

**TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY**

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2011**

TOWNSHIP OF STAFFORD

COUNTY OF OCEAN

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COUNTY OF OCEAN

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TOWNSHIP OF STAFFORD

COUNTY OF OCEAN

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2011

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Stafford
County of Ocean
Stafford, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Stafford (the "Township"), as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis for the year ended December 31, 2011. These financial statements - regulatory basis are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund and represent 5.29% and 4.75% of the assets and liabilities as of December 31, 2011 and 2010, respectively of the Township's Trust Funds.

As described more fully in Note 2, the Township has prepared these financial statements using accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Further, in our opinion, because of the effects of the matter 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, as of December 31, 2011 and 2010 or the results of its operations or cash flows of its proprietary fund types and nonexpendable trust funds for the years then ended.

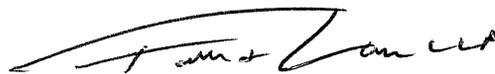
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Township, as of December 31, 2011 and 2010, and the results of its operations and the changes in fund balance - regulatory basis of the individual funds for the years then ended and the statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 2 to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated August 17, 2012 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits have been conducted for the purpose of forming opinions on the financial statements - regulatory basis of the Township taken as a whole. The accompanying financial information listed as supplementary schedules and comments section in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements - regulatory basis. The accompanying financial information listed as supplementary schedules and comments section in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements - regulatory basis. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements - regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements - regulatory basis or to the financial statements - regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund supplementary information been audited, in our opinion, is fairly presented in all material respects in relation to the financial statements - regulatory basis taken as a whole, on the basis of accounting described in Note 2 to the financial statements - regulatory basis.



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant #465



Fallon & Larsen LLP

August 17, 2012

Certified Public Accountants

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**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor and Members
of the Township Council
Township of Stafford
County of Ocean
Stafford, New Jersey

We have audited the financial statements - regulatory basis of the Township of Stafford (the "Township") as of and for the year ended December 31, 2011, and have issued our report thereon dated August 17, 2012 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 2 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was also qualified because the Division of Local Government Services does not require the Length of Service Award Program to be audited, only reviewed. Except as discussed in the preceding sentence, 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, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

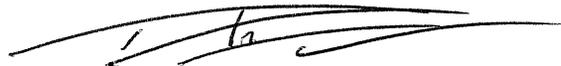
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination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

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

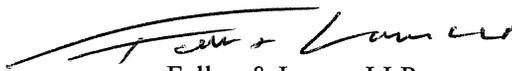
Compliance and Other Matters

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

This report is intended solely for the information and use of the governing body, management, others within the Township, the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant #465



Fallon & Larsen LLP

August 17, 2012

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents - Treasurer	1-A	\$ 7,506,659.45	\$ 6,963,053.46	Appropriation Reserves	A-3,8-A	\$ 792,552.54	\$ 1,183,979.95
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A	8,242.71	8,661.68	Encumbrances Payable	9-A	137,022.47	219,020.34
				Payroll Deductions Payable	11-A	199,238.06	143,449.45
				Prepaid Taxes	12-A	513,634.72	455,100.50
				County Taxes Payable	13-A	54,552.06	69,616.14
				Local District School Tax Payable	14-A	1,462,331.50	1,460,249.50
Taxes Receivable	3-A	890,510.44	842,537.69	Regional School Tax Payable	14-A	482,748.40	253,913.20
Tax Title Liens Receivable	4-A	61,020.81	43,873.94	Tax Overpayments Payable	15-A	4,168.76	1,471.56
Revenue Accounts Receivable	5-A	24,822.25	20,386.28	Due To Grant Fund	10-A	166,078.20	94,339.39
Property Acquired for Taxes - Assessed Valuation	6-A	290,850.00	302,750.00	Reserve for:			
				Garden State Preservation Trust Fund	17-A	36,666.00	36,666.00
				Open Space Tax Payable	16-A	1,848.30	1,848.30
				Accounts Payable	20-A		168,390.80
						3,848,992.71	4,088,045.13
Deferred Charges:							
Special Emergency Authorization	21-A		30,000.00	Reserve for Receivables and Other Assets	A	1,267,203.50	1,209,547.91
				Fund Balance	A-1	3,665,909.45	2,913,670.01
						8,782,105.66	8,211,263.05
Grant Fund:				Grant Fund:			
State and Federal Grants Receivable	7-A	16,867.80	8,982.29	Encumbrances Payable	9-A	1,487.22	22,725.58
Due From Current Fund	A	166,078.20	94,339.39	Reserve for Grant Expenditures - Appropriated	18-A	164,684.81	80,596.10
				Reserve for Grants - Unappropriated	19-A	16,773.97	
						182,946.00	103,321.68
Total Assets		\$ 8,965,051.66	\$ 8,314,584.73	Total Liabilities, Reserves and Fund Balance		\$ 8,965,051.66	\$ 8,314,584.73

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,800,000.00	\$ 3,300,000.00
Miscellaneous Revenue Anticipated	A-2	5,100,251.91	4,706,649.23
Receipts From Delinquent Taxes	A-2	828,900.03	741,477.85
Receipts From Current Taxes	A-2	81,776,195.43	79,963,448.80
Non-Budget Revenues	A-2	1,025,913.47	1,670,510.10
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	8-A	451,739.82	282,920.78
Cancel Accounts Payable	20-A	<u>8,602.47</u>	<u> </u>
Total Revenues		<u>91,991,603.13</u>	<u>90,665,006.76</u>
Expenditures:			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	15,878,230.00	16,407,007.00
Other Expenses	A-3	10,551,169.88	10,461,090.16
Capital Improvements	A-3	125,000.00	225,000.00
Deferred Charges and Statutory			
Expenditures	A-3	3,704,879.03	3,188,071.00
Debt Service	A-3	6,400,055.81	6,391,815.48
Prior Year Senior Citizens' Disallowed	2-A	3,081.51	3,634.93
County Taxes	13-A	16,532,855.81	16,397,419.90
County Share of Added Taxes	13-A	54,552.06	69,616.14
Local District School Tax	14-A	25,509,243.00	25,505,079.00
Regional School Tax	14-A	9,241,673.07	8,784,002.67
Municipal Open Space Tax	16-A	<u>438,623.52</u>	<u>438,216.70</u>
Total Expenditures		<u>88,439,363.69</u>	<u>87,870,952.98</u>
Excess in Revenue		3,552,239.44	2,794,053.78
Fund Balance, January 1	A	<u>2,913,670.01</u>	<u>3,419,616.23</u>
		6,465,909.45	6,213,670.01
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>2,800,000.00</u>	<u>3,300,000.00</u>
Fund Balance, December 31	A	<u>\$ 3,665,909.45</u>	<u>\$ 2,913,670.01</u>

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Anticipated</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,800,000.00	\$ 2,800,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5-A	30,000.00	30,950.00	\$ 950.00
Fees and Permits	5-A	25,000.00	26,975.00	1,975.00
Fines and Costs:				
Municipal Court	5-A	325,000.00	344,206.18	19,206.18
Interest and Cost on Taxes	5-A	195,000.00	200,864.80	5,864.80
Fire Prevention Bureau Fees	5-A	85,000.00	94,372.56	9,372.56
Mobile Home Park Fees	5-A	130,000.00	134,013.11	4,013.11
Payments in Lieu of Taxes - Federal	5-A	17,683.00	12,459.00	(5,224.00)
Cable TV Fee and Lease	5-A	116,030.48	116,030.48	
Energy Receipts Tax	5-A	2,465,920.00	2,465,920.00	
Supplemental Energy Receipts Tax	5-A	104,286.00	104,286.00	
Garden State Preservation Trust Fund	5-A	36,666.00	36,666.00	
Uniform Construction Code Fee	5-A	435,000.00	569,182.00	134,182.00
Shared Services Agreement -				
Animal Control:				
Township of Long Beach	5-A	17,600.00	17,849.50	249.50
Borough of Beach Haven	5-A	4,500.00	5,056.00	556.00
Borough of Barnegat Light	5-A	2,900.00	3,124.50	224.50
Borough of Harvey Cedars	5-A	3,500.00	3,286.50	(213.50)
Shared Services Agreement -				
Construction:				
Township of Eagleswood	5-A	25,600.00	18,067.00	(7,533.00)
Borough of Beach Haven	5-A	40,000.00	60,475.50	20,475.50
Borough of Surf City	5-A	22,600.00	34,390.00	11,790.00
Borough of Harvey Cedars	5-A	7,300.00	19,970.00	12,670.00
Ocean County Cooperative Pricing System	5-A	15,000.00	17,000.00	2,000.00
Reserve To Pay Bonds	5-A	286,015.92	286,015.92	
Capital Surplus	5-A	215,000.00	215,000.00	
Reserve to Pay Notes	5-A	52,500.00	52,500.00	
Recycling Tonnage Grant	7-A	50,602.74	50,602.74	
Recycling Tonnage Grant - 2009	7-A	77,620.12	77,620.12	
Clean Communities Program	7-A	59,811.61	59,811.61	
Alcohol Education and Rehabilitation Fund	7-A	2,157.39	2,157.39	
Municipal Alliance on Alcoholism and Drug Abuse	7-A	27,000.00	27,000.00	
Drive Sober or Get Pulled Over 2011 Crackdown	7-A	5,000.00	5,000.00	
Over the Limit Under Arrest 2011 Crackdown	7-A	4,400.00	4,400.00	
Emergency Management Assistance Funding	7-A	5,000.00	5,000.00	
Total Miscellaneous Revenues	A-1	4,889,693.26	5,100,251.91	210,558.65

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Anticipated</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Receipts From Delinquent Taxes	A-1,3-A	<u>700,000.00</u>	<u>828,900.03</u>	<u>128,900.03</u>
Amount To Be Raised By Taxes for Support of Municipal Budget	A-2,3-A	<u>30,748,011.38</u>	<u>31,640,444.91</u>	<u>892,433.53</u>
Budget Totals	A-3	39,137,704.64	40,369,596.85	1,231,892.21
Non-Budget Revenues	A-1,A-2	<u>1,025,913.47</u>	<u>1,025,913.47</u>	<u>1,025,913.47</u>
		<u>\$ 39,137,704.64</u>	<u>\$ 41,395,510.32</u>	<u>\$ 2,257,805.68</u>
Revenue Accounts Receivable	5-A		\$ 4,868,660.05	
Grants Receivable	7-A		<u>231,591.86</u>	
	A-2		<u>\$ 5,100,251.91</u>	
Summary of Revenue Realized:				
Allocation of Current Tax Revenues:				
Allocation of Current Tax Collections:				
Revenue From Collections	A-1,3-A		\$ 81,776,195.43	
Allocated To School and County Taxes	3-A		<u>51,776,947.46</u>	
Balance for Support of Municipal Appropriations			29,999,247.97	
Increased By:				
Appropriation Reserve for Uncollected Taxes	A-3		<u>1,641,196.94</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 31,640,444.91</u>	

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

<u>Analysis of Non-Budget Revenues</u>	<u>Reference</u>	
Peddler and Taxi Licenses		\$ 1,155.00
Raffle/Bingo Licenses		8,835.00
Food-Handlers License		14,067.00
Vital Statistics		36,062.00
Tax Searches		80.00
Xerox Copies		296.57
Contractors Registration		150.00
Land Use - Zoning Fees		150.00
Administration Fees - Site Plans		8,450.00
Variance Lists		790.00
Towing Fees		480.00
Ocean County Recycling Revenue Sharing		116,888.52
Pool Licenses		500.00
Street Opening Permits		13,227.00
Police Reports		4,995.04
Labor Liens		4,795.77
Interest on Investments and Deposits		38,272.70
Trash Containers		120.00
Returned Check Charge Fees		230.00
Cat Licenses		8,852.40
Court Reporter - Planning and Zoning		5,000.00
Miscellaneous		77.16
2% Administrative Payment		10,170.10
Miscellaneous Refunds and Reimbursements		85,074.06
Police Outside Employment Administrative Fee		35,318.74
Restitution		3,687.47
Sale of Municipal Assets		15,000.00
Penalty - Building Department		1,475.00
Recycled Material		15,025.40
PILOT - Presbyterian Homes		36,134.53
PILOT - Stafford Family Apartments		50,881.05
PILOT - Stafford Park Retail - Target, Costco, etc.		266,149.60
PILOT - Stafford Properties Urban Development		12,102.08
Auction Proceeds		8,874.55
FEMA Snow Storm and Hurricane Reimbursements		174,975.73
Fertilizer Course Registration Fees		120.00
Sale of Property Acquired for Taxes	6-A	42,401.00
DMV Inspection Fines		<u>5,050.00</u>
	A-2,1-A	<u>\$ 1,025,913.47</u>

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"	\$ 226,900.00	\$ 226,900.00	\$ 219,308.40	\$ 7,591.60	
General Administration:	17,150.00	17,150.00	14,105.99	3,044.01	
Salaries and Wages					
Other Expenses	166,500.00	161,500.00	152,801.87	8,698.13	
Purchasing:	6,925.00	6,925.00	6,925.00		
Salaries and Wages					
Other Expenses	10,000.00	15,000.00	11,567.45	3,432.55	
Human Resources:					
Other Expenses	114,200.00	114,200.00	108,587.47	5,612.53	
Mayor and Council:	2,750.00	2,750.00	1,847.08	902.92	
Salaries and Wages					
Other Expenses	222,600.00	227,600.00	227,076.31	523.69	
Municipal Clerk:	39,300.00	39,800.00	39,682.58	117.42	
Salaries and Wages	3,000.00	2,500.00	2,411.56	88.44	
Other Expenses					
Financial Administration (Treasury):	345,000.00	345,000.00	331,753.04	13,246.96	
Salaries and Wages	16,500.00	16,500.00	16,500.00		
Other Expenses	35,000.00	35,000.00	35,000.00		
Audit Services:					
Other Expenses	30,000.00	30,000.00	22,975.33	7,024.67	
Banking and Arbitrage Rebate Services:					
Other Expenses	127,400.00	127,400.00	123,802.04	3,597.96	
Computerized Data Processing:	96,865.00	96,865.00	96,858.97	6.03	
Salaries and Wages					
Other Expenses	392,100.00	392,100.00	361,023.11	1,076.89	
Revenue Administration (Tax Collection):	64,300.00	64,300.00	62,551.61	1,748.39	\$ 30,000.00
Salaries and Wages					
Other Expenses	393,700.00	393,700.00	388,206.59	5,493.41	
Tax Assessment Administration:	49,000.00	49,000.00	34,677.49	14,322.51	
Salaries and Wages					
Other Expenses	215,000.00	215,000.00	162,252.57	52,747.43	
Legal Services (Legal Department):	125,000.00	125,000.00	79,105.75	45,894.25	
Other Expenses					
Engineering Services:					
Other Expenses	41,850.00	41,850.00	38,461.83	3,388.17	
Municipal Alliance:					
Salaries and Wages					
Community Development and Zoning:					
Salaries and Wages	245,400.00	245,400.00	216,239.30	4,160.70	25,000.00
Other Expenses	9,700.00	9,700.00	9,012.17	687.83	
Historic Sites Office:					
Salaries and Wages	900.00	900.00	512.21	387.79	
Other Expenses	600.00	600.00	599.54	0.46	

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	4,000.00	3,700.00	3,412.72	287.28	
Other Expenses	13,500.00	13,800.00	13,735.59	64.41	
Zoning Board of Adjustment:					
Salaries and Wages	3,000.00	3,000.00	1,826.07	1,173.93	
Other Expenses	14,080.00	14,080.00	10,282.86	3,797.14	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement:					
Salaries and Wages	545,700.00	545,700.00	535,012.79	687.21	10,000.00
Other Expenses	8,500.00	8,500.00	8,481.18	18.82	
Other Code Enforcement Functions:					
Salaries and Wages	156,500.00	156,500.00	147,916.48	8,583.52	
Other Expenses	1,400.00	1,400.00	1,123.11	276.89	
INSURANCE					
General Liability	281,578.64	278,578.64	275,977.64	2,601.00	
Workers Compensation	422,681.38	422,681.38	422,681.38		
Employee Group Health	4,068,480.00	4,068,480.00	4,068,480.00		
Unemployment/Disability Insurance	55,000.00	55,000.00	55,000.00		
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	7,600,000.00	7,600,000.00	7,318,128.74	31,871.26	250,000.00
Other Expenses	281,423.00	281,423.00	281,026.91	396.09	
Office of Emergency Management:					
Salaries and Wages	21,780.00	5,780.00	4,800.00	980.00	
Other Expenses	4,600.00	4,600.00	4,528.87	71.13	
Aid To Volunteer Fire Companies	90,000.00	90,000.00	90,000.00		
Aid To Volunteer Ambulance Companies	70,000.00	70,000.00	70,000.00		
Uniform Fire Safety:					
Salaries and Wages	166,600.00	166,600.00	147,606.82	8,993.18	10,000.00
Other Expenses	11,150.00	11,150.00	11,088.55	61.45	
Municipal Prosecutor's Office:					
Other Expenses	59,454.00	59,454.00	59,454.00		
New Jersey Public Employees Safety and Health	30,500.00	30,500.00	29,193.51	1,306.49	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	844,900.00	844,900.00	731,536.23	28,363.77	85,000.00
Other Expenses	131,840.00	126,840.00	124,659.23	2,180.77	
Solid Waste Collection:					
Salaries and Wages	1,504,200.00	1,459,200.00	1,379,648.97	9,551.03	70,000.00
Other Expenses	52,710.00	47,710.00	46,210.08	1,499.92	
Buildings and Grounds:					
Salaries and Wages	1,409,500.00	1,409,500.00	1,251,151.22	73,348.78	85,000.00
Other Expenses	150,350.00	158,850.00	158,566.21	283.79	
Vehicle Maintenance:					
Salaries and Wages	701,500.00	701,500.00	648,358.98	18,141.02	35,000.00
Other Expenses	589,323.00	600,823.00	595,532.29	5,290.71	
Municipal Bus Service:					
Salaries and Wages	176,700.00	211,700.00	195,924.89	5,775.11	10,000.00
Other Expenses	5,200.00	5,200.00	2,116.43	3,083.57	
HEALTH AND HUMAN SERVICES					
Environmental Health Services:					
Salaries and Wages	3,000.00	4,000.00	3,704.30	295.70	
Other Expenses	1,250.00	1,250.00	1,003.67	246.33	
Animal Control Services:					
Salaries and Wages	218,800.00	218,800.00	197,256.27	11,543.73	10,000.00
Other Expenses	35,990.00	35,990.00	31,951.53	4,038.47	
Contribution To Social Services Agencies	5,000.00	5,000.00	5,000.00		
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	315,100.00	315,100.00	298,240.11	16,859.89	
Other Expenses	40,065.00	40,065.00	37,835.20	2,229.80	
Beach and Boardwalk Operations:					
Salaries and Wages	25,000.00	25,000.00	25,000.00		
Other Expenses	750.00	750.00	694.65	55.35	
Celebration of Public Events:					
Other Expenses	36,000.00	36,000.00	34,796.80	1,203.20	
Municipal Court:					
Salaries and Wages	416,700.00	416,700.00	406,534.91	10,165.09	
Other Expenses	17,450.00	17,450.00	16,928.88	521.12	
Public Defender:					
Other Expenses	25,000.00	28,000.00	27,860.00	140.00	

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	302,000.00	302,000.00	293,403.06	8,596.94	
Street Lighting	458,300.00	458,300.00	372,180.23	86,119.77	
Telephone (excluding telephone acquisition)	167,500.00	167,500.00	162,136.40	5,363.60	
Water	11,000.00	11,000.00	6,691.58	4,308.42	
Gas (natural or propane)	55,000.00	55,000.00	40,001.31	14,998.69	
Telecommunications Costs	500.00	500.00	406.50	93.50	
Sewerage Processing and Disposal	11,000.00	11,000.00	7,209.40	3,790.60	
Gasoline	446,343.00	556,343.00	515,552.26	40,790.74	
Landfill/Solid Waste Disposal Costs	1,250,000.00	1,150,000.00	1,107,664.35	42,335.65	
Accumulated Leave Compensation	10,000.00	10,000.00	10,000.00		
Total Operations - Within "CAPS"	26,325,538.02	26,325,538.02	25,059,358.42	646,179.60	620,000.00
Detail:					
Salaries and Wages	16,399,530.00	16,374,230.00	15,473,831.67	280,398.33	620,000.00
Other Expenses	9,926,008.02	9,951,308.02	9,585,526.75	365,781.27	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
DEFERRED CHARGES					
Prior Year Bills:					
Manahawkin Magic Wash LLC - 2008	317.28	317.28	317.28		
Manahawkin Magic Wash LLC - 2009	64.75	64.75	64.75		
STATUTORY EXPENDITURES					
Contribution To:					
Public Employees Retirement System	814,775.00	814,775.00	814,775.00		
Social Security System (O.A.S.I.)	1,265,000.00	1,265,000.00	1,121,642.62	43,357.38	100,000.00
Police and Firemen's Retirement System of NJ	1,684,722.00	1,684,722.00	1,684,722.00		
Defined Contribution Retirement Program	10,000.00	10,000.00	5,893.15	4,106.85	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	3,774,879.03	3,774,879.03	3,627,414.80	47,464.23	100,000.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	30,100,417.05	30,100,417.05	28,686,773.22	693,643.83	720,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Balance After Modification	Paid or Charged	Reserved	Cancelled
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
Employee Group Health	306,520.00	306,520.00	214,936.64	1,583.36	90,000.00
Length of Service Award Program	95,000.00	95,000.00		95,000.00	
Recycling Tax	50,000.00	50,000.00	47,674.65	2,325.35	
Total Operations - Excluded From "CAPS"	451,520.00	451,520.00	262,611.29	98,908.71	90,000.00
Shared Service Agreements:					
Animal Control:					
Township of Long Beach:					
Salaries and Wages	17,600.00	17,600.00	17,600.00		
Borough of Beach Haven:					
Salaries and Wages	4,500.00	4,500.00	4,500.00		
Borough of Barmegat Light:					
Salaries and Wages	2,900.00	2,900.00	2,900.00		
Borough of Harvey Cedars:					
Salaries and Wages	3,500.00	3,500.00	3,500.00		
Construction:					
Township of Eagleswood					
Salaries and Wages	25,600.00	25,600.00	25,600.00		
Borough of Beach Haven:					
Salaries and Wages	40,000.00	40,000.00	40,000.00		
Borough of Surf City					
Salaries and Wages	22,600.00	22,600.00	22,600.00		
Borough of Harvey Cedars:					
Salaries and Wages	7,300.00	7,300.00	7,300.00		
Total Shared Service Agreements	124,000.00	124,000.00	124,000.00		

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant	50,602.74	50,602.74	50,602.74		
Ocean County Municipal Alliance	27,000.00	27,000.00	27,000.00		
Municipal Alliance - Local Match	6,750.00	6,750.00	6,750.00		
Clean Communities Program	59,811.61	59,811.61	59,811.61		
Local Match for Grants	5,000.00	5,000.00			5,000.00
Over the Limit Under Arrest	4,400.00	4,400.00	4,400.00		
Alcohol Education/Rehabilitation Grant	2,157.39	2,157.39	2,157.39		
Emergency Management Assistance Funding	5,000.00	5,000.00	5,000.00		
Drive Sober or Get Pulled Over	5,000.00	5,000.00	5,000.00		
Recycling Tonnage Grant - 2009	<u>77,620.12</u>	<u>77,620.12</u>	<u>77,620.12</u>		
Total Public and Private Programs Offset					
By Revenues	<u>243,341.86</u>	<u>243,341.86</u>	<u>238,341.86</u>		<u>5,000.00</u>
Total Operations - Excluded From "CAPS"	<u>818,861.86</u>	<u>818,861.86</u>	<u>624,953.15</u>	<u>98,908.71</u>	<u>95,000.00</u>
Detail:					
Salaries and Wages	124,000.00	124,000.00	124,000.00		
Other Expenses	694,861.86	694,861.86	500,953.15	98,908.71	95,000.00
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	<u>125,000.00</u>	<u>125,000.00</u>	<u>125,000.00</u>		
Total Capital Improvements - Excluded From "CAPS"	<u>125,000.00</u>	<u>125,000.00</u>	<u>125,000.00</u>		

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS Operations - Within "CAPS"					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	3,800,000.00	3,800,000.00	3,800,000.00		
Payment of Bond Anticipation Notes	52,500.00	52,500.00	52,500.00		
Interest on Bonds	2,079,462.94	2,079,462.94	2,057,724.19		21,738.75
Interest on Notes	121,000.00	121,000.00	120,565.77		434.23
Green Acres Trust Loan Program:					
Loan Repayments for Principal and Interest	<u>369,265.85</u>	<u>369,265.85</u>	<u>369,265.85</u>		
Total Municipal Debt Service - Excluded From "CAPS"	<u>6,422,228.79</u>	<u>6,422,228.79</u>	<u>6,400,055.81</u>		<u>22,172.98</u>
Deferred Charges - Municipal Excluded from "CAPS"					
Deferred Charges:					
Special Emergency Authorizations - 5 Years	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>		
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	<u>7,396,090.65</u>	<u>7,396,090.65</u>	<u>7,180,008.96</u>	<u>98,908.71</u>	<u>117,172.98</u>
Subtotal General Appropriations	37,496,507.70	37,496,507.70	35,866,782.18	792,552.54	837,172.98
Reserve for Uncollected Taxes	<u>1,641,196.94</u>	<u>1,641,196.94</u>	<u>1,641,196.94</u>		
Total General Appropriations	<u>\$ 39,137,704.64</u>	<u>\$ 39,137,704.64</u>	<u>\$ 37,507,979.12</u>	<u>\$ 792,552.54</u>	<u>\$ 837,172.98</u>
Budget as Adopted	\$ 38,938,112.78				
Added By N.J.S. 40A:4-87	<u>199,591.86</u>				
	<u>\$ 39,137,704.64</u>			A	A-3
Reference					
A-2					
Analysis of Paid or Charged					
Cash Disbursements			\$ 35,461,417.85		
Encumbrances Payable			137,022.47		
Deferred Charges - Special Emergency Authorization			30,000.00		
Reserve for:					
Uncollected Taxes			1,641,196.94		
Grant Expenditures - Appropriated			<u>238,341.86</u>		
			<u>\$ 37,507,979.12</u>		

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	1-C	\$ 7,106,798.34	\$ 7,105,980.18	Serial Bonds	6-C	\$ 55,081,000.00	\$ 50,106,000.00
Grants Receivable	3-C	19,389.00	19,389.00	Bond Anticipation Notes	7-C	11,559,200.00	17,080,000.00
		<u>7,126,187.34</u>	<u>7,125,369.18</u>	Encumbrances Payable	8-C	1,392,215.89	1,618,976.55
				Loans Payable	9-C	3,141,576.41	3,448,400.71
				Improvement Authorizations:			
				Funded	10-C	463,894.08	702,526.66
				Unfunded	10-C	4,254,984.87	11,926,736.20
				Capital Improvement Fund	11-C	219,028.99	184,507.99
				Reserve for:			
Deferred Charges To Future Taxation:				Grants Receivable	3-C	19,389.00	19,389.00
Funded	4-C	58,222,576.41	53,554,400.71	Debt Service	12-C	7,448.00	338,515.92
Unfunded	5-C	11,559,201.00	25,603,850.00	Developer's Contributions	13-C	42,000.00	42,000.00
		<u>69,781,777.41</u>	<u>79,158,250.71</u>	Fund Balance	C-1	727,227.51	816,566.86
Total Assets		<u>\$ 76,907,964.75</u>	<u>\$ 86,283,619.89</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 76,907,964.75</u>	<u>\$ 86,283,619.89</u>

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 816,566.86
Increased By:			
Cancelled Funded Improvement Authorizations	10-C	\$ 14,526.34	
Premium on Bond Sale	1-C	53,868.96	
Premium on Note Sale	1-C	<u>57,265.35</u>	
			<u>125,660.65</u>
			942,227.51
Decreased By:			
Anticipated Revenue in Current Fund	1-C		<u>215,000.00</u>
Balance, December 31, 2011	C		<u><u>\$ 727,227.51</u></u>

See accompanying notes.

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY
 WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 682,859.29	\$ 1,866,282.04	Liabilities:		\$ 40,277.16	\$ 107,791.30
Cash - Change Fund	D	300.00	300.00	Appropriation Reserves	D-4,8-D	16,351.79	36,697.93
				Encumbrances Payable	9-D	714,840.13	653,804.37
				Accrued Interest on Bonds, Notes and Loans	10-D	103,346.17	429,010.32
				Prepaid Revenue	11-D		
Receivables With Full Reserves:						874,815.25	1,227,303.92
Consumer Accounts Receivable	4-D	239,801.19	181,641.59	Reserve for Receivables	D	239,801.19	181,641.59
Deferred Charges:				Fund Balance	D-1	78.12	639,278.12
Deficit in 2011 Operations	3-D	191,734.08					
Total Operating Fund		1,114,694.56	2,048,223.63	Total Operating Fund		1,114,694.56	2,048,223.63
				Capital Fund:			
				Serial Bonds	12-D	34,901,000.00	32,926,000.00
				Loans Payable	13-D	29,288,808.68	31,189,011.78
				Bond Anticipation Notes	14-D	5,156,300.00	9,925,000.00
				Improvement Authorizations:			
				Funded	15-D	604,326.81	545,049.05
				Unfunded	15-D	1,643,236.25	1,466,125.29
				Contracts/Encumbrances Payable	16-D	856,074.79	927,181.14
				Capital Improvement Fund	17-D	10,000.00	10,000.00
				Down Payments on Improvements	18-D	65,125.00	65,125.00
				Reserve for:			
				Deferred Amortization	19-D	40,000.00	40,000.00
				Debt Service	20-D	78,975.60	20,066.92
				Amortization	21-D	75,674,294.88	70,158,049.03
				Fund Balance	D-2	286,560.40	805,768.16
Capital Fund:				Total Capital Fund		148,604,702.41	148,077,376.37
Cash and Cash Equivalents	1-D	3,128,127.85	2,637,840.56	Total Liabilities, Reserves and Fund Balances		\$ 149,719,396.97	\$ 150,125,600.00
Fixed Capital	5-D	141,014,421.51	135,686,508.53				
Fixed Capital Authorized and Uncompleted	6-D	4,045,982.05	8,563,752.28				
Due From N.J.E.I.T.	7-D	416,171.00	1,189,275.00				
Total Capital Fund		148,604,702.41	148,077,376.37				
Total Assets		\$ 149,719,396.97	\$ 150,125,600.00				

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE
REGULATORY ACCOUNTING BASIS

Year ended December 31,

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 639,200.00	\$ 580,000.00
Water/Sewer User Fees	D-3	8,602,801.01	8,406,460.79
Miscellaneous	D-3	2,254,922.90	2,411,779.64
Interlocal Agreement - Boro of Ship Bottom	D-3	84,999.96	
Capital Surplus	D-3	805,733.08	200,800.00
Reserve for Debt Service	D-3	20,066.92	87,628.50
Annual Surcharge	D-3	2,189,300.45	2,252,370.94
Fees/Revenue from New Users			412,643.60
Miscellaneous Revenue Not Anticipated	D-3	21,487.92	9,526.94
Other Credits To Income:			
Appropriation Reserves Lapsed	8-D	<u>49,344.90</u>	<u>79,168.84</u>
Total Revenue		<u>14,667,857.14</u>	<u>14,440,379.25</u>
Expenditures:			
Operating	D-4	6,638,100.00	6,777,100.00
Debt Service	D-4	7,794,591.22	6,644,812.64
Statutory Expenditures	D-4	<u>426,900.00</u>	<u>380,900.00</u>
Total Expenditures		<u>14,859,591.22</u>	<u>13,802,812.64</u>
Excess (Deficit) in Revenue		(191,734.08)	637,566.61
Fund Balance, January 1	D	639,278.12	581,711.51
Deficit in 2011 Operations	3-D	<u>191,734.08</u>	
		639,278.12	1,219,278.12
Fund Balance Utilized	D-1	<u>639,200.00</u>	<u>580,000.00</u>
Fund Balance, December 31	D	<u>\$ 78.12</u>	<u>\$ 639,278.12</u>

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF CHANGES IN CAPITAL FUND BALANCE
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 805,768.16
Increased By:			
Cancelled Funded Improvement Authorizations	15-D	\$ 222,609.25	
Premium on Sale of Bonds and Notes	1-D	<u>63,916.07</u>	
			<u>286,525.32</u>
			1,092,293.48
Decreased By:			
Anticipated in Budget	1-D		<u>805,733.08</u>
Balance, December 31, 2011	D		<u><u>\$ 286,560.40</u></u>

See accompanying notes.

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
General Fixed Assets:							
Land	1-E	\$ 20,152,797.61	\$ 20,152,797.61				
Buildings and Improvements	1-E	12,574,842.35	12,541,421.85				
Machinery and Equipment	1-E	<u>16,630,088.07</u>	<u>16,910,683.37</u>	Investment in Fixed Assets	1-E	\$ 49,357,728.03	\$ 49,604,902.83
Total Assets		<u>\$ 49,357,728.03</u>	<u>\$ 49,604,902.83</u>	Total Liabilities		<u>\$ 49,357,728.03</u>	<u>\$ 49,604,902.83</u>

See accompanying notes.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township of Stafford, County of Ocean, New Jersey ("Township") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above entities can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

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

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

Federal and State Grant Fund – accounts for receipts and disbursements of Federal and State grants.

Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water/Sewer Utility Operating and Capital Funds - are used to account for Water/Sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Water/Sewer Utility to the general public be financed through user fees. Operations related to the acquisition of Water/Sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation is provided for in the financial statements.

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

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

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before June 3. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost-sharing multiple-employer defined benefit plans and, as such, do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determinable rate for its required contribution. The current rate is 6.5% for PERS and 10.0% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 1,098,078.00	\$ 1,684,722.00
2010	906,069.00	1,356,512.00
2009	784,789.00	1,263,570.00

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan (continued)

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall not be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$78,200.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members at the time the program was established).

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

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

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a) (8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)
Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e) (2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

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

N. Landfill Tax Escrow - Trust Fund

The Landfill Tax Escrow account was created in accordance with the provisions of the Sanitary Landfill Facility Closure and Contingency Fund Act P.L. 1981, C306. The account is overseen by the State of New Jersey, Department of Environmental Protection, Division of Solid and Hazardous Waste. The funds are to be used exclusively for the closure and post-closure care of the Township landfill in accordance with the approved Closure and Post-Closure Plan. Expenditures can only be made from the Fund upon the approval of the Department of Environmental Protection.

O. Reserve for Recreation Assessment - Trust Fund

The Township charges developers a fee created by ordinance to fund current and future recreation facilities. The funds are held in the Trust Fund and may only be utilized through appropriation in the Current Fund budget or by creation of a capital ordinance.

P. Reserve for Storm Water Management Assessment - Trust Fund

The Township charges developers a fee created by ordinance for the maintenance of the underground storm water discharge system. These funds are held within the Township's Trust Fund and may only be utilized by a budget appropriation in the Current Fund or by capital ordinance.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments

Deposits

The carrying amount of the Township's cash and cash equivalents at December 31, 2011 was \$28,538,215.59 and the bank balance was \$29,116,664.80. Of the bank balance, \$1,171,235.46 was covered by federal depository insurance, \$8,936.65 was on deposit with the New Jersey Cash Management Fund, \$278,328.53 was on deposit with MBIA Municipal Investors Services Corporation and \$4,832,728.04 was on deposit with the New Jersey Asset and Rebate Management Program, both being local government investment pools which invest in repurchase agreements collateralized by U.S. Securities, U.S. Government Agency Discount Notes and U.S. Government Agency Securities, and the remaining \$22,825,436.12 was covered under the unit certificate of eligibility as required by New Jersey Statutes.

<u>Depository Account</u>	<u>2011</u>	<u>Bank Balance</u> <u>2010</u>
Insured:		
FDIC	\$ 1,171,235.46	\$ 1,203,869.00
Collateralized:		
GUDPA	<u>22,825,436.12</u>	<u>23,405,968.77</u>
	<u>\$ 23,996,671.58</u>	<u>\$ 24,609,837.77</u>

New Jersey Cash Management Fund/MBIA/NJARM

All investments in the Fund are governed by the regulations of the Investment Council which prescribes standards designed to insure the quality of investments and to minimize the risks related to investments. To date, the Fund has never defaulted on principal or interest on any short term security held by its participants. Further, a reserve is being accumulated as additional protection for other than State participants. Finally, the Council monitors eligible securities on a regular basis. As of December 31, 2011, the Township had \$8,936.65 on deposit with the New Jersey Cash Management Fund, \$278,328.53 on deposit with Municipal Investors Services Corporation ("MBIA"), and \$4,832,728.04 on deposit with the New Jersey Asset Management Program ("NJARM"). Both the MBIA and NJARM are local investment pools which invest in repurchase agreements collateralized by U.S. Securities, U.S. Government Agency Discount Notes, and U.S. Government Agency Securities. The deposit with MBIA is available for withdrawal upon notice given by 11:00am EST on each business day and is accordingly classified as a cash equivalent.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2011, the Township's bank balance was not exposed to custodial credit risk.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments

As of December 31, 2011 and 2010, the Township had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2011:		
LOSAP	<u>\$ 564,498.85</u>	<u>\$ 564,498.85</u>
2010:		
LOSAP	<u>\$ 497,569.97</u>	<u>\$ 497,569.97</u>

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Township.

Credit Risk

State law limits investments as noted above.

The fair value of the above-listed investments was based on quoted market prices.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

3. Taxes, Water/Sewer Utility Receivables

Taxes

Taxes Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 881,799.20	\$ 8,711.24	\$ 61,020.81	\$ 951,531.25

In 2011, the Township collected \$828,900.03 from Delinquent Taxes and Liens, which represented 93.51% of the Delinquent Tax Receivable at December 31, 2010.

Taxes Receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 842,535.46	\$ 2.23	\$ 43,873.94	\$ 886,411.63

In 2010, the Township collected \$741,477.85 from Delinquent Taxes and Liens, which represented 93.90% of the Delinquent Tax Receivable at December 31, 2009.

Water/Sewer Utility

Water/Sewer Rents Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 227,927.83	\$ 11,873.36	\$ -	\$ 239,801.19

In 2011, the Township collected \$145,320.01 from Water/Sewer Rents, which represented 80.00% of the Water/Sewer Rents Receivable at December 31, 2010.

Water/Sewer Rents Receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 161,970.66	\$ 19,670.93	\$ -	\$ 181,641.59

In 2010, the Township collected \$244,801.05 from Water/Sewer Rents, which represented 92.56% of the Water/Sewer Rents Receivable at December 31, 2009.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

4. Fixed Assets and Fixed Capital

The following is a summary of changes in the General Fixed Assets Account Group for the years 2011 and 2010.

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
Land	\$ 20,152,797.61	\$ -	\$ -	\$20,152,797.61
Buildings and Improvements	12,541,421.85	33,420.50	-	12,574,842.35
Machinery and Equipment	<u>16,910,683.37</u>	<u>668,865.30</u>	<u>949,460.60</u>	<u>16,630,088.07</u>
Total	<u>\$ 49,604,902.83</u>	<u>\$ 702,285.80</u>	<u>\$ 949,460.60</u>	<u>\$ 49,357,728.03</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 18,252,797.61	\$ 1,900,000.00	\$ -	\$ 20,152,797.61
Buildings and Improvements	12,541,421.85	-	-	12,541,421.85
Machinery and Equipment	<u>16,102,004.01</u>	<u>889,580.36</u>	<u>80,901.00</u>	<u>16,910,683.37</u>
Total	<u>\$ 46,896,223.47</u>	<u>\$ 2,789,580.36</u>	<u>\$ 80,901.00</u>	<u>\$ 49,604,902.83</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

4. Fixed Assets and Fixed Capital (continued)

The following is a summary of changes in the Water/Sewer Utility Fixed Capital for the years 2011 and 2010.

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
Land	\$ 3,222,734.82	\$ -	\$ -	\$ 3,222,734.82
Buildings and Improvements	3,201,100.59	-	-	3,201,100.59
Improvements Other Than Buildings	125,186,105.62	5,207,140.70	-	130,393,246.32
Machinery and Equipment	3,503,537.17	86,909.71	-	3,590,446.88
Furniture and Fixtures	240,006.00	-	-	240,006.00
Soft Costs	<u>333,024.33</u>	<u>33,862.57</u>	<u>-</u>	<u>366,886.90</u>
Total	<u>\$135,686,508.53</u>	<u>\$ 5,327,912.98</u>	<u>\$ -</u>	<u>\$ 141,014,421.51</u>

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 3,222,734.82	\$ -	\$ -	\$ 3,222,734.82
Buildings and Improvements	3,201,100.59	-	-	3,201,100.59
Improvements Other Than Buildings	124,945,933.25	240,172.37	-	125,186,105.62
Machinery and Equipment	3,503,537.17	-	-	3,503,537.17
Furniture and Fixtures	240,006.00	-	-	240,006.00
Soft Costs	<u>271,379.14</u>	<u>61,645.19</u>	<u>-</u>	<u>333,024.33</u>
Total	<u>\$135,384,690.97</u>	<u>\$ 301,817.56</u>	<u>\$ -</u>	<u>\$135,686,508.53</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2011:

General Capital Bonds

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
2003 General Obligation Refunding Bonds	04/01/03	\$ 985,000.00	6.650%	\$ 985,000.00
2004 General Improvement Refunding Bonds	05/01/04	5,745,000.00	3.750-4.125%	2,695,000.00
2005 General Improvement Bonds	07/01/05	11,646,000.00	4.000-5.000%	7,686,000.00
2005 General Obligation Refunding Bonds	09/01/05	14,225,000.00	3.750-4.500%	12,475,000.00
2008 General Improvement Bonds	08/26/08	19,200,000.00	4.000-4.500%	17,055,000.00
2011 General Improvement Refunding Bonds	01/27/11	5,685,000.00	3.000-4.000%	5,335,000.00
2011 General Improvement Bonds	05/24/11	8,850,000.00	2.500-4.500%	<u>8,850,000.00</u>
				<u>\$ 55,081,000.00</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

The Township has received loans from the State of New Jersey, Department of Environmental Protection under the Green Acres Trust Program as follows:

		<u>Original Loan Amount</u>	<u>Annual Payment</u>	<u>Final Payment</u>
1994	Green Acres Trust	\$ 505,400.00	\$ 32,818.71	03/24/13
1995	Green Acres Trust	348,000.00	21,639.75	12/10/14
2000	Green Acres Trust	840,000.00	52,233.88	04/30/19
2001	Green Acres Trust	500,000.00	31,091.59	07/20/21
2001	Green Acres Trust	250,000.00	15,545.79	07/20/21
2001	Green Acres Trust	1,500,000.00	93,274.78	02/04/21
2001	Green Acres Trust	380,000.00	23,629.62	01/20/21
2001	Green Acres Trust	70,444.22	4,380.46	11/17/20
2002	Green Acres Trust	500,000.00	32,468.04	06/25/21
2002	Green Acres Trust	500,000.00	31,091.60	06/25/22
2006	Green Acres Trust	<u>500,000.00</u>	<u>31,091.60</u>	08/27/26
		<u>\$ 5,893,844.22</u>	<u>\$ 369,265.82</u>	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Debt service requirements for bonds as of December 31 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 4,120,000.00	\$ 2,276,249.81	\$ 6,396,249.81
2013	4,190,000.00	2,072,107.52	6,262,107.52
2014	4,185,000.00	1,902,257.52	6,087,257.52
2015	4,310,000.00	1,736,120.02	6,046,120.02
2016	4,430,000.00	1,559,520.02	5,989,520.02
2017-21	16,511,000.00	5,494,433.80	22,005,433.80
2022-26	11,495,000.00	2,614,750.65	14,109,750.65
2027-31	5,520,000.00	632,390.00	6,152,390.00
2032-33	<u>320,000.00</u>	<u>21,945.00</u>	<u>341,945.00</u>
	<u>\$ 55,081,000.00</u>	<u>\$ 18,309,774.34</u>	<u>\$ 73,390,774.34</u>

General Capital Loans

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 312,991.46	\$ 56,274.36	\$ 369,265.82
2013	302,873.25	49,983.22	352,856.47
2014	292,387.54	44,059.56	336,447.10
2015	276,516.58	38,290.76	314,807.34
2016	282,074.55	32,732.79	314,807.34
2017-21	1,262,102.19	78,964.52	1,341,066.71
2022-26	<u>162,630.84</u>	<u>8,372.91</u>	<u>171,003.75</u>
	<u>\$ 2,891,576.41</u>	<u>\$ 308,678.12</u>	<u>\$ 3,200,254.53</u>

In addition to the above capital loans, the Township has a loan for \$250,000.00 for which the final amortization schedule has not been prepared.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Water and Sewer Utility Bonds

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
2005 Water and Sewer Bonds	07/01/05	\$ 10,151,000.00	3.000-5.000%	\$ 8,321,000.00
2008 Water and Sewer Bonds	08/26/08	12,800,000.00	4.000-4.500%	11,450,000.00
2009 Water and Sewer Bonds	03/12/09	9,345,000.00	2.500-5.000%	5,930,000.00
2009 Water and Sewer Bonds	04/28/09	2,890,000.00	2.000-5.000%	1,860,000.00
2011 Water and Sewer Bonds	01/27/11	1,440,000.00	3.000-4.000%	1,440,000.00
2011 Water and Sewer Bonds	05/24/11	5,900,000.00	2.500-4.500%	<u>5,900,000.00</u>
				<u>\$ 34,901,000.00</u>

The Township has Water and Sewer Loans outstanding for the following programs:

<u>Program</u>	<u>Original Issue</u>	<u>Final Payment</u>
NJ Environmental Infrastructure Trust Loan	\$ 2,185,000.00	06/01/20
NJ Environmental Infrastructure Fund Loan	2,183,651.00	06/01/20
NJ Environmental Infrastructure Trust Loan	5,295,000.00	08/01/25
NJ Environmental Infrastructure Fund Loan	4,895,597.00	08/01/24
NJ Environmental Infrastructure Trust Loan	3,075,000.00	08/01/26
NJ Environmental Infrastructure Fund Loan	3,026,741.00	08/01/24
NJ Environmental Infrastructure Trust Loan	4,425,000.00	08/01/27
NJ Environmental Infrastructure Fund Loan	4,361,085.00	08/01/24
NJ Environmental Infrastructure Trust Loan	2,295,000.00	08/01/28
NJ Environmental Infrastructure Fund Loan	2,263,923.00	08/01/28
NJ Environmental Infrastructure Trust Loan	100,180.18	08/01/29
NJ Environmental Infrastructure Fund Loan	288,693.00	08/01/29
NJ Environmental Infrastructure Trust Loan	1,405,000.00	08/01/30
NJ Environmental Infrastructure Fund Loan	<u>4,221,645.00</u>	08/01/30
	<u>\$40,021,515.18</u>	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Debt service requirements for bonds as of December 31 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,375,000.00	\$ 1,370,974.39	\$ 3,745,974.39
2013	2,460,000.00	1,249,593.76	3,709,593.76
2014	2,310,000.00	1,163,356.26	3,473,356.26
2015	1,825,000.00	1,093,118.76	2,918,118.76
2016	1,890,000.00	1,023,593.76	2,913,593.76
2017-21	9,740,000.00	4,037,012.50	13,777,012.50
2022-26	8,580,000.00	2,092,720.04	10,672,720.04
2027-31	<u>5,721,000.00</u>	<u>472,020.00</u>	<u>6,193,020.00</u>
	<u>\$ 34,901,000.00</u>	<u>\$ 12,502,389.47</u>	<u>\$ 47,403,389.47</u>

Water and Sewer Loans

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,872,108.57	\$ 650,519.74	\$ 2,522,628.31
2013	1,899,865.90	614,403.90	2,514,269.80
2014	1,956,031.91	576,547.92	2,532,579.83
2015	1,994,467.81	536,173.84	2,530,641.65
2016	2,035,009.59	493,687.56	2,528,697.15
2017-21	10,527,913.17	1,779,499.15	12,307,412.32
2022-26	7,494,299.63	620,465.30	8,114,764.93
2027-30	<u>1,509,112.10</u>	<u>53,324.72</u>	<u>1,562,436.82</u>
	<u>\$ 29,288,808.68</u>	<u>\$ 5,324,622.13</u>	<u>\$ 34,613,430.81</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Changes in Outstanding Long-Term Debt

Transactions for the year ended December 31, 2011 are summarized as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance, December 31, <u>2011</u>
<u>General Capital Fund</u>				
Bonds Payable	\$ 50,106,000.00	\$ 14,535,000.00	\$ 9,560,000.00	\$ 55,081,000.00
Loans Payable	<u>3,448,400.71</u>	<u>-</u>	<u>306,824.30</u>	<u>3,141,576.41</u>
	<u>\$ 53,554,400.71</u>	<u>\$ 14,535,000.00</u>	<u>\$ 9,866,824.30</u>	<u>\$ 58,222,576.41</u>
<u>Water/Sewer Utility Capital Fund</u>				
Bonds Payable	\$ 32,926,000.00	\$ 7,340,000.00	\$ 5,365,000.00	\$ 34,901,000.00
Loans Payable	<u>31,189,011.78</u>	<u>-</u>	<u>1,900,203.10</u>	<u>29,288,808.68</u>
	<u>\$ 64,115,011.78</u>	<u>\$ 7,340,000.00</u>	<u>\$ 7,265,203.10</u>	<u>\$ 64,189,808.68</u>
Totals	<u>\$117,669,412.49</u>	<u>\$ 21,875,000.00</u>	<u>\$17,132,027.40</u>	<u>\$122,412,385.09</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Summary of Municipal Debt (Excluding Current
and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General:			
Bonds, Notes and Loans	\$ 69,781,776.41	\$ 70,634,400.71	\$ 70,880,179.32
Water/Sewer Utility Fund	<u>69,346,108.68</u>	<u>74,040,011.78</u>	<u>79,790,510.02</u>
	139,127,885.09	144,674,412.49	150,670,689.34
Less: Funds to Pay Bonds, Notes and Loans	<u>992,448.00</u>	<u>8,553,515.92</u>	<u>1,294,759.44</u>
Net Debt Issued	<u>138,135,437.09</u>	<u>136,120,896.57</u>	<u>149,375,929.90</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	1.00	8,523,850.00	1,470,875.00
Water/Sewer Utility Fund	<u>0.00</u>	<u>12,200.00</u>	<u>4,393,605.00</u>
Total Authorized But Not Issued	<u>1.00</u>	<u>8,536,050.00</u>	<u>5,864,480.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 138,135,438.09</u>	<u>\$ 144,656,946.57</u>	<u>\$ 155,240,409.90</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.54%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional District School Debt	\$ 1,861,632.28	\$ 1,861,632.28	\$ -
Local District School Debt	18,264,000.00	18,264,000.00	-
Water/Sewer Utility	69,346,108.68	64,099,509.28	5,246,599.40
General Debt	<u>69,781,777.41</u>	<u>992,448.00</u>	<u>68,789,329.41</u>
	<u>\$ 159,253,518.37</u>	<u>\$ 85,217,589.56</u>	<u>\$ 74,035,928.81</u>

Net Debt \$ 74,035,928.81 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$ 4,799,353,074 = 1.54%.

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3.5% of Equalized Valuation Basis (Municipal)	\$ 167,977,357.59
Less: Net Debt	<u>74,035,928.81</u>
Remaining Borrowing Power	<u>\$ 93,941,428.78</u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 14,598,609.32
Deductions:	
Operating and Maintenance Costs	\$ 7,065,000.00
Debt Service per Water/Sewer Account	<u>7,799,888.07</u>
	<u>14,864,888.07</u>
Deficit in Revenue	<u>\$ (266,278.75)</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2011, the Township's outstanding bond anticipation notes were as follows:

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Purchase Recycling Containers	05/24/11	05/23/12	\$ 769,375.00	1.2500%
Various Road Improvements	05/24/11	05/23/12	50,000.00	1.2500%
Construction of Bulkhead at Mill Creek Park	05/24/11	05/23/12	47,500.00	1.2500%
Purchase Recycling Trucks	05/24/11	05/23/12	812,125.00	1.2500%
Purchase Roll Off Truck	05/24/11	05/23/12	189,750.00	1.2500%
Acquisition of Property for Open Space	05/24/11	05/23/12	1,578,750.00	1.2500%
Construction of Vehicle Wash Facility	05/24/11	05/23/12	36,900.00	1.2500%
Improvements to Sports Facilities	05/24/11	05/23/12	228,100.00	1.2500%
Improvements to Parks	05/24/11	05/23/12	100,000.00	1.2500%
Various Roadway Improvements	05/24/11	05/23/12	1,717,500.00	1.2500%
Various Drainage Improvements	05/24/11	05/23/12	506,000.00	1.2500%
Improvements to Various Parks	12/21/11	05/23/12	100,000.00	1.0000%
Construction of Vehicle Wash Facility	12/21/11	05/23/12	355,100.00	1.0000%
Police Radio Upgrade – Phase 2	12/21/11	05/23/12	327,027.00	1.0000%
Acquisition of Police Equipment	12/21/11	05/23/12	56,468.00	1.0000%
Acquisition of Computer Equipment	12/21/11	05/23/12	65,930.00	1.0000%
Improvements to Ambulances	12/21/11	05/23/12	142,500.00	1.0000%
Improvements to Municipal Buildings	12/21/11	05/23/12	31,350.00	1.0000%
Acquisition of DPW Equipment	12/21/11	05/23/12	715,825.00	1.0000%
Various Roadway Improvements	12/21/11	05/23/12	1,500,000.00	1.0000%
Various Storm water Improvements	12/21/11	05/23/12	300,000.00	1.0000%

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Bond Anticipation Notes (continued)

General Capital Fund

Purchase of Equipment	05/24/11	05/23/12	\$ 455,000.00	1.2500%
Improvements to Fire Truck	05/24/11	05/23/12	370,000.00	1.2500%
Purchase Various Vehicles	05/24/11	05/23/12	100,000.00	1.2500%
Purchase DPW Equipment	05/24/11	05/23/12	576,000.00	1.2500%
Purchase Inlet Cleaning Vacuum Truck	05/24/11	05/23/12	<u>428,000.00</u>	1.2500%
			<u>\$11,559,200.00</u>	

<u>Water/Sewer Utility Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Water Mains along Route 9	05/24/11	05/23/12	\$ 920,000.00	1.2500%
Beachview Area Water and Sewer Extension Project	05/24/11	05/23/12	712,200.00	1.2500%
Replacement of Millcreek Road Water Main	05/24/11	05/23/12	1,500,000.00	1.2500%
Acquisition/Installation of Grinder Pumps	05/24/11	05/23/12	75,000.00	1.2500%
Preparation of Sewer Wastewater Management Plan	05/24/11	05/23/12	30,000.00	1.2500%
Route 9/Oak Avenue Water Main Loop	05/24/11	05/23/12	797,800.00	1.2500%
Route 9/Oak Avenue Water Main Loop	12/21/11	05/23/12	2,200.00	1.0000%
Various Water System Improvements	12/21/11	05/23/12	320,000.00	1.0000%
Various Water Main Improvements	12/21/11	05/23/12	<u>799,100.00</u>	1.0000%
			<u>\$ 5,156,300.00</u>	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

Changes in Outstanding Short-Term Debt

Transactions for the year ended December 31, 2011 are summarized as follows:

	Balance, December 31, <u>2010</u>	Additions	Deductions	Balance, December 31, <u>2011</u>
General Capital Fund	\$17,080,000.00	\$ 3,602,950.00	\$ 9,123,750.00	\$ 11,559,200.00
Water/Sewer Utility Fund	<u>9,925,000.00</u>	<u>1,131,300.00</u>	<u>5,900,000.00</u>	<u>5,156,300.00</u>
	<u>\$27,005,000.00</u>	<u>\$ 4,734,250.00</u>	<u>\$ 15,023,750.00</u>	<u>\$ 16,715,500.00</u>

7. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Township had authorized but not issued bonds and notes in the General Capital Fund in the amount of \$ 1.00, and in the Water/Sewer Utility Capital Fund in the amount of \$ 0.00.

8. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance of Tax	\$ 12,754,621.50	\$ 12,752,539.50	\$ 4,620,836.53	\$ 4,392,001.33
Deferred	<u>11,292,290.00</u>	<u>11,292,290.00</u>	<u>4,138,088.13</u>	<u>4,138,088.13</u>
Tax Payable	<u>\$ 1,462,331.50</u>	<u>\$ 1,460,249.50</u>	<u>\$ 482,748.40</u>	<u>\$ 253,913.20</u>

9. Fund Balance Appropriated

Current Fund

The fund balance at December 31, 2011 was \$ 3,665,909.45 of which \$ 3,250,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

Water/Sewer Utility Operating Fund

The fund balance at December 31, 2011 was \$ 78.12 of which \$ 0.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

10. Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charge is shown on the Water/Sewer Utility Operating Fund Balance Sheet:

Deficit in 2011 Operations	<u>\$ 191,734.08</u>
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11. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Township estimated the current cost of such unpaid compensation would be \$3,112,026.27 at December 31, 2011. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Township has a trust reserve for accumulated absence liabilities in the amount of \$203,106.81 and \$231,070.84 at December 31, 2011 and 2010.

12. Post-Employment Healthcare Benefits

Plan Description

In addition to the pension benefits as described in Note 1, the Township provides for health benefits as follows:

Effective January 1, 2009, the Township is a member of the State Health Benefits Program (SHBP). The SHBP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et.seq. to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in SHBP. All employees of the Township who have completed twenty-five (25) years of active service or are eligible for disability retirement under the Public Employees' Retirement System or the Police and Firemen's Retirement System will be provided hospitalization and medical coverage.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

12. Post-Employment Healthcare Benefits (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of SHBP, as well as the actuarial valuation of the plan in accordance with Governmental Accounting Standards Board Statement 45. These financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295. They are also available on the state's web site at www.state.nj.us/treasury/pensions.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-employment health 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 health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township currently contributes on a pay-as-you go basis based upon monthly invoices from the State of New Jersey Division of Pensions. Employees are not required to contribute. Contributions to the plan for the last two years and the number of former employees eligible for and participating in the post-employment health care benefits program as of the respective year ended December 31 was as follows:

<u>Year</u>	<u>Contribution</u>	<u>Number of Employees</u>
2011	\$ 1,212,279.33	84
2010	988,661.16	78
2009	837,316.08	66

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The Reserve for Unemployment Compensation Insurance at December 31, 2011 and 2010 totaled \$73,886.14 and \$59,563.54, respectively.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

14. Contingent Liabilities

State and Federal Grants

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2011, the Township estimates that no material liabilities will result from such audits.

15. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Ocean County Municipal Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of 30 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program which has a contract for excess liability insurance for property. The fund also purchased an excess Faithful Performance and Employee Dishonesty Bond. There were no settlements in excess of insurance coverage in 2011, 2010 and 2009.

16. Deferred Compensation Program

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

17. Length of Service Award Program ("LOSAP") - Unaudited

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer Fire Department and also their First Aid Squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall not be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

17. Length of Service Award Program ("LOSAP") – Unaudited (continued)

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

18. Interfund Balances

The composition of interfund balances as of December 31, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Grant Fund	Current Fund	\$ 166,078.20

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) revenues/receipts are collected, and (3) payments between funds are made.

19. Interfund Transfers

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>
Current Fund	Grant Fund	\$ 71,738.81

Transfers are primarily used to move funds from:

- The Current Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The Utility Operating Fund to the Utility Capital Fund to finance capital improvements accounted for in the Utility Capital Fund in accordance with budgetary authorizations.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

20. Subsequent Events

On May 22, 2012, the Township issued \$7,965,000 in General Capital Improvement Bonds and \$4,035,000 in Water/Sewer Utility Bonds with principal maturities from January 15, 2013 – 2032. The Bonds were issued to permanently finance the cost of various capital improvements, the majority of which were previously financed through bond anticipation notes.

On February 21, 2012, the Township adopted eight general improvement bond ordinances and two water/sewer improvement bond ordinances. The authorized improvements include the purchase of various public works department, police department, computer and water/sewer utility equipment; roadway improvements; radio system upgrade project; park improvements; storm water improvements; improvements to ambulances and various water/sewer utility system improvements. The total bonds or notes authorized for these projects were \$4,298,500 for general improvements and \$1,187,500 for water/sewer improvements. The Township also adopted a bond ordinance authorizing \$285,000 in bonds or notes on June 4, 2012 for drainage improvements.

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2011

Reference

Balance, December 31, 2010	A		\$ 6,963,053.46
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 1,025,913.47	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A	508,504.83	
Taxes Receivable	3-A	81,636,030.49	
Tax Title Liens Receivable	4-A	2,797.10	
Revenue Accounts Receivable	5-A	4,831,994.05	
Grants Received	7-A	220,947.15	
Payroll Deductions Payable	11-A	8,269,600.00	
Prepaid Taxes	12-A	513,634.72	
Tax Overpayments	15-A	50,787.83	
Due to County - Share of PILOT Revenue	1-A	17,322.86	
Due to State Agencies:			
State Training Fees	1-A	36,171.00	
Marriage License Fees	1-A	3,600.00	
Reserve for:			
Garden State Preservation Trust Fund	17-A	36,666.00	
Grants - Unappropriated	19-A	<u>16,773.97</u>	
			<u>97,170,743.47</u>
			104,133,796.93
Decreased By Disbursements:			
Current Appropriations	A-3	35,461,417.85	
Appropriation Reserves	8-A	951,260.47	
Payroll Deductions Payable	11-A	8,213,811.39	
County Taxes Payable	13-A	16,602,471.95	
Local District School Tax Payable	14-A	25,507,161.00	
Regional High School Tax Payable	14-A	9,012,837.87	
Tax Overpayments	15-A	48,090.63	
Municipal Open Space Tax	16-A	440,471.82	
Accounts Payable	20-A	159,788.33	
Due to County - Share of PILOT Revenue	1-A	17,322.86	
Due to State Agencies:			
State Training Fees	1-A	36,171.00	
Marriage License Fees	1-A	3,600.00	
Reserve for Grant Expenditures - Appropriated	18-A	<u>172,732.31</u>	
			<u>96,627,137.48</u>
Balance, December 31, 2011	A		<u>\$ 7,506,659.45</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 8,661.68
Increased By:			
Senior Citizens'/Veterans' Deductions per Tax Billing	3-A	\$ 504,500.00	
Deductions Allowed By Collector: 2011 Taxes	3-A	<u>11,750.00</u>	
			<u>516,250.00</u>
			524,911.68
Decreased By:			
Cash Receipts	1-A	508,504.83	
Deductions Disallowed By Collector: 2010 Taxes	A-1,3-A	3,081.51	
2011 Taxes	3-A	<u>5,082.63</u>	
			<u>516,668.97</u>
Balance, December 31, 2011	A		<u>\$ 8,242.71</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Added/ Omitted 2011	Collections 2010	Collections 2011	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancelled	Balance December 31, 2011	Reference
2009	\$ 2.23						\$ 2.23			
2010	842,535.46						4,885.44	\$ 5,917.36	\$ 8,711.24	
2011		\$ 82,497,254.28	\$ 270,730.92	\$ 455,100.50	\$ 826,102.93	\$ (3,081.51)	14,458.24	95,532.33	881,799.20	
		<u>\$ 82,497,254.28</u>	<u>\$ 270,730.92</u>	<u>\$ 455,100.50</u>	<u>\$ 80,809,927.56</u>	<u>511,167.37</u>				
		<u>\$ 82,497,254.28</u>	<u>\$ 270,730.92</u>	<u>\$ 455,100.50</u>	<u>\$ 81,636,030.49</u>	<u>\$ 508,085.86</u>	<u>\$ 19,345.91</u>	<u>\$ 101,449.69</u>	<u>\$ 890,510.44</u>	A
		3-A	3-A	12-A	1-A	2-A	4-A			A

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2011

<u>Analysis of 2011 Property Tax Levy</u>	<u>Reference</u>		
Tax Yield:			
Senior Citizens' Deductions per Tax Billing	2-A	\$	100,500.00
Veterans' Deductions per Tax Billing	2-A		404,000.00
General Purpose Tax			81,992,754.28
Added Taxes (54:4-63.1 et seq.)			<u>270,730.92</u>
	3-A	\$	<u>82,767,985.20</u>
Tax Levy:			
County Tax (Abstract)	13-A	\$	13,754,147.69
County Library Tax (Abstract)	13-A		1,594,447.51
County Health Tax (Abstract)	13-A		596,880.88
County Open Space Preservation	13-A		587,379.73
Due County for Added Tax	13-A		54,552.06
Local District School Tax (Abstract)	14-A		25,509,243.00
Regional School Tax (Abstract)	14-A		9,241,673.07
Municipal Open Space Tax	16-A		437,187.32
Due Open Space Trust for Added Tax	16-A		<u>1,436.20</u>
	A-2		51,776,947.46
Local Tax for Municipal Purposes (Abstract)	A-2		30,748,011.38
Add: Additional Tax Levied			<u>243,026.36</u>
	3-A	\$	<u>82,767,985.20</u>
 <u>Analysis of Current Revenue From Taxes</u>			
		2011	Delinquent
		Property Taxes	Taxes
Prepaid Taxes Applied	3-A	\$ 455,100.50	
Taxes Collected in 2011	3-A	80,809,927.56	\$ 826,102.93
Senior Citizens' and Veterans' Deductions (Net)	3-A	511,167.37	
Tax Title Liens Collected in 2011	4-A		<u>2,797.10</u>
	A-1,A-2	\$ <u>81,776,195.43</u>	<u>\$ 828,900.03</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 43,873.94
Increased By:			
Transfer From Taxes Receivable	3-A	\$ 19,345.91	
Interest and Costs of Tax Sale		<u>598.06</u>	
			<u>19,943.97</u>
			63,817.91
Decreased By:			
Collections	1-A,3-A		<u>2,797.10</u>
Balance, December 31, 2011	A		<u><u>\$ 61,020.81</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	Balance December 31, 2010	Accrued 2011	Realized Revenue 2011	Balance December 31, 2011
Licenses:					
Alcoholic Beverages	A-2		\$ 30,950.00	\$ 30,950.00	
Fees and Permits:					
Other	A-2		26,975.00	26,975.00	
Fines and Costs:					
Municipal Court	A-2	\$ 20,386.28	348,642.15	344,206.18	\$ 24,822.25
Interest and Cost on Taxes	A-2		200,864.80	200,864.80	
Fire Prevention Bureau Fees	A-2		94,372.56	94,372.56	
Mobile Home Park Fees	A-2		134,013.11	134,013.11	
Payments in Lieu of Taxes - Federal	A-2		12,459.00	12,459.00	
Cable TV Fees and Lease	A-2		116,030.48	116,030.48	
Energy Receipts Tax	A-2		2,465,920.00	2,465,920.00	
Supplemental Energy Receipts Tax	A-2		104,286.00	104,286.00	
Reserve for Garden State Preservation Trust Fund	A-2		36,666.00	36,666.00	
Uniform Construction Code Fees	A-2		569,182.00	569,182.00	
Interlocal Government Services Agreement -					
Animal Control:					
Long Beach Township	A-2		17,849.50	17,849.50	
Borough of Beach Haven	A-2		5,056.00	5,056.00	
Borough of Barnegat Light	A-2		3,124.50	3,124.50	
Borough of Harvey Cedars	A-2		3,286.50	3,286.50	
Interlocal Government Services Agreement -					
Construction:					
Township of Eagleswood	A-2		18,067.00	18,067.00	
Borough of Beach Haven	A-2		60,475.50	60,475.50	
Borough of Surf City	A-2		34,390.00	34,390.00	
Borough of Harvey Cedars	A-2		19,970.00	19,970.00	
Ocean County Cooperative Pricing System	A-2		17,000.00	17,000.00	
Reserve To Pay Bonds	A-2		286,015.92	286,015.92	
Reserve To Pay Notes	A-2		52,500.00	52,500.00	
Capital Surplus	A-2		<u>215,000.00</u>	<u>215,000.00</u>	
Total		<u>\$ 20,386.28</u>	<u>\$ 4,873,096.02</u>	<u>\$ 4,868,660.05</u>	<u>\$ 24,822.25</u>
	<u>Reference</u>	A			A
Analysis of Collected:					
Cash - Treasurer	1-A			\$ 4,831,994.05	
Reserve for Garden State Preservation Trust Fund	17-A			<u>36,666.00</u>	
	A-2			<u>\$ 4,868,660.05</u>	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 302,750.00
Increased by:		
Gain on Sale of Property		<u>30,501.00</u>
		333,251.00
Decreased by:		
Sale of Property	A-2	<u>42,401.00</u>
Balance, December 31, 2011	A	\$ <u><u>290,850.00</u></u>

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, 2010	Increased By Revenue Anticipated 2011	Receipts Realized	Cancelled	Balance December 31, 2011
County of Ocean:					
Municipal Alliance on Alcoholism and Drug Abuse - 2010	\$ 8,982.29		\$ 8,223.09	\$ 759.20	\$ 11,867.80
Municipal Alliance on Alcoholism and Drug Abuse - 2011		\$ 27,000.00	15,132.20		
Other Agencies:					
Over the Limit Under Arrest		4,400.00	2,400.00	2,000.00	
Alcohol Education and Rehabilitation Fund		2,157.39	2,157.39		
Drive Sober or Get Pulled Over 2011 Crackdown		5,000.00			5,000.00
Emergency Management Assistance Funding		5,000.00	5,000.00		
Clean Communities Program		59,811.61	59,811.61		
Recycling Tonnage Grant		50,602.74	50,602.74		
Recycling Tonnage Grant - 2009		77,620.12	77,620.12		
	<u>\$ 8,982.29</u>	<u>\$ 231,591.86</u>	<u>\$ 220,947.15</u>	<u>\$ 2,759.20</u>	<u>\$ 16,867.80</u>
Reference	A	A-2,10-A	1-A,10-A	18-A	A

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Appropriations				
	Balance December 31, <u>2010</u>	Prior Year <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 950.95		\$ 0.95		\$ 0.95
Other Expenses	435.96	\$ 1,385.49	1,971.45	\$ 1,923.18	48.27
Purchasing:					
Salaries and Wages	704.07		4.07		4.07
Other Expenses	280.62	141.30	421.92	209.51	212.41
Human Resources:					
Other Expenses	51.11	37.50	88.61	87.50	1.11
Mayor and Council:					
Salaries and Wages	742.07		2.07		2.07
Other Expenses	94.91	83.68	178.59	164.68	13.91
Municipal Clerk:					
Salaries and Wages	350.37		0.37		0.37
Other Expenses	2,201.07	6,299.17	9,550.24	8,856.74	693.50
Elections	3,000.00		3,000.00		3,000.00
Financial Administration (Treasury):					
Salaries and Wages	1,792.01		2.01		2.01
Other Expenses	626.17	2,657.80	3,283.97	2,513.34	770.63
Audit Services					
Other Expenses	2,000.00		2,000.00	2,000.00	
Banking and Arbitrage Rebate Services:					
Other Expenses	15,000.00		15,000.00	6,740.90	8,259.10
Computerized Data Processing:					
Salaries and Wages	1,781.15		1.15		1.15
Other Expenses	1,563.06	26,449.64	28,012.70	12,953.82	15,058.88
Revenue Administration (Tax Collection):					
Salaries and Wages	6,577.81		7.81		7.81
Other Expenses	12,056.08	920.00	12,976.08	923.80	12,052.28
Tax Assessment Administration:					
Salaries and Wages	253.23		3.23		3.23
Other Expenses	11,126.45	2,813.31	13,939.76	7,629.48	6,310.28
Legal Services (Legal Department):					
Other Expenses	307.86		28,607.86	28,563.66	44.20
Engineering Services:					
Other Expenses	101,052.32	3,240.25	72,792.57	10,518.75	62,273.82
Community Development and Zoning:					
Salaries and Wages	1,523.94		3.94		3.94
Other Expenses	1,764.54	289.44	2,053.98	332.16	1,721.82
Historic Sites Office:					
Salaries and Wages	521.10		1.10		1.10
Other Expenses	48.70	110.03	158.73	92.57	66.16
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	465.14		5.14		5.14
Other Expenses	1,352.79	113.92	2,666.71	2,604.37	62.34
Zoning Board of Adjustment:					
Salaries and Wages	1,151.12		1.12		1.12
Other Expenses	765.00	24.00	1,589.00	1,227.59	361.41
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement:					
Salaries and Wages	579.38		9.38		9.38
Other Expenses	81.42	343.33	424.75	193.33	231.42
Other Code Enforcement Functions:					
Salaries and Wages	404.43		4.43		4.43
Other Expenses	119.50		119.50		119.50

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Appropriations		Balance After Modification	Paid or Charged	Lapsed
	Balance December 31, 2010	Prior Year Encumbrances			
INSURANCE					
General Liability	333.45		333.45		333.45
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	77,516.45		313,516.45	241,608.33	71,908.12
Other Expenses	19,567.97	37,330.02	33,797.99	20,461.75	13,336.24
Office of Emergency Management:					
Other Expenses	0.46	212.34	212.80	199.00	13.80
Aid to Volunteer Ambulance Companies	34,754.00		34,754.00	34,754.00	
Uniform Fire Safety:					
Salaries and Wages	1,837.45		7.45		7.45
Other Expenses	125.96	944.88	1,070.84	969.88	100.96
Municipal Prosecutor's Office:					
Other Expenses		4,954.50	4,954.50	4,954.50	
New Jersey Public Employees Safety and Health	13,450.79	1,208.98	14,659.77	2,789.05	11,870.72
PUBLIC WORKS					
Streets and Road Maintenance:					
Other Expenses		18,852.96	118,432.96	118,329.69	103.27
Solid Waste Collection:					
Salaries and Wages	66,983.31		3.31		3.31
Other Expenses	6,552.70	1,636.35	2,329.05	2,320.75	8.30
Buildings and Grounds:					
Salaries and Wages	8,025.81		5.81		5.81
Other Expenses	1,762.89	13,513.58	13,386.47	13,156.92	229.55
Vehicle Maintenance:					
Salaries and Wages	18,779.65		9.65		9.65
Other Expenses	16,032.86	52,679.74	53,652.60	52,866.30	786.30
Municipal Bus Service:					
Salaries and Wages	14,367.23		7.23		7.23
Other Expenses	1,740.30	197.22	647.52	642.81	4.71
HEALTH AND HUMAN SERVICES					
Environmental Health Services:					
Other Expenses	367.11	59.27	426.38	91.55	334.83
Animal Control Services:					
Salaries and Wages	1,632.26		2.26		2.26
Other Expenses	1,294.72	4,861.39	6,156.11	4,118.02	2,038.09
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	1,115.67		5.67		5.67
Other Expenses	1,919.21	22,363.06	24,282.27	17,873.63	6,408.64
Beach and Boardwalk Operations:					
Salaries and Wages	91.81		1.81		1.81
Other Expenses	1,501.75		1,501.75		1,501.75
Celebration of Public Events:					
Other Expenses	134.46	2,240.82	2,375.28	2,042.92	332.36
Municipal Court:					
Salaries and Wages	3,992.46		2.46		2.46
Other Expenses	995.52	1,629.31	2,624.83	1,691.54	933.29
Public Defender:					
Other Expenses	25,450.91		25,450.91		25,450.91

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Appropriations			<u>Paid or Charged</u>	<u>Lapsed</u>
	<u>Balance December 31, 2010</u>	<u>Prior Year Encumbrances</u>	<u>Balance After Modification</u>		
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	26,103.64		26,103.64	21,477.99	4,625.65
Street Lighting	39,800.46		39,800.46	39,192.47	607.99
Telephone (excluding telephone acquisition)	13,185.28		13,185.28	11,245.32	1,939.96
Water	3,986.89		3,986.89	1,776.50	2,210.39
Gas (natural or propane)	29,392.60		29,392.60	15,599.72	13,792.88
Fuel Oil	100.00		100.00		100.00
Telecommunications Costs	1,318.08		1,318.08	15.16	1,302.92
Sewerage Processing and Disposal	3,537.14		3,537.14	1,635.58	1,901.56
Gasoline	34,336.85	11,427.06	45,763.91	33,889.13	11,874.78
Landfill/Solid Waste Disposal Costs	273,948.56		50,948.56	1,611.97	49,336.59
Estimated Tax Bills	925.81		925.81		925.81
Accumulated Leave Compensation			110,000.00	110,000.00	
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	65,215.73		24,365.73	20,903.23	3,462.50
DCRP Appropriation	653.61		653.61		653.61
Employee Group Health	92,659.37		92,659.37	3,557.38	89,101.99
Length of Service Award Program	95,000.00		95,000.00	83,950.00	11,050.00
Recycling Tax	6,764.44		6,764.44		6,764.44
Local Match for Future Grants	5,000.00		5,000.00		5,000.00
Total General Appropriations	<u>\$ 1,183,979.95</u>	<u>\$ 219,020.34</u>	<u>\$ 1,403,000.29</u>	<u>\$ 951,260.47</u>	<u>\$ 451,739.82</u>
	<u>Reference</u>	A	9-A	1-A	A-1

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Budget Appropriations	\$ 219,020.34	\$ 137,022.47	\$ 219,020.34	\$ 137,022.47
Grant Fund	<u>22,725.58</u>	<u>1,487.22</u>	<u>22,725.58</u>	<u>1,487.22</u>
	<u>\$ 241,745.92</u>	<u>\$ 138,509.69</u>	<u>\$ 241,745.92</u>	<u>\$ 138,509.69</u>
<u>Reference</u>	A	A-3,18-A	8-A,18-A	A

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO GRANT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 94,339.39
Increased By:			
Cash Receipts	7-A	\$ 220,947.15	
Cash Receipts - Unappropriated	19-A	16,773.97	
Budget Appropriations	18-A	<u>238,341.86</u>	
			<u>476,062.98</u>
			570,402.37
Decreased By:			
Revenue Anticipated	7-A	231,591.86	
Cash Disbursements	18-A	<u>172,732.31</u>	
			<u>404,324.17</u>
Balance, December 31, 2011	A		<u>\$ 166,078.20</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 143,449.45
Increased By:		
Cash Receipts:		
Payroll Deductions	1-A	<u>8,269,600.00</u>
		8,413,049.45
Decreased By:		
Cash Disbursements	1-A	<u>8,213,811.39</u>
Balance, December 31, 2011	A	<u>\$ 199,238.06</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

Reference

Balance, December 31, 2010	A	\$ 455,100.50
Increased By:		
Collection of 2012 Taxes	1-A	<u>513,634.72</u>
		968,735.22
Decreased By:		
Applied To Taxes Receivable	3-A	<u>455,100.50</u>
Balance, December 31, 2011	A	<u><u>\$ 513,634.72</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 69,616.14
Increased By:			
2011 Levy:			
General County	3-A	\$ 13,754,147.69	
County Library	3-A	1,594,447.51	
County Health	3-A	596,880.88	
County Open Space Preservation	3-A	587,379.73	
Due County for Added Assessments	3-A	<u>54,552.06</u>	
	A-1		<u>16,587,407.87</u>
			16,657,024.01
Decreased By:			
Cash Disbursements	1-A		<u>16,602,471.95</u>
Balance, December 31, 2011	A		<u><u>\$ 54,552.06</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF SCHOOL TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	<u>Local District School Tax</u>	<u>Regional High School Tax</u>
Balance, December 31, 2010			
School Tax Payable	A	\$ 1,460,249.50	\$ 253,913.20
School Tax Deferred	14-A	<u>11,292,290.00</u>	<u>4,138,088.13</u>
		12,752,539.50	4,392,001.33
Increased By:			
Levy - School Year, July 1, 2011 to June 30, 2012	3-A	<u>25,509,243.00</u>	<u>9,241,673.07</u>
		38,261,782.50	13,633,674.40
Decreased By:			
Cash Disbursements	1-A	<u>25,507,161.00</u>	<u>9,012,837.87</u>
Balance, December 31, 2011	14-A	<u><u>\$ 12,754,621.50</u></u>	<u><u>\$ 4,620,836.53</u></u>
Analysis of Balance:			
School Tax Payable	A	\$ 1,462,331.50	\$ 482,748.40
School Tax Deferred	14-A	<u>11,292,290.00</u>	<u>4,138,088.13</u>
		<u><u>\$ 12,754,621.50</u></u>	<u><u>\$ 4,620,836.53</u></u>
2011 Liability for School Taxes:			
Tax Paid	1-A	\$ 25,507,161.00	\$ 9,012,837.87
Taxes Payable, December 31, 2011	A	<u>1,462,331.50</u>	<u>482,748.40</u>
		26,969,492.50	9,495,586.27
Taxes Payable, December 31, 2010	A	<u>1,460,249.50</u>	<u>253,913.20</u>
Amount Charged To Operations	A-1	<u><u>\$ 25,509,243.00</u></u>	<u><u>\$ 9,241,673.07</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 1,471.56
Increased By:		
Cash Receipts	1-A	<u>50,787.83</u>
		52,259.39
Decreased By:		
Cash Disbursements	1-A	<u>48,090.63</u>
Balance, December 31, 2011	A	<u><u>\$ 4,168.76</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 1,848.30
Increased By:			
2011 Levy	3-A	\$ 437,187.32	
Added and Omitted Taxes	3-A	<u>1,436.20</u>	
	A-1		<u>438,623.52</u>
			440,471.82
Decreased By:			
Cash Disbursements	1-A		<u>\$ 440,471.82</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE PRESERVATION TRUST FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 36,666.00
Increased By:		
Cash Receipts	1-A	<u>36,666.00</u>
		73,332.00
Decreased By:		
Anticipated as Revenue	5-A	<u>36,666.00</u>
Balance, December 31, 2011	A	<u><u>\$ 36,666.00</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED

Year ended December 31, 2011

	Balance December 31, 2010	Transferred From 2011 Budget Appropriations	Transfer From Encumbrances	Cash Disbursed	Cancelled	Encumbrances Payable	Balance December 31, 2011
County of Ocean:							
Municipal Alliance on Alcoholism - 2010	\$ 3,393.59	\$ 27,000.00	\$ 2,894.20	\$ 2,135.00	\$ 759.20	\$ 1,487.22	\$ 176.58
Municipal Alliance on Alcoholism - Special Project		6,750.00		3,393.59			
Municipal Alliance on Alcoholism - 2011				25,336.20			
Municipal Alliance on Alcoholism - Match				6,750.00			
Other Agencies:							
Clean Communities Program	5.83		4,460.00	4,465.83			4,310.48
Body Armor Replacement Fund - 2008			4,779.85	4,779.85			
Drunk Driving Enforcement Fund	11,245.82			6,935.34			
Alcohol Education and Rehabilitation Fund	2,525.02			2,525.02			
Alcohol Education and Rehabilitation Fund	2,563.93	2,157.39		2,269.98			
Alcohol Education and Rehabilitation Fund		59,811.61		40,369.83			
Clean Communities Program			5,618.77	5,423.63			
Body Armor Replacement Fund	4,600.04			1,995.74			293.95
Body Armor Replacement Fund - 2010		5,000.00					2,157.39
Drive Sober or Get Pulled Over 2011 Crackdown			1,916.24				19,441.78
Body Armor Replacement Fund - 2009	75.00						195.14
FM Global Fire Prevention Grant							4,600.04
2007 Bulletproof Vest Fund			3,056.52	3,056.52			3,004.26
Recycling Tonnage Grant	52,363.17			52,363.17			1,916.24
Recycling Tonnage Grant - 2008							75.00
Recycling Tonnage Grant - 2009							
Over the Limit Under Arrest					2,000.00		
Emergency Management Assistance							
Community Wildfire Hazard Mitigation Assistance							
	<u>\$ 80,596.10</u>	<u>\$ 238,341.86</u>	<u>\$ 22,725.58</u>	<u>\$ 172,732.31</u>	<u>\$ 2,759.20</u>	<u>\$ 1,487.22</u>	<u>\$ 164,684.81</u>

Reference

A A-3,10-A

9-A

7-A

9-A

A

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

<u>Program</u>	Balance December 31, <u>2010</u>	Cash <u>Receipts</u>	Balance December 31, <u>2011</u>
Body Armor Replacement Fund	\$	\$ 4,675.17	\$ 4,675.17
FEMA Exercise Grant	<u> </u>	<u>12,098.80</u>	<u>12,098.80</u>
	<u>\$</u>	<u>\$ 16,773.97</u>	<u>\$ 16,773.97</u>
<u>Reference</u>	A	1-A, 10-A	A

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 168,390.80
Decreased By:			
Cash Disbursed	1-A	\$ 159,788.33	
Cancelled	A-1	<u>8,602.47</u>	
			<u>\$ 168,390.80</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION

Year ended December 31, 2011

	Reference	
Balance, December 31, 2010	A	\$ 30,000.00
Decreased By:		
Current Year Budget Appropriation	A-3	<u>\$ 30,000.00</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2010	B	\$ 36,522.52	\$ 8,969,592.89	\$ 974,610.60
Increased By Receipts:				
Dog License Fees	3-B	23,233.00		
Due To State of New Jersey Department of Health	4-B	5,461.80		
Reserve for Landfill Tax Escrow	5-B		6,932.82	
Escrow Funds	6-B		584,145.06	
Municipal Alliance	7-B		31,523.77	
Various Reserves	8-B		1,780,953.29	
Open Space Fund Expenditures	9-B			439,139.24
Open Space Tax Receivable	11-B			1,848.30
		<u>28,694.80</u>	<u>2,403,554.94</u>	<u>440,987.54</u>
		<u>65,217.32</u>	<u>11,373,147.83</u>	<u>1,415,598.14</u>
Decreased By Disbursements:				
Animal Control Fund Expenditures	3-B	18,297.90		
Due To State of New Jersey Department of Health	4-B	5,451.00		
Reserve for Landfill Tax Escrow	5-B		3,103.57	
Escrow Funds	6-B		726,136.01	
Municipal Alliance	7-B		25,035.51	
Various Reserves	8-B		1,909,665.68	
Open Space Fund Expenditures	9-B			52,802.96
		<u>23,748.90</u>	<u>2,663,940.77</u>	<u>52,802.96</u>
Balance, December 31, 2011	B	<u>\$ 41,468.42</u>	<u>\$ 8,709,207.06</u>	<u>\$ 1,362,795.18</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2011

Reference

Balance, December 31, 2010	B		\$ 497,569.97
Increased By:			
Township Contributions	10-B	\$ 83,950.00	
Interest on Investments	10-B	<u>5,571.70</u>	
			<u>89,521.70</u>
			587,091.67
Decreased By:			
Withdrawals	10-B	19,680.21	
Accounting Charges	10-B	<u>2,912.61</u>	
			<u>22,592.82</u>
Balance, December 31, 2011	B		<u>\$ 564,498.85</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 36,522.52
Increased By:		
Dog License Fees Collected	1-B	<u>23,233.00</u>
		59,755.52
Decreased By:		
Expenditures for Animal Control Fund	1-B	<u>18,297.90</u>
Balance, December 31, 2011	B	<u><u>\$ 41,457.62</u></u>

Fees Collected

2010	\$ 23,688.00
2009	<u>24,563.00</u>
	<u><u>\$ 48,251.00</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH

Year ended December 31, 2011

	<u>Reference</u>	
Increased By:		
Cash Receipts	1-B	<u>\$ 5,461.80</u>
		5,461.80
Decreased By:		
Cash Disbursements	1-B	<u>5,451.00</u>
Balance, December 31, 2011	B	<u><u>\$ 10.80</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR LANDFILL TAX ESCROW

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 411,542.16
Increased By:		
Interest Earned	1-B	<u>6,932.82</u>
		418,474.98
Decreased By:		
Bank Fees	1-B	<u>3,103.57</u>
Balance, December 31, 2011	B	<u><u>\$ 415,371.41</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF CASH SURETY BONDS AND ESCROW DEPOSITS

Year ended December 31, 2011

<u>Trust Funds</u>	Balance December 31, 2010	<u>Increases</u>	<u>Decreases</u>	Balance December 31, 2011
Cash Surety Bonds	\$ 1,941,322.80	\$ 65,299.24	\$ 190,543.82	\$ 1,816,078.22
Reserve for Developers' Escrow Deposits	<u>1,429,175.23</u>	<u>518,845.82</u>	<u>535,592.19</u>	<u>1,412,428.86</u>
	<u>\$ 3,370,498.03</u>	<u>\$ 584,145.06</u>	<u>\$ 726,136.01</u>	<u>\$ 3,228,507.08</u>
<u>Reference</u>	B	1-B	1-B	B

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE PROGRAM INCOME

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 13,521.25
Increased By:		
Cash Receipts	1-B	<u>31,523.77</u>
		45,045.02
Decreased By:		
Cash Disbursements	1-B	<u>25,035.51</u>
Balance, December 31, 2011	B	<u><u>\$ 20,009.51</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Unemployment Compensation				
Insurance	\$ 59,563.54	\$ 124,229.88	\$ 109,907.28	\$ 73,886.14
Reserve for:				
Adopt-A-Park Program		7,000.00	1,230.00	5,770.00
Community Outreach Donations		300.00		300.00
P.O.A.A.	1,651.00	28.00	1,600.00	79.00
Disposal of Forfeited Property	21,367.26	11,550.45	18,037.00	14,880.71
Public Defender	3,212.50	12,101.00	13,962.50	1,351.00
Outside Employment	18,012.96	110,284.04	108,032.61	20,264.39
Utility Developers Escrow	750,125.10	28,364.39	119,040.19	659,449.30
Adopt A Tree Program	8,603.35	7,705.00	7,360.36	8,947.99
Recreation Trust Fund	14,260.06	116,422.21	118,151.54	12,530.73
Accumulated Leave Time	231,070.84	120,100.00	148,064.03	203,106.81
Affordable Housing Trust	3,624,045.89	206,275.80	163,117.75	3,667,203.94
Snow Removal Trust	141,725.65	100,000.00	49,411.44	192,314.21
Tax Title Liens	60,493.30	819,184.51	845,242.97	34,434.84
Tax Sale Premiums	239,900.00	117,408.01	206,508.01	150,800.00
	<u>\$ 5,174,031.45</u>	<u>\$ 1,780,953.29</u>	<u>\$ 1,909,665.68</u>	<u>\$ 5,045,319.06</u>
<u>Reference</u>	B	1-B	1-B	B

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE FUND EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 976,458.90
Increased By:		
Open Space Tax Levy		\$ 437,187.32
Interest Earned		515.72
Open Space Tax - Added/Omitted		<u>1,436.20</u>
	1-B	<u>439,139.24</u>
		1,415,598.14
Decreased By:		
Cash Disbursed:		
Interest on Notes	1-B	<u>52,802.96</u>
Balance, December 31, 2011	B	<u><u>\$ 1,362,795.18</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 497,569.97
Increased By:			
Budget Appropriation	2-B	\$ 83,950.00	
Interest on Investments	2-B	<u>5,571.70</u>	
			<u>89,521.70</u>
			587,091.67
Decreased By:			
Withdrawals	2-B	19,680.21	
Accounting Charges	2-B	<u>2,912.61</u>	
			<u>22,592.82</u>
Balance, December 31, 2011	B		<u><u>\$ 564,498.85</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF OPEN SPACE TAX RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 1,848.30
Decreased By:		
Cash Receipts	1-B	<u>\$ 1,848.30</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 7,105,980.18
Increased By Cash Receipts:			
Bond Anticipation Notes	7-C	\$ 3,602,950.00	
Grants Received	5-C	251,250.00	
Serial Bonds	6-C	15,975,000.00	
Capital Improvement Fund	11-C	125,000.00	
Fund Balance	C-1	111,134.31	
Reserve for:			
Debt Service	12-C	<u>7,448.00</u>	
			<u>20,072,782.31</u>
			27,178,762.49
Decreased By Cash Disbursements:			
Bond Anticipation Notes	7-C	9,071,250.00	
Improvement Authorizations	10-C	10,447,198.23	
Reserve for Debt Service	12-C	338,515.92	
Fund Balance	C-1	<u>215,000.00</u>	
			<u>20,071,964.15</u>
Balance, December 31, 2011	C		<u><u>\$ 7,106,798.34</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2011

		Balance December 31, <u>2011</u>
Fund Balance		\$ 727,227.51
Capital Improvement Fund		219,028.99
Encumbrances Payable		1,392,215.89
Reserve for:		
Debt Service		7,448.00
Developer's Contributions		42,000.00
<u>Ordinance Number</u>	<u>Improvement Description</u>	
08-82	Reconstruction and Resurfacing of Roads - Deer Haven	178,002.93
08-103	Closure of Landfill	73,025.23
09-12/04-57	Construction of Bulkhead and Other Improvements To Mill Creek Park	125,000.00
09-27/08-101/08-44/07-100/06-83	Update of Master Plan Elements as Part of Regional Center Petition	12,840.98
09-30/08-20/07-09/06-07/04-59	Design Improvements for the Intersection of Mill Creek Road and Route 72	164,374.78
09-42/09-06	Construction of Vehicle Wash Facility	372,938.26
09-43/09-07	Purchase of Inlet Cleaning Vacuum Truck	49,766.89
10-21	Various Improvements to Various Sports Facilities	57,677.16
10-22	Various Improvements to Various Parks	4,600.00
10-25	Various 2010 Roadway Improvements	1,417,486.19
10-26	Various 2010 Drainage Improvements	290,865.99
10-29	Acquisition/Installation of Various Equipment for Police Department	353,452.30
10-30	Various Improvements to a Fire Department Ladder Truck	58,042.50
10-31	Acquisition of Various Police Vehicles	6,532.42
10-32	Acquisition/Installation of Various Vehicles/Equipment for DPW	45,760.18
11-18	Various Improvements to Various Parks	77,981.60
11-20	Police Radio Upgrade - Phase 2	326,218.01
11-21	Acquisition of Various Police Equipment	51,484.30
11-23	Purchase of Computer Equipment	2,000.60
11-24	Improvements to Ambulances	149,501.64
11-25	Improvements to Municipal Building	32,498.52
11-26	Acquisition/Installation of Various Equipment for DPW	459,716.06
11-27	Various Roadway Improvements	195,325.98
11-31	Various Stormwater Improvements	213,785.43
		<u>\$ 7,106,798.34</u>

Reference

C

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

<u>Program</u>	Balance December 31, <u>2011 and 2010</u>
Green Acres Grant	<u>\$ 19,389.00</u>
	<u>Reference</u> C

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 53,554,400.71
Increased By:		
Serial Bonds Issued	5-C	<u>14,535,000.00</u>
		68,089,400.71
Decreased By:		
Payments By Budget Appropriation:		
Bonds Payable	6-C	\$ 3,800,000.00
Loans Payable	9-C	306,824.30
Bonds Refunded	6-C	<u>5,760,000.00</u>
		<u>9,866,824.30</u>
Balance, December 31, 2011	C	<u><u>\$ 58,222,576.41</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year ended December 31, 2011

Year	Purpose	Date of Issue	Issue Amount	Maturity Date	Maturity Schedule	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
1999	General Improvement Refunding	02/01/99	\$ 5,330,000.00	04/01/21	\$ 10,000.00	6.650%	\$ 990,000.00		\$ 990,000.00	
2002	General Improvement Bonds - 2002A	07/18/02	9,900,000.00	04/01/22	15,000.00	6.650%	5,460,000.00		5,460,000.00	
2003	General Obligations Refunding Bonds	04/01/03	985,000.00	04/01/23	25,000.00	6.650%				
				04/01/24	35,000.00	6.650%				
				04/01/25	45,000.00	6.650%				
				04/01/26	55,000.00	6.650%				
				04/01/27	65,000.00	6.650%				
				04/01/28	80,000.00	6.650%				
				04/01/29	95,000.00	6.650%				
				04/01/30	110,000.00	6.650%				
				04/01/31	130,000.00	6.650%				
				04/01/32	150,000.00	6.650%				
				04/01/33	170,000.00	6.650%	985,000.00			\$ 985,000.00
2004	General Improvement Refunding Bonds	05/01/04	5,745,000.00	09/01/12	520,000.00	3.750%				
				09/01/13	530,000.00	4.000%				
				09/01/14	540,000.00	4.000%				
				09/01/15	550,000.00	4.000%				
				09/01/16	555,000.00	4.125%				
2005	General Improvement Bonds, 2005A	07/01/05	11,646,000.00	07/01/12	735,000.00	5.000%				
				07/01/13	760,000.00	5.000%				
				07/01/14	790,000.00	5.000%				
				07/01/15	820,000.00	5.000%				
				07/01/16	850,000.00	5.000%				
				07/01/17	880,000.00	4.000%				
				07/01/18	915,000.00	4.000%				
				07/01/19	950,000.00	4.000%				
				07/01/20	986,000.00	4.000%	8,396,000.00		710,000.00	7,686,000.00
2005	General Obligation Refunding Bonds	09/01/05	14,225,000.00	02/01/12	855,000.00	3.750%				
				02/01/13	865,000.00	4.500%				
				02/01/14	885,000.00	4.500%				
				02/01/15	905,000.00	4.000%				
				02/01/16	920,000.00	4.000%				
				02/01/17	940,000.00	4.000%				
				02/01/18	955,000.00	4.000%				
				02/01/19	970,000.00	4.000%				
				02/01/20	995,000.00	4.000%				
				02/01/21	1,015,000.00	4.000%				
				02/01/22	1,035,000.00	4.100%				
				02/01/23	1,060,000.00	4.125%				
				02/01/24	1,075,000.00	4.125%	13,290,000.00		815,000.00	12,475,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year ended December 31, 2011

Year	Purpose	Date of Issue	Issue Amount	Maturity Date	Maturity Schedule	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011	
2008	General Improvement Bonds	08/26/08	19,200,000.00	08/01/12 08/01/13 08/01/14 08/01/15 08/01/16 08/01/17 08/01/18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23 08/01/24 08/01/25 08/01/26 08/01/27 08/01/28	725,000.00 730,000.00 770,000.00 800,000.00 835,000.00 865,000.00 900,000.00 940,000.00 980,000.00 1,020,000.00 1,065,000.00 1,110,000.00 1,155,000.00 1,210,000.00 1,260,000.00 1,315,000.00 1,375,000.00	4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.125% 4.200% 4.250% 4.250% 4.375% 4.500% 4.500% 4.500%	17,775,000.00			17,055,000.00	
2011	General Obligation Refunding Bonds	01/27/11	5,685,000.00	07/01/12 07/01/13 07/01/14 07/01/15 07/01/16 07/01/17	1,050,000.00 1,070,000.00 770,000.00 790,000.00 815,000.00 840,000.00	3.000% 3.000% 3.000% 4.000% 4.000% 4.000%	17,775,000.00	720,000.00		17,055,000.00	
2011	General Improvement Bonds	05/24/11	8,850,000.00	01/15/12 01/15/13 01/15/14 01/15/15 01/15/16 01/15/17 01/15/18 01/15/19 01/15/20 01/15/21 01/15/22 01/15/23 01/15/24 01/15/25 01/15/26 01/15/27 01/15/28 01/15/29 01/15/30 01/15/31	235,000.00 235,000.00 430,000.00 445,000.00 455,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00 470,000.00	2.500% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.250% 4.500% 4.500%	17,775,000.00	1,790,000.00	5,335,000.00		
							\$ 7,125,000.00			8,850,000.00	
							\$ 50,106,000.00	\$ 15,975,000.00	\$ 11,000,000.00	\$ 8,850,000.00	\$ 55,081,000.00
							C	1-C		C	
									\$ 3,800,000.00		
									5,760,000.00		
									1,440,000.00		
									\$ 11,000,000.00		

Payments By Budget Appropriation
Bonds Refunded
Water/Sewer Utility Refunding Bonds

Reference
4-C
4-C
5-C

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
08-101/08-44/07-100/07-74/06-83/06-46	Update of Master Plan Elements as Part of Regional Center Petition	12/18/09	05/27/10	05/26/11	1.500%	\$ 128,250.00		128,250.00	
08-101/08-44/07-100/07-74/06-83/06-46	Update of Master Plan Elements as Part of Regional Center Petition	12/29/08	05/27/10	05/26/11	1.500%	118,750.00		118,750.00	
07-101/07-29	Installation of Drainage Phase I	09/01/09	05/27/10	05/26/11	1.500%	500,000.00		500,000.00	
08-21/07-85	Acquisition of Block 44.1,02 Lots 6, 7 and 8	12/29/08	05/27/10	05/26/11	1.500%	671,000.00		671,000.00	
08-25	McKinley Avenue Expansion	12/29/08	05/27/10	05/26/11	1.500%	409,750.00		409,750.00	
08-100/08-27	Improvements to Doc Cramer Park - Concession Stand	12/29/08	05/27/10	05/26/11	1.500%	471,500.00		471,500.00	
08-75	Acquisition of Emergency Equipment	12/29/08	05/27/10	05/26/11	1.500%	280,250.00		280,250.00	
08-76	Purchase of Animal Control Vehicle	12/29/08	05/27/10	05/26/11	1.500%	64,000.00		64,000.00	
08-82	Reconstruction and Resurfacing of Roads - Deer Haven	09/01/09	05/27/10	05/26/11	1.500%	50,000.00		50,000.00	
08-82	Reconstruction and Resurfacing of Roads - Deer Haven	12/29/08	05/27/10	05/26/11	1.500%	714,750.00		714,750.00	
08-82	Reconstruction and Resurfacing of Roads - Deer Haven	09/01/09	05/24/11	05/23/12	1.250%		50,000.00		
08-103	Closure of Landfill	12/29/08	05/27/10	05/26/11	1.500%	95,000.00		95,000.00	
08-113	Acquisition of Fire Truck	12/29/08	05/27/10	05/26/11	1.500%	463,250.00		463,250.00	
09-12/04-57	Construction of Bulkhead at Mill Creek Park	09/01/09	05/27/10	05/26/11	1.500%	47,500.00		47,500.00	
09-12/04-57	Construction of Bulkhead at Mill Creek Park	09/01/09	05/24/11	05/23/12	1.250%		47,500.00		
09-04	Purchase Four Automated Trucks for Single Stream Recycling	09/01/09	05/27/10	05/26/11	1.500%	993,625.00		993,625.00	
09-04	Purchase Four Automated Trucks for Single Stream Recycling	09/01/09	05/24/11	05/23/12	1.250%		812,125.00		
09-05	Purchase Containers for Single Stream Recycling	09/01/09	05/27/10	05/26/11	1.500%	769,375.00		769,375.00	
09-05	Purchase Containers for Single Stream Recycling	09/01/09	05/24/11	05/23/12	1.250%		769,375.00		
09-43/09-07	Purchase of Inlet Cleaning Vacuum Truck	12/18/09	12/01/10	06/01/11	1.250%	420,000.00		420,000.00	
09-43/09-07	Purchase of Inlet Cleaning Vacuum Truck	12/01/10	12/01/10	06/01/11	1.250%	8,000.00		8,000.00	
09-43/09-07	Purchase of Inlet Cleaning Vacuum Truck	12/18/09	05/24/11	05/23/12	1.250%		420,000.00		
09-43/09-07	Purchase of Inlet Cleaning Vacuum Truck	12/01/10	05/24/11	05/23/12	1.250%		8,000.00		
09-08	Purchase of Emergency Communication Equipment	09/01/09	05/27/10	05/26/11	1.500%	104,500.00		104,500.00	
09-19	Purchase of Roll Off Truck	09/01/09	05/27/10	05/26/11	1.500%	189,750.00		189,750.00	
09-19	Purchase of Roll Off Truck	09/01/09	05/24/11	05/23/12	1.250%		189,750.00		
09-31	Acquisition of Property for Open Space	09/01/09	05/27/10	05/26/11	1.500%	1,578,750.00		1,578,750.00	
09-31	Acquisition of Property for Open Space	09/01/09	05/24/11	05/23/12	1.250%		1,578,750.00		
09-41/08-114	Acquisition of Property for Open Space	12/29/08	12/01/10	06/01/11	1.250%	4,655,000.00		4,655,000.00	
09-41/08-114	Acquisition of Property for Open Space	12/01/10	12/01/10	06/01/11	1.250%	15,000.00		15,000.00	
09-42/09-06	Construction of Vehicle Wash Facility	12/01/10	05/24/11	05/23/12	1.250%		28,150.00		
09-42/09-06	Construction of Vehicle Wash Facility	12/01/10	12/01/10	06/01/11	1.250%	28,150.00		28,150.00	
10-21	Various Improvements to Various Sports Facilities	12/01/10	05/24/11	05/23/12	1.250%		228,100.00		
10-21	Various Improvements to Various Sports Facilities	12/01/10	12/01/10	06/01/11	1.250%	228,100.00		228,100.00	
10-22	Various Improvements to Various Parks	12/01/10	05/24/11	05/23/12	1.250%		100,000.00		
10-22	Various Improvements to Various Parks	12/01/10	12/01/10	06/01/11	1.250%	100,000.00		100,000.00	
10-25	Various 2010 Roadway Improvements	12/01/10	05/24/11	05/23/12	1.250%		1,968,750.00		
10-25	Various 2010 Roadway Improvements	12/01/10	12/01/10	06/01/11	1.250%	1,968,750.00		1,968,750.00	
10-25	Various 2010 Roadway Improvements	12/01/10	05/24/11	05/23/12	1.250%		1,717,500.00		

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
10-28	Various 2010 Drainage Improvements	12/01/10	12/01/10	06/01/11	1.250%	506,000.00	506,000.00		506,000.00
10-28	Various 2010 Drainage Improvements	12/01/10	05/24/11	05/23/12	1.250%				
10-29	Acquisition/Installation of Various Equipment for Police Department	12/01/10	12/01/10	06/01/11	1.250%	455,000.00	455,000.00		455,000.00
10-29	Acquisition/Installation of Various Equipment for Police Department	12/01/10	05/24/11	05/23/12	1.250%				
10-30	Various Improvements to a Fire Department Ladder Truck	12/01/10	12/01/10	06/01/11	1.250%	370,000.00	370,000.00		370,000.00
10-30	Various Improvements to a Fire Department Ladder Truck	12/01/10	05/24/11	05/23/12	1.250%				
10-31	Acquisition of Various Police Vehicles	12/01/10	12/01/10	06/01/11	1.250%	100,000.00	100,000.00		100,000.00
10-31	Acquisition of Various Police Vehicles	12/01/10	05/24/11	05/23/12	1.250%				
10-32	Acquisition of Various Vehicles/Equipment for Public Works Department	12/01/10	12/01/10	06/01/11	1.250%	576,000.00	576,000.00		576,000.00
10-32	Acquisition of Various Vehicles/Equipment for Public Works Department	12/01/10	05/24/11	05/23/12	1.250%				
09-42/09-06	Construction of Vehicle Wash Facility	05/24/11	05/24/11	05/23/12	1.250%	8,750.00	8,750.00		8,750.00
09-42/09-06	Construction of Vehicle Wash Facility	12/21/11	12/21/11	05/23/12	1.000%	355,100.00	355,100.00		355,100.00
11-18	Improvements to Various Parks	12/21/11	12/21/11	05/23/12	1.000%	100,000.00	100,000.00		100,000.00
11-20	Police Radio Upgrade - Phase 2	12/21/11	12/21/11	05/23/12	1.000%	327,027.00	327,027.00		327,027.00
11-21	Acquisition of Police Equipment	12/21/11	12/21/11	05/23/12	1.000%	56,468.00	56,468.00		56,468.00
11-23	Acquisition of Computer Equipment	12/21/11	12/21/11	05/23/12	1.000%	65,930.00	65,930.00		65,930.00
11-24	Improvements to Ambulances	12/21/11	12/21/11	05/23/12	1.000%	142,500.00	142,500.00		142,500.00
11-25	Improvements to Municipal Building	12/21/11	12/21/11	05/23/12	1.000%	31,350.00	31,350.00		31,350.00
11-26	Acquisition of Public Works Equipment	12/21/11	12/21/11	05/23/12	1.000%	715,825.00	715,825.00		715,825.00
11-27	Various Roadway Improvements	12/21/11	12/21/11	05/23/12	1.000%	1,500,000.00	1,500,000.00		1,500,000.00
11-31	Various Stormwater Improvements	12/21/11	12/21/11	05/23/12	1.000%	300,000.00	300,000.00		300,000.00
						<u>\$ 17,080,000.00</u>	<u>\$ 11,659,200.00</u>	<u>\$ 17,080,000.00</u>	<u>\$ 11,659,200.00</u>
					Reference				C, 5-C
	Cash				1-C, 14-C		\$ 3,602,950.00	\$ 9,071,250.00	
	Raised in Budget				5-C			52,500.00	
	Non-Cash Rollover				7-C		7,956,250.00	7,956,250.00	
							<u>\$ 11,659,200.00</u>	<u>\$ 17,080,000.00</u>	<u>\$ 11,659,200.00</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 1,618,976.55
Increased By:		
Encumbered in 2011	10-C	<u>1,392,215.89</u>
		3,011,192.44
Decreased By:		
Transferred To Improvement Authorizations	10-C	<u>1,618,976.55</u>
Balance, December 31, 2011	C	<u><u>\$ 1,392,215.89</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 3,448,400.71
Decreased By:		
Budget Appropriation	4-C	<u>306,824.30</u>
Balance, December 31, 2011	C	<u><u>\$ 3,141,576.41</u></u>

Analysis of Balance

Acquisition of Mill Creek Park	\$ 48,259.68
Mill Creek Development	62,706.35
Manahawkin Lake Development	362,112.74
Acquisition of Nautilus Park	803,376.12
Acquisition of Ocean Acres Park	35,915.82
Rudder Park Development - Phase I	279,647.45
Ocean Acres Park Development	203,521.95
Rudder Park Acquisition	133,896.03
Rudder Park Development - Phase II	293,146.84
Manahawkin Lake - Phase I	267,792.04
Manahawkin Lake - Phase II	401,201.39
Nautilus Park - Phase II	<u>250,000.00</u>
	<u><u>\$ 3,141,576.41</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 184,507.99
Increased By:		
Budget Appropriation	1-C	<u>125,000.00</u>
		309,507.99
Decreased By:		
Appropriated To Finance Improvement Authorizations	10-C	<u>90,479.00</u>
Balance, December 31, 2011	C	<u><u>\$ 219,028.99</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 338,515.92
Increased By:		
Cash Receipts	1-C	<u>7,448.00</u>
		345,963.92
Decreased By:		
Anticipated as Revenue in Current Fund	1-C	<u>338,515.92</u>
Balance, December 31, 2011	C	<u><u>\$ 7,448.00</u></u>
		\$ 7,448.00
		<u>7,448.00</u>
		<u><u>\$ 7,448.00</u></u>

Reserve to Pay Bonds	\$ 7,448.00
Reserve to Pay Notes	<u>7,448.00</u>
	<u><u>\$ 7,448.00</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEVELOPER CONTRIBUTIONS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010	C	\$ <u>42,000.00</u>
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TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010	2011 Authorizations	Serial Bonds Issued	BANs Issued	Cancelled	Balance December 31, 2011
	General Improvements:						
09-41/08-114	Acquisition of Property for Open Space	\$ 160,000.00		\$ 30,000.00		\$ 130,000.00	
09-42/09-06	Construction of Vehicle Wash Facility	363,850.00			\$ 363,850.00		
10-34	Refunding Bond Ordinance	8,000,000.00		7,125,000.00		875,000.00	
11-18	Various Improvements to Various Parks		\$ 100,000.00		100,000.00		
11-20	Police Radio Upgrade - Phase 2		327,028.00		327,027.00		
11-21	Acquisition of Various Police Equipment		56,468.00		56,468.00		
11-23	Purchase of Computer Equipment		65,930.00		65,930.00		
11-24	Improvements to Ambulances		142,500.00		142,500.00		
11-25	Improvements to Municipal Building		31,350.00		31,350.00		
11-26	Acquisition/Installation of Various Equipment for DPW		715,825.00		715,825.00		
11-27	Various Roadway Improvements		1,500,000.00		1,500,000.00		
11-31	Various Stormwater Improvements		300,000.00		300,000.00		\$ 1.00
		<u>\$ 8,523,850.00</u>	<u>\$ 3,239,101.00</u>	<u>\$ 7,155,000.00</u>	<u>\$ 3,602,950.00</u>	<u>\$ 1,005,000.00</u>	<u>\$ 1.00</u>
	Reference	14-C	10-C	14-C	7-C	5-C	14-C

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	D	<u>\$ 1,866,282.04</u>	<u>\$ 2,637,840.56</u>
Increased By Receipts:			
Water/Sewer Utility Revenue	D-3	13,550,301.92	
Premium on Sale of Bonds and Notes	D-2		63,916.07
Due From N.J.E.I.T.	7-D		686,756.00
Prepaid Revenue	11-D	103,346.17	
Serial Bonds	12-D		5,900,000.00
Bond Anticipation Notes	14-D		1,131,300.00
Reserve for Debt Service	20-D		<u>78,975.60</u>
		<u>13,653,648.09</u>	<u>7,860,947.67</u>
		<u>15,519,930.13</u>	<u>10,498,788.23</u>
Decreased By Disbursements:			
Capital Fund Balance	D-2		805,733.08
Reserve for Debt Service	20-D		20,066.92
2011 Appropriations	D-4	12,803,574.15	
Appropriation Reserves	8-D	95,144.33	
Accrued Interest on Bonds and Notes	10-D	1,938,352.36	
Bond Anticipation Notes	14-D		5,900,000.00
Improvement Authorizations	15-D		<u>644,860.38</u>
		<u>14,837,070.84</u>	<u>7,370,660.38</u>
Balance, December 31, 2011	D	<u>\$ 682,859.29</u>	<u>\$ 3,128,127.85</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER/SEWER UTILITY CAPITAL FUND CASH AND CASH EQUIVALENTS

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Fund Balance	\$ 286,560.40
Due From N.J.E.I.T.	(416,171.00)
Capital Improvement Fund	10,000.00
Contracts/Encumbrances Payable	856,074.79
Reserve for:	
Debt Service	78,975.60
Down Payments on Improvements	65,125.00

Improvement Authorizations

<u>Ordinance Number</u>	<u>Improvement Description</u>	
06-10	Purchase Equipment for Water and Sewer Department	61,642.19
06-26	Water/Sewer Line Oversizing	70,000.00
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	53,092.65
08-61	Beach Haven West Phase 2 Sewer Rehabilitation	4,698.42
09-11	Ocean Acres Water Transmission Lines Phase 5	416,171.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	271,877.46
09-48/08-33/07-76	Replacement of Mill Creek Road Water Main	60.60
10-27	Water Mains along Route 9	559,761.80
10-28/07-84/03-47	Purchase of Water/Sewer System Equipment	51,815.20
10-33	Acquisition/Installation of Grinder Pumps	12,205.79
11-19	Various Water System Improvements	24,037.10
11-22	Various Water Main Improvements	722,200.85
		<u>\$ 3,128,127.85</u>

Reference D,1-D

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED CHARGE - DEFICIT IN OPERATIONS

Year ended December 31, 2011

	<u>Reference</u>	
Increased By:		
Deficit Resulting in 2011 Operations	D-1	<u>\$ 191,734.08</u>
Balance, December 31, 2011	D	<u><u>\$ 191,734.08</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 181,641.59
Increased By:		
Water/Sewer Charges Levied in 2011		<u>12,884,996.90</u>
		13,066,638.49
Decreased By:		
Collections - Rents, Surcharges, Connection Fees		\$ 12,397,826.98
Prepaid Revenue Applied	D-3,11-D	<u>429,010.32</u>
		<u>12,826,837.30</u>
Balance, December 31, 2011	D	<u><u>\$ 239,801.19</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increased</u>	Balance December 31, <u>2011</u>
Land	\$ 3,222,734.82		\$ 3,222,734.82
Buildings and Improvements	3,201,100.59		3,201,100.59
Improvements Other Than Buildings	125,186,105.62	\$ 5,207,140.70	130,393,246.32
Machinery and Equipment	3,503,537.17	86,909.71	3,590,446.88
Furniture and Fixtures	240,006.00		240,006.00
Soft Costs	<u>333,024.33</u>	<u>33,862.57</u>	<u>366,886.90</u>
	<u>\$ 135,686,508.53</u>	<u>\$ 5,327,912.98</u>	<u>\$ 141,014,421.51</u>
<u>Reference</u>	D	6-D	D

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2010	2011 Authorizations	Decreases	Balance December 31, 2011
		Date	Amount				
07-84/03-47	Purchase of Water and Sewer Equipment	09/04/07	\$ 395,000.00	\$ 138,724.91		\$ 86,909.71	\$ 51,815.20
08-102/08-49/05-15/01-74	Water/Sewer Master Plan CAD Mapping	10/07/08	225,000.00	22,048.24		22,048.24	
06-10	Purchase Equipment for Water and Sewer Department	02/21/06	193,000.00	73,814.19			73,814.19
06-26	Water/Sewer Line Oversizing	05/02/06	400,000.00	127,226.73			70,000.00
06-50	Improvement To Sewer System	06/20/06	984,800.00	84,158.30		57,226.73	
06-66/06-49	Improvements To Water System	09/19/06	2,204,000.00	59,026.68		84,158.30	
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	02/19/08	6,334,000.00	63,760.38		59,026.68	
08-34/06-92/06-24	Water Supply Well #11 and Directional Drilling Project	02/19/08	1,431,000.00	5,130.00		3,956.25	
08-42	Ocean Acres Water System Transmission Lines Phase 4	04/14/08	6,700,000.00	107,679.06		5,130.00	59,804.13
08-61	Beach Haven West Phase 2 Sewer Rehabilitation	07/01/08	1,000,000.00	155,594.47		107,679.06	
08-83	Water Line Extension - Deer Haven	08/05/08	695,000.00	251.26		251.26	155,594.47
09-11	Ocean Acres Water System Transmission Lines Phase 5	03/03/09	9,481,405.00	5,626,655.00		5,210,484.00	416,171.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	08/04/09	800,000.00	800,000.00			800,000.00
09-48/08-33/07-76	Replacement of Mill Creek Road Water Main	11/02/09	4,655,000.00	304,683.06			304,683.06
10-27	Water Mains Along Rt. 9	08/17/10	920,000.00	920,000.00			920,000.00
10-33	Acquisition and Installation of Grinder Pumps	09/07/10	75,000.00	75,000.00			75,000.00
11-19	Various Water System Improvements	07/12/11	320,000.00	320,000.00			320,000.00
11-22	Various Water Main Improvements	07/12/11	799,100.00	799,100.00			799,100.00
				<u>\$ 8,563,752.28</u>	<u>\$ 1,119,100.00</u>	<u>\$ 5,636,870.23</u>	<u>\$ 4,045,982.05</u>
				D	15-D		D
	Funded Authorizations Cancelled					\$ 308,957.25	
	Transferred to Fixed Capital					<u>5,327,912.98</u>	
						<u>\$ 5,636,870.23</u>	

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE FROM N.J.E.I.T.

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 1,189,275.00
Decreased By:			
Cash Receipts	1-D	\$ 686,756.00	
Funded Authorization Cancelled	15-D	<u>86,348.00</u>	
			<u>773,104.00</u>
Balance, December 31, 2011	D		<u><u>\$ 416,171.00</u></u>

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Transfer From Encumbrances Payable	Balance After Transfers	Paid	Balance Lapsed
Operating:					
Salaries and Wages	\$ 15,827.65		\$ 15,827.65		\$ 15,827.65
Other Expenses	83,619.03	\$ 36,697.93	120,316.96	\$ 95,144.33	25,172.63
Accumulated Leave Comp	100.00		100.00		100.00
Statutory Expenditures:					
Social Security System	<u>8,244.62</u>		<u>8,244.62</u>		<u>8,244.62</u>
	<u>\$ 107,791.30</u>	<u>\$ 36,697.93</u>	<u>\$ 144,489.23</u>	<u>\$ 95,144.33</u>	<u>\$ 49,344.90</u>
<u>Reference</u>	D	9-D		1-D	D-1

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 36,697.93
Increased By:		
Encumbered in 2011	D-4	<u>16,351.79</u>
		53,049.72
Decreased By:		
Transferred To Appropriation Reserves	8-D	<u>36,697.93</u>
Balance, December 31, 2011	D	<u><u>\$ 16,351.79</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS NOTES AND LOANS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 653,804.37
Increased By:		
Budget Appropriation	D-4	<u>1,999,388.12</u>
		2,653,192.49
Decreased By:		
Interest Paid	1-D	<u>1,938,352.36</u>
Balance, December 31, 2011	D	<u>\$ 714,840.13</u>

Analysis of Accrued Interest - December 31, 2011

Principal Outstanding December 31, 2011	Interest Rate	From	To	Period	Amount
Bond Anticipation Note:					
\$ 4,035,000.00	1.25%	05/24/11	12/31/11	216 Days	\$ 30,262.50
<u>1,121,300.00</u>	1.00%	12/21/11	12/31/11	9 Days	<u>280.33</u>
<u>\$ 5,156,300.00</u>					<u>\$ 30,542.83</u>

Loans:					
\$ 365,000.00	5.000%	12/01/11	12/31/11	1 Month	\$ 1,520.83
275,000.00	5.130%	12/01/11	12/31/11	1 Month	1,175.63
645,000.00	5.250%	12/01/11	12/31/11	1 Month	2,821.88
952,822.02	0.000%	12/01/11	12/31/11	1 Month	
825,000.00	4.000%	11/01/11	12/31/11	2 Months	5,500.00
605,000.00	4.250%	11/01/11	12/31/11	2 Months	4,285.42
1,425,000.00	4.375%	11/01/11	12/31/11	2 Months	10,390.63
325,000.00	4.500%	11/01/11	12/31/11	2 Months	2,437.50
720,000.00	5.000%	11/01/11	12/31/11	2 Months	6,000.00
3,283,306.75	0.000%	11/01/11	12/31/11	2 Months	
680,000.00	4.000%	08/01/11	12/31/11	5 Months	11,333.33
385,000.00	4.125%	08/01/11	12/31/11	5 Months	6,617.19
335,000.00	4.250%	08/01/11	12/31/11	5 Months	5,932.29
905,000.00	5.000%	08/01/11	12/31/11	5 Months	18,854.17
2,008,475.18	0.000%	08/01/11	12/31/11	5 Months	
1,365,000.00	5.000%	11/01/11	12/31/11	2 Months	11,375.00
175,000.00	3.400%	11/01/11	12/31/11	2 Months	991.67
180,000.00	3.500%	11/01/11	12/31/11	2 Months	1,050.00
190,000.00	3.600%	11/01/11	12/31/11	2 Months	1,140.00
485,000.00	4.000%	11/01/11	12/31/11	2 Months	3,233.33
285,000.00	4.250%	11/01/11	12/31/11	2 Months	2,018.75
520,000.00	4.500%	11/01/11	12/31/11	2 Months	3,900.00
2,790,031.46	0.000%	11/01/11	12/31/11	2 Months	
1,500,000.00	5.000%	11/01/11	12/31/11	2 Months	12,500.00
115,000.00	5.250%	11/01/11	12/31/11	2 Months	1,006.25
525,000.00	5.500%	11/01/11	12/31/11	2 Months	4,812.50
1,885,734.51	0.000%	11/01/11	12/31/11	2 Months	
95,909.74	Various	08/01/11	12/31/11	5 Months	1,249.36
88,075.85	0.000%	08/01/11	12/31/11	5 Months	
75,000.00	3.000%	08/01/11	12/31/11	5 Months	937.50
95,000.00	3.500%	08/01/11	12/31/11	5 Months	1,385.42
705,000.00	4.000%	08/01/11	12/31/11	5 Months	11,750.00
480,000.00	5.000%	08/01/11	12/31/11	5 Months	10,000.00
<u>3,999,453.17</u>	0.000%	08/01/11	12/31/11	5 Months	
<u>\$ 29,288,808.68</u>					<u>\$ 144,218.65</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS NOTES AND LOANS

Year ended December 31, 2011

Analysis of Accrued Interest - December 31, 2011 (continued)

Principal Outstanding December 31, <u>2011</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 640,000.00	2.000%	12/01/11	12/31/11	1 Month	\$ 1,066.67
575,000.00	5.000%	12/01/11	12/31/11	1 Month	2,395.83
645,000.00	2.500%	12/01/11	12/31/11	1 Month	1,343.75
630,000.00	2.500%	12/01/11	12/31/11	1 Month	1,312.50
420,000.00	2.750%	12/01/11	12/31/11	1 Month	962.50
435,000.00	3.000%	12/01/11	12/31/11	1 Month	1,087.50
445,000.00	3.125%	12/01/11	12/31/11	1 Month	1,158.85
465,000.00	3.250%	12/01/11	12/31/11	1 Month	1,259.38
560,000.00	3.500%	12/01/11	12/31/11	1 Month	1,633.33
1,775,000.00	4.000%	12/01/11	12/31/11	1 Month	5,916.67
1,200,000.00	5.000%	12/01/11	12/31/11	1 Month	5,000.00
5,085,000.00	4.000%	08/01/11	12/31/11	5 Months	84,750.00
685,000.00	4.125%	08/01/11	12/31/11	5 Months	11,773.44
715,000.00	4.200%	08/01/11	12/31/11	5 Months	12,512.50
1,525,000.00	4.250%	08/01/11	12/31/11	5 Months	27,005.21
815,000.00	4.375%	08/01/11	12/31/11	5 Months	14,856.77
2,625,000.00	4.500%	08/01/11	12/31/11	5 Months	49,218.75
685,000.00	3.000%	07/01/11	12/31/11	6 Months	10,275.00
755,000.00	4.000%	07/01/11	12/31/11	6 Months	15,100.00
165,000.00	2.500%	05/24/11	12/31/11	216 Days	2,475.00
2,105,000.00	3.000%	05/24/11	12/31/11	216 Days	37,890.00
2,640,000.00	4.000%	05/24/11	12/31/11	216 Days	63,360.00
660,000.00	4.250%	05/24/11	12/31/11	216 Days	16,830.00
330,000.00	4.500%	05/24/11	12/31/11	216 Days	8,910.00
2,821,000.00	3.000%	07/01/11	12/31/11	6 Months	42,315.00
1,975,000.00	4.000%	07/01/11	12/31/11	6 Months	39,500.00
445,000.00	4.100%	07/01/11	12/31/11	6 Months	9,122.50
460,000.00	4.125%	07/01/11	12/31/11	6 Months	9,487.50
985,000.00	4.200%	07/01/11	12/31/11	6 Months	20,685.00
<u>1,635,000.00</u>	5.000%	07/01/11	12/31/11	6 Months	<u>40,875.00</u>
<u>\$ 34,901,000.00</u>					<u>\$ 540,078.65</u>
					<u>\$ 714,840.13</u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF PREPAID REVENUE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 429,010.32
Increased By:		
Cash Receipts	1-D	<u>103,346.17</u>
		532,356.49
Decreased By:		
Prepaid Revenue Applied	D-3, 4-D	<u>429,010.32</u>
Balance, December 31, 2011	D	<u><u>\$ 103,346.17</u></u>

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Outstanding December 31, 2011	Amount					
Water and Sewer Improvements	02/01/94	\$ 9,950,000.00				\$ 750,000.00	\$ 750,000.00		
Water and Sewer Improvements	07/01/02	3,035,000.00				1,680,000.00	1,680,000.00		
Water and Sewer Improvements	07/01/05	10,151,000.00							
			07/01/12	\$ 310,000.00	5.000%				
			07/01/13	315,000.00	5.000%				
			07/01/14	325,000.00	5.000%				
			07/01/15	335,000.00	5.000%				
			07/01/16	350,000.00	5.000%				
			07/01/17	365,000.00	4.000%				
			07/01/18	380,000.00	4.000%				
			07/01/19	395,000.00	4.000%				
			07/01/20	410,000.00	4.000%				
			07/01/21	425,000.00	4.000%				
			07/01/22	445,000.00	4.100%				
			07/01/23	460,000.00	4.125%				
			07/01/24	480,000.00	4.200%				
			07/01/25	505,000.00	4.200%				
			07/01/26	525,000.00	3.000%				
			07/01/27	545,000.00	3.000%				
			07/01/28	570,000.00	3.000%				
			07/01/29	585,000.00	3.000%				
			07/01/30	596,000.00	3.000%	8,631,000.00	310,000.00		\$ 8,321,000.00
Water and Sewer Improvements	08/26/08	12,800,000.00	08/01/12	480,000.00	4.000%				
			08/01/13	500,000.00	4.000%				
			08/01/14	520,000.00	4.000%				
			08/01/15	540,000.00	4.000%				
			08/01/16	560,000.00	4.000%				
			08/01/17	585,000.00	4.000%				
			08/01/18	605,000.00	4.000%				
			08/01/19	635,000.00	4.000%				
			08/01/20	660,000.00	4.000%				
			08/01/21	685,000.00	4.125%				
			08/01/22	715,000.00	4.200%				
			08/01/23	745,000.00	4.250%				
			08/01/24	780,000.00	4.250%				
			08/01/25	815,000.00	4.375%				
			08/01/26	850,000.00	4.500%				
			08/01/27	885,000.00	4.500%				
			08/01/28	890,000.00	4.500%	11,910,000.00	460,000.00		11,450,000.00

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Refunding Bonds	03/12/09	\$ 9,345,000.00	12/01/12	\$ 605,000.00	4.000%				
			12/01/13	630,000.00	2.500%				
			12/01/14	420,000.00	2.750%				
			12/01/15	435,000.00	3.000%				
			12/01/16	445,000.00	3.125%				
			12/01/17	465,000.00	3.250%				
			12/01/18	560,000.00	3.500%				
			12/01/19	565,000.00	4.000%				
			12/01/20	605,000.00	4.000%				
			12/01/21	590,000.00	5.000%				
			12/01/22	610,000.00	5.000%	\$ 7,510,000.00		\$ 1,580,000.00	\$ 5,930,000.00
	Refunding Bonds	04/28/09	2,890,000.00	06/01/12	595,000.00	2.000%			
			06/01/13	45,000.00	2.000%				
			06/01/13	575,000.00	5.000%				
			06/01/14	645,000.00	2.500%	2,445,000.00		585,000.00	1,860,000.00
Refunding Bonds	01/27/11	1,440,000.00	07/01/12	220,000.00	3.000%				
			07/01/13	230,000.00	3.000%				
			07/01/14	235,000.00	3.000%				
			07/01/15	245,000.00	4.000%				
			07/01/16	250,000.00	4.000%				
			07/01/17	260,000.00	4.000%				\$ 1,440,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2010	2011		Balance December 31, 2011
							Increased	Decreased	
06-26	Water/Sewer Line Oversizing	12/29/08	05/27/10	05/26/11	1.500%	\$ 100,000.00	\$ 100,000.00		\$ 100,000.00
06-50	Improvement To Sewer System	12/29/08	05/27/10	05/26/11	1.500%	130,000.00		130,000.00	
06-66/06-49	Improvement To Water System	12/29/08	05/27/10	05/26/11	1.500%	417,800.00		417,800.00	
06-66/06-49	Improvement To Water System	12/29/08	12/01/10	06/01/11	1.250%	132,200.00		132,200.00	
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	12/29/08	05/27/10	05/26/11	1.500%	852,200.00		852,200.00	
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	09/01/09	05/27/10	05/26/11	1.500%	742,000.00		742,000.00	
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	09/01/09	05/24/11	05/23/12	1.250%		\$ 712,200.00		\$ 712,200.00
08-34/06-92/06-24	Water Supply Well #11 and Directional Drilling Project	12/29/08	05/27/10	05/26/11	1.500%	680,000.00		680,000.00	
08-61	Beach Haven West Phase 2 Sewer Rehabilitation	12/29/08	05/27/10	05/26/11	1.500%	885,000.00		885,000.00	
08-83	Water Line Extension - Deer Haven	12/29/08	05/27/10	05/26/11	1.500%	368,000.00		368,000.00	
08-102/08-49/05-15/01-74	Water/Sewer Master Plan CAD Mapping	12/29/08	05/27/10	05/26/11	1.500%	50,000.00		50,000.00	
08-115	Acquisition of Water Line Easement	12/29/08	12/01/10	06/01/11	1.250%	155,000.00		155,000.00	
09-10/07-51	Preparation of Sewer Wastewater Management Plan	09/01/09	05/27/10	05/26/11	1.500%	30,000.00		30,000.00	
09-10/07-51	Preparation of Sewer Wastewater Management Plan	09/01/09	05/24/11	05/23/12	1.250%		30,000.00		30,000.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	12/18/09	12/01/10	06/01/11	1.250%	737,800.00		737,800.00	
09-40/09-09	Route 9/Oak Avenue Water Main Loop	12/18/09	05/24/11	05/23/12	1.250%		737,800.00		737,800.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	12/01/10	12/01/10	06/01/11	1.250%	50,000.00		50,000.00	
09-40/09-09	Route 9/Oak Avenue Water Main Loop	12/01/10	05/24/11	05/23/12	1.250%		50,000.00		50,000.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	05/24/11	05/24/11	05/23/12	1.250%		10,000.00		10,000.00
09-40/09-09	Route 9/Oak Avenue Water Main Loop	12/21/11	12/21/11	05/23/12	1.000%		2,200.00		2,200.00
09-48/08-33/07-76	Replacement of Millcreek Rd. Water Main	12/29/08	05/27/10	05/26/11	1.500%	2,100,000.00		2,100,000.00	
09-48/08-33/07-76	Replacement of Millcreek Rd. Water Main	09/01/09	05/27/10	05/26/11	1.500%	1,500,000.00		1,500,000.00	
09-48/08-33/07-76	Replacement of Millcreek Rd. Water Main	09/01/09	05/24/11	05/23/12	1.250%		1,500,000.00		1,500,000.00
10-27	Water Mains along Route 9	12/01/10	12/01/10	06/01/11	1.250%	920,000.00		920,000.00	
10-27	Water Mains along Route 9	12/01/10	05/24/11	05/23/12	1.250%		920,000.00		920,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
10-33	Acquisition/Installation of Grinder Pumps	12/01/10	12/01/10	06/01/11	1.250%	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	75,000.00
10-33	Acquisition/Installation of Grinder Pumps	12/01/10	05/24/11	05/23/12	1.250%				
11-19	Various Water System Improvements	12/21/11	12/21/11	05/23/12	1.000%		320,000.00		320,000.00
11-22	Various Water Main Improvements	12/21/11	12/21/11	05/23/12	1.000%		799,100.00		799,100.00
						<u>\$ 9,925,000.00</u>	<u>\$ 5,156,300.00</u>	<u>\$ 9,925,000.00</u>	<u>\$ 5,156,300.00</u>
					Reference	D			D
	Cash				1-D,22-D		\$ 1,131,300.00	\$ 5,900,000.00	
	Non-Cash Rollover						4,025,000.00	4,025,000.00	
							<u>\$ 5,156,300.00</u>	<u>\$ 9,925,000.00</u>	<u>\$ 9,925,000.00</u>

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2010		Transferred From Contracts/ Encumbrances Payable	2011 Authorizations	Expended	Cancelled	Contracts/ Encumbrances Payable	Balance December 31, 2011	
				Funded	Unfunded						Funded	Unfunded
06-10	Purchase Equipment for Water and Sewer Department	02/21/06	193,000.00	\$ 73,814.19						\$ 12,172.00	\$ 61,642.19	
06-26	Water/Sewer Line Oversizing	05/02/06	400,000.00	24,032.90	\$ 100,000.00	\$ 3,193.83	\$	\$ 3,193.83	\$ 54,032.90	\$	70,000.00	
06-50	Improvement To Sewer System	06/20/06	984,800.00	82,566.52		1,589.78		1,589.78	82,566.52			
06-66/06-49	Improvements To Water System	09/19/06	2,204,000.00	9,024.75		50,001.93		34,737.89	24,288.79			
08-31/07-91/06-22	Beachview Area Water and Sewer Extension Project	10/02/07	6,334,000.00	37,634.90		26,125.48		3,956.25		6,711.48		\$ 53,082.65
08-34/06-92/06-24	Water Supply Well #11 and Directional Drilling Project	12/05/06	1,431,000.00	5,130.00				5,130.00				
08-42	Ocean Acres Water System Transmission Lines Phase 4	04/14/08	6,700,000.00	4,698.42		107,679.06		21,331.06	86,348.00	148,350.56	4,698.42	
08-61	Beach Haven West Phase 2 Sewer Rehabilitation	07/01/08	1,000,000.00			150,896.05		2,545.49				
08-83	Water Line Extension - Deer Haven	08/05/08	695,000.00			251.26		251.26				
08-102/08-49/05-15/01-74	Water/Sewer Master Plan CAD Mapping	02/15/05	225,000.00	20,706.51		1,341.73			22,048.24			
09-11	Ocean Acres Water System Transmission Lines Phase 5	03/03/09	9,481,405.00	308,477.05		231,842.51		84,477.76	39,670.80	45,442.52	416,171.00	
09-4/09-09	Route 9/Oak Avenue Water Main Loop	08/04/09	800,000.00	256,373.32		97,562.64		36,615.98		299,080.88		
09-48/08-33/07-76	Replacement of Mill Creek Road Water Main	11/02/09	4,655,000.00	48,265.60		256,417.46		5,541.58				
10-27	Water Mains Along Rt. 9	06/17/10	920,000.00	884,402.48				324,640.68				
10-28/07-84/03-47	Purchase of Water and Sewer Equipment	09/07/10	395,000.00	138,724.91		279.41		86,909.71			51,815.20	
10-33	Acquisition and Installation of Grinder Pumps	09/07/10	75,000.00					279.41		5,115.00		
11-19	Various Water System Improvements	07/12/11	320,000.00				\$ 320,000.00	23,760.55		272,202.35		
11-22	Various Water Main Improvements	07/12/11	799,100.00				799,100.00	9,899.15		67,000.00		
				\$ 545,049.05	\$ 1,466,125.29	\$ 927,181.14	\$ 1,119,100.00	\$ 644,860.38	\$ 308,957.25	\$ 856,074.79	\$ 604,326.81	\$ 1,643,236.25
				D	D	16-D	6-D, 22-D	1-D		16-D	D	D

Fund Balance
 Due from N.J.E.I.T.

\$ 222,609.25
 \$ 86,348.00
 \$ 308,957.25

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS/ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 927,181.14
Increased By:		
Charges To Improvement Authorizations	15-D	<u>856,074.79</u>
		1,783,255.93
Decreased By:		
Transferred To Improvement Authorizations	15-D	<u>927,181.14</u>
Balance, December 31, 2011	D	<u><u>\$ 856,074.79</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 10,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 65,125.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010	D	<u>\$ 40,000.00</u>
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Analysis:

Ordinance Number:
08-31/07-91/06-22

\$ 40,000.00

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 20,066.92
Increased By:		
Cash Receipts	1-D	<u>78,975.60</u>
		99,042.52
Decreased By:		
Anticipated as Revenue	1-D	<u>20,066.92</u>
Balance, December 31, 2011	D	<u><u>\$ 78,975.60</u></u>

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 70,158,049.03
Increased By:			
Serial Bonds Paid By Operating Budget	12-D	\$ 3,895,000.00	
Bonds Refunded	12-D	1,470,000.00	
Loan Paid By Operating Budget	13-D	<u>1,900,203.10</u>	
			<u>7,265,203.10</u>
			77,423,252.13
Decreased By:			
Refunding Bonds Issued	12-D	1,440,000.00	
Cancelled Funded Improvement Authorizations:			
Fixed Capital Authorized and Uncompleted	6-D	<u>308,957.25</u>	
			<u>1,748,957.25</u>
Balance, December 31, 2011	D		<u><u>\$ 75,674,294.88</u></u>

TOWNSHIP OF STAFFORD
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>BANs Issued</u>	<u>Balance December 31, 2011</u>
09-40/09-09	Route 9/Oak Avenue Water Main Loop	\$ 12,200.00		12,200.00	\$
11-19	Various Water System Improvements		\$ 320,000.00	320,000.00	
11-22	Various Water Main Improvements		799,100.00	799,100.00	
		<u>\$ 12,200.00</u>	<u>\$ 1,119,100.00</u>	<u>\$ 1,131,300.00</u>	<u>\$</u>

Reference

15-D

14-D

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF RESERVE FOR INVESTMENT IN FIXED ASSETS

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, <u>2011</u>
Land	\$ 20,152,797.61			\$ 20,152,797.61
Buildings and Improvements	12,541,421.85	\$ 33,420.50		12,574,842.35
Machinery and Equipment	<u>16,910,683.37</u>	<u>668,865.30</u>	<u>\$ 949,460.60</u>	<u>16,630,088.07</u>
	<u>\$ 49,604,902.83</u>	<u>\$ 702,285.80</u>	<u>\$ 949,460.60</u>	<u>\$ 49,357,728.03</u>
<u>Reference</u>	E			E

TOWNSHIP OF STAFFORD
COUNTY OF OCEAN
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2011

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Tax Rate (Per \$100 Assessed Valuation)	<u>2011</u> <u>\$1.887</u>	<u>2010</u> <u>\$1.846</u>	<u>2009</u> <u>\$1.793</u>
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Apportionment of Tax Rate

Municipality	.703	.674	.645
County	.380	.377	.369
Regional High School	.211	.201	.194
Local District School	.583	.584	.575
Municipal Open Space	.010	.010	.010

Assessed Valuation

2011	\$4,371,873,160.00		
2010		\$4,363,683,997.00	
2009			\$4,346,798,668.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$82,767,985.20	\$81,776,195.43	98.80%
2010	80,894,390.23	79,963,448.80	98.84%
2009	78,367,591.46	77,567,445.88	98.97%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$61,020.81	\$890,510.44	\$951,531.25	1.15%
2010	43,873.94	842,537.69	886,411.63	1.09%
2009	36,117.80	753,570.40	789,688.20	1.01%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2011	\$290,850.00
2010	302,750.00
2009	302,750.00

COMPARISON OF WATER-SEWER UTILITY CHARGES LEVIED

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2011	\$12,884,996.90	\$181,641.59	\$12,826,837.30
2010	13,164,253.63	264,471.98	13,247,084.02
2009	12,456,104.35	179,766.40	12,371,398.77

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u> <u>Current Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2011	\$3,665,909.45	\$3,250,000.00
2010	2,913,670.01	2,800,000.00
2009	3,419,616.23	3,300,000.00
2008	3,918,236.02	3,300,000.00
2007	3,638,112.62	3,500,000.00

<u>Year</u> <u>Water-Sewer Utility Fund</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$ 78.12	\$ -
2010	639,278.12	639,200.00
2009	581,711.51	580,000.00
2008	1,456,480.23	1,400,000.00
2007	2,129,495.37	2,100,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	
John Spodafora	Mayor	
Robert Kusznidow	Council President	
William Fessler	Councilman	
Kathleen Corbett	Councilwoman	
Henry Mancini	Councilman	
Stan Rutkowski	Councilman	
Joanne B. Sitek	Councilwoman	
Jim Moran	Administrator	
Bernadette Park	Clerk	
Douglas R. Gannon	Chief Financial Officer	*
Ruth Hendricks	Assistant CFO	*
Margaret Favorito	Collector	*
Nicole Erdin	Deputy Tax Collector	*
Damian Murray	Municipal Court Judge	*
Kevin N. Starkey	Municipal Attorney	

* All employees are covered by a Blanket Bond of \$1,000,000.00 of which \$950,000.00 is provided as part of the Ocean County Joint Insurance Fund and \$50,000.00 through the Municipal Excess Liability Joint Insurance Fund.

TOWNSHIP OF STAFFORD

COUNTY OF OCEAN

PART II

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

GENERAL COMMENTS

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

N.J.S. 40-A:11-4 states, “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law”.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise 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 indicate that bids were requested by public advertising for the following items:

Electrical Services	Roadway Improvements
Thermal Imaging Cameras	Salt Spreader
Dry Cleaning Services for the Police Department	Route 9 Water Main Extension
Car Wash and Detailing Services	Mobile Combination Sewer Cleaning Machine
Automotive Parts and Accessories	Improvements at Neptune Drive
Rock Salt	Six Yard Dump Truck with Plow, Hitch, Modboard and salt/sand spreader
Ford Super Duty F-350 SRW(s)	Water Meters, AMI Transmitters and Associated Equipment
Supply and Display of Fireworks	Water and Sewer Materials
Mobile Stage and Related Equipment	
Annual Maintenance for the HVAC System	
Purchase of an Electronic Ticketing System	
Rental of Uniforms for Public Works and Water/Sewer Departments	

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal individual payments in excess of the bid threshold “for the provision or performance of any goods or services” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

GENERAL COMMENTS (continued)

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered"

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

N.J.S.A. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes, assessments, and other charges on or before the date when they would become delinquent.

The Governing Body adopted a resolution authorizing interest to be charged on delinquent taxes, water/sewer utility charges and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Council of the Township of Stafford, County of Ocean, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31 of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. There will be a ten (10) day grace period for quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph 2, of this resolution shall be charged interest from the due date, as set forth in paragraph 1 of this resolution.

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

GENERAL COMMENTS (continued)

Delinquent Taxes, Tax Title Liens, and Delinquent Water-Sewer Charges

The detail of all unpaid taxes for 2011 and prior years is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2011, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

A tax sale was held on February 17, 2011 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2011	34
2010	26
2009	19

The detail of all unpaid water-sewer charges for 2011 and prior years is being properly carried in the Utility Collector's records. An abstract taken from these records as of December 31, 2011, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Verification of Delinquent Taxes and Other Charges

Verification of delinquent charges and current payments was done for the period under audit in accordance with the regulations of the Division of Local Government Services, on December 31, 2011 and consisted of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>	<u>Number Returned</u>
Dates of Payments of Taxes	25	6
Delinquent Taxes	12	2
Dates of Payment of Water-Sewer Utility Charges	25	10
Delinquent Water-Sewer Utility Charges	8	1

Through examination of those notices that were returned, and by alternative procedures for notices unreturned, no irregularities were noted.

OTHER COMMENTS

Cash and Cash Equivalents Balances

The cash and cash equivalents balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2011.

Cash counts were made at various dates in all departments of the Township and bank balances were independently reconciled to the books and records or to such schedules of receipts and disbursements provided for audit.

The change funds and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc. for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

Payroll

An examination was made of the employees' compensation records for the year 2011 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked.

Miscellaneous Comments

The confirmations sent to the Regional High School and Local District Board of Education verified the correct school tax payable at December 31, 2011.

Appreciation

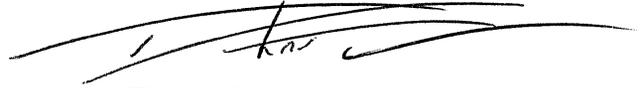
I desire to express my appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit

RECOMMENDATIONS

None.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. Fallon', is written over a horizontal line.

Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant # 465

For the Firm
FALLON & LARSEN LLP