

**REPORT OF AUDIT**  
**TOWNSHIP OF WANTAGE**  
**COUNTY OF SUSSEX**  
**DECEMBER 31, 2011**

TOWNSHIP OF WANTAGE, N.J.  
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**TOWNSHIP OF WANTAGE**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

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## INDEPENDENT AUDITOR'S REPORT

June 27, 2012

The Honorable Mayor and  
Members of the Township Committee  
Township of Wantage  
888 Route 23  
Wantage, N.J. 07461

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Wantage in the County of Sussex, as of and for the years ended 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 statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

The Length of Service Awards Program of the Township of Wantage has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the Township's financial statements.

As described in Note 1, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain



The Honorable Mayor and  
Members of the Township Committee  
June 27, 2012  
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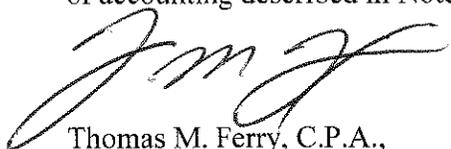
exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Township of Wantage's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Wantage, New Jersey as of December 31, 2011 and 2010 or the results of its operation for the years then ended.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Township of Wantage, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with the Government Auditing Standards, we have also issued a report dated June 27, 2012 on our consideration of the Township of Wantage, New Jersey 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 audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Wantage, State of New Jersey, taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Wantage, State of New Jersey. Such information has been subject to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Thomas M. Ferry, C.P.A.,  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkutz, Cerullo, + Cuva, P.A.*

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants



## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	1,574,149.29	1,206,670.57
Change Fund	A-5	300.00	300.00
		<u>1,574,449.29</u>	<u>1,206,970.57</u>
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	19,841.80	20,591.80
		<u>1,594,291.09</u>	<u>1,227,562.37</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	794,647.92	978,401.29
Tax Title Liens Receivable	A-7	252,044.41	188,227.04
Property Acquired for Taxes - Assessed Valuation	A-8	1,203,650.57	1,203,650.57
Interfund Receivables:			
Animal Control Trust Fund	A-11	12.21	
		<u>2,250,355.11</u>	<u>2,370,278.90</u>
Deferred Charges:			
Special Emergency Authorizations	A-12	182,600.00	5,200.00
		<u>4,027,246.20</u>	<u>3,603,041.27</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-21	162,806.33	70,700.67
Grants Receivable	A-22	162,861.65	207,349.66
		<u>325,667.98</u>	<u>278,050.33</u>
		<u>4,352,914.18</u>	<u>3,881,091.60</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	385,569.62	244,949.78
Interfunds Payable:			
Federal and State Grant Fund	A-11	162,806.33	70,700.67
Other Trust Fund	A-11		3.36
Tax Overpayments	A-14	13,489.03	7,660.33
Reserve for:			
Garden State Trust Pilot Program	A-14	29,948.00	29,948.00
Revaluation of Real Property	A-14	956.45	956.45
Due to State of N.J. - Building Surcharge	A-14	2,206.00	3,673.00
Due to State of N.J. - Marriage Licenses	A-14	200.00	225.00
Encumbrances Payable	A-15	61,459.34	36,252.73
Prepaid Taxes	A-16	153,931.86	153,941.11
County Taxes Payable	A-17	18,398.04	7,723.42
		<u>828,964.67</u>	<u>556,033.85</u>
Reserve for Receivables	Contra	2,250,355.11	2,370,278.90
Fund Balance	A-1	947,926.42	676,728.52
		<u>4,027,246.20</u>	<u>3,603,041.27</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	303,266.50	255,923.38
Unappropriated Reserve for Grants	A-24	22,401.48	22,126.95
		<u>325,667.98</u>	<u>278,050.33</u>
		<u>4,352,914.18</u>	<u>3,881,091.60</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage, N. J.**  
**Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis**  
**Current Fund**  
**Years Ended December 31,**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	360,000.00	363,000.00
Miscellaneous Revenue Anticipated	A-2	1,776,958.18	1,788,721.66
Receipts from Delinquent Taxes	A-2	998,054.16	996,672.45
Receipts from Current Taxes	A-2	28,851,683.56	28,547,617.32
Non-Budget Revenue	A-2	80,969.97	101,408.61
Other Credits to Income:			
Interfunds Returned			27,319.51
Appropriated Grants Cancelled	A-11	15,612.95	160,451.67
Unexpended Balance of Appropriation Reserves	A-13	174,407.85	164,337.03
Schedule of Various Reserves Cancelled			98.06
Encumbrances Cancelled	A-15	3,734.27	
Total Revenues and Other Income		<u>32,261,420.94</u>	<u>32,149,626.31</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	1,364,041.00	1,385,966.00
Other Expenses	A-3	2,167,944.00	2,121,826.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within Caps	A-3	289,467.00	250,515.00
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	92,367.00	169,313.00
Other Expenses	A-3	301,700.00	207,790.00
Capital Improvements	A-3	415,000.00	437,500.00
Municipal Debt Service	A-3	789,137.10	720,731.36
Deferred Charges	A-3	2,600.00	2,600.00
Interfund Advances	A-11	12.21	
Grants Receivable Cancelled	A-11	13,903.00	158,364.65
Various Reserves			0.65
County Taxes including Added Taxes	A-17	5,952,179.23	5,886,696.43
Local Regional School Tax	A-18	13,184,492.79	12,972,544.87
Regional High School Tax	A-19	7,164,395.93	7,377,484.82
Open Space Tax	A-20	72,983.78	73,029.24
Total Expenditures		<u>31,810,223.04</u>	<u>31,764,362.02</u>
Excess (Deficit) Revenue Over Expenditures		451,197.90	385,264.29
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-12	180,000.00	
Statutory Excess to Fund Balance		631,197.90	385,264.29
Fund Balance, January 1,	A-1	676,728.52	654,464.23
		1,307,926.42	1,039,728.52
Decreased by:			
Fund Balance Utilized as Budget Revenue		360,000.00	363,000.00
Fund Balance, December 31,	A	<u>947,926.42</u>	<u>676,728.52</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage, N. J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2011**

A-2  
Page 1 of 2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	360,000.00	360,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	3,700.00	3,735.00	35.00
Interest and Costs on Taxes	A-9	190,000.00	212,146.27	22,146.27
Interest on Investments and Deposits	A-9	110,000.00	100,967.46	(9,032.54)
Fines and Costs: Municipal Court	A-9	54,000.00	50,745.72	(3,254.28)
Cable TV Franchise Fee	A-9	30,796.00	30,796.00	
Consolidated Municipal Property Tax Relief Aid	A-9	127,349.00	127,349.00	
Energy Receipts Tax	A-9	627,316.00	627,316.00	
Garden State Trust	A-9	29,948.00	29,948.00	
Watershed Moratorium Offset	A-9	4,559.00	4,559.00	
Uniform Construction Code Fees	A-9	135,000.00	109,923.00	(25,077.00)
Special Items of General Revenue Anticipated				
With Prior Written Consent of Director of				
Local Government Services:				
Interlocal Service Agreements:				
Municipal Court - Stillwater	A-9	24,667.00	24,667.00	
Animal Control Agreements	A-9	79,863.00	79,863.00	
Municipal Court - Sussex Borough	A-9	44,000.00	39,333.68	(4,666.32)
Tax Assessor - Sussex Borough	A-9	11,000.00	11,000.00	
N.J. Transportation Trust Fund Authority Act	A-22	165,000.00	165,000.00	
Reserve for Recycling Tonnage Grant	A-22	14,358.00	14,358.00	
Reserve for Municipal Alliance on Alcoholism and Drug Abuse	A-22	12,716.00	12,716.00	
Municipal Court Alcohol Rehab	A-22	251.00	251.00	
Clean Communities Program	A-22	26,494.00	26,494.00	
Reserve for Clean Communities	A-22	5,808.00	5,808.00	
Arts and Heritage Council	A-22	191.00	191.00	
Energy Efficiency and conservation Block Grant	A-22	13,903.00	13,903.00	
Garden State Preservation Trust Fund				
Green Acres	A-22	72,500.00	72,500.00	
Other Special Items:				
Uniform Fire Safety Act	A-9	13,645.00	13,388.05	(256.95)
Total Miscellaneous Revenues	A-1	1,797,064.00	1,776,958.18	(20,105.82)
Receipts from Delinquent Taxes	A-1;A-2	1,000,000.00	998,054.16	(1,945.84)
Subtotal General Revenues		3,157,064.00	3,135,012.34	(22,051.66)
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,504,240.00	3,836,606.83	332,366.83
Budget Totals		6,661,304.00	6,971,619.17	310,315.17
Non-Budget Revenue	A-1;A-2		80,969.97	80,969.97
		6,661,304.00	7,052,589.14	391,285.14

A-3

The accompanying "Notes to Financial Statements" are an integral part of these financial statements,

**Township of Wantage, N. J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Realized Revenues</u>				
Revenue from Collections	A-1;A-6		28,851,683.56	
Allocated to School and County Taxes	A-6		<u>26,374,051.73</u>	
Balance for Support of Municipal Budget Appropriations			2,477,631.83	
Add : Appropriation - Reserve for Uncollected Taxes	A-3		<u>1,358,975.00</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u><u>3,836,606.83</u></u>	
Receipts from Delinquent Taxes:				
Delinquent Taxes				
Taxes Receivable	A-6		970,176.18	
Tax Title Liens Receivable	A-7		27,877.98	
	A-2		<u><u>998,054.16</u></u>	
<u>Analysis of Non-budget Revenues</u>				
<u>Ref.</u>				
Miscellaneous Revenues Not Anticipated:				
Revenues Accounts Receivable:				
Township Clerk	A-9	4,798.57		
Fire Prevention	A-9	4,116.00		
Board of Health/Registrar of Vital Statistics	A-9	<u>24,008.55</u>		
			32,923.12	
Senior Citizens and Veterans Admin. Fees		2,620.00		
Soil and Driveway Applications		6,779.33		
Housing Fees, Zoning and Soil		11,476.93		
Land Use		10,536.45		
Assessor		463.84		
Wildlife Refuse		10,132.00		
Miscellaneous		<u>6,038.30</u>		
	A-4		<u>48,046.85</u>	
	A-2		<u><u>80,969.97</u></u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements,

Township of Wantage  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>							
<u>General Government:</u>							
Administrative and Executive							
Salaries and Wages		121,108.00		121,108.00	121,108.00		
Other Expenses		28,000.00		28,000.00	25,355.84	2,644.16	
Mayor and Committee							
Salaries and Wages		18,000.00		18,000.00	18,000.00		
Other Expenses		800.00		800.00	772.49	27.51	
Municipal Clerk							
Salaries and Wages		83,000.00		83,000.00	82,660.44	339.56	
Other Expenses		14,000.00		14,000.00	13,947.08	52.92	
Financial Administration							
Salaries and Wages		74,136.00		75,136.00	75,135.96	0.04	
Other Expenses		5,600.00		6,600.00	6,058.35	541.65	
Audit Services		30,000.00		29,000.00	12,650.00	16,350.00	
Computer Services		25,000.00		25,000.00	22,383.66	2,616.34	
Collection of Taxes							
Salaries and Wages		70,780.00		70,780.00	69,599.06	1,180.94	
Other Expenses		17,280.00		17,280.00	9,768.95	2,511.05	5,000.00
Assessment of Taxes							
Salaries and Wages		68,323.00		63,323.00	49,058.36	14,264.64	
Other Expenses		16,200.00		16,200.00	14,300.35	1,899.65	
Legal Services and Costs							
Other Expenses		135,000.00		125,000.00	52,984.12	42,015.88	30,000.00
Engineering Services and Costs							
Other Expenses		45,000.00		45,000.00	41,365.49	3,634.51	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S. 40:55 D-11)							
Salaries and Wages		29,498.00		29,498.00	29,498.00		
Other Expenses		66,502.00		66,502.00	20,643.17	20,858.83	25,000.00
Code Enforcement							
Salaries and Wages		83,581.00		83,581.00	65,690.20	17,890.80	
Other Expenses		2,500.00		2,500.00	2,478.51	21.49	
Insurance							
Surety Bond Premium		1,800.00		1,800.00	1,673.80	126.20	
Other Insurance Premiums		125,000.00		125,000.00	120,413.88	4,586.12	
Workmen's Compensation Insurance		84,000.00		84,000.00	81,953.00	2,047.00	
Group Insurance Plan for Employees		586,482.00		586,482.00	565,642.13	20,839.87	
Emergency Management Systems							
Salaries and Wages		3,960.00		3,960.00	3,959.00	1.00	
Other Expenses		5,600.00		5,600.00	5,599.34	0.66	
Public Safety:							
Fire Department							
Aid to Volunteer Fire Companies		26,200.00		26,200.00	26,157.50	42.50	
Aid to Volunteer Fire - Adjoining Municipalities (2)		90,000.00		90,000.00	90,000.00		
OSHA Standard Fire Fighter Turnout Gear		57,000.00		57,000.00	57,000.00		
Ambulance Squad - Contribution		30,000.00		30,000.00	30,000.00		
Uniform Fire Safety Act							
Fire Official							
Salaries and Wages		13,185.00		13,185.00	10,164.32	3,020.68	
Other Expenses		2,500.00		2,500.00	1,200.20	1,299.80	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>Streets and Roads:</u>							
Road Repair and Maintenance		485,940.00		485,940.00	485,940.00		
Salaries and Wages		20,000.00		20,000.00	20,000.00		
Other Expenses		62,000.00		62,000.00	61,961.14	38.86	
Road Equipment Repair & Maintenance		6,000.00		6,000.00	6,000.00		
Safety Equipment							
Snow Removal:							
Salaries & Wages		50,000.00		50,000.00	50,000.00		
Other Expenses		195,000.00		195,000.00	195,000.00		
Sanitation							
Garbage Collection/Recycling		18,000.00		18,000.00	10,917.63	7,082.37	
Fire Hydrant Services		4,800.00		4,800.00	4,797.30	2.70	
Public Buildings and Grounds							
Other Expenses		50,000.00		50,000.00	23,944.11	26,055.89	
Health and Welfare:							
Board of Health							
Salaries and Wages		11,414.00		12,434.00	12,419.77	14.23	
Other Expenses		1,800.00		1,800.00	412.91	1,387.09	
HBV Vaccination		3,000.00		3,000.00		3,000.00	
PEOSHA Respiratory Program		6,000.00		6,000.00	6,000.00		
Animal Regulation							
Salaries and Wages		10,000.00		12,500.00	12,486.49	13.51	
Other Expenses		10.00		10.00		10.00	
Aid to Sussex County Assoc. for Retarded Citizens		500.00		500.00		500.00	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Recreation and Education:							
Board of Recreation Comm. (N.J.S. 40A:12-1)							
Salaries and Wages		8,246.00		8,726.00	8,455.10	270.90	
Other Expenses		27,200.00		27,200.00	27,149.15	50.85	
Contribution to Senior Citizen Ctr. (N.J.S. 40:48-94)		3,000.00		3,000.00	2,000.00	1,000.00	
Celebration of Public Events		100.00		100.00	97.00	3.00	
Electricity		52,500.00		52,500.00	44,076.09	8,423.91	
Telephone		28,000.00		28,000.00	21,971.26	6,028.74	
Propane		4,500.00		4,500.00	3,541.27	958.73	
Fuel Oil		29,000.00		29,000.00	21,792.25	7,207.75	
Gasoline/Diesel Fuel		67,000.00		77,000.00	66,368.99	10,631.01	
Municipal Court							
Salaries and Wages		109,946.00		109,946.00	85,467.69	24,478.31	
Other Expenses		26,070.00		26,070.00	9,566.18	16,503.82	
Streets and Roads:							
Repairs for Hurricane Irene Other Expenses			180,000.00	180,000.00	119,535.34	60,464.66	
Uniform Construction Code-Appropriations Offset by							
Dedicated Revenues (N.J.A.C. 5:23-4.17):							
Construction Code Official							
Salaries and Wages		47,203.00		47,203.00	44,879.63	2,323.37	
Other Expenses		18,000.00		18,000.00	10,781.49	7,218.51	
Sub-Code Officials:							
Building Inspection:							
Salaries and Wages		35,351.00		35,351.00	35,350.64	0.36	
Plumbing Inspection:							
Salaries and Wages		15,068.00		15,068.00	14,826.32	241.68	
Electrical Inspection:							
Salaries and Wages		18,535.00		18,535.00	18,535.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>							
Fire Protection Official:							
Salaries and Wages		6,767.00		6,767.00	6,767.00		
Unclassified:							
Accrued Sick Leave & Other Compensation		1,000.00		1,000.00	1,000.00		
Total Operations Within "CAPS"		3,411,985.00	180,000.00	3,591,985.00	3,189,260.95	342,724.05	60,000.00
Within "CAPS"		3,411,985.00	180,000.00	3,591,985.00	3,189,260.95	342,724.05	60,000.00
Detail:							
Salaries and Wages	A-1	1,364,041.00		1,364,041.00	1,300,000.98	64,040.02	
Other Expenses (Including Contingent)	A-1	2,047,944.00		2,227,944.00	1,889,259.97	278,684.03	60,000.00
Deferred Charges and Statutory Expenditures-							
Municipal Within "CAPS"							
Statutory Expenditures							
Contribution to:							
Social Security System (O.A.S.I.)		113,000.00		113,000.00	112,961.75	38.25	
Public Employees Retirement System		172,377.00		172,377.00	172,377.00		
Defined contribution Program		2,090.00		2,090.00	262.09	1,827.91	
Unemployment Compensation Insurance		2,000.00		2,000.00	395.59	1,604.41	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	289,467.00		289,467.00	285,996.43	3,470.57	
Total General Appropriations for Municipal Purposes within "CAPS"		3,701,452.00	180,000.00	3,881,452.00	3,475,257.38	346,194.62	60,000.00
Operations - Excluded From "CAPS"							
Insurance:							
LOSAP		40,000.00		40,000.00	625.00	39,375.00	
Total Other Operations - Excluded From Caps		40,000.00		40,000.00	625.00	39,375.00	
Interlocal Municipal Service Agreements							
"911" Communications							
Other Expenses		70,000.00		70,000.00	70,000.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>							
Animal Control Officer		55,000.00		55,000.00	55,000.00		
Salaries and Wages							
Tax Assessor Sussex Borough		4,000.00		4,000.00	4,000.00		
Salaries and Wages		7,000.00		7,000.00	7,000.00		
Other Expenses							
Municipal Court		28,667.00		28,667.00	28,667.00		
Salaries and Wages		40,000.00		40,000.00	40,000.00		
Other Expenses		204,667.00		204,667.00	204,667.00		
Total Interlocal Municipal Service Agreements							
Public and Private Programs Offset By Revenues							
Clean Communities Grant		4,700.00		4,700.00	4,700.00		
Salaries and Wages		21,794.00		21,794.00	21,794.00		
Other Expenses							
Recycling Tonnage Grant		14,358.00		14,358.00	14,358.00		
Other Expenses							
Municipal Alliance		3,179.00		3,179.00	3,179.00		
Matching Funds - Other Expenses							
Reserve for Clean Communities		5,808.00		5,808.00	5,808.00		
Other Expenses							
Municipal Alliance on Alcoholism & Drug Abuse		12,716.00		12,716.00	12,716.00		
Other Expenses		251.00		251.00	251.00		
Municipal Court Alcohol Rehab		13,903.00		13,903.00	13,903.00		
Energy Efficiency and Conservation Block Grant		191.00		191.00	191.00		
Veterans Memorial							
Garden State Preservation Trust Fund Green Acres Grant		72,500.00		72,500.00	72,500.00		

**Township of Wantage**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ending December 31, 2011**

	<u>Ref.</u>	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>							
Total Public and Private Programs Offset		149,400.00		149,400.00	149,400.00		
By Revenues		394,067.00		394,067.00	354,692.00	39,375.00	
Total Operations - Excluded from "CAPS"							
Detail:							
Salaries and Wages	A-1	92,367.00		92,367.00	92,367.00		
Other Expenses	A-1	301,700.00		301,700.00	262,325.00	39,375.00	
Capital Improvements - Excluded From "CAPS"							
Improvements to Various Roads		158,000.00		158,000.00	158,000.00		
New Jersey Transportation Trust Fund Authority Act							
Newton Road		165,000.00		165,000.00	165,000.00		
Purchase of Fire Equipment		20,000.00		20,000.00	20,000.00		
Improvement to Newton Avenue		58,000.00		58,000.00	58,000.00		
Fire Department Hose Replacement Program		14,000.00		14,000.00	14,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	415,000.00		415,000.00	415,000.00		
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal		525,000.00		525,000.00	525,000.00		
Payment of Bond Anticipation Notes		50,000.00		50,000.00	50,000.00		1.25
Interest on Bonds		104,740.00		104,740.00	104,738.75		64.54
Interest on Notes		22,660.00		22,660.00	22,595.46		
Payment of Bond Anticipation and Capital Notes							
Loan Repayments for Principal and Interest		86,810.00		86,810.00	86,802.89		7.11
Total Municipal Debt Service-Excluded from "CAPS"	A-1	789,210.00		789,210.00	789,137.10		72.90

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Wantage  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2011

	Ref.	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
General Appropriations							
Deferred Charges - Municipal - Excluded From "CAPS"		2,600.00		2,600.00	2,600.00		
Deferred Charges:							
Special Emergency Authorization 5 Years (N.J.S. 40A:4-55)							
Total Deferred Charges-Municipal-Excluded from "CAPS"	A-1	2,600.00		2,600.00	2,600.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,600,877.00		1,600,877.00	1,561,429.10	39,375.00	72.90
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,600,877.00		1,600,877.00	1,561,429.10	39,375.00	72.90
Subtotal General Appropriations		5,302,329.00	180,000.00	5,482,329.00	5,036,686.48	385,569.62	60,072.90
Reserve for Uncollected Taxes		1,358,975.00		1,358,975.00	1,358,975.00		
Total General Appropriations		6,661,304.00	180,000.00	6,841,304.00	6,395,661.48	385,569.62	60,072.90
						A	
Adopted Budget	A-2			6,661,304.00			
Special Emergency Authorization (40A:53)	A-12			180,000.00			
				6,841,304.00			
Analysis of Paid or Charged							
Reserve for Uncollected Taxes	A-2				1,358,975.00		
Cash Disbursed	A-4				4,476,986.72		
Schedule of Interfunds	A-11				184,419.42		
Deferred Charges	A-12				2,600.00		
Encumbrances Payable	A-15				61,459.34		
Interfund - Federal and State Grant Fund	A-23				311,221.00		
					6,395,661.48		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Wantage, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	14,584.18	15,502.55
Cash - Change Fund	B-2	<u>100.00</u>	<u>100.00</u>
		<u>14,684.18</u>	<u>15,602.55</u>
Other Trust Funds:			
Cash	B-1	1,639,375.86	1,713,062.98
Interfund - Current Fund	B-5		<u>3.36</u>
		<u>1,639,375.86</u>	<u>1,713,066.34</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Cash in Plan	B-1	210,064.74	176,868.37
Contributions Receivable	B-9	<u>34,250.00</u>	<u>37,875.00</u>
		<u>244,314.74</u>	<u>214,743.37</u>
		<u>1,898,374.78</u>	<u>1,943,412.26</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Wantage, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2011 and 2010

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Trust Fund:			
Reserve for Animal Control			
Trust Fund Expenditures	B-3	11,217.97	11,732.55
Pre-Paid Licenses	B-4	3,454.00	3,870.00
Interfund - Current Fund	B-6	12.21	
		14,684.18	15,602.55
Other Trust Fund:			
Interfund - General Capital Fund	B-5	168,748.06	
Reserve for:			
Municipal Court P.O.A.A. Fees	B-8	182.00	182.00
Developers' Road Deposits	B-8		168,837.32
Affordable Housing	B-8	372,193.86	372,193.86
Tax Sale Premiums	B-8	283,300.00	260,900.00
Open Space	B-8	324,171.62	451,187.84
Accumulated Sick	B-8	1,069.87	
Snow Removal	B-8	93,480.60	72,624.79
Escrow Administrator	B-8	202,934.06	214,555.33
Recreation	B-8	12,685.51	8,758.00
COAH	B-8	59,041.50	37,840.03
Veterans Memorial	B-8	12,013.18	14,375.90
Payroll	B-8	2,604.11	993.22
Flexible Spending Account	B-8	10,001.64	
Planning and Zoning Deposits	B-8	96,949.85	110,618.05
		1,639,375.86	1,713,066.34
Emergency Services Volunteer Length of Service Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	244,314.74	214,743.37
		1,898,374.78	1,943,412.26

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**General Capital Fund**  
**December 31, 2011 and 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	C-2	809,068.58	725,418.45
Interfund - Other Trust Fund	C-5	168,748.06	
Deferred Charges to Future Taxation			
Funded	C-6	2,976,917.10	3,572,989.63
Unfunded	C-7	2,976,004.00	3,166,004.00
		<u>6,930,737.74</u>	<u>7,464,412.08</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-8	193,745.05	259,145.05
Improvement Authorizations:			
Funded	C-9	71,149.71	59,792.11
Unfunded	C-9	1,062,873.49	1,275,611.70
Reserve for:			
Various Reserves	C-10	345,373.11	16,194.31
Bond Anticipation Notes Payable	C-11	2,266,000.00	2,266,000.00
Serial Bonds Payable	C-12	2,240,000.00	2,765,000.00
Green Acres Trust Loan Payable	C-13	736,917.10	807,989.63
Fund Balance	C-1	14,679.28	14,679.28
		<u>6,930,737.74</u>	<u>7,464,412.08</u>

Footnote : There were Bonds and Notes Authorized But Not Issued on December 31, 2011  
in the amount of \$710,004.00 as per Exhibit C-14.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage, N.J.**  
**Schedule of Fund Balance - Regulatory Basis**  
**General Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	<u><u>14,679.28</u></u>
Balance - December 31, 2011	C	<u><u>14,679.28</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2011 and 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	D-1	<u>10,000.00</u>	<u>10,000.00</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance	D-5	<u>10,000.00</u>	<u>10,000.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Wantage**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2011 and 2010**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>General Fixed Assets:</u>		
Land	1,081,114.77	1,081,114.77
Buildings	2,912,377.90	2,912,377.90
Machinery and Equipment	<u>4,149,500.19</u>	<u>4,116,495.12</u>
	<u>8,142,992.86</u>	<u>8,109,987.79</u>
 Investment in Fixed Assets	 <u>8,142,992.86</u>	 <u>8,109,987.79</u>

(1) See Notes to Financial Statement Note 1

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**TOWNSHIP OF WANTAGE, N. J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Township of Wantage have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Township of Wantage (the "Township") operates under a Township Committee form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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 contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department and first aid squad which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting**

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. The Township transferred administration of the General Assistance Program to the Sussex County Board of Social Services. The funds remaining in the Public Assistance Fund are used to assist certain residents who do not qualify for the General Assistance Program.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (Continued)

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

A modified accrual basis of accounting is followed by the Township of Wantage. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local governmental units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 11 in the current year, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF WANTAGE, N.J.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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 for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Township is not required to adopt budgets for the following funds:

Animal Control Trust Fund  
Trust Fund

General Capital Fund  
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. Several budget transfers were approved by the Governing Body.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by NJSA 40A:5-15.1(a).

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 budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

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

General Fixed Assets - The Township of Wantage has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles.

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 sidewalks and drainage systems are not capitalized.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

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

No depreciation has been 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 have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2011 statutory budget included a reserve for uncollected taxes in the amount of \$1,358,975.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2011 statutory budget was \$360,000.00.

Interdepartment budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Township Committee.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION (CONTINUED)**

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2011, there were no special items of revenue and appropriations.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year.

Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2011, there were no Emergency Authorizations

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$210,064.74 of the Township's bank balance of \$ 4,235,851.11 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Townships or bonds or other obligations of the local unit or units within which the Township is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Township places no limit on the amount the Township may invest in any one issuer.

**Unaudited Investments**

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2011 and 2010 amounted to \$210,064.74 and \$176,868.37 respectively.

The following investments represent 5% or more of the total invested with Lincoln Benefit Life on December 31, 2011:

	<u>2011</u>	<u>2010</u>
DWS EQ 500 Index	\$ 81,678.28	\$ 69,160.55
Fixed	87,226.51	72,398.57
Other	<u>41,159.95</u>	<u>35,309.25</u>
Total	<u>\$210,064.74</u>	<u>\$176,868.37</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT**

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Amount Due</u> <u>Within One Year</u>
Bonds Payable - General Obligation Debt	\$2,765,000.00	\$ -	\$525,000.00	\$2,240,000.00	\$560,000.00
New Jersey Green Acres Loan	807,989.63	-	71,072.53	736,917.10	72,501.19
Other Liabilities - Compensated Absences Payable	<u>190,788.02</u>	<u>21,796.67</u>	<u>-</u>	<u>212,584.69</u>	<u>-</u>
	<u>\$ 3,763,777.65</u>	<u>\$21,796.67</u>	<u>\$596,072.53</u>	<u>\$3,189,501.79</u>	<u>\$632,501.09</u>

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligations bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued:</u>			
General:			
Bonds and Notes	<u>\$5,242,917.10</u>	<u>\$5,838,989.63</u>	<u>\$6,398,661.76</u>
Total Issued	<u>5,242,917.10</u>	<u>5,838,989.63</u>	<u>6,398,661.76</u>
<u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	<u>710,004.00</u>	<u>900,254.00</u>	<u>900,254.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$5,952,921.10</u>	<u>\$6,739,243.63</u>	<u>\$7,298,915.76</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 4: MUNICIPAL 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 statement net debt of 0.42%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 323,405.88	\$323,405.88	\$ -
General Debt	<u>5,952,921.10</u>	<u>50,000.00</u>	<u>5,902,921.10</u>
	<u>\$6,276,326.98</u>	<u>\$373,405.88</u>	<u>\$5,902,921.10</u>

Net debt \$5,902,921.10 divided by average equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,381,963,364.00 = 0.42%.

Long-term debt as of December 31, 2011 consisted of the following:

Outstanding debt whose principal and interest are paid from the Current Fund Budget of the Township:

General Obligation Loan - Purchase of Land - dated 9/14/96 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$12,436.64 through 3/14/16. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2011 was \$106,532.47.

General Obligation Loan - Wantage Park - Phase I - dated 10/31/97 with the State of New Jersey Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$4,663.74 through 6/26/17. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2011 was \$52,098.74.

General Obligation Loan - Wantage Park - Phase II - dated 12/21/98 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$4,663.74 through 9/21/18. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2011 was \$60,645.88.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

General Obligation Loan - Improvements to Parks - dated 12/16/03 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$6,932.44 through 8/12/23. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2011 was \$294,537.09.

General Obligation Loan - Improvements to Parks - dated 6/6/09 with the State of New Jersey, Department of Environmental Protection, Green Acres Loan. This loan is payable in semi-annual installments of \$7,772.90 through 12/6/28. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in conformance with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2011 was \$223,102.92.

General Obligation - General Improvements of 2004 - dated 6/15/04. This is payable in annual installments through 2/15/14. Interest is calculated at various rates from 3.00% to 4.00%. The remaining balance as of December 31, 2011 was \$1,037,000.00.

General Obligation - General Improvements of 2007 - dated 7/1/07. This is payable in annual installments through 7/1/17. Interest is calculated at various rates from 4.00% to 4.25%. The remaining balance as of December 31, 2011 was \$1,203,000.00.

General Obligation Bonds and Loans - Listed above	<u>\$2,976,917.10</u>
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**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

3 ½% of Equalized Valuation Basis (Municipal)	\$48,368,717.74
Net Debt	<u>5,902,921.10</u>
Remaining Borrowing Power	<u>\$42,465,796.64</u>

The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**ANALYSIS OF AVERAGE EQUALIZED VALUATION - SUMMARY**

2011	1,381,963,364.00		
2010		1,451,103,695.00	
2009			1,458,403,324.00

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 one year. Generally, such notes must be paid no later than the fifth day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. 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. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2011, the Township had \$2,266,000.00 in outstanding General Capital Bond Anticipation Notes matured on January 15, 2012 with an interest rate of 1.00%. The Committee renewed this note for another one year period. The current interest rate on this note is 1.12%. Principal and interest on this note is paid from the Current Fund Budget of the Township. The Township renewed this note on January 12, 2012, totaling \$2,717,824.00, payable to Oppenheimer & Co., Inc. with an interest rate of 1.50%. Paydown on this note was \$118,176.00, consisted of \$50,000.00 from General Capital Reserve for Debt Service and \$68,176.00 was paid from the Current Fund Budget of the Township and an increase of \$570,000.00.

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2011:

	<u>Balance 12/31/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/30/2011</u>
Valley National Bank	<u>\$2,266,000.00</u>	<u>\$2,266,000.00</u>	<u>\$2,266,000.00</u>	<u>\$2,266,000.00</u>

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT  
ISSUED AND OUTSTANDING**

<u>Calendar Year</u>	<u>General Capital Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
2012	632,501.09	98,666.46	731,167.55
2013	648,958.35	74,927.93	723,886.28
2014	652,444.91	50,401.38	702,846.29
2015	326,961.38	32,282.42	359,243.80
2016	344,071.67	20,110.53	364,182.20
2017 - 2021	216,802.93	26,640.42	243,443.35
2022 - 2026	124,847.18	8,341.32	133,188.50
2027 - 2028	<u>30,329.59</u>	<u>762.01</u>	<u>31,091.60</u>
Total	<u>2,976,917.10</u>	<u>312,132.47</u>	<u>3,289,049.57</u>

**NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>	<u>Balance To Succeeding Budgets</u>
Current Fund:			
Master Plan	\$ 2,600.00	\$ 2,600.00	\$ -
Road Repair - Hurricane Irene	<u>180,000.00</u>	<u>36,000.00</u>	<u>144,000.00</u>
	<u>\$182,600.00</u>	<u>\$38,600.00</u>	<u>\$144,000.00</u>

The appropriations in the 2012 Budget are not less than required by Statute.

**NOTE 6: REGIONAL AND REGIONAL HIGH SCHOOL DISTRICT TAXES**

Regulations provide for the 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 of Wantage has not elected to defer school taxes.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 7: PENSION PLANS**

Description of Systems:

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

*Public Employees' Retirement System (PERS), (continued)*

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

Contribution Requirements (continued)

The Township's contribution to the Public Employee's Retirement System, equal to the required contributions for each year, were as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2011	\$172,377.00
2010	134,429.00
2009	115,147.06

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 7: PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program, (continued)

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 8: FUND BALANCES APPROPRIATED**

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

Current Fund	<u>\$648,500.00</u>
--------------	---------------------

**NOTE 9: ACCRUED SICK BENEFITS**

The Township of Wantage has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. The current cost of such unpaid compensation is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. It is estimated that the current cost of such unpaid compensation would approximate \$212,584.69.

This amount is not reported either as an expenditure or a liability. The Township has reserved \$1,069.87 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-8 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 10: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2011 consist of the following:

\$ 12.21	Due to Current Fund from Animal Control Trust Fund for cash receipts.
168,748.06	Due to General Capital Fund from Other Trust Fund for cash receipts for various road reserve.
<u>162,806.33</u>	Due to Federal and State Grant Fund from Current Fund for cash disbursed from the Current Fund for Federal and State Grants.
<u>\$331,566.60</u>	

It is anticipated that all interfunds will be liquidated during the calendar year.

**NOTE 11: FIXED ASSETS**

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

	Balance as of <u>12-31-10</u>	Increase	Balance as of <u>12-31-11</u>
Land	\$1,081,114.77	\$ -	\$1,081,114.77
Buildings	2,912,377.90	-	2,912,377.90
Equipment (Including Vehicles)	<u>4,116,495.12</u>	<u>33,005.07</u>	<u>4,149,500.19</u>
	<u>\$8,109,987.79</u>	<u>\$33,005.07</u>	<u>\$8,142,992.86</u>

**NOTE 12: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2011 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 13: PUBLIC ASSISTANCE**

The Township of Wantage has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Township of Wantage no longer has a public assistance director.

**NOTE 14: HEALTH INSPECTIONS**

The Township of Wantage has elected to have the County of Sussex, Department of Health perform all inspections. Therefore, the Township does not have a health inspector.

**NOTE 15: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec 31, 2011</u>	Balance <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$153,931.86</u>	<u>\$153,941.11</u>
Cash Liability for Taxes Collected in Advance	<u>\$153,931.86</u>	<u>\$153,941.11</u>

**NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On 3/11/04, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plans contribution requirements are as follows: the contribution for each participating active volunteer member shall be between the minimum contributions of \$115.00 and the maximum contribution of \$1,150.00 commencing 2004. The Township's contribution shall be included in the current year's budget.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN  
(LOSAP) (CONTINUED)**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 17: POST-RETIREMENT BENEFITS**

**A. PLAN OVERVIEW**

Township of Wantage ("Wantage") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Wantage will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Postemployment Benefits Other Than Pensions ("GASB 45").

Wantage provides medical benefits to retirees who retired from Wantage with 25 years of service. All active employees who retire directly from Wantage are no longer eligible to participate.

The summary below identifies the value of benefits at January 1, 2009 and costs for the 2011 Fiscal Year according to the accounting requirements of GASB 45 and summarizes the actuarial valuation results by Township of Wantage's active and retired employee groups.

**Note that implicit subsidies as required by GASB 45 are factored into all relevant values in this report.**

	<b><u>January 1, 2009</u></b>
<b>Present Value of Future Benefits</b>	
Actives	\$ -
Retirees	<u>312,900.00</u>
Total	\$312,900.00
<b>Actuarial Accrued Liability</b>	
Actives	\$ -
Retirees	<u>312,900.00</u>
Total	\$312,900.00

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

<b>GASB 45 Measures</b>	<b><u>2009 FY</u></b>
Annual Required Contributions (ARC)	\$42,100.00
Annual OPEB Cost	42,100.00
Employer Contributions, reflecting implicit rate subsidies	24,700.00
Net OPEB Obligation	<u>\$17,400.00</u>

**B. LIABILITIES AND NORMAL COST**

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at January 1, 2009) is \$312,900.00. The Actuarial Accrued Liability represents approximately 58.7% of the present value of future benefits.

<b>Liabilities and Normal Cost</b>	<b><u>January 1, 2009</u></b>
Actuarial Accrued Liability	\$312,900.00
Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability	\$312,900.00

**C. CENSUS INFORMATION**

Data was provided by Township of Wantage as of January 1, 2009.

<b>Participant Information</b>	<b><u>January 1, 2009</u></b>
Active Participants	-
Retired Participants	<u>3</u>
Total	3

**D. FUNDING POLICY**

Township of Wantage currently accounts for these post-retirement benefits in a pay-as-you-go basis.

**TOWNSHIP OF WANTAGE, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

**E. ACCOUNTING AND ACTUARIAL INFORMATION**

The effective date of the GASB OPEB Accounting Standard for Phase 1 employers is the Fiscal Year beginning after December 15, 2006. For the Township of Wantage, this is the period from January 1, 2009 through December 31, 2009. The following exhibits show the Annual Required Contribution (ARC), Annual OPEB Cost (AOC), and projected December 31, 2009 Net OPEB Obligation (NOO), assuming the accounting standards is first adopted for the 2009 Fiscal Year.

**DEVELOPMENT OF ANNUAL REQUIRED CONTRIBUTION**

The Standard sets the method for determining Township of Wantage's post employment benefits accrual, the Annual Required Contribution (ARC), to include both the value of benefits earned during the year (Normal Cost) and a supplemental cost based on an amortization of the Unfunded Actuarial Accrued Liability. Accordingly, the following table shows Township of Wantage's 2011 FY ARC based on a 30-year amortization of the Unfunded Actuarial Accrued Liability as a level dollar amount:

**Fiscal Year Ending December 31, 2009**

**Annual OPEB cost and net OPEB obligation:**

Annual Required Contribution (ARC)	\$42,100.00
Interest on OPEB Obligation	-
Adjusted to ARC	-
Annual OPEB Cost Expense	<u>42,100.00</u>
Contributions Made	24,700.00
Increase in Net OPEB Obligation	17,400.00
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	<u>\$17,400.00</u>



**SUPPLEMENTARY DATA**

**TOWNSHIP OF WANTAGE**  
**OFFICIALS IN OFFICE AND SURETY BONDS**  
**YEAR ENDED DECEMBER 31, 2011**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
William DeBoer	Mayor		
William Gaechter	Deputy Mayor		
Ronald Bassani	Committeeman		
James Doherty	Administrator/Municipal Clerk; Assess. Search Officer		
Melissa Caton	Tax Collector; Tax Search Officer Assistant Tax Collector	\$200,000	(A)
Michelle LaStarza	Chief Financial Officer/Treasurer	\$ 50,000	(A)
Melissa Rockwell	Assessor to 6/30/11		
Thomas DeKorte	Assessor from 7/1/11		
Craig U. Dana	Court Judge	\$ 10,000	(A)
Catherine Nestel	Municipal Court Administrator to 2/14/11	\$ 10,000	(A)
Tania Ell	Municipal Court Administrator from 2/15/11	\$ 10,000	(A)
Jeanne McBride	Sec. Board of Health		
Michael S. Garofalo	Attorney		
Harold E. Pellow	Engineer		
William Haggerty	Prosecutor		
James P. Sloan	Public Defender		
Christine Von Oesen	Assistant Municipal Clerk; Registrar		
Stella Salazar	Sec. Planning Board and Zoning Board		
Patrick Stefanelli	Fire Sub Code Official; Fire Prevention; Plumbing Subcode Official; Bldg. Inspector; Construction Official		
Robert Schultz	Electrical Subcode Official Building Subcode Official		
Kevin Kervatt	Zoning Officer; Housing Inspector; Fire Prevention		
John Abate	Animal Control Officer		
Thomas M. Ferry, C.P.A., R.M.A.	Township Auditor		

(A) Statewide Insurance Company

All Bonds Examined.

All employees are covered on a \$2,500.00 Blanket Surety Bond.



**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	<u>2.052</u>	<u>2.036</u>	<u>1.973</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	.240	.233	.205
County	.409	.405	.405
Local Regional School	.906	.889	.874
Regional High School	.492	.505	.485
Municipal Open Space	.005	.004	.004
<u>Assessed Valuation</u>			

2011	1,455,353,584		
2010		1,459,063,024	
2009			1,458,383,528

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	29,955,929.01	28,851,683.56	96.31%
2010	29,745,789.49	28,547,617.32	95.97%
2009	28,827,545.26	27,651,262.97	95.92%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	252,044.41	794,647.92	1,046,692.33	3.49%
2010	188,227.04	978,401.29	1,166,628.33	3.92%
2009	107,699.34	992,620.67	1,100,320.01	3.81%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2011	1,203,650.57
2010	1,203,650.57
2009	1,203,650.57
2008	1,233,400.00
2007	1,233,400.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2011	947,926.42	648,500.00
2010	676,728.52	360,000.00
2009	654,464.23	363,000.00
2008	830,795.44	537,500.00
2007	1,334,011.54	800,000.00

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2011	1,203,650.57
2010	1,203,650.57
2009	1,203,650.57
2008	1,233,400.00
2007	1,233,400.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2011	947,926.42	648,500.00
2010	676,728.52	360,000.00
2009	654,464.23	363,000.00
2008	830,795.44	537,500.00
2007	1,334,011.54	800,000.00

## Township of Wantage, N. J.

## Schedule of Cash

## Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		1,206,670.57
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	48,046.85	
Taxes Receivable	A-6	29,532,844.02	
Tax Title Liens Receivable	A-7	27,877.98	
Revenue Accounts Receivable	A-9	1,468,712.30	
Due From State - Senior Citizen and Veteran Deductions	A-10	131,000.00	
Interfunds	A-11	1,537,969.52	
Various Cash Liabilities and Reserves	A-14	81,242.31	
Prepaid Taxes	A-16	153,931.86	
			<u>32,981,624.84</u>
			34,188,295.41
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	4,476,986.72	
Interfunds	A-11	1,702,688.68	
Appropriation Reserves	A-13	69,425.93	
Various Cash Liabilities and Reserves	A-14	42,133.00	
Encumbrances Payable	A-15	32,518.46	
County Taxes Payable	A-17	5,941,504.61	
Local Regional School Taxes Payable	A-18	13,184,492.79	
Regional High School Taxes Payable	A-19	7,164,395.93	
			<u>32,614,146.12</u>
Balance - December 31, 2011	A		<u><u>1,574,149.29</u></u>

**Township of Wantage, N. J.**

**Schedule of Change Fund**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	<u>300.00</u>
Balance - December 31, 2011	A	<u>300.00</u>
<u>Analysis of Balance</u>		
	Tax Collector	100.00
	Building Department	<u>200.00</u>
		<u>300.00</u>

**Township of Wantage, N. J.**  
**Schedule of Taxes Receivable and Analysis of Property Tax Levy**  
**Current Fund**  
**Year Ended December 31, 2011**

Year	Balance, Dec. 31, 2010	Levy	Collected		Senior Citizen and Veteran Deductions	Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
			2010	2011					
2009	1,536.57			1,536.57					196.40
2010	976,864.72	3,752.00		969,639.61	(1,000.00)		11,179.32	601.39	196.40
	978,401.29	3,752.00		971,176.18	(1,000.00)		11,179.32	601.39	196.40
2011		29,863,855.72	153,941.11	28,561,667.84	131,250.00	4,824.61	78,907.92	230,886.01	794,451.52
	978,401.29	29,863,855.72	153,941.11	29,532,844.02	130,250.00	4,824.61	90,087.24	231,487.40	794,647.92
A			A-2;A-16	A-2;A-4	A-2;A-10	A-2;A-14	A-7		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	29,863,855.72
Added Tax (R.S. 54:4-63.1 et seq.)	92,073.29
	<u>29,955,929.01</u>
Tax Levy:	
County Tax	5,933,781.19
Added County Taxes	<u>18,398.04</u>
Regional School Tax	A-17
Regional High School Tax	A-18
Open Space Tax	A-19
	A-20
	A-2
	<u>26,374,051.73</u>
Local Tax for Municipal Purposes	3,504,240.00
Additional Taxes	<u>77,637.28</u>
	<u>3,581,877.28</u>
	<u>29,955,929.01</u>

**Township of Wantage, N. J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A		188,227.04
Increased by:			
Transferred from 2011 Taxes Receivable	A-6	78,907.92	
Transferred from 2010 Taxes Receivable	A-6	11,179.32	
Interests and Costs		<u>1,608.11</u>	
			<u>91,695.35</u>
			279,922.39
Decreased by:			
Collections	A-2;A-4		<u>27,877.98</u>
Balance - December 31, 2011	A		<u><u>252,044.41</u></u>

**Township of Wantage, N. J.**  
**Schedule of Property Acquired for**  
**Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> A	<u><u>1,203,650.57</u></u>
Balance - December 31, 2011	A	<u><u>1,203,650.57</u></u>

**Township of Wantage, N. J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	3,735.00	3,735.00
Miscellaneous Revenue not Anticipated	A-2	4,798.57	4,798.57
Municipal Court :			
Fines and Costs	A-2	50,745.72	50,745.72
Tax Collector:			
Interest and Costs on Taxes	A-2	212,146.27	212,146.27
Interest on Investments and Deposits	A-2	100,967.46	100,967.46
Board of Health / Registrar of Vital Statistics			
Miscellaneous Revenue not Anticipated	A-2	24,008.55	24,008.55
Uniform Construction Code:			
Fees and Permits - Building	A-2	109,923.00	109,923.00
Miscellaneous Revenue not Anticipated	A-2	4,116.00	4,116.00
Interlocal Service Agreements:			
Stillwater Agreement	A-2	24,667.00	24,667.00
Animal Control Agreement	A-2	79,863.00	79,863.00
Municipal Court - Sussex Borough	A-2	39,333.68	39,333.68
Tax Assessor - Sussex Borough	A-2	11,000.00	11,000.00
Energy Receipts Tax	A-2	627,316.00	627,316.00
Garden State Trust	A-2	29,948.00	29,948.00
Consolidated Municipal Property Tax	A-2	127,349.00	127,349.00
Uniform Fire Safety Act	A-2	13,388.05	13,388.05
Cable TV Franchise Fee	A-2	30,796.00	30,796.00
Watershed Moratorium Offset	A-2	4,559.00	4,559.00
		<u>1,498,660.30</u>	<u>1,498,660.30</u>
		<u>Ref.</u>	
	Cash Receipts	A-4	1,468,712.30
	Various Reserves	A-14	29,948.00
			<u>1,498,660.30</u>

## Township of Wantage, N. J.

**Schedule of Amount Due From State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	20,591.80
Increased by:		
Senior Citizens' and Veterans' Per Tax Billing		129,500.00
Add: Deductions Allowed - Current Year		<u>1,750.00</u>
		131,250.00
Less: Deductions Disallowed - Prior Year		<u>1,000.00</u>
	A-6	<u>130,250.00</u>
		<u>150,841.80</u>
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>131,000.00</u>
Balance - December 31, 2011	A	<u><u>19,841.80</u></u>

## Township of Wantage, N. J.

## Schedule of Interfunds Receivables/(Payables)

## Current Fund

Year Ended December 31, 2011

Fund	Ref.	Due From/(To) Balance			Due From/(To) Balance Dec. 31, 2011
		Dec. 31, 2010	Increased	Decreased	
Federal and State Grants	A	(70,700.67)	268,766.83	360,872.49	(162,806.33)
Animal Control Trust Fund			29,465.87	29,453.66	12.21
Other Trust		(3.36)	474,941.22	474,937.86	
General Capital Fund			945,127.71	945,127.71	
		<u>(70,704.03)</u>	<u>1,718,301.63</u>	<u>1,810,391.72</u>	<u>(162,794.12)</u>
<u>Analysis</u>					
Due To Current Fund	A-1				12.21
Due From Current Fund		<u>(70,704.03)</u>			<u>(162,806.33)</u>
		<u>(70,704.03)</u>			<u>(162,794.12)</u>
Grant Receivable Cancelled	A-1			13,903.00	
Appropriated Grants Cancelled	A-1		15,612.95		
Appropriation Payable	A-3			184,419.42	
Received	A-4			1,537,969.52	
Disbursed	A-4		1,702,688.68		
Appropriation Reserves	A-13			1,116.00	
Open Space Tax	A-20			72,983.78	
			<u>1,718,301.63</u>	<u>1,810,391.72</u>	

**Township of Wantage, N. J.  
Schedule of Deferred Charges**

**Current Fund**

**Year Ended December 31, 2011**

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2010</u>	<u>Added in 2011 Budget</u>	<u>Reduced 2011</u>	<u>Balance, Dec. 31, 2011</u>
Special Emergency Authorizations (40A:4-53) Master Plan	07/10/07	13,000.00	2,600.00	5,200.00		2,600.00	2,600.00
Road Repair - Hurricane Irene	10/27/11	180,000.00	36,000.00		180,000.00		180,000.00
				<u>5,200.00</u>	<u>180,000.00</u>	<u>2,600.00</u>	<u>182,600.00</u>
				A	A-3	A-3	A

**Township of Wantage**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2011**

	Balance, Dec. 31, <u>2010</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Salaries and Wages Within "CAPS"</b>				
Financial Administration	2.51	2.51		2.51
Mayor and Committee	0.09	0.09		0.09
Municipal Clerk	26.04	26.04		26.04
Assessment of Taxes	4.44	4.44		4.44
Collection of Taxes	69.50	69.50		69.50
Municipal Land Use Law:				
Planning Board	0.05	0.05		0.05
Code Enforcement	830.65	830.65		830.65
Uniform Fire Safety Act				
Fire Official	24.08	24.08		24.08
Emergency Management Services	0.99	0.99		0.99
Road Repairs and Maintenance	880.75	880.75	880.75	
Health and Welfare:				
Board of Health	20.96	20.96		20.96
Animal Control	6.81	6.81		6.81
Municipal Court	2.87	2.87		2.87
Dedicated Revenues:				
State Uniform Construction Code:				
Construction Official	4.19	4.19		4.19
Sub - Code Officials				
Building Inspector	2,918.07	2,918.07		2,918.07
Plumbing Inspector	6.42	6.42		6.42
Electrical Inspector	0.05	0.05		0.05
Fire Protection Official	243.90	243.90		243.90
<b>Total Salaries and Wages Within "CAPS"</b>	<u>5,042.37</u>	<u>5,042.37</u>	<u>880.75</u>	<u>4,161.62</u>
<b>Other Expenses Within "CAPS":</b>				
Administrative and Executive	4,244.67	4,244.67	4,235.15	9.52
Mayor and Committee	225.00	225.00		225.00
Municipal Clerk	182.26	182.26	10.00	172.26
Financial Administration	975.37	975.37	960.14	15.23
Computer Services	4,862.25	4,862.25		4,862.25
Assessment of Taxes	4,526.42	4,526.42	4,124.58	401.84
Collection of Taxes	4,153.14	4,153.14	98.21	4,054.93
Legal Services and Costs	25,075.15	25,075.15	2,925.00	22,150.15
Engineering Services and Costs	6,993.92	6,993.92	2,267.39	4,726.53
Municipal Land Use Law (N.J.S. 40:55 D-1):				
Miscellaneous Other Expenses	77,186.68	68,436.68	91.30	68,345.38
Code Enforcement	1,459.21	1,459.21	289.46	1,169.75

**Township of Wantage**  
**Schedule of Appropriation Reserves**  
**Current Fund**

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Page 2 of 3

**Year Ended December 31, 2011**

	Balance, Dec. 31, 2010	Balance after Transfers	Paid or Charged	Balance Lapsed
Insurance:				
Group Insurance for Employees	5,055.15	5,055.15		5,055.15
Worker's Compensation Insurance	4.16	4.16		4.16
Other Insurance Premiums	11.12	11.12		11.12
Uniform Fire Safety Act (Ch. 383, P.L. 1983):				
Fire	1,820.24	1,820.24		1,820.24
Emergency Management Services	4,377.27	4,377.27	3,828.85	548.42
OSHA Standard Fire Fighter Turnout Gear	9.49	9.49		9.49
Public Safety:				
Fire Department	1,000.23	1,000.23	932.00	68.23
Streets and Roads:				
Road Equipment Repair and Maintenance	5,812.31	5,812.31	5,812.31	
Other Expenses	322.54	1,047.54	1,047.54	
Safety Equipment	104.74	104.74	104.74	
Sanitation				
Garbage Collection/Recycling	1,146.57	1,146.57	240.00	906.57
Fire Hydrant Service	25.62	25.62		25.62
Public Buildings and Grounds:				
Other Expenses	12,594.15	11,544.15	357.07	11,187.08
Health and Welfare:				
Board of Health	12.00	12.00		12.00
PEOSHA Respiratory Program	7.39	7.39		7.39
Animal Control	10.00	10.00		10.00
Aid to Sussex Cty Assoc. for Retarded Citizens	500.00	500.00		500.00
Recreation and Education:				
Other Expenses	3,266.97	3,266.97	47.06	3,219.91
Celebration of Public Events	76.05	76.05		76.05
Electricity	2,468.17	2,468.17		2,468.17
Telephone	5,591.33	5,591.33		5,591.33
Propane	1.18	326.18	325.07	1.11
Fuel Oil	9,163.27	9,163.27		9,163.27
Gasoline/Diesel Fuel	8,092.74	8,092.74		8,092.74
Municipal Court	8,843.16	8,843.16	2,650.73	6,192.43
Construction Code Official	6,230.70	6,230.70	494.71	5,735.99
Contribution to Senior Citizen Ctr. (N.J.S. 40:48-94)	2,000.00	2,000.00		2,000.00
Unclassified:				
Accrued Sick Leave & Other Compensation	69.87	69.87	69.87	
<b>Total Other Expenses Within "CAPS"</b>	<u>208,500.49</u>	<u>199,750.49</u>	<u>30,911.18</u>	<u>168,839.31</u>

**Township of Wantage**  
**Schedule of Appropriation Reserves**  
**Current Fund**

**Year Ended December 31, 2011**

	<u>Balance,</u> <u>Dec. 31,</u> <u>2010</u>	<u>Balance</u> <u>after</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	18.17	18.17		18.17
Public Employees Retirement System	0.25	0.25		0.25
Defined Contribution Program	335.00	335.00		335.00
Unemployment Compensation Insurance	1,053.50	1,053.50		1,053.50
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>1,406.92</u>	<u>1,406.92</u>		<u>1,406.92</u>
Total General Appropriation Reserves Within "CAPS"	<u>214,949.78</u>	<u>206,199.78</u>	<u>31,791.93</u>	<u>174,407.85</u>
Other Expenses Excluded From "CAPS":				
LOSAP	<u>30,000.00</u>	<u>38,750.00</u>	<u>38,750.00</u>	
Total Other Expenses Excluded from "CAPS"	<u>30,000.00</u>	<u>38,750.00</u>	<u>38,750.00</u>	
Total General Appropriations Excluded From "CAPS"	<u>30,000.00</u>	<u>38,750.00</u>	<u>38,750.00</u>	
Total General Appropriation Reserves	<u><u>244,949.78</u></u>	<u><u>244,949.78</u></u>	<u><u>70,541.93</u></u>	<u><u>174,407.85</u></u>
	A			A-1
Cash Disbursed	<u>Ref.</u>			
	A-4		69,425.93	
Interfund - Other Trust Fund	A-11		<u>1,116.00</u>	
			<u><u>70,541.93</u></u>	

## Township of Wantage, N. J.

## Schedule of Various Liabilities and Reserves

## Current Fund

Year Ended December 31, 2011

<u>Liabilities and Reserves</u>	Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2011</u>
<u>Liabilities:</u>				
Due State of NJ DCA Building Surcharge	3,673.00	10,548.00	12,015.00	2,206.00
Due State of NJ-Marriage License Fees	225.00	1,650.00	1,675.00	200.00
Tax Overpayments	7,660.33	39,096.31	33,267.61	13,489.03
<u>Reserves for:</u>				
Revaluation of Real Property	956.45			956.45
Garden State Trust Pilot Program	29,948.00	29,948.00	29,948.00	29,948.00
	<u>42,462.78</u>	<u>81,242.31</u>	<u>76,905.61</u>	<u>46,799.48</u>
	A			A
	<u>Ref.</u>			
Anticipated As Revenue	A-2		29,948.00	
Cash Disbursed	A-4		42,133.00	
Cash Receipts	A-4	81,242.31		
Applied to Taxes Receivable	A-6		4,824.61	
		<u>81,242.31</u>	<u>76,905.61</u>	

**Township of Wantage, N. J.**  
**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	36,252.73
Increased by:		
Transfer from Current Appropriations	A-3	61,459.34
		<u>97,712.07</u>
Decreased by:		
Cancelled	A-1	3,734.27
Cash Disbursed	A-4	32,518.46
		<u>36,252.73</u>
Balance - December 31, 2011	A	<u><u>61,459.34</u></u>

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**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	153,941.11
Increased by:		
Receipts - Prepaid 2012 Taxes	A-4	153,931.86
		<u>307,872.97</u>
Decreased by:		
Applied to 2011 Taxes	A-6	153,941.11
		<u>153,941.11</u>
Balance - December 31, 2011	A	<u><u>153,931.86</u></u>

**Township of Wantage, N. J.**  
**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A		7,723.42
Increased by:			
Levy	A-6	5,933,781.19	
Added and Omitted Taxes	A-6	18,398.04	
	A-1		5,952,179.23
			5,959,902.65
Decreased by:			
Payments	A-4		5,941,504.61
Balance - December 31, 2011	A		18,398.04

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**Schedule of Local Regional School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>		
Increased by:			
Levy- 2011	A-1;A-6		13,184,492.79
Decreased by:			
Payments	A-4		13,184,492.79

**Township of Wantage, N. J.**  
**Schedule of Regional High School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Increased by:		
Levy	A-1;A-6	<u>7,164,395.93</u>
Decreased by:		
Payments	A-4	<u>7,164,395.93</u>

A-20

**Schedule of Open Space Tax**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Increased by:		
Levy		72,768.00
Added and Omitted		<u>215.78</u>
	A-1;A-6	<u>72,983.78</u>
Decreased by:		
Interfund - Current Fund	A-11	<u>72,983.78</u>

**Township of Wantage, N. J.**  
**Schedule of Interfunds**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2011**

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To)</u> <u>Balance</u>			<u>Due From/(To)</u> <u>Balance</u>
		<u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2011</u>
Current Fund	A	<u>70,700.67</u>	<u>360,872.49</u>	<u>268,766.83</u>	<u>162,806.33</u>
Grants Receivable	A-22		321,389.01		
Grants Receivable - Canceled	A-22		13,903.00		
Appropriated Grants	A-23			253,153.88	
Appropriated Grants - Canceled	A-23			13,903.00	
Appropriated Grants - Matching Fund	A-23		3,179.00		
Unappropriated Grants	A-24		<u>22,401.48</u>	<u>1,709.95</u>	
			<u>360,872.49</u>	<u>268,766.83</u>	

**Township of Wantage, N. J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2011**

<u>Grant</u>	<u>Balance</u> Dec. 31, 2010	<u>Budget</u> <u>Revenue</u>	<u>Received</u>	<u>Transfer from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Canceled</u>	<u>Balance</u> Dec. 31, 2011
Recycling Tonnage Grant		14,358.00		14,358.00		
Energy Audit		13,903.00			13,903.00	
Municipal Court Alcohol Rehabilitation		251.00		251.00		
Arts and Heritage Council		191.00	162.35			28.65
Municipal Alliance on						
Alcohol and Drug Abuse	7,349.66	12,716.00	10,982.66			9,083.00
Garden State Preservation		72,500.00				72,500.00
NJ DOT - Newton Road	200,000.00	165,000.00	283,750.00			81,250.00
Clean Communities		32,302.00	26,494.00	5,808.00		
	<u>207,349.66</u>	<u>311,221.00</u>	<u>321,389.01</u>	<u>20,417.00</u>	<u>13,903.00</u>	<u>162,861.65</u>
	A	A-2	A-21	A-24	A-21	A

**Township of Wantage, N. J.**  
**Schedule of Appropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2011**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer</u> <u>From 2011</u> <u>Budget</u>	<u>Expended</u>	<u>Cancel</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clean Communities Program	23,184.93	32,302.00	21,185.01		34,301.92
Recycling Tonnage	12,234.77	14,358.00	13,562.04		13,030.73
Municipal Court Alcohol Rehabilitation	41.58	251.00			292.58
Municipal Alliance:					
State Share		12,716.00	12,716.00		
Local Share	9,272.10	3,179.00	2,725.42		9,725.68
Energy Audit		13,903.00		13,903.00	
NJ DOT - Newton Road	200,000.00	165,000.00	202,965.41		162,034.59
Arts and Heritage Council	1,190.00	191.00			1,381.00
Garden State Preservation		72,500.00			72,500.00
Stormwater Management	10,000.00				10,000.00
	<u>255,923.38</u>	<u>314,400.00</u>	<u>253,153.88</u>	<u>13,903.00</u>	<u>303,266.50</u>
	A		A-21	A-21	A
Ref.					
State Grant Fund	311,221.00				
Matching Funds for Grants	3,179.00				
	<u>314,400.00</u>				

**Township of Wantage, N. J.**  
**Schedule of Unappropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2011**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer To</u> <u>Appropriated</u> <u>Reserves</u>	<u>Received</u>	<u>Cancel to</u> <u>Surplus</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Recycling Tonnage Grant	14,358.05	14,358.00	10,752.13	0.05	10,752.13
Clean Communities	5,808.03	5,808.00	5,787.55	0.03	5,787.55
Alcohol Education Rehabilitation Fund	251.37	251.00	161.80	0.37	161.80
Airport Study	1,709.50		5,700.00		5,700.00
Energy Audit Grant	<u>22,126.95</u>	<u>20,417.00</u>	<u>22,401.48</u>	<u>1,709.50</u>	<u>22,401.48</u>
	A	A-22	A-21	A-21	A

Township of Wantage, N.J.

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Emergency Services Volunteer Length of Service Award Program</u>
Balance - December 31, 2010	B	<u>15,502.55</u>	<u>1,713,062.98</u>	<u>176,868.37</u>
Increased by Receipts:				
Dog License Fees	B-3	12,610.40		
Pound/Kennel/Late Fees	B-3	9,877.50		
Pre-Paid Licenses	B-4	3,454.00		
Dog License Fees - State Share	B-7	2,601.60		
Interfund - Current Fund	B-5;B-6	889.60	3.36	
Other Trust Funds	B-8		2,005,973.63	
Township Contributions	B-9			37,875.00
Schedule of Net Assets Available for Benefits	B-10			1,640.10
Total Receipts		<u>29,433.10</u>	<u>2,005,976.99</u>	<u>39,515.10</u>
		<u>44,935.65</u>	<u>3,719,039.97</u>	<u>216,383.47</u>
Decreased by Disbursements:				
Reserve for Dog Expenditures	B-3	26,256.88		
Interfund - Current Fund	B-6	877.39		
Dog License Fees - State Share	B-7	3,217.20		
Other Trust Funds	B-8		2,079,664.11	
Distributions	B-10			4,148.98
Accounting Change/Charges	B-10			2,169.75
Total Disbursements		<u>30,351.47</u>	<u>2,079,664.11</u>	<u>6,318.73</u>
Balance - December 31, 2011	B	<u>14,584.18</u>	<u>1,639,375.86</u>	<u>210,064.74</u>

**Township of Wantage, N.J.**  
**Schedule of Cash - Change Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	<u><u>100.00</u></u>
Balance - December 31, 2011	B	<u><u>100.00</u></u>

## Township of Wantage, N.J.

## Schedule of Reserve/(Deficit) for Animal Control Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	B		11,732.55
Increased by:			
Dog License Fees	B-1	12,610.40	
Pre-paid Licenses Applied	B-4	3,254.40	
		<u>15,864.80</u>	
Pound/Kennel/Late Fees	B-1	9,877.50	
			<u>25,742.30</u>
			37,474.85
Decreased by:			
Cash Disbursements	B-1		<u>26,256.88</u>
Balance - December 31, 2011	B		<u><u>11,217.97</u></u>

License Fees Collected

<u>Year</u>		
2009		16,076.20
2010		15,224.60
		<u><u>31,300.80</u></u>

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## Schedule of Pre-Paid Dog Licenses

## Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	B		3,870.00
Increased by:			
Cash Received in 2011	B-1		3,454.00
			<u>7,324.00</u>
Decreased by:			
Applied to Reserves	B-3	3,254.40	
Applied to Due to State	B-7	615.60	
		<u>3,870.00</u>	
Balance - December 31, 2011	B		<u><u>3,454.00</u></u>

## Township of Wantage, N.J.

## Schedule of Interfund Accounts Receivable/(Payable)

## Trust Fund

Year Ended December 31, 2011

	Due (to)/from Balance <u>Dec. 31, 2010</u>	<u>Decreased</u>	Due (to)/from Balance <u>Dec. 31, 2011</u>
Current Fund	3.36	3.36	
General Capital Fund	-	168,748.06	(168,748.06)
	<u>3.36</u>	<u>168,751.42</u>	<u>(168,748.06)</u>
	B		B
	<u>Ref.</u>		
Receipts-Trust Funds	B-1	3.36	
Other Trust Funds	B-8	168,748.06	
		<u>168,751.42</u>	

**Township of Wantage, N.J.**  
**Schedule of Interfund Accounts Receivable/(Payable)**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2011**

	<u>Due (to)/from Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due (to)/from Balance Dec. 31, 2011</u>
Current Fund		889.60	877.39	12.21
		B-1	B-1	
Cash Receipts	B-1	889.60		
Cash Disbursements	B-1		877.39	
		889.60	877.39	

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**Township of Wantage, N.J.**  
**Schedule of Due to State Department of Health**  
**Trust Funds**  
**Year Ended December 31, 2011**

	<u>Ref.</u>		
Increased by:			
State Fees Collected	B-1	2,601.60	
Pre-Paid License Applied	B-4	615.60	
		3,217.20	
State Fees Collected			
Decreased by:			
Pre-Paid Licenses Applied			
Paid to State	B-1		3,217.20

## Township of Wantage, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2011</u>
Municipal Court P.O.A.A. Fees	182.00			182.00
Developers' Road Deposits	168,837.32	11,150.00	179,987.32	
Affordable Housing	372,193.86			372,193.86
Public Defender		3,513.50	3,513.50	
Tax Sale Premiums	260,900.00	67,700.00	45,300.00	283,300.00
Open Space	451,187.84	72,983.78	200,000.00	324,171.62
Accumulated Sick		1,069.87		1,069.87
Snow Removal	72,624.79	20,855.81		93,480.60
Escrow Administrator	214,555.33	61,307.95	72,929.22	202,934.06
Recreation	8,758.00	15,888.88	11,961.37	12,685.51
COAH	37,840.03	21,201.47		59,041.50
Veterans Memorial	14,375.90	2,375.00	4,737.72	12,013.18
Payroll	993.22	1,717,925.73	1,716,314.84	2,604.11
Flexible Spending Account		10,001.64		10,001.64
Planning and Zoning Deposits	110,618.05		13,668.20	96,949.85
	<u>1,713,066.34</u>	<u>2,005,973.63</u>	<u>2,248,412.17</u>	<u>1,470,627.80</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1	2,005,973.63		
Cash Disbursements	B-1		2,079,664.11	
Interfund - General Capital	B-5		168,748.06	
		<u>2,005,973.63</u>	<u>2,248,412.17</u>	

**Township of Wantage, N.J.**  
**Schedule of Contributions Receivable**  
**Emergency Services Volunteer Length of Services Award Program**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	37,875.00
Increased by:		
Township Contributions'	B-10	<u>34,250.00</u>
		72,125.00
Decreased by:		
Receipts	B-1	<u>37,875.00</u>
Balance - December 31, 2011	B	<u><u>34,250.00</u></u>

**Township of Wantage, N.J.**  
**Schedule of Net Assets Available for Benefits**  
**Emergency Services Volunteer Length of Services Award Program**  
**Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	B		214,743.37
Increased by:			
Gain or ( Loss)	B-1	1,640.10	
Township Contributions - 2011	B-9	34,250.00	
		35,890.10	
			250,633.47
Decreased by:			
Disbursements	B-1	4,148.98	
Accounting Change/Charges	B-1	2,169.75	
		6,318.73	
Balance - December 31, 2011	B		244,314.74

## Township of Wantage, N.J.

## General Capital Fund

## Schedule of Cash

## Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C;C-3	725,418.45
Increased by Receipts:		
Interfund Current	C-4	<u>868,347.10</u>
		1,593,765.55
Decreased by Disbursements:		
Interfund Current	C-4	<u>784,696.97</u>
Balance - December 31, 2011	C;C-3	<u><u>809,068.58</u></u>

Township of Wantage, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2011

	Balance Dec. 31, 2010		Receipts Miscellaneous		Disbursements Miscellaneous		Transfers		Balance Dec. 31, 2011	
							To	From		
Fund Balance	14,679.28									14,679.28
Capital Improvement Fund	259,145.05						40,000.00	105,400.00		193,745.05
Various Reserves	16,194.31						329,178.80			345,373.11
Interfund - Current Fund			868,347.10		784,696.97		76,780.61	160,430.74		
Interfund - Other Trust Fund								168,748.06		(168,748.06)
<b>Ordinance</b>										
05-22 Improvement Authorizations	(140,004.00)									(140,004.00)
06-14 Various Capital Improvements	19,750.19									19,750.19
08-04 Imp. To Woodbourne Park	40,000.00							40,000.00		
08-12 Acquisition of Land for Open Space	3.92									3.92
09-13 Purchase of Fire Equipment	78,611.70							22,738.21		55,873.49
09-14 Various Capital Improvements	437,000.00									437,000.00
10-17 Amending Bond Ord 07-12 Various Capital Imp.	38.00									38.00
11-04 Brine System							10,300.00			
11-10 Purchase of Mower										
11-11 Acquisition of a Fire Engine and Associated Fire Equipment							30,000.00			30,000.00
							65,100.00	43,742.40		21,357.60
	<u>725,418.45</u>		<u>868,347.10</u>		<u>784,696.97</u>		<u>551,359.41</u>	<u>551,359.41</u>		<u>809,068.58</u>
	C;C-2		C-2		C-2					C;C-2

**Township of Wantage, N.J.**  
**Schedule of Due From / (To) Current Fund**  
**General Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>		
Increased by:			
Cash Disbursements	C-2	784,696.97	
Various Reserves	C-10	160,430.74	
			945,127.71
Decreased by:			
Cash Receipts	C-2	868,347.10	
Improvement Authorizations	C-9	76,780.61	
			945,127.71

**Schedule of Due From Other Trust Fund**  
**General Capital Fund**  
**Year Ended December 31, 2011**

Increased by:			
Various Reserves	C-10		168,748.06
Balance - December 31, 2011	C		168,748.06

**Township of Wantage, N.J.**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	3,572,989.63
Decreased by:		
Funded by Budget Appropriation		
General Serial Bonds	C-12	525,000.00
Green Acres Trust Loan	C-13	<u>71,072.53</u>
		<u>596,072.53</u>
Balance - December 31, 2011	C	<u><u>2,976,917.10</u></u>



**Township of Wantage, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	259,145.05
Increased by:		
Cancel Improvement Authorization	C-9	40,000.00
		<u>299,145.05</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	105,400.00
		<u>193,745.05</u>
Balance - December 31, 2011	C	<u><u>193,745.05</u></u>



**Township of Wantage, N.J.**  
**Schedule of Various Reserves**  
**General Capital Fund**  
**Year Ended December 31, 2011**

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Debt Service		50,000.00	50,000.00
Purchase Fire Truck	994.45	20,000.00	20,994.45
Improvement to Public Property	69.00		69.00
Improvement to Various Roads	9,817.06	195,341.31	205,158.37
Office Equipment	600.00		600.00
Vehicle Maintenance		5,837.49	5,837.49
Newton Avenue		58,000.00	58,000.00
Blair Road	4,713.80		4,713.80
	<u>16,194.31</u>	<u>329,178.80</u>	<u>345,373.11</u>
	C		C
	<u>Ref.</u>		
Interfund - Current Fund	C-4	160,430.74	
Interfund - Other Trust Fund	C-5	168,748.06	
		<u>329,178.80</u>	

Township of Wantage, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2011

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
2008-06	Various Capital Improvements	08/07/09	01/14/11	01/15/12	1.12%	617,500.00	617,500.00	617,500.00	617,500.00
2009-13	Various Capital Improvements	08/07/09	01/14/11	01/15/12	1.12%	1,211,250.00	1,211,250.00	1,211,250.00	1,211,250.00
2009-14	Various Capital Improvements	08/07/09	01/14/11	01/15/12	1.12%	437,250.00	437,250.00	437,250.00	437,250.00
						<u>2,266,000.00</u>	<u>2,266,000.00</u>	<u>2,266,000.00</u>	<u>2,266,000.00</u>
						<u>C</u>	<u>2,266,000.00</u>	<u>2,266,000.00</u>	<u>C</u>
					Renewals		<u>2,266,000.00</u>	<u>2,266,000.00</u>	

**Township of Wantage, N.J.**  
**Schedule of General Serial Bonds Payable**  
**General Capital Fund**  
**Year Ended December 31, 2011**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
General Improvement Bonds of 2004	06/15/2004	02/15/12	3.75%	335,000.00		
		02/15/13	4.00%	350,000.00		
		02/15/14	4.00%	352,000.00	325,000.00	1,037,000.00
General Improvement Bonds of 2007	7/1/2007	07/01/12	4.00%	225,000.00		
		07/01/13	4.00%	225,000.00		
		07/01/14	4.00%	225,000.00		
		07/01/15	4.25%	225,000.00		
		07/01/16	4.25%	250,000.00		
		07/01/17	4.25%	278,000.00		
				1,403,000.00	200,000.00	1,203,000.00
				<u>2,765,000.00</u>	<u>525,000.00</u>	<u>2,240,000.00</u>
				<u>C</u>	<u>C-6</u>	<u>C</u>

**Township of Wantage, N.J.**  
**Schedule of Green Acres Trust Loan Payable**  
**General Capital Fund**

**Year Ended December 31, 2011**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011	Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
Green Acres Loan	9/14/1996	400,000.00	3/14/2012-3/14/2016 9/14/2012-9/14/2015	2.00%	128,938.45	22,405.98	106,532.47
Green Acres Loan	10/31/1997	150,000.00	6/26/2012-6/26/2017 12/26/2012-12/26/2016	2.00%	60,335.42	8,236.68	52,098.74
Green Acres Loan	12/21/1998	150,000.00	3/21/12-3/21/2018 9/21/2012-9/21/2018	2.00%	68,640.33	7,994.45	60,645.88
Green Acres Loan	12/16/2003	445,936.69	2/12/2012-2/12/2023 8/12/2012-8/12/2023	2.00%	316,052.84	21,515.75	294,537.09
Green Acres Loan	6/6/2009	250,000.00	6/6/2012 - 6/6/2028 12/6/2012-12/6/2028	2.00%	234,022.59	10,919.67	223,102.92
					<u>807,989.63</u>	<u>71,072.53</u>	<u>736,917.10</u>
					C	C-6	C

Township of Wantage, N.J.  
**Schedule of Bond And Notes Authorized But Not Issued**  
**General Capital Fund**

**Year Ended December 31, 2011**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
05-22	Various Capital Improvements	140,004.00			140,004.00
08-04	Acquisition of Land for Open Space	760,000.00		760,000.00	
11-10	Acquisition of Fire Engine and Associated Fire Equipment	<u>900,004.00</u>	<u>570,000.00</u>	<u>760,000.00</u>	<u>570,000.00</u>
		<u>900,004.00</u>	<u>570,000.00</u>	<u>760,000.00</u>	<u>710,004.00</u>
			C-9	C-7	Footnote C

**Township of Wantage, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2010	D;D-3	10,000.00
Increased by Receipts:		
Interest	D-4	<u>263.01</u>
		10,263.01
Decreased by Disbursements:		
Disbursed to Current Fund	D-5	<u>263.01</u>
Balance - December 31, 2011	D;D-3	<u><u>10,000.00</u></u>

## Township of Wantage, N.J.

## Schedule of Cash and Reconciliation Per N.J.S.A. 40A:5-5

## Public Assistance Fund

## Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2011	D-1	10,000.00
Increased by:		
Cash Receipts Record		<u>10.42</u>
Balance - May 31, 2012		<u><u>10,010.42</u></u>
	<u>P.A.T.F.</u>	
<u>Reconciliation - May 31, 2012</u>	<u>Account #1</u>	<u>Total</u>
Balance on Deposit per Statement of:		
Lakeland Bank		
Checking	<u>10,010.42</u>	<u>10,010.42</u>
Balance - May 31, 2012	<u><u>10,010.42</u></u>	<u><u>10,010.42</u></u>

**Township of Wantage, N.J.**  
**Schedule of Cash and Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	10,000.00
Increased by Receipts:		
Cash Receipts Record	D-4	<u>263.01</u>
		10,263.01
Decreased by Disbursements:		
Cash Disbursements Record	D-5	<u>263.01</u>
Balance - December 31, 2011	D	<u><u>10,000.00</u></u>

Reconciliation - December 31, 2011

P.A.T.F.  
Account #1

Balance on Deposit per Statement of:		
Lakeland Bank		
Checking		10,054.95
Less: Outstanding Checks		<u>54.95</u>
Balance - December 31, 2011		<u><u>10,000.00</u></u>

Township of Wantage, N.J.  
Schedule of Revenues  
Public Assistance Fund  
Year Ended December 31, 2011

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Interest Earned	D-5	<u>263.01</u>
Total Revenues (P.A.T.F.)		<u>263.01</u>
Total Receipts		<u><u>263.01</u></u>
		D-1;D-3

## Township of Wantage, N.J.

## Schedule of Reserve for Public Assistance

## Public Assistance Fund

## Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	10,000.00
Increased by:		
Interest Earned	D-4	<u>263.01</u>
		10,263.01
Decreased by:		
Disbursed to Current Fund	D-3	<u>263.01</u>
Balance - December 31, 2011	D	<u><u>10,000.00</u></u>

**TOWNSHIP OF WANTAGE**

**PART II**

---

**LETTER ON INTERNAL CONTROL AND  
ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
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## 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

June 27, 2012

Honorable Mayor and  
Members of the Township Committee  
Township of Wantage  
888 Route 23  
Wantage, N.J. 07461

We have audited the financial statements - regulatory basis of the Township of Wantage, in the County of Sussex, State of New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated June 27, 2012. Our report disclosed that, as described in Note 1 to the financial statements - regulatory basis, the Township of Wantage 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 of accounting 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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



Honorable Mayor and  
Members of the Township Committee  
Township of Wantage  
June 27, 2012  
Page 2

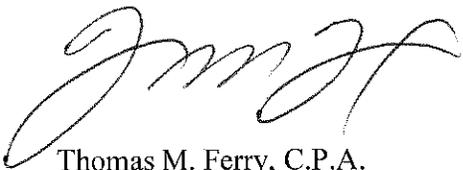
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Wantage's financial statements-regulatory basis 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Wantage in the accompanying "Comments and Recommendations" section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 M. Ferry, C.P.A.  
Registered Municipal Accountant

*Ferraioli, Wielkutz, Cerullo, + Cuva, P.A.*

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

## GENERAL COMMENTS

### Cash Balance

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2011, and June 27, 2012, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

N.J.S.A. 40A:11-3 states:

a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: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 therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

## GENERAL COMMENTS (CONTINUED)

### Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (continued)

Effective January 1, 2011, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

The Governing Body of the Township of Wantage have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, that interest shall apply at the rate of 8 per cent per annum on all taxes which are unpaid and delinquent after the respective quarterly due dates; provided, however, that the said interest shall not be charged if the taxes are paid within the period of ten days after the respective due dates but if such taxes are not paid within the aforesaid period of ten days, interest on such unpaid taxes shall accrue from the respective due dates; and shall accrue at the rate of 18% per cent per annum on any unpaid taxes and delinquent taxes in excess of \$1,500.00.

It appears from an examination of the Collector's records that interest was generally collected in accordance with the forgoing resolutions.

**GENERAL COMMENTS (CONTINUED)**

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 18, 2011 and was complete except for parcels in the process of bankruptcy.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	54
2010	46
2009	28

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The result of the test which was made as of December 31, 2011 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

## OTHER COMMENTS

### Outside Offices

1. Unused 2011 dog tags were not available for audit.

#### Management Response:

Will ensure that all unused dog tags will be available in the future.

2. Animal Control Trust deposits are not being made within 48 hours.

#### Management Response:

Will try to make all future deposits on a timely basis.

### Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Township Clerk and Division of Local Government Services. Comments regarding the financial records maintained by the Court Clerk are covered in this report.

1. There were 378 tickets assigned but not issued over 181 days old.

#### Management Response:

There was a change in Court Administrators in 2011. The new Administrator will look into and recall the tickets assigned but not issued over 181 days.

## RECOMMENDATIONS

1. That all unused dog tags be available for audit
2. Animal Control Trust Fund deposits should be made in a timely manner.
3. Tickets assigned but not issued, over 181 days old, be recalled and reassigned.

## Status of Prior Year's Audit Findings/Recommendations

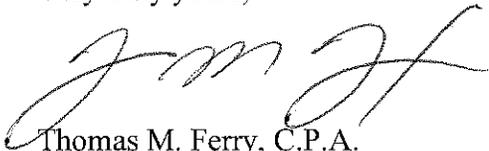
A review was performed on all prior year's recommendations and corrective action was taken on all, with the exception of the following which is included in this year's recommendations:

1. That the tickets assigned but not issued, over 181 days old, be recalled and reassigned.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion of the financial statements taken as a whole.

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

Very truly yours,



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

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Certified Public Accountants