	29,862		
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project		246,191			246,191
NJ Department of Transportation-Meszaros Road Project		150,000			150,000
	<u>\$ 29,998</u>	<u>\$ 473,640</u>	<u>\$ 77,449</u>	<u>\$ -</u>	<u>\$ 426,189</u>
	Ref. A	A-2	Below		A
Unappropriated Reserves Applied	A-32		\$ 23,501		
Receipts	A-4		<u>53,948</u>		
			<u>\$ 77,449</u>		

TOWNSHIP OF DELAWARE  
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Municipal Clerk:					
Salaries and Wages	\$ 990	\$ 990		\$ 990	
Other Expenses:					
Postage & Advertising	2,337	3,224	\$ 887	2,337	
Miscellaneous Other Expenses	291	2,451	2,160	291	
Financial Administration:					
Salaries and Wages	903	903		903	
Other Expenses	794	1,505	711	794	
Audit Services	1,000	1,000		1,000	
Assessment of Taxes:					
Salaries and Wages	923	923		923	
Maintenance of Tax Map	1,447	2,004	556	1,448	
Other Expenses	825	825		825	
Revenue Administration:					
Salaries and Wages	782	782		782	
Other Expenses	1	1		1	
Legal Services and Costs:					
Other Expenses	7,523	21,788	14,264	7,524	
Engineering Service & Costs:					
Other Expenses	1,809	1,809		1,809	
Public Building and Grounds:					
Salaries and Wages	893	893		893	
Other Expenses:					
Expenses of Dilts Farm	542	542		542	
Miscellaneous Other Expenses	4	4,090	3,315	775	
Planning Board:					
Salaries and Wages	303	303		303	
Other Expenses	26,613	11,627	14	11,613	
Municipal Prosecutor:					
Salaries and Wages	251	251		251	

TOWNSHIP OF DELAWARE  
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Balance Dec. 31, 2010	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Salaries and Wages	\$ 238	\$ 238		\$ 238	
Other Expenses	2,363	2,363	\$ 558	1,805	
Zoning Board:					
Salaries and Wages	367	367		367	
Other Expenses	464	624	162	462	
Environmental Commission (RS 40:56A:-1 et seq):					
Salaries and Wages	689	689		689	
Other Expenses	165	165		165	
Insurance:					
Other Insurance Premiums	1,176	2,389	560	1,829	
Fire:					
Aid to Volunteer Fire Companies	313	313		313	
Police:					
Salaries and Wages	3,882	383		383	
Other Expenses:	15,108	20,620	5,612	15,008	
Purchase of Police Car	409	409		409	
Supplemental Safe Neighborhood Program:A70					
Salaries and Wages	6,555	6,555		6,555	
Other Expenses	2,964	2,964		2,964	
First Aid Organization-Contribution	9,495	9,495	9,495		
Public Defender:					
Salaries and Wages	34	34		34	
Construction Code Official:					
Salaries and Wages	523	523		523	
Other Expenses	361	361		361	
Office of Emergency Management:					
Salaries and Wages	275	275		275	
Other Expenses	1,003	1,003		1,003	
Road Repair and Maintenance:					
Salaries and Wages	289	3,789	3,785	4	
Other Expenses	10,801	33,008	33,004	4	
Board of Health:					
Salaries and Wages	210	210		210	
Other Expenses	384	500	116	384	
Services of Visiting Homemakers					
Other Expenses	500	500	500		
Sub Code Officials:					
Electrical Inspector:					
Salaries and Wages	448	448		448	

TOWNSHIP OF DELAWARE  
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Balance Dec. 31, 2010	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Senior Health Services:					
Other Expenses	\$ 200	\$ 200	\$ 200		
Board of Recreation Commissioners:					
Other Expenses	6,575	6,575	5,000	\$ 1,575	
Historic Preservation Society:					
Other Expenses	3,000	3,000	3,000		
Unclassified:					
Utilities:					
Gasoline & Diesel Fuel	8	6,730	6,723	7	
Fuel Oil	16	2,458	2,442	16	
Electricity	20	1,964	1,944	20	
Telephone	136	1,048	911	137	
Street Lighting	156	722	566	156	
Data Processing Services		550	550		
Contingent	50	50		50	
Contribution to:					
Social Security System	988	988		988	
LOSAP	34,500	34,500	27,600	6,900	
Municipal Court:					
Salaries and Wages	4,366	4,366		4,366	
Other Expenses	1,422	1,422		1,422	
NJPDES Stormwater Permit	548	548		548	
	\$ 159,232	\$ 209,257	\$ 124,635	\$ 84,622	\$ -
	Ref. A	Below	A-4	A-1	
Appropriation Reserves	A	\$ 159,232			
Encumbrances Payable	A-16	50,025			
		\$ 209,257			

TOWNSHIP OF DELAWARE  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 50,025
Increased by:		
2011 Budget Charges	A-3	<u>29,618</u>
		79,643
Decreased by:		
Applied to Appropriation Reserves	A-15	<u>50,025</u>
Balance December 31, 2011	A	<u><u>\$ 29,618</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 161,774
Increased by:		
Collection of 2012 Taxes	A-4	<u>176,312</u>
		338,086
Decreased by:		
Applied to 2011 Taxes Receivable	A-7	<u>161,774</u>
Balance December 31, 2011	A	<u>\$ 176,312</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 25,279
Increased by:			
Overpayments Received	A-4		<u>39,995</u>
			65,274
Decreased by:			
Refunded	A-4	\$ 9,421	
Applied to 2011 Taxes	A-7	32,248	
Overpayments Canceled	A-1	<u>1,828</u>	
			<u>43,497</u>
Balance December 31, 2011	A		<u>\$ 21,777</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2010:			
School Tax Payable	A	\$ 1,540,681	
School Tax Deferred (18.60%)		<u>912,674</u>	\$ 2,453,355
Increased by:			
Levy-School Year July 1, 2011 to June 30, 2012	A-7		<u>4,974,378</u>
			7,427,733
Decreased by:			
Disbursements	A-4		<u>4,940,599</u>
Balance December 31, 2011:			
School Tax Payable	A	1,454,460	
School Tax Deferred (20.76%)		<u>1,032,674</u>	
			<u>\$ 2,487,134</u>
<u>2011 Liability for Regional High School Tax</u>			
Tax Paid			\$ 4,940,599
Add: Tax Payable December 31, 2011			<u>1,454,460</u>
			6,395,059
Less: Tax Payable December 31, 2010			<u>1,540,681</u>
Amount Charged to Operations	A-1		<u>\$ 4,854,378</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2010:			
School Tax Payable	A	\$ 1,228,870	
School Tax Deferred (26.84%)		<u>2,051,077</u>	
			\$ 3,279,947
Increased by:			
Levy-School Year July 1, 2011 to June 30, 2012	A-7		<u>7,642,622</u>
			10,922,569
Decreased by:			
Disbursements	A-4		<u>7,439,701</u>
Balance December 31, 2011:			
School Tax Payable	A	1,431,791	
School Tax Deferred (26.84%)		<u>2,051,077</u>	
			<u>\$ 3,482,868</u>
<u>2011 Liability for Regional High School Tax</u>			
Tax Paid			\$ 7,439,701
Add: Tax Payable December 31, 2011			<u>1,431,791</u>
			8,871,492
Less: Tax Payable December 31, 2010			<u>1,228,870</u>
Amount Charged to Operations	A-1		<u>\$ 7,642,622</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 18,173
Increased by:		
2011 Levy:		
County Taxes		\$ 2,846,315
County Library Tax		239,988
County Open Space Tax		297,052
County Share of Added & Omitted Taxes		<u>14,845</u>
	A-1;A-7	<u>3,398,200</u>
		<u>3,416,373</u>
Decreased by:		
Disbursements	A-4	<u>3,401,528</u>
Balance December 31, 2011	A	<u><u>\$ 14,845</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE COUNTY-FOOD INSPECTIONS

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 550
Increased by:		
Receipts	A-4	<u>425</u>
		975
Decreased by:		
Disbursements	A-4	<u>975</u>
Balance December 31, 2011	A	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE NJ-STATE TRAINING FEES

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 3,033
Increased by:		
Receipts	A-4	<u>8,941</u>
		11,974
Decreased by:		
Disbursements	A-4	<u>9,481</u>
Balance December 31, 2011	A	<u><u>\$ 2,493</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE NJ-MARRIAGE LICENSES & DOMESTIC PARTNERSHIP FEES

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 75
Increased by:		
Receipts	A-4	<u>575</u>
		650
Decreased by:		
Disbursements	A-4	<u>550</u>
Balance December 31, 2011	A	<u><u>\$ 100</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM/TO GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2010 (Due from)	A	\$	5
Increased by:			
Disbursements	A-4	\$	438,731
Reserve to Pay Debt Service Anticipated as 2011			
Miscellaneous Revenue	A-2		<u>72,199</u>
			<u>510,930</u>
			510,935
Decreased by:			
Receipts	A-4		<u>510,936</u>
Balance December 31, 2011 (Due to)	A	<u>\$</u>	<u>1</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 562,665
Increased by:			
2011 Tax Levy	A-7	\$ 550,359	
Receipts	A-4	<u>227,835</u>	
			<u>778,194</u>
			1,340,859
Decreased by:			
Disbursements	A-4		<u>562,665</u>
Balance December 31, 2011	A		<u><u>\$ 778,194</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2010	A		<u>\$ 500</u>
Balance December 31, 2011	A		<u><u>\$ 500</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR GARDEN STATE  
PRESERVATION TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 27,412
Increased by:		
Receipts	A-4	<u>27,412</u>
		54,824
Decreased by:		
Anticipated as 2011 Miscellaneous Revenue	A-2	<u>27,412</u>
Balance December 31, 2011	A	<u><u>\$ 27,412</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM REGULAR FUND

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 18,710
Increased by:		
2011 Budget Appropriations	A-31	\$ 11,723
Disbursements	A-4	<u>90</u>
		<u>11,813</u>
		30,523
Decreased by:		
Receipts	A-4	<u>41</u>
Balance December 31, 2011	A	<u><u>\$ 30,482</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO GENERAL CAPITAL FUND-GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ -
Increased by:		
Grant Expenditures in General Capital Fund	A-31	<u>1,676</u>
Balance December 31, 2011	A	<u>\$ 1,676</u>

TOWNSHIP OF DELAWARE  
 SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant	Balance 12/31/2010	Transferred from 2011 Budget	Paid or Charged	Balance Canceled	Balance 12/31/2011
NJ Body Armor	\$ 1,837	\$ 1,767	\$ 2,145		\$ 1,459
Tree Planting	230				230
SLAHEOP	669				669
Wild and Scenic River	79		79		
Office of Emergency Management-2004	2,387				2,387
Office of Emergency Management-2005	5,000				5,000
DWI	201				201
Green Communities	63				63
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500				27,500
Recreation Trails Program	1,414		249		1,165
Clean Communities Program-2010	481		481		
Clean Communities Program-2011		17,683	16,900		783
Historic Preservation Grant	10,000		1,700		8,300
Historic Preservation Grant-2010 Reserve		22,830	17,275		5,555
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
NJ DOT-Meszaros Road Project		150,000			150,000
FEMA Grant-Sanford Road Project		5,307			5,307
FEMA Grant-Sanford Road Project Matching Funds		1,769			1,769
FEMA Grant-Lower Creek Road Project		29,862			29,862
FEMA Grant-Lower Creek Road Project Matching Funds		9,954			9,954
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project		246,191	1,676		244,515
	<u>\$ 90,418</u>	<u>\$ 485,363</u>	<u>\$ 40,505</u>	<u>\$ -</u>	<u>\$ 535,276</u>
	Ref. A	Below	Below	A-15	A
Grant Receivable	A-14	\$ 473,640			
Due from Regular Fund	A-29	<u>11,723</u>			
		<u>\$ 485,363</u>			
Disbursements	A-4		\$ 38,829		
Due to General Capital Fund	A-30		<u>1,676</u>		
			<u>\$ 40,505</u>		

TOWNSHIP OF DELAWARE  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 23,501
Decreased by:		
Anticipated as 2011 Revenue	A-14	<u>23,501</u>
Balance December 31, 2011	A	<u>\$ -</u>

TOWNSHIP OF DELAWARE  
COUNTY OF HUNTERDON  
2011  
TRUST FUND

TOWNSHIP OF DELAWARE  
SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2010	B	\$ 11,583	\$ 1,663,949
Increased by Receipts:			
Animal Control Fund	B-3	\$ 12,518	
Due to Current Fund	B-4	7	
Due to State of New Jersey	B-5	2,284	
Due from Current Fund	B-6		\$ 567,544
Reserve for Open Space	B-9		52,991
Developers' Deposits	B-15		45,623
Reserve for Unemployment	B-16		136
Reserve for Recreation	B-17		15,335
Reserve for Recycling	B-18		6,482
Reserve for Sutton Burial Ground	B-19		5
Reserve for Dilts Farm	B-20		6
Reserve for Municipal Alliance	B-21		23,961
Reserve for Developer's Deposits-COAH	B-22		32,304
Reserve for COAH-Interest	B-23		182
Reserve for Insurance	B-24		23
Reserve for Public Defender	B-25		2,804
Reserve for Quarry Reclamation Fund	B-27		2,025
Reserve for Farmer's Market	B-29		2,145
Reserve for Snow Removal	B-31		3,800
Reserve for Payroll	B-32		1,844,715
Reserve for Police Building	B-33		25,815
		<u>14,809</u>	<u>2,625,896</u>
		26,392	4,289,845

TOWNSHIP OF DELAWARE  
SCHEDULE OF TRUST FUND CASH-TREASURER  
(Continued)

	Ref.	Animal Control Funds	Other Trust Funds
Decreased by Disbursements:			
Animal Control Fund	B-3	\$ 19,115	
Due to Current Fund	B-4	2,041	
Due to State of New Jersey	B-5	2,284	
Due from General Capital Fund	B-7		\$ 272,200
Reserve for Open Space	B-9		963,644
Reserve for Road Improvements	B-10		1,500
Developers' Deposits	B-15		65,738
Reserve for Recreation	B-17		13,047
Reserve for Recycling	B-18		9,197
Reserve for Municipal Alliance	B-21		35,977
Reserve for Developer's Deposits-COAH	B-22		8,711
Reserve for Insurance	B-24		23
Reserve for Public Defender	B-25		3,617
Reserve for Tax Sale Premiums	B-28		7,600
Reserve for Playground	B-30		45
Reserve for Payroll	B-32		1,841,012
		<u>\$ 23,440</u>	<u>\$ 3,222,311</u>
Balance December 31, 2011	B;B-2	<u>\$ 2,952</u>	<u>\$ 1,067,534</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF TRUST FUND CASH AND RECONCILIATION  
PER NJS 40A:5-5-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2011	B-1	\$ 2,952	\$ 1,067,534
Increased by:			
Receipts		12,777	1,207,439
		15,729	2,274,973
Decreased by:			
Disbursements		3,765	406,675
Balance March 31, 2012		<u>\$ 11,964</u>	<u>\$ 1,868,298</u>

Cash Reconciliation March 31, 2012

Balance Per Statement:

TD Bank			\$ 114,132
PNC Bank		\$ 11,964	1,389,175
New Jersey Cash Management			646,359
		11,964	2,149,666
Add: Deposit-in-Transit		-	-
		11,964	2,149,666
Less: Outstanding Checks		-	281,368
Book Balance		<u>\$ 11,964</u>	<u>\$ 1,868,298</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 9,566
Increased by Receipts:		
Animal Control Fees	B-1	12,518
		<u>22,084</u>
Decreased by:		
Expenditures Under RS 4:119.15.	B-1	19,115
		<u>19,115</u>
Balance December 31, 2011	B	<u>\$ 2,969</u>
<u>Animal Control Collections</u>		
2009		\$ 18,596
2010		15,904
		<u>34,500</u>
Maximum Allowable Reserve		<u>\$ 34,500</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO/FROM CURRENT FUND  
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2010 (Due to)	B	\$ 2,017
Increased by:		
Interest on Investments	B-1	<u>7</u>
		2,024
Decreased by:		
Disbursements	B-1	<u>2,041</u>
Balance December 31, 2011 (Due from)	B	<u>\$ 17</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ -
Increased by:		
State Fees Collected	B-1	<u>2,284</u>
		2,284
Increased by:		
Disbursements	B-1	<u>2,284</u>
Balance December 31, 2011	B	<u>\$ -</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM/TO CURRENT FUND  
OTHER TRUST FUNDS

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 560,505
Increased by:			
Open Space Trust Tax Levy	B-9	\$ 550,359	
Open Space Trust Receipts Received in Current	B-9	227,835	
Tax Premiums Received in Current Fund	B-28	<u>25,000</u>	
			<u>803,194</u>
			1,363,699
Decreased by:			
Receipts-Open Space	B-1	\$ 562,665	
Receipts-Other Trust Funds	B-1	<u>4,879</u>	
			<u>567,544</u>
Balance December 31, 2011	B		<u><u>\$ 796,155</u></u>

<u>Analysis of Balance</u>	<u>Dec. 31,</u> <u>2011</u>	<u>Dec. 31,</u> <u>2010</u>
Open Space Trust-Due From	\$ 778,194	\$ 562,665
Other Trust Funds-Due From	500	500
Tax Premiums-Due From	25,000	
Other Trust Funds-Due To	(2,739)	(2,660)
Municipal Alliance-Due To	<u>(4,800)</u>	
	<u><u>\$ 796,155</u></u>	<u><u>\$ 560,505</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO/FROM GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2010 (Due to)	B	\$ 26,628
Decreased by:		
Disbursements	B-1	<u>272,200</u>
Balance December 31, 2011 (Due from)	B	<u>\$ 245,572</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 55,141</u>
Balance December 31, 2011	B	<u>\$ 55,141</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR OPEN SPACE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 1,590,227
Increased by:		
2011 Municipal Open Space Tax Levy	B-6	\$ 550,359
Receipts in Current Fund	B-6	227,835
Receipts	B-1	<u>52,991</u>
		831,185
		<u>2,421,412</u>
Decreased by:		
Disbursements	B-1	<u>963,644</u>
Balance December 31, 2011	B	<u><u>\$ 1,457,768</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 81,676
Decreased by:		
Disbursements	B-1	<u>1,500</u>
Balance December 31, 2011	B	<u><u>\$ 80,176</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR ROAD OPENING PERMITS

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 1,000</u>
Balance December 31, 2011	B	<u><u>\$ 1,000</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR QUARRY ORDINANCE

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 2,916</u>
Balance December 31, 2011	B	<u><u>\$ 2,916</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR CASH BONDS

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 1,019</u>
Balance December 31, 2011	B	<u><u>\$ 1,019</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 462</u>
Balance December 31, 2011	B	<u><u>\$ 462</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR ESCROW

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 138,257
Increased by:		
Receipts	B-1	45,623
		<u>183,880</u>
Decreased by:		
Disbursements	B-1	65,738
		<u>65,738</u>
Balance December 31, 2011	B	<u>\$ 118,142</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 84,638
Increased by:		
Receipts	B-1	136
		<u>136</u>
Balance December 31, 2011	B	<u>\$ 84,774</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR RECREATION

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 18,692
Increased by:		
Receipts	B-1	15,335
		<u>34,027</u>
Decreased by:		
Disbursements	B-1	13,047
		<u>13,047</u>
Balance December 31, 2011	B	<u>\$ 20,980</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR RECYCLING

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 2,784
Increased by:		
Receipts	B-1	6,482
		<u>9,266</u>
Decreased by:		
Disbursements	B-1	9,197
		<u>9,197</u>
Balance December 31, 2011	B	<u>\$ 69</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR SUTTON BURIAL GROUND

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 8,395
Increased by:		
Receipts	B-1	<u>5</u>
Balance December 31, 2011	B	<u>\$ 8,400</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR DILTS FARM

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 12,935
Increased by:		
Receipts	B-1	<u>6</u>
Balance December 31, 2011	B	<u>\$ 12,941</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 8,243
Increased by:		
Receipts	B-1	<u>23,961</u>
		32,204
Decreased by:		
Disbursements	B-1	<u>35,977</u>
Balance December 31, 2011 (Deficit)	B	<u><u>\$ (3,773)</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR DEVELOPER'S DEPOSITS-COAH

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 128,194
Increased by:		
Receipts	B-1	<u>32,304</u>
		160,498
Decreased by:		
Disbursements	B-1	<u>8,711</u>
Balance December 31, 2011	B	<u><u>\$ 151,787</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR COAH-INTEREST

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 25,585
Increased by:		
Receipts	B-1	<u>182</u>
Balance December 31, 2011	B	<u>\$ 25,767</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR INSURANCE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 15,979
Increased by:		
Receipts	B-1	<u>23</u>
		16,002
Decreased by:		
Disbursements	B-1	<u>23</u>
Balance December 31, 2011	B	<u>\$ 15,979</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 2,172
Increased by:		
Receipts	B-1	<u>2,804</u>
		4,976
Decreased by:		
Disbursements	B-1	<u>3,617</u>
Balance December 31, 2011	B	<u>\$ 1,359</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR POAA

	<u>Ref.</u>	
Balance December 31, 2010	B	<u>\$ 10</u>
Balance December 31, 2011	B	<u>\$ 10</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR QUARRY RECLAMATION FUND

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 16,511
Increased by:		
Receipts	B-1	<u>2,025</u>
Balance December 31, 2011	B	<u>\$ 18,536</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR TAX PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 23,500
Increased by:		
Receipts in Current Fund	B-6	<u>25,000</u>
		48,500
Decreased by:		
Disbursements	B-1	<u>7,600</u>
Balance December 31, 2011	B	<u>\$ 40,900</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR FARMER'S MARKET

	<u>Ref.</u>	
Balance December 31, 2010 (Deficit)	B	\$ (400)
Increased by:		
Receipts	B-1	<u>2,145</u>
Balance December 31, 2011	B	<u>\$ 1,745</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PLAYGROUND

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 45
Decreased by:		
Disbursements	B-1	<u>45</u>
Balance December 31, 2011	B	<u>\$ -</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 477
Increased by:		
Receipts	B-1	<u>3,800</u>
Balance December 31, 2011	B	<u>\$ 4,277</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PAYROLL

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 29,509
Increased by:		
Receipts	B-1	<u>1,844,715</u>
		1,874,224
Decreased by:		
Disbursements	B-1	<u>1,841,012</u>
Balance December 31, 2011	B	<u>\$ 33,212</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR POLICE BUILDING

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 5,000
Increased by:		
Contributions Received	B-1	<u>25,815</u>
Balance December 31, 2011	B	<u>\$ 30,815</u>

TOWNSHIP OF DELAWARE  
COUNTY OF HUNTERDON  
2011  
GENERAL CAPITAL FUND

TOWNSHIP OF DELAWARE  
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 700,038
Increased by Receipts:		
Due from Current Fund	C-5	\$ 538,741
Due to Open Space Trust Fund	C-6	272,200
Sale of Fire Truck	C-10	<u>30,000</u>
		840,941
		<u>1,540,979</u>
Decreased by Disbursements:		
Improvement Authorizations	C-11	977,224
Due to Current Fund	C-5	510,946
Due from Grant Fund	C-7	<u>1,676</u>
		<u>1,489,846</u>
Balance December 31, 2011	C;C-3	<u><u>\$ 51,133</u></u>

C-3

TOWNSHIP OF DELAWARE  
SCHEDULE OF GENERAL CAPITAL FUND CASH AND RECONCILIATION  
PER NJS 40A:5-5 TREASURER

	<u>Ref.</u>	
Balance December 31, 2011	C-2	\$ 51,133
Increased by:		
Receipts		<u>1,677</u>
		52,810
Decreased by:		
Disbursements		<u>12,558</u>
Balance March 31, 2012		<u><u>\$ 40,252</u></u>
 <u>Cash Reconciliation March 31, 2012</u>		
Balance Per Statement:		
PNC Bank		\$ 6,050
New Jersey Cash Management		<u>34,314</u>
		40,364
Less: Outstanding Checks		<u>112</u>
Book Balance		<u><u>\$ 40,252</u></u>

TOWNSHIP OF DELAWARE  
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance Dec. 31, 2010	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2011
Fund Balance	\$ 2,009				\$ 2,009
Capital Improvement Fund	114,153			\$ (39,200)	74,953
Due to/from Current Fund	5	\$ 538,741	\$ 510,946	(27,801)	(1)
Due to/from Open Space Trust Fund	(26,628)	272,200			245,572
Due from Grant Fund			1,676		(1,676)
Due from Delaware River Toll Bridge Commission	(21,850)				(21,850)
<u>Reserves for</u>					
Payment of Bonds	72,199			(72,199)	
Expansion of Municipal Building	6,134				6,134
Guard Rails	2,325				2,325
Various Road Equipment	5,033			(5,033)	
Purchase of Police Equipment	15,000				15,000
Road Drainage and Construction	140,000			(140,000)	
<u>Improvement Authorizations</u>					
Acquisition of Development Rights and Purchase of Land	(199,000)				(199,000)
Acquisition of Development Rights	58,439				58,439
Recording System for Township Meeting Room	1,621				1,621
Acquisition of Fire Truck	7,949				7,949
Codification of Ordinances	11,157				11,157
Engineering Services, Materials and Labor for Township Garage Roof and Engineering Services for Lower Creek Rd	3,578		\$ 1,003		2,575
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	7,074				7,074
Acquisition of Property-BI 25, Lot 20	45				45

TOWNSHIP OF DELAWARE  
ANALYSIS OF GENERAL CAPITAL FUND CASH  
(Continued)

Description	Balance Dec. 31, 2010	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2011
Various Capital Improvements	\$ 185,032		\$ 183,193		\$ 1,839
Studies for Location of New Police Bldg	4,385		4,385		
Legal & Financial Services for New Bond	2,225				2,225
Equipment for Sergeantsville Fire Co	888		888		
Road Improvements on Various Township Roads	46,595		46,327		268
Survey & Engineering Services on Dogwood Dr	751		234		517
Engineering Services & Studies on Various Roads	18,662		17,600		1,062
Various New Equipment for Volunteer Fire Co	10,000		10,000		
Purchase of Various Road Equipment	7,786				7,786
Planning Services for Preparation of a Land Use Ordinance	8,629				8,629
Acquisition of a Fire Truck	27,000	\$ 30,000	320,731		(263,731)
Purchase of Various Office Equipment	7,242		1,698		5,544
Purchase of a Police Building	173,500		173,500		
Purchase and Install Two Legend Basketball Systems Purchase of a Mack Roll Off Container Truck	8,100				8,100
Purchase of Body Armor Vests			2,860	\$ 4,200	1,340
Renovations & Improvements to the Delaware Township Police Building			9,255	30,000	20,745
Materials & Labor for Road Improvements			95,517	140,000	44,483
Purchase of a Road Grader			110,033	110,033	
	<u>\$ 700,038</u>	<u>\$ 840,941</u>	<u>\$ 1,489,846</u>	<u>\$ -</u>	<u>\$ 51,133</u>
Ref.	C	C-2	C-2		C

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE TO/FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2010 (Due to)	C		\$ 5
Increased by:			
Receipts	C-2	\$ 538,741	
Reserve to Pay Bonds Anticipated as 2011 Revenue	C-13	<u>72,199</u>	
			<u>610,940</u>
			610,945
Decreased by:			
Disbursements	C-2	510,946	
2011 Municipal Budget Appropriations:			
Capital Improvement Fund	C-11	50,000	
Reserve for Road Equipment	C-16	20,000	
Reserve for Building Improvements	C-19	<u>30,000</u>	
			<u>610,946</u>
Balance December 31, 2011 (Due from)	C		<u>\$ 1</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM/TO OPEN SPACE TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2010 (Due from)	C		\$ 26,628
Decreased by:			
Receipts	C-2		<u>272,200</u>
Balance December 31, 2011 (Due to)	C		<u>\$ 245,572</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ -
Increased by:		
Disbursements	C-2	<u>1,676</u>
Balance December 31, 2011	C	<u>\$ 1,676</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DUE FROM DELAWARE RIVER TOLL BRIDGE COMMISSION

	<u>Ref.</u>	
Balance December 31, 2010	C	<u>\$ 21,850</u>
Balance December 31, 2011	C	<u><u>\$ 21,850</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 8,019,000
Decreased by:		
2011 Budget Appropriation:		
Payment of Bonds	C-20	<u>262,000</u>
Balance December 31, 2011	C	<u><u>\$ 7,757,000</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

Improvement Description	Balance 12/31/2010	2011 Authorization	2011 Note Payments	Cash Received	2011 Budget Appropriation	Balance 12/31/2011	Analysis of Balance Dec 31, 2011		
							Expendi- tures	Unexpended Improvement Authorizations	Bond Anticipation Notes
Acquisition of Development Rights and Purchase of Land #00-25	\$ 199,000					\$ 199,000	\$ 199,000		
Acquisition of a Fire Truck #10-13	323,000			\$ 30,000		293,000	263,731	\$ 29,269	
	<u>\$ 522,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 492,000</u>	<u>\$ 462,731</u>	<u>\$ 29,269</u>	<u>\$ -</u>
Ref.	C			C-2, C-21		C	C-4	C-11	

TOWNSHIP OF DELAWARE  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2010		2011 Authorization	Paid or Charged	Unexpended Balance Canceled	Balance Dec 31, 2011	
	Number	Amount	Funded	Unfunded				Funded	Unfunded
Acquisition of Development Rights	99-16	\$ 58,439	\$ 58,439					\$ 58,439	
Recording System for Township Meeting Room	05-10	4,500	1,621					1,621	
Acquisition of Fire Truck	06-10	450,000	7,949					7,949	
Codification of Ordinances	06-22	28,000	11,157					11,157	
Engineering Services, Materials and Labor for Township Garage Roof and Engineering Services for Lower Creek Rd	07-14	45,000	3,578			\$ 1,003		2,575	
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	07-16	20,000	7,074					7,074	
Acquisition of Property-BI 25, Lot 20	07-32	425,000	45					45	
Various Capital Improvements	08-19	609,285	185,032			183,193		1,839	
Studies for Location of New Police Bldg	08-20	40,000	4,385			4,385			
Legal & Financial Services for New Bond	08-26	60,000	2,225					2,225	
Equipment for Sergeantsville Fire Co	08-32	7,500	888			888			
Road Improvements on Various Township Roads	09-13	200,000	46,595			46,327		268	
Survey & Engineering Services on Dogwood Dr	09-15	10,000	751			234		517	
Engineering Services & Studies on Various Roads	09-23	20,000	18,662			17,600		1,062	
Various New Equipment for Volunteer Fire Co	09-25	10,000	10,000			10,000			
Purchase of Various Road Equipment	09-26	12,000	7,786					7,786	
Planning Services for Preparation of a Land Use Ordinance	09-29	20,000	8,629					8,629	
Acquisition of a Fire Truck	10-13	350,000	27,000	\$ 323,000		320,731			\$ 29,269
Purchase of Various Office Equipment	10-14	10,000	7,242			1,698		5,544	
Purchase of a Police Building	10-16	208,500	173,500			173,500			
Purchase of a Mack Roll Off Container Truck	10-22	8,100	8,100					8,100	
Purchase of Body Armor Vests	11-01	4,200			\$ 4,200	2,860		1,340	
Renovations & Improvements to the Delaware Township Police Building	11-04	30,000			30,000	9,255		20,745	
Materials & Labor for Road Improvements	11-07	140,000			140,000	95,517		44,483	
Purchase of a Road Grader	11-13	110,033			110,033	110,033			
			<u>\$ 590,658</u>	<u>\$ 323,000</u>	<u>\$ 284,233</u>	<u>\$ 977,224</u>	<u>\$ -</u>	<u>\$ 191,398</u>	<u>\$ 29,269</u>
	Ref.	C			Below	C-2		C	C
Capital Improvement Fund	C-12				\$ 89,200				
Reserve for Various Road Equipment	C-16				25,033				
Reserve for Road Drainage and Construction	C-18				140,000				
Reserve for Building Improvements	C-19				30,000				
					<u>\$ 284,233</u>				

TOWNSHIP OF DELAWARE  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 114,153
Increased by:		
2011 Budget Appropriation	C-5	<u>50,000</u>
		164,153
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>89,200</u>
Balance December 31, 2011	C	<u>\$ 74,953</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 72,199
Decreased by:		
Anticipated as Miscellaneous Revenue in 2011 Budget	C-5	<u>72,199</u>
Balance December 31, 2011	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR EXPANSION OF MUNICIPAL BUILDING

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ <u>6,134</u>
Balance December 31, 2011	C	\$ <u><u>6,134</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR GUARD RAILS

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ <u>2,325</u>
Balance December 31, 2011	C	\$ <u><u>2,325</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR VARIOUS ROAD EQUIPMENT

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 5,033
Increased by:		
2011 Budget Appropriation	C-5	<u>20,000</u>
		25,033
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>25,033</u>
Balance December 31, 2011	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PURCHASE OF POLICE EQUIPMENT

	<u>Ref.</u>	
Balance December 31, 2010	C	<u>\$ 15,000</u>
Balance December 31, 2011	C	<u>\$ 15,000</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR ROAD DRAINAGE AND CONSTRUCTION

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 140,000
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>140,000</u>
Balance December 31, 2011	C	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR BUILDING IMPROVEMENTS

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ -
Increased by:		
2011 Budget Appropriation	C-5	<u>30,000</u> 30,000
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>30,000</u>
Balance December 31, 2011	C	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE  
 SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance 12/31/2010	Increased	Decreased	Balance 12/31/2011
			Date	Amount					
General Improvements	12/4/2002	\$ 4,190,000	10/15/2012	\$ 220,000	4.75%	\$ 2,747,000		\$ 212,000	\$ 2,535,000
			10/15/2013	227,000					
			10/15/2014	232,000					
			10/15/2015						
			to						
10/15/2022	1,856,000								
Open Space Acquisition	11/15/2008	2,738,000	10/15/2012	30,000	5.20%	2,678,000		25,000	2,653,000
			10/15/2013	35,000					
			10/15/2014	45,000					
			10/15/2015						
			to						
10/15/1938	2,543,000								
General Improvements	11/15/2008	2,654,000	10/15/2012	30,000	5.20%	2,594,000		25,000	2,569,000
			10/15/2013	35,000					
			10/15/2014	45,000					
			10/15/2015						
			to						
10/15/1938	2,459,000								
						<u>\$ 8,019,000</u>	<u>\$ -</u>	<u>\$ 262,000</u>	<u>\$ 7,757,000</u>
Ref.						C		C-9	C

TOWNSHIP OF DELAWARE  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord #	Improvement Description	Balance 12/31/2010	Increased in 2011	Decreased in 2011	Balance 12/31/2011
OO-25	Acquisition of Development Rights and Purchase of Land	\$ 199,000			\$ 199,000
10-13	Acquisition of a Fire Truck	323,000		\$ 30,000	293,000
		<u>\$ 522,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 492,000</u>
	<u>Ref.</u>	C		C-10	C

TOWNSHIP OF DELAWARE  
COUNTY OF HUNTERDON  
2011  
PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF DELAWARE  
 SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND  
 CASH-TREASURER

	<u>Ref.</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance December 31, 2010	D	\$ 6,226		\$ 6,226
Increased by:				
Interest Earned	D-4	3		3
		<u>6,229</u>	\$ -	<u>6,229</u>
Decreased by:				
Interest Transferred to Operating	D-7	9		9
Balance December 31, 2011	D	<u>\$ 6,220</u>	<u>\$ -</u>	<u>\$ 6,220</u>

TOWNSHIP OF DELAWARE  
 SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND  
 CASH-TREASURER

Balance December 31, 2011	<u>Ref.</u> D-1		\$ 6,220	
Increased by:				
Receipts			1	
			<u>6,221</u>	
Decreased by:				
Disbursements			-	
Balance March 31, 2012			<u>\$ 6,221</u>	
<u>Cash Reconciliation March 31, 2012</u>		<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit:				
PNC Bank		\$ 6,221		\$ 6,221
Book Balance		<u>\$ 6,221</u>	<u>\$ -</u>	<u>\$ 6,221</u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND  
CASH AND RECONCILIATION-TREASURER

	<u>Ref.</u>		
Balance December 31, 2010	D-1	\$	6,226
Increased by:			
Interest Earned	D-4,D-7		<u>3</u>
			6,229
Decreased by:			
Interest Transferred to Operating	D-7		<u>9</u>
Balance December 31, 2011	D-1	\$	<u><u>6,220</u></u>
<u>Reconciliation December 31, 2011</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit:			
PNC Bank	<u>\$ 6,220</u>		<u>\$ 6,220</u>
Balance December 31, 2011	<u><u>\$ 6,220</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,220</u></u>

TOWNSHIP OF DELAWARE  
SCHEDULE OF PUBLIC ASSISTANCE REVENUES  
YEAR ENDED DECEMBER 31, 2011

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Revenues:			
Interest Income	<u>\$ 3</u>		<u>\$ 3</u>
	<u><u>\$ 3</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3</u></u>
<u>Ref.</u>			D-1;D-7

TOWNSHIP OF DELAWARE  
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011

(NOT APPLICABLE TO THIS REPORT)

TOWNSHIP OF DELAWARE  
SCHEDULE OF ASSISTANCE COMMITMENTS PAYABLE  
PUBLIC ASSISTANCE TRUST FUND

(NOT APPLICABLE TO THIS REPORT)

TOWNSHIP OF DELAWARE  
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 6,226
Increased by:		
Receipts	D-3	<u>3</u>
		6,229
Increased by:		
Disbursements	D-1	<u>9</u>
Balance December 31, 2011	D	<u>\$ 6,220</u>

TOWNSHIP OF DELAWARE

COUNTY OF HUNTERDON

2011

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF DELAWARE  
SCHEDULE OF GENERAL FIXED ASSETS  
AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
GENERAL FIXED ASSETS		
Land	\$ 1,860,804	\$ 1,650,804
Building & Building Improvements	178,143	178,143
Machinery & Equipment	2,693,853	2,247,505
Construction in Progress	<u>126,340</u>	<u>          </u>
	<u>\$ 4,859,140</u>	<u>\$ 4,076,452</u>

TOWNSHIP OF DELAWARE

PART II

REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

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

May 18, 2012

Honorable Mayor and Members  
of the Township Committee  
Township of Delaware  
County of Hunterdon, New Jersey

We have audited the basic financial statements-regulatory basis of the Township of Delaware as of and for the year ended December 31, 2011, and have issued our report thereon dated May 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Municipality'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 Municipality's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as stated in the General Comments and Recommendations section of this report, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described in the General Comments and Recommendations section of this report is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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 these 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management of the Municipality, state audit agencies and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



William M. Colantano, Jr.  
Registered Municipal Accountant  
No. 68

TOWNSHIP OF DELAWARE  
SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

Grant	Balance 12/31/2010	Receipts	Expended	Over- Expended/ Canceled	Balance 12/31/2011
NJ Body Armor	\$ 1,837		\$ 1,837		
NJ Body Armor-2011		\$ 1,767	308		\$ 1,459
Tree Planting	230				230
SLAHEOP	669				669
Wild and Scenic River	79		79		
Office of Emergency Management-2004	2,387				2,387
Office of Emergency Management-2005	5,000				5,000
DWI	201				201
Green Communities	63				63
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500				27,500
Recreation Trails Program	1,414		249		1,165
Clean Communities Program-2010	481		481		
Clean Communities Program-2011		17,683	16,900		783
Historic Preservation Grant	10,000		1,700		8,300
Historic Preservation Grant-2011		22,830	17,275		5,555
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
FEMA Grant-Sanford Road Project		5,307			5,307
FEMA Grant-Sanford Road Project-Matching Funds		1,769			1,769
FEMA Grant-Lower Creek Road Project		29,862			29,862
FEMA Grant-Lower Creek Road Project-Matching Funds		9,954			9,954
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project			1,676		(1,676)
	<u>\$ 90,418</u>	<u>\$ 89,172</u>	<u>\$ 40,505</u>	<u>\$ -</u>	<u>\$ 139,085</u>

**TOWNSHIP OF DELAWARE**

**PART III**

**STATISTICAL DATA**

**INSURANCE SCHEDULE**

**LIST OF OFFICIALS**

**GENERAL COMMENTS**

**RECOMMENDATIONS**

TOWNSHIP OF DELAWARE  
STATISTICAL DATA

TOWNSHIP OF DELAWARE  
STATISTICAL DATA

	2011		2010	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 518,000	2.50	\$ 742,199	3.68
Miscellaneous-From Other Than Local Property Tax Levied	1,316,565	6.35	797,551	3.95
Collection of Delinquent Taxes & Tax Title Liens	447,890	2.16	219,123	1.09
Collection of Current Tax Levy	<u>18,465,116</u>	<u>89.00</u>	<u>18,422,195</u>	<u>91.28</u>
Total Income	<u>20,747,571</u>	<u>100.00</u>	<u>20,181,068</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	3,877,683	19.07	3,603,368	18.33
County Taxes	3,398,200	16.71	3,505,044	17.83
Local School Taxes	7,642,622	37.58	7,357,793	37.43
Regional School Taxes	4,854,378	23.87	4,635,492	23.58
Municipal Open Space Tax	550,359	2.71	547,817	2.79
Other Debits to Income	<u>11,647</u>	<u>0.06</u>	<u>10,119</u>	<u>0.05</u>
Total Expenditures	<u>20,334,889</u>	<u>100.00</u>	<u>19,659,633</u>	<u>100.00</u>
Regulatory Excess to Fund Balance	412,682		521,435	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>551,888</u>		<u>772,652</u>	
	964,570		1,294,087	
Less: Utilization as Anticipated Revenue	<u>518,000</u>		<u>742,199</u>	
Fund Balance December 31,	<u>\$ 446,570</u>		<u>\$ 551,888</u>	

TOWNSHIP OF DELAWARE  
STATISTICAL DATA  
(Continued)

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Year	Apportionment				Total Tax Rate
	Municipal & Open Space	County	Local School	Regional High School	
2011	\$ 0.30	\$ 0.37	\$ 0.84	\$ 0.55	\$ 2.06
2010	0.30	0.39	0.84	0.54	2.07
2009	0.29	0.38	0.81	0.58	2.06
2008	0.29	0.39	0.78	0.60	2.06
2007	0.28	0.39	0.77	0.60	2.04
2006	0.25	0.37	0.69	0.58	1.89
2005*	0.22	0.36	0.69	0.53	1.80
2004	0.22	0.41	0.78	0.59	2.00
2003	0.20	0.41	0.74	0.55	1.90
2002	0.22	0.49	0.81	0.59	2.11

\* Revalued/Reassessed

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Year	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2011	\$ 910,694,220	\$ 984,321,465	92.52%
2010	908,222,212	1,014,206,825	89.55%
2009	904,532,341	1,003,974,575	90.10%
2008	897,994,980	1,043,088,417	86.09%
2007	891,383,319	1,045,979,504	85.22%
2006	888,197,519	916,467,168	96.92%
2005*	876,960,532	845,415,989	103.73%
2004	732,200,010	736,633,027	99.40%
2003	722,512,441	686,301,956	105.28%
2002	608,547,042	663,266,530	91.75%

\* Revalued/Reassessed

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

Year	Tax Levy	Cash Collections	Percentage of Collections
2011	\$ 18,850,610	\$ 18,465,116	97.96%
2010	18,887,078	18,422,195	97.54%
2009	18,706,104	18,466,104	98.72%
2008	18,647,744	18,435,074	98.86%
2007	18,370,000	18,160,970	98.86%
2006	16,943,988	16,706,439	98.60%
2005	15,957,364	15,763,044	98.78%
2004	14,858,137	14,687,428	98.85%
2003	13,945,444	13,760,382	98.67%
2002	13,077,781	12,871,588	98.42%

Increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal and state aid, should decline without corresponding decreases in budgeted expenditures.

TOWNSHIP OF DELAWARE  
STATISTICAL DATA  
(Continued)

**ASSESSED VALUES DISTRIBUTION**

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property
2002	\$ 12,258,800	\$ 393,523,700	\$ 1,641,900	\$ 14,054,400	\$ 177,754,000	\$ 7,328,600	\$ 606,561,400
2003	12,164,600	468,288,400	1,892,400	15,693,500	215,703,000	6,976,800	720,718,700
2004	10,477,600	477,793,300	864,600	15,913,100	218,412,200	6,976,800	730,437,600
2005 (1)	12,665,020	571,992,300	1,065,700	17,992,600	262,885,500	8,602,300	875,203,420
2006	11,581,520	576,921,700	1,065,700	18,552,800	269,759,200	8,724,800	886,605,720
2007	11,832,320	580,165,800	1,065,700	18,552,800	269,586,500	8,724,800	889,927,920
2008	13,593,120	586,282,500	1,065,700	18,483,500	268,458,700	8,742,900	896,626,420
2009	12,155,120	592,543,500	1,065,700	19,279,100	269,345,100	8,742,900	903,131,420
2010	10,571,520	595,297,600	1,065,700	18,830,500	272,201,900	8,742,900	906,710,120
2011	12373520	594251900	1065700	18597500	274268500	8742900	909,300,020

(1) Revalued/Reassessed

**DELINQUENT TAXES AND 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 four years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2006	\$ 4,064	\$ 231,684	\$ 235,748	1.39%
2007	4,289	208,445	212,734	1.16%
2008	4,515	206,836	211,351	1.13%
2009	6,286	238,639	244,925	1.31%
2010	10,270	463,423	473,693	2.51%
2011	20156	375395	395,551	2.10%

TOWNSHIP OF DELAWARE  
STATISTICAL DATA  
(Continued)

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2011	None
2010	None
2009	None
2008	None
2007	None
2006	None
2005	None
2004	None
2003	None
2002	None

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2011	\$ 446,570	\$ 414,000
	2010	551,888	518,000
	2009	772,652	742,199
	2008	832,961	658,000
	2007	564,301	500,000
	2006	421,092	350,000
	2005	344,506	272,686
	2004	442,614	347,500

TOWNSHIP OF DELAWARE  
SCHEDULE OF INSURANCE  
YEAR ENDED DECEMBER 31, 2011  
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Workers Compensation Somerset County Joint Insurance Fund: Policy Limit	Statutory	
Package Policy-Somerset County Joint Insurance Fund:		
Property-Buildings & Contents-Fund Limit	\$ 100,000,000	
Liability Coverage Casualty per Occurrence	5,000,000	
Auto Liability	5,000,000	
Public Officials & Employment Practices	2,000,000	\$ 15,000
Excess Liability	15,000,000	
Crime	250,000	
Pollution Legal Liability-Somerset County Joint Insurance Fund: Each Incident	1,000,000	25,000
Surety Bonds:		
Tax Collector	175,000	
Deputy Tax Collector	175,000	
Treasurer	100,000	
Payroll Clerk	100,000	

The Somerset County Joint Insurance Fund is responsible for the first \$25,000 deductible per occurrence (other than flood). No per member specific deductible applies to the entity.

Adequacy of Insurance Coverage is the Responsibility of the Municipality.

TOWNSHIP OF DELAWARE  
LIST OF OFFICIALS

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Kenneth J. Novak	Mayor
Roger R. Locandro	Deputy Mayor
Susan D. Lockwood	Committeeperson
Kristin McCarthy	Committeeperson
Donald School	Committeeperson

\* \* \* \* \*

<u>Name</u>	<u>Title</u>
Judith Allen	Municipal Clerk
Linda Zengel	Treasurer & Chief Financial Officer
Brigid Pfenninger	Tax Collector (To 04/01/11)
Donna Griffiths	Tax Collector (From 05/23/11)
Michelle Trivigno	Assessor
Kristina Hadinger	Attorney
Ellen O'Connell	Labor Attorney
C. Richard Roseberry	Engineer
Caroline Armstrong	Planner
Elizabeth McKenzie	Planner

TOWNSHIP OF DELAWARE  
GENERAL COMMENTS**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4**

NJS 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 of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate, (\$17,000 effective July 1, 2011) except by contract or agreement."

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

The minutes indicated that contracts were awarded for the following items:

Clean Up Day  
Road Materials  
Federal Twist Road Improvements

The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJS 40A:11-5 as follows:

Auditor  
Engineer  
Architect  
Labor Attorney  
Hydro geologist  
Risk Consultant  
Municipal Attorney  
Planning Consultants  
Special Projects Engineers  
Finance Office Consultant  
Environmental Consultant

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

From our examination of expenditures, it appears that there were no individual payments, contracts or agreements in excess of \$17,000 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

TOWNSHIP OF DELAWARE  
GENERAL COMMENTS  
(Continued)

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

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

On January 3, 2011, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** that the rate of interest to be charged by the Township of Delaware for nonpayment of taxes or assessments on or before the date they would become delinquent, shall be 8% on the first \$1,500 and 18% per annum on the balance over \$1,500 provided however that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same became payable. Any installment received after the expiration of the said ten day grace period, shall bear interest from the due date.

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

**DELINQUENT TAXES AND TAX TITLE LIENS**

A tax sale was held in the year 2011 and was not complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2011	10
2010	4
2009	3

TOWNSHIP OF DELAWARE  
GENERAL COMMENTS  
(Continued)

## CONTROL DEFICIENCIES

Segregation of Duties-The Municipality does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. This is due to the limited number of personnel of the Municipality. Accordingly, management of the Municipality should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We do not believe that the significant deficiencies described above are to be considered material weaknesses.

## OTHER COMMENTS

Technical Accounting Directives The Municipality, as a requirement of directives issued by the Division of Local Government Services, is required to maintain the following accounting systems and records:

1. Encumbrance Accounting System
2. Fixed Asset Accounting System
3. General Ledger

The fixed asset accounting system has not been updated for a period of years.

The general ledger was not maintained in a current manner.

### Municipal Expenditures

1. Business Registration Certificates were not available for some of the vendors utilized by the Municipality.
2. Federal form 1099 not issued to all appropriate businesses and individuals providing services to the municipality.

### Other

As reflected on the various balance sheets there are interfund balances receivable and payable that are to be liquidated prior to the end of the year.

TOWNSHIP OF DELAWARE  
RECOMMENDATIONS

It is recommended that:

1. A current fixed asset inventory is to be taken.
2. A continuing effort be made to obtain Business Registration Certificates from all appropriate vendors of the municipality who exceed the minimum threshold requirement.
3. Federal form 1099 is to be issued to all appropriate businesses and individuals providing services to the municipality.
4. Interfunds are to be liquidated prior to the end of the year to guarantee that cash resources are properly allocated.
5. The general ledger is to be maintained in a current manner.

**STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on prior year recommendations and corrective action was taken on all except for the following:

1. Interfunds are to be liquidated prior to the end of the year.
2. Business Registrations Certificates are to be obtained from appropriate vendors.
3. Federal form 1099 is to be issued to all appropriate business and individuals providing services to the municipality.
4. A current fixed asset inventory is to be taken.

\*\*\*\*\*

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report dated May 18, 2012.

We would be pleased to confer on questions that might arise with respect to any matter in this report.

We wish to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.



William M. Colantano, Jr.  
Registered Municipal Accountant  
No. 68