

**TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
REPORT OF AUDIT
YEAR 2010**

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TOWNSHIP OF DELAWARE
PART I
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2010

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

May 20, 2011

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, 2010 and 2009 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, 2010. 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, 2010 and 2009, 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, 2010 and 2009, 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, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 20, 2011 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 2010</u>	<u>Dec. 31, Year 2009</u>
ASSETS		
Cash and Investments	\$ 6,816,520	\$ 7,093,641
Taxes and Liens Receivable	473,693	244,925
Accounts Receivable	109,618	164,286
Deferred Charges:		
General Capital Fund	8,541,000	8,464,000
Current Fund		61
Fixed Assets	<u>4,076,452</u>	<u>4,045,082</u>
TOTAL ASSETS	<u>\$ 20,017,283</u>	<u>\$ 20,011,995</u>
LIABILITIES, RESERVES AND FUND BALANCES		
Improvement Authorizations	\$ 913,658	\$ 419,724
Appropriation Reserves and Accounts Payable	209,257	107,502
Bonds and Notes Payable	8,019,000	8,265,000
Reserve for Open Space	1,590,227	1,563,016
Capital Reserves	354,844	341,004
Other Liabilities and Special Funds	960,577	762,132
School Taxes Payable	2,769,551	2,980,653
County Taxes Payable	18,173	13,601
Reserve for Certain Other Assets Receivable	551,647	413,973
Reserve for Fixed Assets	4,076,452	4,369,629
Fund Balances	<u>553,897</u>	<u>775,761</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	<u>\$ 20,017,283</u>	<u>\$ 20,011,995</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCESHEET-REGULATORY BASIS
CURRENT FUND

	Ref.	Dec. 31, Year 2010	Dec. 31, Year 2009
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 4,369,338	\$ 4,335,894
Change Funds	A	175	175
		<u>4,369,513</u>	<u>4,336,069</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	463,423	238,639
Tax Title Liens Receivable	A-8	10,270	6,286
Revenue Accounts Receivable	A-9	2,629	3,176
Due from Animal Control Fund	A-10	2,017	2,001
Due from Other Trust Funds	A-11	2,660	2,026
Due from Payroll Fund	A-12	15,502	13,535
Due from/to Federal & State Grant Fund	A-13		3,743
Due from General Capital Fund	A-27	5	
		<u>496,506</u>	<u>269,406</u>
Deferred Charges:			
Overexpenditure of Budget Appropriation	A-14		61
		<u>-</u>	<u>61</u>
Total Regular Fund		<u>4,866,019</u>	<u>4,605,536</u>
Federal & State Grant Fund:			
Cash:			
Treasurer	A-4	65,211	50,758
Grants Receivable	A-15	29,998	70,584
Due from/to Regular Fund	A-31	18,710	
Total Federal & State Grant Fund		<u>113,919</u>	<u>121,342</u>
TOTAL ASSETS		<u><u>\$ 4,979,938</u></u>	<u><u>\$ 4,726,878</u></u>

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

	Ref.	Dec. 31, Year 2010	Dec. 31, Year 2009
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-16	\$ 159,232	\$ 81,590
Encumbrances Payable	A-17	50,025	25,165
Accounts Payable	A-18		747
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-6	20,646	18,396
Due from/to Federal & State Grant Fund	A-13	18,710	
Prepaid Taxes	A-19	161,774	212,704
Tax Overpayments	A-20	25,279	21,623
Regional HS Taxes Payable	A-21	1,540,681	1,987,064
Local School Tax Payable	A-22	1,228,870	993,589
County Tax Payable	A-23	18,173	13,601
Due County-Food Inspections	A-24	550	675
Due NJ-State Training Fees	A-25	3,033	1,757
Due NJ-Marriage License and Domestic Ptrs Fees	A-26	75	100
Due to Open Space Trust Fund	A-28	562,665	164,848
Due to Other Trust Funds	A-29	500	500
Reserve for Garden State Preservation Trust	A-30	27,412	41,119
		<u>3,817,625</u>	<u>3,563,478</u>
Reserve for Receivables	A	496,506	269,406
Fund Balance	A-1	551,888	772,652
Total Regular Fund		<u>4,866,019</u>	<u>4,605,536</u>
Federal & State Grant Fund:			
Due from/to Regular Fund	A-31		3,743
Appropriated Reserves for State Grants	A-32	90,418	117,599
Unappropriated Reserves for State Grants	A-33	23,501	
Total Federal & State Grant Fund		<u>113,919</u>	<u>121,342</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,979,938</u>	<u>\$ 4,726,878</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, 2010	Dec. 31, 2009
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 742,199	\$ 658,000
Miscellaneous Revenue Anticipated	A-2	699,040	780,909
Receipts from Delinquent Taxes	A-2	219,123	197,230
Receipts from Current Taxes	A-2	18,422,195	18,466,104
Nonbudget Revenue	A-2	60,984	31,182
Other Credits to Income:			
Interfunds Returned-Net	A-2	1,120	5,230
Tax Overpayments Canceled			4,176
Encumbrances Payable Canceled			3,448
Unexpended Balance of Appropriation Reserves	A-16	35,660	70,885
Accounts Payable Cancelled	A-18	747	
Total Income		20,181,068	20,217,164
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,631,069	1,515,012
Other Expenses	A-3	1,259,019	1,234,924
Capital Improvements	A-3	282,050	322,000
Debt Service	A-3	149,694	166,690
Deferred Charges & Statutory Expenditures	A-3	281,536	255,846
County Taxes	A-23	3,486,872	3,449,262
County Share of Added Taxes	A-23	18,172	13,601
Regional High School Taxes	A-21	4,635,492	5,149,950
Local District School Taxes	A-22	7,357,793	6,967,061
Municipal Open Space Tax	A-28	547,817	544,688
Other Debits to Income:			
Prior Year Bills	A-4	1,990	
Prior Year Senior Citizen Deduction Disallowed	A-6	129	500
Refund of Prior Year Revenue-Tax Sale Premium	A-4	8,000	
Total Expenditures		19,659,633	19,619,534
Excess in Revenue		521,435	597,630
Adjustments to Income Before Fund Balance:			
Expenditures Included Above which are by Statute Deferred			
Charges to Budget of Succeeding Years:			
Overexpenditure of Budget Appropriation		-	61
Regulatory Excess to Fund Balance		521,435	597,691
FUND BALANCE			
Balance January 1,	A	772,652	832,961
		1,294,087	1,430,652
Decreased by:			
Utilized as Anticipated Revenue	A-2	742,199	658,000
Balance December 31,	A	\$ 551,888	\$ 772,652

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	A-1	\$ 742,199	\$ -	\$ 742,199	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-9	2,000		6,050	4,050
Fees and Permits	A-2	26,000		26,342	342
Fines and Costs:					
Municipal Court	A-9	36,900		37,442	542
Interest on Investments and Deposits	A-2	33,060		10,176	(22,884)
Uniform Construction Code Fees	A-9	99,000		146,329	47,329
Interest & Cost on Taxes	A-4	63,500		66,743	3,243
Energy Receipts Tax	A-9	298,669		298,669	
Consolidated Municipal Prop Tax Relief Aid	A-9	35,336		35,336	
Clean Communities Program-2010 Funding	A-15	17,782		17,782	
NJ Division of Criminal Justice-Body Armor Grant	A-15	671	381	1,052	
NJ Forest Service-Business Stimulus Fund	A-15	7,000		7,000	
Emergency Management Grant-2009 Reserve	A-15	5,000		5,000	
Garden State Trust Fund	A-30	41,119		41,119	
	A-1	666,037	381	699,040	32,622
Receipts from Delinquent Taxes	A-1;A-7	228,000		219,123	(8,877)
Property Tax for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	2,209,327		2,063,296	(146,031)
Budget Totals		3,845,563	381	3,723,658	\$ (122,286)
Nonbudget Revenues	A-1;A-2			60,984	
		\$ 3,845,563	\$ 381	\$ 3,784,642	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>		
Tax Collections	A-1;A-7		\$ 18,422,195
Allocated to:			
Local District School Taxes	A-7	\$ 7,641,793	
Regional High School Taxes	A-7	4,906,821	
County Taxes	A-7	3,505,044	
Municipal Open Space Tax	A-7	<u>547,817</u>	
			<u>16,601,475</u>
Balance for Support of Municipal Budget Appropriations			1,820,720
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3		<u>242,576</u>
Realized for Support of Municipal Budget	A-2		<u>\$ 2,063,296</u>

<u>Interest on Investments and Deposits Analysis</u>			
Animal Control Fund	A-10	\$ 16	
Other Trust Funds	A-11	634	
Grant Fund	A-13	47	
General Capital Fund	A-27	5	
Treasurer	A-4	<u>9,474</u>	
	A-2		<u>\$ 10,176</u>

<u>Interfund Analysis</u>				
	<u>Ref.</u>	<u>Dec 31, 2009</u>	<u>Dec 31, 2010</u>	<u>(Decrease)</u>
Due from Animal Control Fund	A-10	\$ 2,001	\$ 2,017	\$ 16
Due from Other Trust Funds	A-11	2,026	2,660	634
Due from Payroll Fund	A-12	13,535	15,502	1,967
Due from Federal & State Grant Fund	A-13	3,742		(3,742)
Due from General Capital Fund	A-27		<u>5</u>	<u>5</u>
		<u>\$ 21,304</u>	<u>\$ 20,184</u>	<u>\$ (1,120)</u>
	<u>Ref.</u>			A-1

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(Continued)

<u>Analysis of Nonbudget Revenue</u>	<u>Ref.</u>		
Treasurer:			
Hotel Tax		\$ 1,249	
Public Alliance Insurance Surplus		2,489	
Pegas Return of Surplus		4,867	
Cable TV Franchise Fee		8,016	
Copies		273	
Old Outstanding Checks Cancelled		24,607	
Veterans' & Seniors Citizens'-Administrative Fees		1,137	
Duplicate Tax Bills		886	
Mayor's Marriage Fee		100	
Block Party Donation		100	
Poll Rental		400	
Liability Insurance Rebate		16,430	
Leases		2	
Roads Refund-Kingwood & Franklin		1,330	
Miscellaneous Other		257	
Various Refunds		<u>663</u>	
	A-4		\$ 62,806
Less:			
Refunds	A-4		<u>1,822</u>
	A-2		<u>\$ 60,984</u>

<u>Fees and Permits Analysis</u>			
Planning Board & Board of Adjustment		\$ 4,378.00	
Police Department		766	
Board of Health		16,815	
Clerk		3,672	
Assessor		220	
Roads		921	
Tax Collector		30	
Miscellaneous		<u>40</u>	
	A-4		\$ 26,842
Less:			
Refunds	A-4		<u>500</u>
	A-2		<u>\$ 26,342</u>

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

	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	\$ 14,480	\$ 14,480	\$ 14,480			
Municipal Clerk:						
Salaries and Wages	83,676	83,676	82,686	\$ 990		
Postage & Legal Advertising	15,000	15,000	12,663	2,337		
Other Expenses	34,800	38,300	38,009	291		
Elections:						
Other Expenses	3,000	3,000	3,000			
Financial Administration:						
Salaries and Wages	58,185	58,185	57,282	903		
Other Expenses	6,300	8,300	7,506	794		
Audit Services	28,000	26,000	25,000	1,000		
Assessment of Taxes:						
Salaries and Wages	31,695	31,695	30,772	923		
Maintenance of Tax Map	4,000	4,000	2,553	1,447		
Other Expenses	1,925	1,925	1,100	825		
Collection of Taxes:						
Salaries and Wages	53,689	53,689	52,907	782		
Other Expenses	3,550	3,550	3,549	1		
Legal Services and Costs:						
Other Expenses	88,000	57,900	50,377	7,523		
Municipal Prosecutor:						
Salaries and Wages	8,606	8,606	8,355	251		
Engineering Services & Costs:						
Other Expenses	10,500	10,500	8,691	1,809		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(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	\$ 14,416	\$ 11,416	\$ 11,105	\$ 311		
Salaries and Wages-Buildings & Grounds	6,434	6,434	5,852	582		
Expense of Dilts Farm	6,500	6,500	5,958	542		
Other Expenses	24,700	26,060	26,056	4		
Historical Society:						
Other Expenses	3,000					
Land Use Administration:						
Planning Board:						
Salaries and Wages	20,842	20,842	20,539	303		
Other Expenses	30,750	30,750	4,137	26,613		
Board of Adjustment:						
Salaries and Wages	8,169	8,169	7,931	238		
Other Expenses	5,240	5,240	2,877	2,363		
Zoning Board:						
Salaries and Wages	18,187	18,187	17,820	367		
Other Expenses	700	700	236	464		
Environmental Commission:						
Salaries and Wages	1,800	1,800	1,111	689		
Other Expenses	1,000	1,000	835	165		
Insurance:						
Other Insurance Premiums	133,000	131,739	130,563	1,176		
Surety Bond Premiums	1,095	1,095	1,095			
Employee Group Health	355,818	361,079	361,079			
Public Safety:						
Fire:						
Aid to Volunteer Fire Companies	50,100	50,100	49,787	313		
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, 2010
(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	\$ 671,143	\$ 666,982	\$ 663,100	\$ 3,882		
Purchase of Police Car	29,000	29,000	28,591	409		
Other Expenses	40,900	40,900	25,792	15,108		
Supplemental Safe Neighborhood Prog:						
Salaries and Wages	87,110	80,111	73,556	6,555		
Other Expenses	3,150	3,150	186	2,964		
First Aid Organization-Contribution	44,120	44,120	34,625	9,495		
Office of Emergency Management:						
Salaries and Wages	10,900	10,900	10,625	275		
Other Expenses	1,300	2,300	1,297	1,003		
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	407,205	407,205	406,916	289		
Other Expenses	86,600	97,800	86,999	10,801		
Health and Welfare:						
Board of Health:						
Salaries and Wages	19,374	20,974	20,764	210		
Other Expenses	500	500	116	384		
Expenses of Visiting Homemakers:						
Other Expenses	500	500		500		
Municipal Court:						
Salaries and Wages	37,570	37,570	33,204	4,366		
Other Expenses	16,600	16,600	15,178	1,422		
Public Defender:						
Salaries and Wages	1,164	1,164	1,130	34		
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, 2010
(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	\$ 12,000	\$ 12,000	\$ 5,425	\$ 6,575		
Historical Preservation Society:						
Other Expenses		3,000		3,000		
Construction Official:						
Salaries and Wages	62,406	58,206	57,683	523		
Other Expenses	5,225	5,225	4,864	361		
Sub Code Officials:						
Plumbing Inspector:						
Salaries and Wages	15,389	15,389	15,389			
Electrical Inspector:						
Salaries and Wages	15,389	15,389	14,941	448		
Unclassified:						
Gasoline & Diesel Fuel	40,500	55,900	55,892	8		
Fuel Oil	6,000	8,150	8,134	16		
Electricity	24,000	24,250	24,230	20		
Telephone	16,000	20,000	19,864	136		
Street Lighting	7,000	7,000	6,844	156		
Data Processing Services:						
Other Expenses	6,600	6,600	6,600			
Accumulated Sick Leave:						
Other Expenses	5,000	5,000	5,000			
Total Operations Within "CAPS"	2,806,522	2,802,522	2,679,376	123,146	\$ -	\$ -
Contingent	50	50		50		
Total Operations Includ Cont Within "CAPS"	2,806,572	2,802,572	2,679,376	123,196	-	-
Detail:						
Salaries and Wages	1,647,829	1,631,069	1,608,148	22,921	-	-
Other Expenses (Including Contingent)	1,158,743	1,171,503	1,071,228	100,275	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Deferred Charges:						
Overexpenditure of Budget Appropriation	\$ 61	\$ 61	\$ 61			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	66,868	66,868	66,868			
Social Security System (OASI)	122,000	126,000	125,012	\$ 988		
Police and Firemens Retirement System	88,607	88,607	88,607			
Total Deferred Charges & Statutory Expenditures- Municipal Within "CAPS"	277,536	281,536	280,548	988	\$ -	\$ -
Total General Appropriations for Municipal	3,084,108	3,084,108	2,959,924	124,184	-	-
Operations Excluded from "CAPS":						
Insurance:						
Group Insurance Plan for Employees	21,182	21,182	21,182			
LOSAP (Fire Company)						
Other Expenses	34,500	34,500		34,500		
NJPDES Stormwater Permit						
Street Division-Other Expenses	1,000	1,000	452	548		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(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:						
Emergency Management Grant:						
Other Expenses	\$ 5,000	\$ 5,000	\$ 5,000			
NJ Division of Criminal Justice-Body Armor Grant:						
Other Expenses	671	1,052	1,052			
Clean Communities Program:						
Other Expenses	17,782	17,782	17,782			
NJ Forest Service-Business Stimulus Grant						
Other Expenses	7,000	7,000	7,000			
Total Operations Excluded from "CAPS"	<u>87,135</u>	<u>87,516</u>	<u>52,468</u>	<u>\$ 35,048</u>	<u>\$ -</u>	<u>\$ -</u>
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	<u>87,135</u>	<u>87,516</u>	<u>52,468</u>	<u>35,048</u>	<u>-</u>	<u>-</u>
Capital Improve-Excluded from "CAPS":						
Capital Improvement Fund	102,050	102,050	102,050			
Road Drainage and Construction	140,000	140,000	140,000			
Reserve for Building Construction	40,000	40,000	40,000			
Total Capital Improvements Excluded from "CAPS"	<u>282,050</u>	<u>282,050</u>	<u>282,050</u>	<u>-</u>	<u>-</u>	<u>-</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010
(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	\$ 20,000	\$ 20,000	\$ 20,000			
Interest on Bonds	129,694	129,694	129,694			
Total Dept Service Excluded from "CAPS"	149,694	149,694	149,694	\$ -	\$ -	\$ -
Total General Approp for Municipal Purposes Excluded from "CAPS"	518,879	519,260	484,212	35,048	-	-
Subtotal General Appropriations	3,602,987	3,603,368	3,444,136	159,232	-	-
Reserve for Uncollected Taxes	242,576	242,576	242,576			
Total General Appropriations	\$ 3,845,563	\$ 3,845,944	\$ 3,686,712	\$ 159,232	\$ -	\$ -
<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, 2010
(Continued)

<u>Paid or Charged</u>	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	A-4	\$ 3,083,273
Reserve for Encumbrances	A-17	50,025
Reserve for Uncollected Taxes	A-2	242,576
Due to General Capital Fund	A-27	282,050
Deferred Charges	A-14	61
Appropriated Reserve for State Grants	A-32	<u>30,834</u>
		3,688,819
Less: Budget Refunds	A-4	<u>2,107</u>
	A-3	<u>\$ 3,686,712</u>
<u>Appropriations</u>		
Budget	A-2	\$ 3,845,563
Added by NJSA 40A:4-87	A-2	<u>381</u>
	A-3	<u>\$ 3,845,944</u>

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
TRUST FUND

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 11,583	\$ 11,088
		<u>11,583</u>	<u>11,088</u>
Other Trust Funds:			
Cash-Treasurer	B-1	1,663,949	2,173,146
Due from Current Fund	B-6	563,165	165,348
Loans Receivable	B-8	55,141	55,141
		<u>2,282,255</u>	<u>2,393,635</u>
 TOTAL ASSETS		 <u>\$ 2,293,838</u>	 <u>\$ 2,404,723</u>

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

	Ref.	Balance Dec. 31, 2010	Balance Dec. 31, 2009
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 9,566	\$ 9,085
Due to Current Fund	B-4	2,017	2,001
Due to State of New Jersey	B-5		2
		<u>11,583</u>	<u>11,088</u>
Other Trust Funds:			
Due to General Capital Fund	B-7	26,628	26,628
Due to Current Fund	B-6	2,660	2,026
Reserve for Open Space	B-9	1,590,227	1,563,016
Reserve for Loans Receivable	B-8	55,141	55,141
Reserve for Road Improvements	B-10	81,676	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	138,257	256,878
Reserve for Unemployment	B-16	84,638	84,998
Reserve for Recreation	B-17	18,692	18,085
Reserve for Recycling	B-18	2,784	5,001
Reserve for Sutton Burial Ground	B-19	8,395	8,388
Reserve for Dilts Farm	B-20	12,935	12,924
Reserve for Municipal Alliance	B-21	8,243	1,936
Reserve for Developer's Deposits-COAH	B-22	128,194	190,719
Reserve for COAH-Interest	B-23	25,585	25,230
Reserve for Insurance	B-24	15,979	16,417
Reserve for Public Defender	B-25	2,172	1,402
Reserve for POAA	B-26	10	8
Reserve for Quarry Reclamation Fund	B-27	16,511	14,486
Reserve for Tax Premiums	B-28	23,500	8,400
Reserve for Farmer's Market	B-29	(400)	822
Reserve for Playground	B-30	45	45
Reserve for Snow Removal	B-31	477	477
Reserve for Payroll	B-32	29,509	13,535
Reserve for Police Building	B-33	5,000	
		<u>2,282,255</u>	<u>2,393,635</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 2,293,838</u>	<u>\$ 2,404,723</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance Dec. 31, 2010	Balance Dec. 31, 2009
ASSETS			
Cash	C-2	\$ 700,038	\$ 516,359
Due from Open Space Trust Fund	C-6	26,628	26,628
Due from Delaware River Toll Bridge Commission	C-7	21,850	21,850
Deferred Charges to Future Taxation:			
Funded	C-8	8,019,000	8,265,000
Unfunded	C-9	522,000	199,000
TOTAL ASSETS		<u>\$ 9,289,516</u>	<u>\$ 9,028,837</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-22	\$ 8,019,000	\$ 8,265,000
Improvement Authorizations:			
Funded	C-10	590,658	419,724
Unfunded	C-10	323,000	
Due to Current Fund	C-5	5	
Capital Improvement Fund	C-11	114,153	52,203
Reserves For:			
Payment of Bonds	C-12	72,199	72,199
Expansion of Municipal Building	C-13	6,134	40,134
Improvements to Dilts Property	C-14		5,610
Construction of Municipal Building	C-15		104,500
Guard Rails	C-16	2,325	2,325
Various Road Equipment	C-17	5,033	9,033
Costs Related to Purchase of Municipal Property	C-18		30,000
Purchase of Police Equipment	C-19	15,000	15,000
Purchase of Fire Truck	C-20		10,000
Road Drainage and Construction	C-21	140,000	
Fund Balance	C-1	2,009	3,109
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 9,289,516</u>	<u>\$ 9,028,837</u>
 Bonds and Notes Authorized But Not Issued	 C-23	 <u>\$ 522,000</u>	 <u>\$ 199,000</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 3,109
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>1,100</u>
Balance December 31, 2010	C	<u><u>\$ 2,009</u></u>

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
ASSETS			
Cash	D-1	<u>\$ 6,226</u>	<u>\$ 6,221</u>
TOTAL ASSETS		<u>\$ 6,226</u>	<u>\$ 6,221</u>
RESERVES			
Reserve for Public Assistance	D-7	<u>\$ 6,226</u>	<u>\$ 6,221</u>
TOTAL RESERVES		<u>\$ 6,226</u>	<u>\$ 6,221</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

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, 2010
(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 10th and adopt no later than March 20th 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, 2010
(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, 2010
(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, 2010
(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, 2010, 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, 2010
 (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 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
Issued:			
General:			
Bonds and Notes	\$ 8,019,000	\$ 8,265,000	\$ 8,549,881
Authorized but not Issued:			
General:			
Bonds and Notes	<u>522,000</u>	<u>199,000</u>	<u>199,000</u>
Bonds and Notes Issued & Authorized but not Issued	<u>\$ 8,541,000</u>	<u>\$ 8,464,000</u>	<u>\$ 8,748,881</u>

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2010
 (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	\$ 4,197,673	\$ 4,197,673	
Regional School District	2,193,478	2,193,478	
General Debt	<u>8,541,000</u>	<u>72,199</u>	<u>\$ 8,468,801</u>
	<u>\$ 14,932,151</u>	<u>\$ 6,463,350</u>	<u>\$ 8,468,801</u>

Net Debt \$8,468,801 divided by Equalized Valuation Basis per NJS 40A:2-2 as amended, \$1,006,096,927 equals .84%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 35,213,392
Net Debt	<u>8,468,801</u>
Remaining Borrowing Power	<u>\$ 26,744,591</u>

Changes in Long-Term Debt

During the year ended December 31, 2010, the following changes occurred in Long-Term Debt.

	<u>Balance Jan. 01, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2010</u>
Issued Debt:				
General Capital:				
Bonds	\$ 8,265,000		\$ 246,000	\$ 8,019,000
Authorized But Not Issued Debt:				
General Capital:				
Bonds and Notes	<u>199,000</u>	<u>\$ 323,000</u>		<u>522,000</u>
Total	<u>\$ 8,464,000</u>	<u>\$ 323,000</u>	<u>\$ 246,000</u>	<u>\$ 8,541,000</u>

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2010
 (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	
2011	\$ 262,000	\$ 391,765	\$ 653,765
2012	280,000	378,665	658,665
2013	297,000	364,665	661,665
2014	322,000	349,531	671,531
2015	320,000	335,751	667,751
2016-2020	1,740,000	1,437,341	3,177,341
2021-2025	1,239,000	1,030,255	2,269,255
2026-2030	1,045,000	784,882	1,829,882
2031-2035	1,420,000	499,565	1,919,565
2036-2038	1,082,000	114,012	1,196,012
	<u>\$ 8,019,000</u>	<u>\$ 5,686,432</u>	<u>\$ 13,705,432</u>

General Obligation Bonds-General obligation bonds at December 31, 2010 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%	\$ 2,747,000
\$2,738,000-2009 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%	2,678,000
\$2,654-2009 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>2,594,000</u>
	<u>\$ 8,019,000</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2010, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2011, were as follows:

Current Fund	<u>\$ 518,000</u>
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TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2010
 (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 Dec. 31, 2010	Balance Dec. 31, 2009	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Balance of Tax Deferred	\$ 2,291,455	\$ 1,772,174	\$ 2,453,355	\$ 2,628,409
	<u>1,062,585</u>	<u>778,585</u>	<u>912,674</u>	<u>641,345</u>
Tax Payable	<u>\$ 1,228,870</u>	<u>\$ 993,589</u>	<u>\$ 1,540,681</u>	<u>\$ 1,987,064</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 Dec. 31, 2010	Balance Dec. 31, 2009
	Prepaid Taxes	\$ 161,774
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 161,774</u>	<u>\$ 212,704</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, 2010
 (Continued)

NOTE 8: PENSIONS (Cont'd)

Significant legislation which became effective July 1, 2007 under Chapter 103, PL 2007 changed the contribution rate for PERS to 5.5% of annual compensation, imposed an annual maximum wage contribution base and amended the early retirement reduction formula for new members.

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. It's 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 5.5% for PERS and 8.5% for PFRS. Funding by the municipality is at an actuarially determined rate. Three year trend information for PERS and PFRS contributions are as follows:

<u>Year Funded</u>	<u>PFRS Annual Contribution</u>	<u>PERS Annual Contribution</u>
2010	\$ 88,607	\$ 66,868
2009	77,837	59,746
2008	65,528	44,954

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, 2010
(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, 2010, 2009, and 2008, were \$79,490, \$71,338, and \$60,255, 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, 2010 \$7,467, 2009 \$5,636 and 2008 \$-0-.

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 \$104,025. 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, 2010
 (Continued)

NOTE 11: FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets for the year ended December 31, 2010:

	Balance Dec.31, 2009	Additions	Deletions	Balance Dec.31, 2010
Sites	\$ 1,650,804			\$ 1,650,804
Building & Building Improvements	165,494	\$ 12,649		178,143
Furniture, Machinery & Equipment	2,228,784	18,721		2,247,505
	<u>\$ 4,045,082</u>	<u>\$ 31,370</u>	<u>\$ -0-</u>	<u>\$ 4,076,452</u>

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the various balance sheets at December 31, 2010:

Fund	Interfund Receivables	Interfund Payables
Current Fund:		
Due from Animal Control Fund	\$ 2,017	
Due from Payroll Fund	15,502	
Due from Other Trust Fund	2,660	
Due from General Capital Fund		5
Due to Grant Fund		\$ 18,710
Due to Open Space Trust Fund		562,665
Grant Fund:		
Due from Current Fund	18,710	
Payroll Fund:		
Due to Current Fund		15,502
Other Trust Fund:		
Due to Current Fund		2,660
Open Space Trust Fund:		
Due from Current Fund	562,665	
Due to General Capital		26,628
Animal Control Fund:		
Due to Current Fund		2,017
General Capital Fund:		
Due from Open Space Trust Fund	26,628	
Due to Current Fund		5
	<u>\$ 628,187</u>	<u>\$ 628,187</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, 2010
(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 HUNTERSON
2010
CURRENT FUND**

TOWNSHIP OF DELAWARE
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2009	A	\$ 4,335,894	\$ 50,758
Increased by Receipts:			
Appropriation Refunds	A-3	\$ 2,107	
Interest on Investments & Deposits	A-2	9,474	
Non Budget Revenue	A-2	62,806	
Interest and Cost on Taxes	A-2	66,743	
Fees & Permits	A-2	26,842	
State of NJ-Veterans' & Senior Citizens' Deductions	A-6	56,871	
Taxes Receivable	A-7	18,373,864	
Revenue Accounts Receivable	A-9	525,525	
Due from Grant Fund	A-13	22,500	
Grants Receivable	A-15		\$ 43,920
Prepaid Taxes	A-19	161,774	
Tax Overpayments	A-20	21,679	
Due County-Food Inspection Fees	A-24	2,225	
Due NJ-State Training Fees	A-25	11,045	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-26	600	
Unappropriated Reserves for State Grants	A-33		23,501
Due to Regular Fund	A-31		47
Reserve for Garden State Preservation Trust Fund	A-30	27,412	
		<u>19,371,467</u>	<u>67,468</u>
		23,707,361	118,226

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

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2010 Budget Appropriations	A-3	\$ 3,083,273	
2009 Appropriation Reserves	A-16	71,096	
Construction Code Fees Refunded	A-9	1,699	
Due from Payroll Fund	A-12	1,967	
Tax Overpayments Refunded	A-20	18,023	
Regional HS Tax Payable	A-21	5,081,875	
Local School Tax Payable	A-22	7,122,512	
County Taxes Payable	A-23	3,500,472	
Due County-Food Inspection Fees	A-24	2,350	
Due NJ-State Training Fees	A-25	9,769	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-26	625	
Due to General Capital Fund	A-27	282,050	
Due to Open Space Trust Fund	A-28	150,000	
Fees & Permits Refunded	A-2	500	
Refund Prior Year Revenue	A-1	8,000	
Prior Year Bills	A-1	1,990	
Refund Non Budget Revenue	A-2	1,822	
Appropriated Reserves for State Grants	A-32		\$ 53,015
		<u>\$ 19,338,023</u>	<u>\$ 53,015</u>
Balance December 31, 2010	A	<u>\$ 4,369,338</u>	<u>\$ 65,211</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, 2010	A-4	\$ 4,369,338	\$ 65,211
Increased by:			
Receipts		5,210,700	6
		<u>9,580,038</u>	<u>65,217</u>
Decreased by:			
Disbursements		4,889,676	1,483
		<u>4,889,676</u>	<u>1,483</u>
Balance February 28, 2011		<u>\$ 4,690,362</u>	<u>\$ 63,734</u>
 <u>Cash Reconciliation February 28, 2011</u>			
Balance Per Statement:			
NJ Cash Management		\$ 268,053	
PNC Bank		4,361,961	\$ 63,904
Petty Cash		650	
		<u>4,630,664</u>	<u>63,904</u>
Add: Deposit-in-Transit		131,869	-
		<u>4,762,533</u>	<u>63,904</u>
Less: Outstanding Checks		72,171	170
		<u>72,171</u>	<u>170</u>
Book Balance		<u>\$ 4,690,362</u>	<u>\$ 63,734</u>

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

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	18,396
Increased by:			
Receipts	A-4		<u>56,871</u>
			75,267
Decreased by:			
Veterans' Deductions per Tax Billings		\$	8,000
Veterans' Deductions Allowed by Tax Collector			750
Senior Citizens' Deductions per Tax Billings			<u>46,000</u>
	A-7		54,750
2009 Senior Citizen Deductions Disallowed by Collector	A-1		<u>129</u>
			<u>54,621</u>
Balance December 31, 2010	A	\$	<u><u>20,646</u></u>

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

Year	Balance 12/31/2009	2010 Levy	Added 2010	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance 12/31/2010
				2009	2010					
2008	\$ 8,562				\$ 8,562					
2009	230,077		\$ 129		210,561	\$ 706				\$ 18,939
2010		\$ 18,789,813	97,265	\$ 212,704	18,154,741	3,197	\$ 54,750		\$ 17,202	444,484
	<u>\$ 238,639</u>	<u>\$ 18,789,813</u>	<u>\$ 97,394</u>	<u>\$ 212,704</u>	<u>\$ 18,373,864</u>	<u>\$ 3,903</u>	<u>\$ 54,750</u>	<u>\$ -</u>	<u>\$ 17,202</u>	<u>\$ 463,423</u>
<u>Ref.</u>	A	Reserve	Reserve	A-19	A-4	A-8	A-6		Reserve	A

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

	<u>Ref.</u>		
<u>Analysis of 2010 Property Tax</u>			
Tax Yield:			
General Purpose Tax		\$ 18,789,813	
Added and Omitted Taxes		<u>97,265</u>	
	A-7		<u>\$ 18,887,078</u>
Tax Levy:			
Local District School Tax	A-2;A-22		\$ 7,641,793
Regional District School Tax	A-2;A-21		4,906,821
County Tax		\$ 2,934,164	
County Library Tax		246,902	
County Open Space Tax		305,806	
County Share of Added and Omitted Taxes		<u>18,172</u>	
Total County Taxes	A-2;A-23		3,505,044
Municipal Open Space Tax		545,000	
Municipal Open Space Share of Added and Omitted Taxes		<u>2,817</u>	
Total Municipal Open Space Tax	A-2;A-28		547,817
Municipal Purpose Tax	A-2	2,209,327	
Additional Tax Levied		<u>76,276</u>	
Total Municipal Purpose Tax			<u>2,285,603</u>
	A-7		<u>\$ 18,887,078</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	6,286
Increased by:			
Transferred from Taxes Receivable	A-7	\$	3,903
Interest and Cost on 2010 Tax Sale	Reserve		<u>81</u>
			<u>3,984</u>
Balance December 31, 2010	A	<u>\$</u>	<u>10,270</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2009</u>	<u>Accrued in 2010</u>	<u>Collected Treasurer</u>	<u>Balance Dec.31,2010</u>
Alcoholic Beverage Licenses	A-2		\$ 6,050	\$ 6,050	
Municipal Court	A-2	\$ 3,176	36,895	37,442	\$ 2,629
Energy Receipts Tax	A-2		298,669	298,669	
Consolidated Municipal Property Tax Relief Aid	A-2		35,336	35,336	
Uniform Construction Code Fees	A-2		146,329	146,329	
		<u>\$ 3,176</u>	<u>\$ 523,279</u>	<u>\$ 523,826</u>	<u>\$ 2,629</u>
	<u>Ref.</u>	A	Reserve	Below	A
Receipts	A-4			\$ 525,525	
Construction Code Fees Refunded	A-4			1,699	
				<u>\$ 523,826</u>	

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 2,001
Increased by:		
Interest Earned on Investments	A-2	<u>16</u>
Balance December 31, 2010	A	<u>\$ 2,017</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM OTHER TRUST FUNDS

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 2,026
Increased by:		
Interest Earned on Investments	A-2	<u>634</u>
Balance December 31, 2010	A	<u>\$ 2,660</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 13,535
Increased by:		
Disbursements	A-4	<u>1,967</u>
Balance December 31, 2009	A	<u>\$ 15,502</u>

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

	<u>Ref.</u>	
Balance December 31, 2009 (Due From)	A	\$ 3,743
Increased by:		
Interest Earned on Investments	A-2	<u>47</u>
		3,790
Decreased by:		
Receipts	A-4	<u>22,500</u>
Balance December 31, 2009 (Due To)	A	<u>\$ 18,710</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF DEFERRED CHARGES

Overexpenditure of Budget Appropriations

	Balance 12/31/2009	Increased	Decreased	Balance 12/31/2010
	\$ 61		\$ 61	\$ -
	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ -</u>
<u>Ref.</u>	A		A-3	A

TOWNSHIP OF DELAWARE
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance 12/31/2009	Revenue in 2010	Received	Balance Cancelled	Balance 12/31/2010
OES Grant	\$ 390				\$ 390
Wild & Scenic River	4,000				4,000
Sidewalk Grant	1,044				1,044
Cool Cities	23,150				23,150
DCA Smart Future Planning	22,500		\$ 22,500		
Recreation Trails Program	19,500		18,086		1,414
NJ Division of Criminal Justice-Body Armor Fund		\$ 1,052	1,052		
Clean Communities Program		17,782	17,782		
NJ Forest Service-Business Stimulus Fund		7,000	7,000		
Emergency Management Grant		5,000		\$ 5,000	
	<u>\$ 70,584</u>	<u>\$ 30,834</u>	<u>\$ 66,420</u>	<u>\$ 5,000</u>	<u>\$ 29,998</u>
	Ref. A	A-2	Below	A-32	A
Due to Regular Fund	A-31		\$ 22,500		
Receipts	A-4		43,920		
			<u>\$ 66,420</u>		

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2010

	Balance Dec. 31, 2009	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Municipal Clerk:					
Salaries and Wages	\$ 1	\$ 1		\$ 1	
Other Expenses:					
Postage & Advertising	436	436	\$ 435		1
Miscellaneous Other Expenses	1,959	1,959	1,958		1
Elections:					
Other Expenses	1	1			1
Financial Administration:					
Other Expenses	8	9	9		
Assessment of Taxes:					
Other Expenses:					
Miscellaneous Other Expenses	8	8	8		
Revenue Administration:					
Other Expenses	5	5			5
Legal Services and Costs:					
Other Expenses	5,586	6,351	6,351		
Engineering Service & Costs:					
Other Expenses	1	1			1
Public Building and Grounds:					
Salaries and Wages	833	1			1
Other Expenses:					
Expenses of Dilts Farm	15	15	10		5
Miscellaneous Other Expenses	501	379	379		
Planning Board:					
Other Expenses	1,274	7,371	7,371		

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Balance Dec. 31, 2009	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Other Expenses	\$ 1	\$ 1		\$ 1	
Zoning Board:					
Other Expenses	92	92	\$ 92		
Environmental Commission (RS 40:56A:-1 et seq):					
Salaries and Wages	436	1		1	
Other Expenses	110				
Police:					
Salaries and Wages	3,110	1,704	1,700	4	
Other Expenses:					
Purchase of Police Car	1	1		1	
Miscellaneous Other Expenses	4,333	4,123	4,120	3	
Supplemental Safe Neighborhood Program:A70					
Salaries and Wages	7	7	7		
Other Expenses	2,372	902	902		
Public Defender:					
Salaries and Wages	283	283	283		
Construction Code Official:					
Salaries and Wages	2	2		2	
Other Expenses	331	1		1	
Office of Emergency Management:					
Salaries and Wages	23	23	23		
Road Repair and Maintenance:					
Salaries and Wages	445				
Other Expenses	4,079	3,893	3,075	818	
Board of Health:					
Salaries and Wages	1	1		1	
Services of Visiting Homemakers					
Other Expenses	500	500		500	

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2010
(Continued)

	Balance Dec. 31, 2009	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Senior Health Services:					
Other Expenses	\$ 200	\$ 200		\$ 200	
Board of Recreation Commissioners:					
Other Expenses	4,751	5,001	\$ 5,000	1	
Historic Preservation Society:					
Other Expenses	25	25	25		
Unclassified:					
Utilities:					
Gasoline & Diesel Fuel	3,716	3,716	3,716		
Fuel Oil	1,430	1,430	1,429	1	
Electricity	2,044	2,044	2,044		
Telephone	893	513	509	4	
Street Lighting	646	24	24		
Contingent	50	50		50	
Contribution to:					
Social Security System	6	6	6		
Public Employees Retirement System	113	113	51	62	
Unemployment Insurance	50	50	50	-	
LOSAP	34,500	34,500	29,900	4,600	
Insurance (PL 1985 Ch 522):					
Group Insurance Plan for Employees	1,214	1,214	1,214		
Surety Bond Premiums	405	405	405		
Municipal Court:					
Salaries and Wages	393				
Other Expenses	171				
NJPDES Stormwater Permit	4,394	4,394		4,394	
Council on Affordable Housing	25,000	25,000		25,000	
	<u>\$ 106,755</u>	<u>\$ 106,756</u>	<u>\$ 71,096</u>	<u>\$ 35,660</u>	<u>\$ -</u>
	Ref.	A	A-4	A-1	
Appropriation Reserves	A	\$ 81,590			
Encumbrances Payable	A-17	25,165			
		<u>\$ 106,755</u>			

TOWNSHIP OF DELAWARE
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 25,165
Increased by:		
2010 Budget Charges	A-3	<u>50,025</u>
		75,190
Decreased by:		
Applied to Appropriation Reserves	A-16	<u>25,165</u>
Balance December 31, 2010	A	<u><u>\$ 50,025</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 747
Decreased by:		
Balance Cancelled	A-1	<u>747</u>
Balance December 31, 2010	A	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 212,704
Increased by:		
Collection of 2011 Taxes	A-4	<u>161,774</u>
		374,478
Decreased by:		
Applied to 2010 Taxes Receivable	A-7	<u>212,704</u>
Balance December 31, 2010	A	<u><u>\$ 161,774</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 21,623
Increased by:		
Overpayments Received	A-4	<u>21,679</u>
		43,302
Decreased by:		
Refunded	A-4	<u>18,023</u>
Balance December 31, 2010	A	<u><u>\$ 25,279</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2009:			
School Tax Payable	A	\$ 1,987,064	
School Tax Deferred (12.20%)		<u>641,345</u>	
			\$ 2,628,409
Increased by:			
Levy-School Year July 1, 2010 to June 30, 2011	A-7		<u>4,906,821</u>
			7,535,230
Decreased by:			
Disbursements	A-4		<u>5,081,875</u>
Balance December 31, 2010:			
School Tax Payable	A	1,540,681	
School Tax Deferred (18.60%)		<u>912,674</u>	
			<u>\$ 2,453,355</u>
<u>2010 Liability for Regional High School Tax</u>			
Tax Paid			\$ 5,081,875
Add: Tax Payable December 31, 2010			<u>1,540,681</u>
			6,622,556
Less: Tax Payable December 31, 2009			<u>1,987,064</u>
Amount Charged to Operations	A-1		<u>\$ 4,635,492</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2009:			
School Tax Payable	A	\$ 993,589	
School Tax Deferred (10.57%)		<u>778,585</u>	
			\$ 1,772,174
Increased by:			
Levy-School Year July 1, 2010 to June 30, 2011	A-7		<u>7,641,793</u>
			9,413,967
Decreased by:			
Disbursements	A-4		<u>7,122,512</u>
Balance December 31, 2010:			
School Tax Payable	A	1,228,870	
School Tax Deferred (13.90%)		<u>1,062,585</u>	
			<u>\$ 2,291,455</u>
<u>2010 Liability for Regional High School Tax</u>			
Tax Paid			\$ 7,122,512
Add: Tax Payable December 31, 2010			<u>1,228,870</u>
			8,351,382
Less: Tax Payable December 31, 2009			<u>993,589</u>
Amount Charged to Operations	A-1		<u>\$ 7,357,793</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 13,601
Increased by:		
2010 Levy:		
County Taxes		\$ 2,934,164
County Library Tax		246,902
County Open Space Tax		305,806
County Share of Added & Omitted Taxes		<u>18,172</u>
	A-1;A-7	<u>3,505,044</u>
		<u>3,518,645</u>
Decreased by:		
Disbursements	A-4	<u>3,500,472</u>
Balance December 31, 2010	A	<u><u>\$ 18,173</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE COUNTY-FOOD INSPECTIONS

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 675
Increased by:		
Receipts	A-4	<u>2,225</u>
		2,900
Decreased by:		
Disbursements	A-4	<u>2,350</u>
Balance December 31, 2010	A	<u><u>\$ 550</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE NJ-STATE TRAINING FEES

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 1,757
Increased by:		
Receipts	A-4	<u>11,045</u>
		12,802
Decreased by:		
Disbursements	A-4	<u>9,769</u>
Balance December 31, 2010	A	<u><u>\$ 3,033</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	100
Increased by:			
Receipts	A-4		<u>600</u>
			700
Decreased by:			
Disbursements	A-4		<u>625</u>
Balance December 31, 2010	A	\$	<u><u>75</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	-
Increased by:			
Interest Earned on Investments	A-2	\$	5
Disbursements	A-4		<u>282,050</u>
			<u>282,055</u>
			282,055
Decreased by:			
2010 Budget Appropriations	A-3		<u>282,050</u>
Balance December 31, 2010	A	\$	<u><u>5</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 164,848
Increased by:		
2010 Tax Levy	A-7	<u>547,817</u>
		712,665
Decreased by:		
Disbursements	A-4	<u>150,000</u>
Balance December 31, 2010	A	<u><u>\$ 562,665</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2009	A	<u>\$ 500</u>
Balance December 31, 2010	A	<u><u>\$ 500</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 41,119
Increased by:		
Receipts	A-4	<u>27,412</u>
		68,531
Decreased by:		
Anticipated as 2010 Miscellaneous Revenue	A-2	<u>41,119</u>
Balance December 31, 2010	A	<u><u>\$ 27,412</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO/FROM REGULAR FUND

	<u>Ref.</u>	
Balance December 31, 2009 (Due To)	A	\$ 3,743
Increased by:		
Receipts	A-4	<u>47</u>
		3,790
Decreased by:		
Grant Funds Received in Regular Fund	A-15	<u>22,500</u>
Balance December 31, 2010 (Due From)	A	<u><u>\$ 18,710</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant	Balance 12/31/2009	Transferred from 2010 Budget	Paid or Charged	Balance Cancelled	Balance 12/31/2010
NJ Body Armor	\$ 785	\$ 1,052			\$ 1,837
Tree Planting	524		\$ 294		230
SLAHEOP	669				669
Wild and Scenic River	219		140		79
Office of Emergency Management-2004	4,245		1,858		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
Community Stewardship	6,601		6,601		
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500				27,500
Recreation Trails Program	19,500		18,086		1,414
Clean Communities Program-2009	8,735		8,735		
Clean Communities Program-2010		17,782	17,301		481
Historic Preservation Grant	10,000				10,000
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund		7,000			7,000
Emergency Management Grant-2009 Reserve		5,000		\$ 5,000	
	<u>\$ 117,599</u>	<u>\$ 30,834</u>	<u>\$ 53,015</u>	<u>\$ 5,000</u>	<u>\$ 90,418</u>
Ref	A	A-3	A-4	A-15	A

TOWNSHIP OF DELAWARE
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ -
Increased by:		
Receipts	A-4	<u>23,501</u>
Balance December 31, 2010	A	<u>\$ 23,501</u>

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERSON
2010
TRUST FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2009	B	\$ 11,088	\$ 2,173,146
Increased by Receipts:			
Animal Control Fund	B-3	\$ 15,904	
Due to Current Fund	B-4	16	
Due to State of New Jersey	B-5	2,336	
Due from Current Fund	B-6		\$ 150,634
Reserve for Open Space	B-9		136,153
Developers' Deposits	B-15		96,118
Reserve for Recreation	B-17		10,682
Reserve for Recycling	B-18		2,337
Reserve for Sutton Burial Ground	B-19		7
Reserve for Dilts Farm	B-20		11
Reserve for Municipal Alliance	B-21		30,864
Reserve for Developer's Deposits-COAH	B-22		49,895
Reserve for COAH-Interest	B-23		355
Reserve for Public Defender	B-25		770
Reserve for POAA	B-26		2
Reserve for Quarry Reclamation Fund	B-27		2,025
Reserve for Tax Sale Premiums	B-28		23,100
Reserve for Farmer's Market	B-29		1,160
Reserve for Payroll	B-32		1,928,886
Reserve for Police Building	B-33		5,000
		<u>18,256</u>	<u>2,437,999</u>
		29,344	4,611,145

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	\$ 15,423	
Due to State of New Jersey	B-5	2,338	
Reserve for Open Space	B-9		\$ 656,759
Developers' Deposits	B-15		214,739
Reserve for Unemployment	B-16		360
Reserve for Recreation	B-17		10,075
Reserve for Recycling	B-18		4,554
Reserve for Municipal Alliance	B-21		24,557
Reserve for Developer's Deposits-COAH	B-22		112,420
Reserve for Insurance	B-24		438
Reserve for Tax Sale Premiums	B-28		8,000
Reserve for Farmer's Market	B-29		2,382
Reserve for Payroll	B-32		1,912,912
		<u>\$ 17,761</u>	<u>\$ 2,947,196</u>
Balance December 31, 2010	B;B-2	<u>\$ 11,583</u>	<u>\$ 1,663,949</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, 2010	B-1	\$ 11,583	\$ 1,663,949
Increased by:			
Receipts		9,104	877,164
		<u>20,687</u>	<u>2,541,113</u>
Decreased by:			
Disbursements		2,444	281,851
		<u>2,444</u>	<u>281,851</u>
Balance February 28, 2011		<u>\$ 18,243</u>	<u>\$ 2,259,262</u>

Cash Reconciliation February 28, 2011

Balance Per Statement:

TD Bank			\$ 48,747
PNC Bank		\$ 18,273	628,853
New Jersey Cash Management			1,600,780
		<u>18,273</u>	<u>2,278,380</u>
Add: Deposit-in-Transit		582	2,000
		<u>18,855</u>	<u>2,280,380</u>
Less: Outstanding Checks		612	21,118
		<u>612</u>	<u>21,118</u>
Book Balance		<u>\$ 18,243</u>	<u>\$ 2,259,262</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 9,085
Increased by Receipts:		
Animal Control Fees	B-1	15,904
		<u>24,989</u>
Decreased by:		
Expenditures Under RS 4:119.15.	B-1	15,423
		<u>15,423</u>
Balance December 31, 2010	B	<u>\$ 9,566</u>
<u>Animal Control Collections</u>		
2008		\$ 12,089
2009		<u>18,596</u>
Maximum Allowable Reserve		<u>\$ 30,685</u>

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

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 2,001
Increased by:		
Interest on Investments	B-1	<u>16</u>
Balance December 31, 2010	B	<u>\$ 2,017</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 2
Increased by:		
State Fees Collected	B-1	2,336
		<u>2,338</u>
Increased by:		
Disbursements	B-1	2,338
		<u>2,338</u>
Balance December 31, 2010	B	<u>\$ -</u>

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

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 163,322
Increased by:		
Open Space Trust Tax Levy	B-9	547,817
		<u>711,139</u>
Decreased by:		
Receipts-Open Space	B-1	\$ 150,000
Receipts-Other Trust Funds	B-1	634
		<u>150,634</u>
Balance December 31, 2010	B	<u>\$ 560,505</u>

<u>Analysis of Balance</u>	Dec. 31, 2009	Dec. 31, 2010
Open Space Trust	\$ 164,848	\$ 562,665
Other Trust Funds	500	500
Other Trust Funds	(2,026)	(2,660)
	<u>\$ 163,322</u>	<u>\$ 560,505</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2009	B	<u>\$ 26,628</u>
Balance December 31, 2010	B	<u><u>\$ 26,628</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2009	B	<u>\$ 55,141</u>
Balance December 31, 2010	B	<u><u>\$ 55,141</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR OPEN SPACE

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 1,563,016
Increased by:		
2010 Municipal Open Space Tax Levy	B-6	\$ 547,817
Receipts	B-1	<u>136,153</u>
		<u>683,970</u>
		<u>2,246,986</u>
Decreased by:		
Disbursements	B-1	<u>656,759</u>
Balance December 31, 2010	B	<u><u>\$ 1,590,227</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS

	<u>Ref.</u>	
Balance December 31, 2009	B	<u>\$ 81,676</u>
Balance December 31, 2010	B	<u><u>\$ 81,676</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD OPENING PERMITS

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ <u>1,000</u>
Balance December 31, 2010	B	\$ <u><u>1,000</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY ORDINANCE

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ <u>2,916</u>
Balance December 31, 2010	B	\$ <u><u>2,916</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR CASH BONDS

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 1,019
Balance December 31, 2010	B	<u>\$ 1,019</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 462
Balance December 31, 2010	B	<u>\$ 462</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ESCROW

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 256,878
Increased by:		
Receipts	B-1	<u>96,118</u>
		352,996
Decreased by:		
Disbursements	B-1	<u>214,739</u>
Balance December 31, 2010	B	<u><u>\$ 138,257</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 84,998
Decreased by:		
Disbursements	B-1	<u>360</u>
Balance December 31, 2010	B	<u><u>\$ 84,638</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECREATION

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 18,085
Increased by:		
Receipts	B-1	10,682
		<u>28,767</u>
Decreased by:		
Disbursements	B-1	10,075
		<u>10,075</u>
Balance December 31, 2010	B	<u>\$ 18,692</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECYCLING

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 5,001
Increased by:		
Receipts	B-1	2,337
		<u>7,338</u>
Decreased by:		
Disbursements	B-1	4,554
		<u>4,554</u>
Balance December 31, 2010	B	<u>\$ 2,784</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SUTTON BURIAL GROUND

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 8,388
Increased by:		
Receipts	B-1	<u>7</u>
Balance December 31, 2010	B	<u>\$ 8,395</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR DILTS FARM

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 12,924
Increased by:		
Receipts	B-1	<u>11</u>
Balance December 31, 2010	B	<u>\$ 12,935</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 1,936
Increased by:		
Receipts	B-1	<u>30,864</u>
		32,800
Decreased by:		
Disbursements	B-1	<u>24,557</u>
Balance December 31, 2010	B	<u>\$ 8,243</u>

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

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 190,719
Increased by:		
Receipts	B-1	<u>49,895</u>
		240,614
Decreased by:		
Disbursements	B-1	<u>112,420</u>
Balance December 31, 2010	B	<u>\$ 128,194</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 1,402
Increased by:		
Receipts	B-1	<u>770</u>
Balance December 31, 2010	B	<u>\$ 2,172</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POAA

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 8
Increased by:		
Receipts	B-1	<u>2</u>
Balance December 31, 2010	B	<u>\$ 10</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY RECLAMATION FUND

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 14,486
Increased by:		
Receipts	B-1	<u>2,025</u>
Balance December 31, 2010	B	<u>\$ 16,511</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR TAX PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 8,400
Increased by:		
Receipts	B-1	<u>23,100</u>
		31,500
Decreased by:		
Disbursements	B-1	<u>8,000</u>
Balance December 31, 2010	B	<u>\$ 23,500</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR FARMER'S MARKET

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 822
Increased by:		
Receipts	B-1	1,160
		<u>1,982</u>
Decreased by:		
Disbursements	B-1	2,382
		<u>2,382</u>
Balance December 31, 2010 (Deficit)	B	<u>\$ (400)</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PLAYGROUND

	<u>Ref.</u>	
Balance December 31, 2009	B	<u>\$ 45</u>
Balance December 31, 2010	B	<u>\$ 45</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ <u>477</u>
Balance December 31, 2010	B	\$ <u><u>477</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYROLL

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 13,535
Increased by:		
Receipts	B-1	<u>1,928,886</u>
		1,942,421
Decreased by:		
Disbursements	B-1	<u>1,912,912</u>
Balance December 31, 2010	B	\$ <u><u>29,509</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POLICE BUILDING

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ -
Increased by:		
Contributions Received	B-1	<u>5,000</u>
Balance December 31, 2010	B	<u>\$ 5,000</u>

**TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2010
GENERAL CAPITAL FUND**

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 516,359
Increased by Receipts:		
Due from Current Fund	C-5	282,055
		<u>798,414</u>
Decreased by Disbursements:		
Improvement Authorizations	C-10	98,376
		<u>98,376</u>
Balance December 31, 2010	C;C-3	<u>\$ 700,038</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, 2010	C-2	\$ 700,038
Increased by:		
Receipts		1
		<u>700,039</u>
Decreased by:		
Disbursements		338,029
		<u>338,029</u>
Balance February 28, 2011		<u>\$ 362,010</u>
 <u>Cash Reconciliation February 28, 2011</u>		
Balance Per Statement:		
PNC Bank		\$ 11,109
New Jersey Cash Management		353,046
		<u>364,155</u>
Less: Outstanding Checks		2,145
		<u>2,145</u>
Book Balance		<u>\$ 362,010</u>

TOWNSHIP OF DELAWARE
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance Dec. 31, 2009	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2010
Fund Balance	\$ 3,109			\$ (1,100)	\$ 2,009
Capital Improvement Fund	52,203			61,950	114,153
Due to/from Current Fund		\$ 282,055		(282,050)	5
Due to/from Open Space Trust Fund	(26,628)				(26,628)
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	40,134			(34,000)	6,134
Improvements to Dilts Property	5,610			(5,610)	
Construction of Municipal Building	104,500			(104,500)	
Guard Rails	2,325				2,325
Various Road Equipment	9,033			(4,000)	5,033
Costs Related to Purchase of Municipal Property	30,000			(30,000)	
Purchase of Police Equipment	15,000				15,000
Purchase of Fire Truck	10,000			(10,000)	
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 Road	3,708		\$ 130		3,578
Basketball Court Repairs at Dilts Park	372		372		
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	7,634		560		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, 2009	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2010
Road Improvements to Township Roads	\$ 790		\$ 790		
Various Capital Improvements	185,032				\$ 185,032
Studies for Location of New Police Bldg	23,968		19,583		4,385
Legal & Financial Services for New Bond	3,175		950		2,225
Purchase Equipt for Police Dept, Purchase Computers and Office Equipt, Site Fees and Studies for BI 24, Lot 10, PEOSHA and Roof Repairs at Township Garage	9,281		9,281		
Equipment for Sergeantsville Fire Co	888				888
Road Improvements on Various Township Roads	56,573		9,978		46,595
Survey & Engineering Services on Dogwood Dr	2,396		1,645		751
Engineering Services & Studies on Various Roads	19,387		725		18,662
Various New Equipment for Volunteer Fire Co	10,000				10,000
Purchase of Various Road Equipment	8,680		894		7,786
Planning Services for Preparation of a Land Use Ordinance	8,629				8,629
Remove and Replace Roof on Dilts Farm Bathrooms			5,000	\$ 5,000	
Purchase of Road Counting Machine and Larger Stop Signs			4,000.00	4,000	
Acquisition of a Fire Truck				27,000	27,000
Purchase of Various Office Equipment			2,758.00	10,000	7,242
Purchase of a Police Building			35,000.00	208,500	173,500
Purchase and Install Two Legend Basketball Systems			6,710.00	6,710	
Purchase of a Mack Roll Off Container Truck				8,100	8,100
	<u>\$ 516,359</u>	<u>\$ 282,055</u>	<u>\$ 98,376</u>	<u>\$ -</u>	<u>\$ 700,038</u>
Ref.	C	C-2	C-2		C

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO CURRENT FUND

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ -
Increased by:		
Receipts	C-2	<u>282,055</u>
		282,055
Decreased by:		
2010 Municipal Budget Appropriations:		
Capital Improvement Fund	C-11	\$ 102,050
Reserve for Construction of Municipal Building	C-15	40,000
Reserve for Road Drainage and Construction	C-21	<u>140,000</u>
		<u>282,050</u>
Balance December 31, 2010	C	<u>\$ 5</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM OPEN SPACE TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2009	C	<u>\$ 26,628</u>
Balance December 31, 2010	C	<u>\$ 26,628</u>

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

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 21,850
Balance December 31, 2010	C	<u>\$ 21,850</u>

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

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 8,265,000
Decreased by:		
2010 Budget Appropriation:		
Payment of Bonds	C-22	<u>246,000</u>
Balance December 31, 2010	C	<u>\$ 8,019,000</u>

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

Improvement Description	Balance 12/31/2009	2010 Authorization	2010 Note Payments	Grants Received	2010 Budget Appropriation	Balance 12/31/2010	Analysis of Balance Dec 31, 2010		
							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				323,000		\$ 323,000	
	<u>\$ 199,000</u>	<u>\$ 323,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,000</u>	<u>\$ 199,000</u>	<u>\$ 323,000</u>	<u>\$ -</u>
<u>Ref.</u>	C	C-10; C-23				C	C-4	C-10	

TOWNSHIP OF DELAWARE
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2009		2010 Authorization	Paid or Charged	Unexpended Balance Canceled	Balance Dec 31, 2010	
	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	3,708			\$ 130		3,578	
Basketball Court Repairs at Dilts Park	07-15	26,390	372			372			
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	07-16	20,000	7,634			560		7,074	
Acquisition of Property-BI 25, Lot 20	07-32	425,000	45					45	
Road Improvements to Township Roads	08-18	105,000	790			790			
Various Capital Improvements	08-19	609,285	185,032					185,032	
Studies for Location of New Police Bldg	08-20	40,000	23,968			19,583		4,385	
Legal & Financial Services for New Bond	08-26	60,000	3,175			950		2,225	
Purchase Equipmt for Police Dept, Purchase Computers and Office Equipmt, Site Fees and Studies for BL 24, Lot 10, PEOSHA and Roof Repairs at Township Garage	08-21	57,000	9,281			9,281			
Equipment for Sergeantsville Fire Co	08-32	7,500	888					888	
Road Improvements on Various Township Roads	09-13	200,000	56,573			9,978		46,595	
Survey & Engineering Services on Dogwood Dr	09-15	10,000	2,396			1,645		751	
Engineering Services & Studies on Various Roads	09-23	20,000	19,387			725		18,662	
Various New Equipment for Volunteer Fire Co	09-25	10,000	10,000					10,000	
Purchase of Various Road Equipment	09-26	12,000	8,680			894		7,786	
Planning Services for Preparation of a Land Use Ordinance	09-29	20,000	8,629					8,629	
Remove & Replace Roof on Dilts Farm Bathrooms	10-01	5,000			\$ 5,000	5,000			
Purchase of Road Counting Machine & Larger Stop Signs	10-02	4,000			4,000	4,000			
Acquisition of a Fire Truck	10-13	350,000			350,000			27,000	\$ 323,000
Purchase of Various Office Equipment	10-14	10,000			10,000	2,758		7,242	
Purchase of a Police Building	10-16	208,500			208,500	35,000		173,500	
Purchase & Install Two Legend Basketball Systems	10-17	6,710			6,710	6,710			
Purchase of a Mack Roll Off Container Truck	10-22	8,100			8,100			8,100	
			<u>\$ 419,724</u>	<u>\$ -</u>	<u>\$ 592,310</u>	<u>\$ 98,376</u>	<u>\$ -</u>	<u>\$ 590,658</u>	<u>\$ 323,000</u>

	Ref.	C	Below	C-2	C	C
Capital Surplus	C-1		\$ 1,100			
Deferred Charges to Future Taxation Unfunded	C-9		323,000			
Capital Improvement Fund	C-11		40,100			
Reserve for Expansion of Municipal Building	C-13		34,000			
Reserve for Improvements to Dilts Property	C-14		5,610			
Reserve for Construction of Municipal Building	C-15		144,500			
Reserve for Various Road Equipment	C-17		4,000			
Reserve for Costs Related to Purchase of Municipal Property	C-18		30,000			
Reserve for Purchase of Fire Truck	C-20		10,000			
			<u>\$ 592,310</u>			

TOWNSHIP OF DELAWARE
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 52,203
Increased by:		
2010 Budget Appropriation	C-5	<u>102,050</u>
		154,253
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>40,100</u>
Balance December 31, 2010	C	<u>\$ 114,153</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

	<u>Ref.</u>	
Balance December 31, 2009	C	<u>\$ 72,199</u>
Balance December 31, 2010	C	<u>\$ 72,199</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR EXPANSION OF MUNICIPAL BUILDING

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 40,134
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>34,000</u>
Balance December 31, 2010	C	<u>\$ 6,134</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR IMPROVEMENTS TO DILTS PROPERTY

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 5,610
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>5,610</u>
Balance December 31, 2010	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR CONSTRUCTION OF MUNICIPAL BUILDING

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 104,500
Increased by:		
2010 Budget Appropriation	C-5	<u>40,000</u>
		144,500
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>144,500</u>
Balance December 31, 2010	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR GUARD RAILS

	<u>Ref.</u>	
Balance December 31, 2009	C	<u>\$ 2,325</u>
Balance December 31, 2010	C	<u>\$ 2,325</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR VARIOUS ROAD EQUIPMENT

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 9,033
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>4,000</u>
Balance December 31, 2010	C	<u>\$ 5,033</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR COSTS RELATED TO PURCHASE OF MUNICIPAL PROPERTY

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 30,000
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>30,000</u>
Balance December 31, 2010	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PURCHASE OF POLICE EQUIPMENT

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 15,000
Balance December 31, 2010	C	<u>\$ 15,000</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PURCHASE OF FIRE TRUCK

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 10,000
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>10,000</u>
Balance December 31, 2010	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD DRAINAGE AND CONSTRUCTION

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ -
Increased by:		
2010 Budget Appropriation	C-5	<u>140,000</u>
Balance December 31, 2010	C	<u>\$ 140,000</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2010		Interest Rate	Balance 12/31/2009	Increased	Decreased	Balance 12/31/2010
			Date	Amount					
General Improvements	12/4/2002	\$ 4,190,000	10/15/2011	\$ 212,000	4.75%	\$ 2,953,000		\$ 206,000	\$ 2,747,000
			10/15/2012	220,000					
			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	10/15/2011	25,000	5.20%	2,698,000		20,000	2,678,000
			10/15/2012	30,000					
			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	10/15/2011	25,000	5.20%	2,614,000		20,000	2,594,000
			10/15/2012	30,000					
			10/15/2013	35,000					
			10/15/2014	45,000					
			10/15/2015						
			to 10/15/1938	2,459,000					
						<u>\$ 8,265,000</u>	<u>\$ -</u>	<u>\$ 246,000</u>	<u>\$ 8,019,000</u>
Ref.						C		C-8	C

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

Ord #	Improvement Description	Balance 12/31/2009	Increased in 2010	Decreased in 2010	Balance 12/31/2010
OO-25	Acquisition of Development Rights and Purchase of Land	\$ 199,000			\$ 199,000
10-13	Acquisition of a Fire Truck		\$ 323,000		323,000
		<u>\$ 199,000</u>	<u>\$ 323,000</u>	<u>\$ -</u>	<u>\$ 522,000</u>
	<u>Ref.</u>	C			C

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERSON
2010
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, 2009	D	\$ 6,221		\$ 6,221
Increased by:				
Interest Earned	D-4	5		5
		6,226	\$ -	6,226
Decreased by:				
Interest Transferred to Operating	D-5			-
Balance December 31, 2010	D	<u>\$ 6,226</u>	<u>\$ -</u>	<u>\$ 6,226</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	D-1	\$ 6,226
Increased by:		
Receipts		1
		6,227
Decreased by:		
Disbursements		6
Balance February 28, 2011		<u>\$ 6,221</u>

<u>Cash Reconciliation February 28, 2011</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, 2009	D-1	\$	6,221
Increased by:			
Interest Earned	D-4,D-7		<u>5</u>
			6,226
Decreased by:			
Interest Transferred to Operating	D-7		<u> </u>
Balance December 31, 2010	D-1	<u>\$</u>	<u>6,226</u>
Reconciliation December 31, 2010			
	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit:			
PNC Bank	<u>\$ 6,226</u>	<u> </u>	<u>\$ 6,226</u>
Balance December 31, 2010	<u>\$ 6,226</u>	<u>\$ -</u>	<u>\$ 6,226</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2010

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Revenues:			
Interest Income	<u>\$ 5</u>	<u> </u>	<u>\$ 5</u>
	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 5</u>
<u>Ref.</u>			D-1;D-7

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2010

(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, 2009	D	\$ 6,221
Increased by:		
Receipts	D-3	<u>5</u>
Balance December 31, 2010	D	<u>\$ 6,226</u>

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERSON
2010
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2010 AND 2009

GENERAL FIXED ASSETS	<u>2010</u>	<u>2009</u>
Land	\$ 1,650,804	\$ 1,650,804
Building & Building Improvements	178,143	165,494
Machinery & Equipment	<u>2,247,505</u>	<u>2,228,784</u>
	<u>\$ 4,076,452</u>	<u>\$ 4,045,082</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
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(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 20, 2011

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, 2010, and have issued our report thereon dated May 20, 2011. 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, 2010

Grant	Balance 12/31/2009	Receipts	Expended	Over- Expended	Balance 12/31/2010
NJ Body Armor	\$ 785	\$ 1,052			\$ 1,837
Tree Planting	524		\$ 294		230
SLAHEOP	669				669
Wild and Scenic River	219		140		79
Office of Emergency Management-2004	4,245		1,858		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
Community Stewardship	6,601		6,601		
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500				27,500
Recreation Trails Program	19,500		18,086		1,414
Clean Communities Program-2009	8,735		8,735		
Clean Communities Program-2010		17,782	17,301		481
Historic Preservation Grant	10,000				10,000
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund		7,000			7,000
	<u>\$ 117,599</u>	<u>\$ 25,834</u>	<u>\$ 53,015</u>	<u>\$ -</u>	<u>\$ 90,418</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

	2010		2009	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 742,199	3.68	\$ 658,000	3.25
Miscellaneous-From Other Than Local Property Tax Levied	797,551	3.95	895,830	4.43
Collection of Delinquent Taxes & Tax Title Liens	219,123	1.09	197,230	0.98
Collection of Current Tax Levy	<u>18,422,195</u>	<u>91.28</u>	<u>18,466,104</u>	<u>91.34</u>
Total Income	<u>20,181,068</u>	<u>100.00</u>	<u>20,217,164</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	3,603,368	18.33	3,494,472	17.81
County Taxes	3,505,044	17.83	3,462,863	17.65
Local School Taxes	7,357,793	37.43	6,967,061	35.51
Regional School Taxes	4,635,492	23.58	5,149,950	26.25
Municipal Open Space Tax	547,817	2.79	544,688	2.78
Other Debits to Income	<u>10,119</u>	<u>0.05</u>	<u>500</u>	<u>0.00</u>
Total Expenditures	<u>19,659,633</u>	<u>100.00</u>	<u>19,619,534</u>	<u>100.00</u>
Excess in Revenue	521,435		597,630	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>-</u>		<u>61</u>	
Regulatory Excess to Fund Balance	521,435		597,691	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>772,652</u>		<u>832,961</u>	
	1,294,087		1,430,652	
Less: Utilization as Anticipated Revenue	<u>742,199</u>		<u>658,000</u>	
Fund Balance December 31,	<u>\$ 551,888</u>		<u>\$ 772,652</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	
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
2001	0.19	0.48	0.73	0.60	2.00

* 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
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%
2001	562,845,773	585,687,589	96.10%

* 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 Collectuibs	Percentage of Collections
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%
2001	11,508,101	11,282,442	98.04%

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
2001	\$ 11,755,300	\$ 364,666,100	\$ 1,586,900	\$ 13,992,700	\$ 161,860,600	\$ 7,328,600	\$ 561,190,200
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

(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%

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>
2010	None
2009	None
2008	None
2007	None
2006	None
2005	None
2004	None
2003	None
2002	None
2001	None

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	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, 2010
 (Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Workers Compensation-NJHF:		
Section "A"	Statutory	
Section "B"	\$ 1,000,000	
Package Policy-Selective Insurance Co.:		
Property-Buildings & Contents	3,515,546	\$ 500
Liability Coverage Casualty per Occurrence	1,000,000	
Auto Liability	1,000,000	
Public Officials & Employment Practices	1,000,000	5,000
Police Professional	1,000,000	5,000
Umbrella Liability	15,000,000	
Crime	1,000,000	10,000
Pollution Legal Liability-NJHF:		
Each Incident	1,000,000	1,000
Surety Bonds:		
Tax Collector	175,000	
Treasurer	100,000	
Payroll Clerk	100,000	

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>
George Hrehowesik	Mayor
Kristin McCarthy	Deputy Mayor
Roger Locandro	Committeeperson
Susan Lockwood	Committeeperson
Kenneth Novak	Committeeperson

* * * * *

<u>Name</u>	<u>Title</u>
Judith Allen	Municipal Clerk
Linda Zengel	Treasurer & Chief Financial Officer
Brigid Pfenninger	Tax Collector
Michelle Trivigno	Assessor
Kristina Hadinger	Attorney
Ellen O'Connell	Labar 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, (\$26,000 effective July 1, 2010) 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
Fire Tanker/Pumper
Bathroom Roof at Dilts Farm Park

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
Hydro geologist
Labor Attorney
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 \$26,000 "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 1, 2010, 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 2010 and was 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>
2010	4
2009	3
2008	2

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.

Municipal Expenditures

1. Business Registration Certificates were not available for many of the vendors utilized by the Municipality.
2. Time sheets not available in municipal building for audit review.
3. Federal form 1099 not issued to 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. Business Registration Certificates are to be obtained from all appropriate vendors of the municipality who exceed the minimum threshold requirement.
3. Employee time sheets are to be maintained in the municipal building for audit review.
4. Federal form 1099 is to be issued to appropriate businesses and individuals providing services to the municipality.
5. Interfunds are to be liquidated prior to the end of the year to guarantee that cash resources are properly allocated.

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.

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 20, 2011.

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