

**TOWNSHIP OF WATERFORD**

**COUNTY OF CAMDEN**

**REPORT OF AUDIT**

**FOR THE YEAR 2012**



**TOWNSHIP OF WATERFORD**  
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**TOWNSHIP OF WATERFORD**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Waterford  
Atco, New Jersey 08004

### ***Report on the Financial Statements***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2012 and 2011, 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, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2013 on our consideration of the Township of Waterford's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Waterford's internal control over financial reporting.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 3, 2013

**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Waterford  
Atco, New Jersey 08004

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Waterford, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 3, 2013. That report indicated that the Township of Waterford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Waterford's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township of Waterford's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 3, 2013

**TOWNSHIP OF WATERFORD**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Cash--Chief Financial Officer	SA-1	\$ 3,562,136.41	\$ 2,978,592.27
Cash--Collector	SA-2	130,424.90	145,324.73
Cash--Change Fund	SA-3	370.00	370.00
Due from State of New Jersey, Ch. 20, P.L. 1971	SA-4	6,549.13	5,921.21
		<u>3,699,480.44</u>	<u>3,130,208.21</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	652,123.47	648,301.57
Tax Title Liens Receivable	SA-6	517,647.35	461,833.01
Property Maintenance Liens Receivable	SA-6	80,337.55	79,821.98
Property Acquired for Taxes--Assessed Valuation	A	142,300.00	142,300.00
Revenue Accounts Receivable	SA-7	18,180.40	22,536.18
Due from Bank	SA-2	22,114.11	
Due from General Capital Fund	SC-6	0.19	
Due from Trust Other Fund	SB-5	345.16	4,035.04
		<u>1,433,048.23</u>	<u>1,358,827.78</u>
Deferred Charges:			
Emergency Appropriation (40A:4-48)	A-3		10,000.00
Special Emergency Appropriation (40A:4-55)	SA-15	166,090.00	210,135.00
		<u>166,090.00</u>	<u>220,135.00</u>
		<u>5,298,618.67</u>	<u>4,709,170.99</u>
Federal and State Grant Fund:			
Cash	SA-1	126,012.00	72,791.25
Federal and State Grants Receivable	SA-16	22,500.00	55,214.00
		<u>148,512.00</u>	<u>128,005.25</u>
		<u>\$ 5,447,130.67</u>	<u>\$ 4,837,176.24</u>

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**TOWNSHIP OF WATERFORD**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2012 and 2011

LIABILITIES, RESERVES  
AND FUND BALANCE

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 353,697.79	\$ 254,737.76
Reserve for Encumbrances	A-3;SA-8	43,284.14	75,289.62
Contracts Payable	SA-1	13,750.00	195,000.00
Accounts Payable	SA-8	3,602.50	
Prepaid Taxes	SA-9	152,264.81	148,960.94
Reserve for Sale of Municipal Assets	SA-12	79,754.00	37,160.00
Tax Overpayments	SA-10	1.02	3.80
Due County for Added and Omitted Taxes	SA-13	32,687.93	11,554.85
Local District School Taxes Payable	SA-14	2,087,462.59	1,840,123.25
Due to State of New Jersey -- State Training Fees	SA-11	2,497.00	1,461.00
Due Utility Operating Fund	SA-1		13,455.28
		<u>2,769,001.78</u>	<u>2,577,746.50</u>
Reserves for Receivables and Other Assets	A	1,433,048.23	1,358,827.78
Fund Balance	A-1	<u>1,096,568.66</u>	<u>772,596.71</u>
		<u>5,298,618.67</u>	<u>4,709,170.99</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-17	18,978.21	2,374.56
Appropriated	SA-18	128,588.79	125,588.19
Reserve for Encumbrances	SA-18	945.00	42.50
		<u>148,512.00</u>	<u>128,005.25</u>
		<u>\$ 5,447,130.67</u>	<u>\$ 4,837,176.24</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

<u>Revenue and Other Income Realized</u>	<u>2012</u>	<u>2011</u>
Fund Balance Utilized	\$ 545,000.00	\$ 872,000.00
Miscellaneous Revenues Anticipated	2,344,701.34	2,291,101.08
Receipts from Current Taxes	24,848,669.73	23,836,292.06
Receipts from Delinquent Taxes	641,249.75	580,607.14
Non-Budget Revenue	136,017.62	102,553.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	244,312.29	200,647.07
Cancellation of Accounts Payable		899.00
Liquidation of Reserve:		
Due from Trust Other Fund	3,689.88	
Due from Bank		0.28
<b>Total Income</b>	<u>28,763,640.61</u>	<u>27,884,099.75</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	3,331,242.00	3,289,880.82
Other Expenses	3,545,895.00	3,805,796.19
Deferred Charges and Statutory Expenditures--		
Municipal--Within "CAPS"	819,944.95	927,954.60
Operations--Excluded from "CAPS":		
Salaries and Wages	169,571.68	167,804.68
Other Expenses	334,752.47	449,064.91
Capital Improvements--Excluded from "CAPS"	10,000.00	20,000.00
Municipal Debt Service--Excluded from "CAPS"	692,549.06	684,272.86
Deferred Charges--Municipal--Excluded from "CAPS"	54,876.00	5,045.00
Judgments--Municipal--Excluded from "CAPS"		52,750.00
County Taxes	6,301,988.77	6,043,108.42
Due County for Added and Omitted Taxes	32,687.93	11,554.85
Local District School Tax	12,575,018.00	12,080,292.00
Other Expenditures:		
Prior Year Tax Deductions Disallowed	4,000.00	2,288.20
Refund of Prior Year Revenue	28.50	1,427.01
Creation of Reserve:		
Due from Bank	22,114.11	
Due from General Capital Fund	0.19	
Due from Trust Other Fund		2,837.82
<b>Total Expenditures</b>	<u>27,894,668.66</u>	<u>27,544,077.36</u>
Excess (Deficit) in Revenues	<u>868,971.95</u>	<u>340,022.39</u>
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	-	205,000.00
Statutory Excess to Fund Balance	868,971.95	545,022.39
<u>Fund Balance</u>		
Balance Jan. 1	<u>772,596.71</u>	<u>1,099,574.32</u>
	1,641,568.66	1,644,596.71
Decreased by:		
Utilized as Revenue	<u>545,000.00</u>	<u>872,000.00</u>
Balance Dec. 31	<u>\$ 1,096,568.66</u>	<u>\$ 772,596.71</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Revenues--Regulatory Basis  
 For the Year Ended December 31, 2012

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 545,000.00	-	\$ 545,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,500.00		9,850.00	\$ 350.00
Other	7,500.00		9,068.00	1,568.00
Fees and Permits -- Other	25,500.00		63,199.31	37,699.31
Fines and Costs -- Municipal Court	225,000.00		283,072.17	58,072.17
Interest and Costs on Taxes	85,000.00		104,485.19	19,485.19
Interest on Investments and Deposits	44,000.00		29,292.10	(14,707.90)
Energy Receipts Taxes	1,048,158.00		1,048,158.00	
Consolidated Municipal Property Tax Relief Aid	68,783.00		68,783.00	
Garden State Preservation Trust Fund	187,735.00		187,735.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	100,000.00		219,166.00	119,166.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Off-Set with Appropriations:				
Clean Communities Grant		\$ 20,462.09	20,462.09	
Safe and Secure Communities Program-P.L.1993, Chapter 20	55,214.00	4,786.00	60,000.00	
Alcohol Education and Rehabilitation Fund		2,752.12	2,752.12	
Recycling Tonnage Grant		350.91	350.91	
Body Armor Replacement Grant	2,374.56		2,374.56	
Drunk Driving Enforcement Grant		4,785.68	4,785.68	
Other Special Items:				
Reserve for Payment of Debt -- General Capital Fund	100,000.00		100,000.00	
Cable TV Franchise Fees	115,000.00		131,167.21	16,167.21
	<u>2,073,764.56</u>	<u>33,136.80</u>	<u>2,344,701.34</u>	<u>237,799.98</u>
Receipts from Delinquent Taxes	<u>565,000.00</u>	<u>-</u>	<u>641,249.75</u>	<u>76,249.75</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>6,559,676.98</u>	<u>-</u>	<u>6,756,715.78</u>	<u>197,038.80</u>
Budget Totals	<u>9,743,441.54</u>	<u>33,136.80</u>	<u>10,287,666.87</u>	<u>511,088.53</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>136,017.62</u>	<u>136,017.62</u>
	<u>\$ 9,743,441.54</u>	<u>\$ 33,136.80</u>	<u>\$ 10,423,684.49</u>	<u>\$ 647,106.15</u>

(Continued)

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
Statement of Revenues--Regulatory Basis  
For the Year Ended December 31, 2012

Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 24,848,669.73
Allocated to:	
County Taxes	6,334,676.70
School Taxes	<u>12,575,018.00</u>
Balance for Support of Municipal Budget Appropriations	5,938,975.03
Add: Appropriation "Reserve for Uncollected Taxes"	<u>817,740.75</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 6,756,715.78</u>

## Revenue from Delinquent Taxes:

Delinquent Tax Receipts	\$ 638,119.01
Tax Title Lien Receipts	<u>3,130.74</u>
	<u>\$ 641,249.75</u>

## Fees and Permits--Other:

## Revenue Accounts Receivable:

Clerk	\$ 41,721.55
Planning Board	3,345.76
Zoning Board	4,970.00
Police Department	7,957.00
Property Maintenance	3,975.00
Tax Collector--Searches	<u>1,230.00</u>
	<u>\$ 63,199.31</u>

## Miscellaneous Revenue not Anticipated:

## Receipts - Chief Financial Officer:

Senior Citizens and Veterans Administrative Fee	\$ 2,478.44
Miscellaneous Sales and Refunds	4,901.05
Cancellation of Outstanding Checks	5,641.10
Refund of Prior Year Expenditures	1,048.02
DMV Inspection Fees	4,174.50
Insurance Refunds	1,750.00
Summer Camp Fees	13,234.69
FEMA Reimbursement	7,974.45
Rental of Cell Phone Tower	23,410.72
Police Outside Service Administration Fees	27,425.28
Sale of Recyclable Materials	27,241.04
Fire Department Fees	<u>2,700.00</u>

\$ 121,979.29

## Receipts - Tax Collector:

Cost of Sale Fees	13,465.69
Miscellaneous Fees	<u>572.64</u>
	<u>14,038.33</u>
	<u>\$ 136,017.62</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<b>OPERATIONS--WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT FUNCTIONS</b>						
Administration						
Salaries and Wages	\$ 95,900.00	\$ 87,900.00	\$ 86,344.48		\$ 1,555.52	
Other Expenses	1,600.00	1,600.00	796.05	29.95	774.00	
Postage	18,500.00	18,000.00	12,054.69		5,945.31	
Office Supplies and Equipment Maintenance	25,950.00	25,950.00	25,920.78		29.22	
Township Committee						
Salaries and Wages	20,400.00	20,400.00	20,268.77		131.23	
Other Expenses	4,100.00	4,100.00	2,155.48	427.84	1,516.68	
Municipal Clerk						
Salaries and Wages	93,454.00	99,454.00	94,725.95		4,728.05	
Other Expenses	13,250.00	15,250.00	10,994.94	2,699.34	1,555.72	
Elections						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	5,600.00	5,600.00	4,475.02		1,124.98	
Financial Administration						
Salaries and Wages	126,038.00	127,738.00	127,727.72		10.28	
Other Expenses	26,158.00	27,758.00	26,686.49	389.88	681.63	
Audit Services						
Other Expenses	37,800.00	37,800.00	37,800.00			
Collection of Taxes						
Salaries and Wages	85,839.00	85,839.00	85,829.11		9.89	
Other Expenses	13,940.00	11,140.00	8,320.68	180.90	2,638.42	
Assessment of Taxes						
Salaries and Wages	25,000.00	25,000.00	24,182.76		817.24	
Other Expenses	6,900.00	6,900.00	4,470.35	29.95	2,399.70	
Legal Services and Costs						
Other Expenses	83,000.00	83,000.00	75,725.89	4,198.35	3,075.76	
Engineering Services and Costs						
Other Expenses	25,600.00	25,600.00	17,562.50		8,037.50	
Municipal Court						
Salaries and Wages	83,044.00	83,844.00	82,699.69		1,144.31	
Other Expenses	10,240.00	10,240.00	8,357.24	804.90	1,077.86	

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<b>OPERATIONS--WITHIN "CAPS" (CONTD)</b>						
<b>GENERAL GOVERNMENT FUNCTIONS (CONTD)</b>						
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning and Zoning Boards						
Salaries and Wages	\$ 47,500.00	\$ 50,700.00	\$ 50,452.91	\$ 247.09		
Other Expenses	14,125.00	10,925.00	7,992.27	1,829.95	1,102.78	
Public Defender						
Other Expenses	8,000.00	8,000.00			8,000.00	
Economic Development Committee						
Other Expenses	10,000.00	8,900.00			8,900.00	
Insurance:						
Unemployment Compensation Insurance	13,400.00	13,400.00	12,950.19		449.81	
Other Insurance	122,800.00	114,800.00	108,470.00		6,330.00	
Workers Compensation Insurance	298,300.00	298,300.00	289,439.00		8,861.00	
Group Insurance for Employees	1,066,700.00	1,130,200.00	1,129,027.81		1,172.19	
Health Benefit Waiver	5,000.00	3,500.00	3,324.49		175.51	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries and Wages	1,896,500.00	1,904,500.00	1,888,878.84		15,621.16	
Other Expenses	78,057.00	78,057.00	35,239.90	8,143.51	34,673.59	
Leases -- Police Vehicles	55,000.00	55,000.00	53,432.32		1,567.68	
Fire Hydrant Services	18,000.00	18,000.00	17,700.00		300.00	
Aid to Volunteer Ambulance Association						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	50,000.00	50,000.00	38,788.63	3,205.33	8,006.04	
Fire						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	109,100.00	109,100.00	80,921.43	8,069.28	20,109.29	
Emergency Responders Stipend Program						
Municipal Prosecutor	19,000.00	19,000.00	17,579.99		1,420.01	
Other Expenses						
Office of Emergency Management						
Other Expenses	14,000.00	14,000.00	14,000.00			
Other Expenses	100.00	100.00			100.00	

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<b>OPERATIONS--WITHIN "CAPS" (CONTD)</b>						
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs and Maintenance						
Salaries and Wages	\$ 444,875.00	\$ 444,875.00	\$ 435,928.45	\$	\$ 8,946.55	
Other Expenses	27,050.00	27,050.00	14,985.96	471.17	11,592.87	
Snow Removal						
Salaries and Wages	3,500.00	3,500.00	1,581.05		1,918.95	
Other Expenses	16,000.00	16,000.00	12,592.50		3,407.50	
Garbage and Trash Removal						
Contractual	360,000.00	330,000.00	303,909.27		26,090.73	
Recycling						
Collection-Contractual	239,500.00	239,500.00	209,054.95		30,445.05	
Public Buildings and Grounds						
Salaries and Wages	99,633.00	99,633.00	91,579.38		8,053.62	
Other Expenses	41,350.00	41,350.00	29,088.02	783.59	11,478.39	
Municipal Garage						
Salaries and Wages	133,823.00	134,323.00	134,234.59		88.41	
Other Expenses	62,200.00	61,700.00	48,884.52	7,805.39	5,010.09	
Gypsy Moth Spraying						
Other Expenses						
<b>HEALTH AND HUMAN SERVICES</b>						
Environmental Commission						
Other Expenses	500.00	500.00	340.00		160.00	
Dog Regulation						
Other Expenses	29,000.00	29,000.00	20,837.45	1,403.00	6,759.55	
<b>PARK AND RECREATION FUNCTIONS</b>						
Parks and Playgrounds						
Salaries and Wages	52,336.00	52,336.00	50,280.91		2,055.09	
Other Expenses	34,800.00	34,800.00	33,940.42	425.00	434.58	
Senior Citizens Activity						
Other Expenses	4,000.00	4,000.00	4,000.00			
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	1,900.00	1,340.00	1,319.13	600.33	20.87	
Safety Projects	1,000.00	1,560.00	6.50		953.17	

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<b>OPERATIONS--WITHIN "CAPS" (CONTD)</b>						
State Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	\$ 101,600.00	\$ 105,700.00	\$ 105,644.83		\$ 55.17	
Construction Official	5,625.00	2,625.00	966.92	59.90	1,598.18	
Salaries and Wages	63,400.00	63,400.00	59,476.75	921.01	3,002.24	
Other Expenses	108,200.00	108,100.00	101,473.01	151.05	6,475.94	
Utilities:	17,000.00	18,100.00	17,922.79		177.21	
Electricity	2,900.00	3,350.00	3,302.46		47.54	
Street Lighting	8,500.00	8,500.00	5,558.01		2,941.99	
Telephone and Telegraph	3,250.00	3,250.00	2,819.64		430.36	
Water	120,000.00	118,550.00	107,488.15		11,061.85	
Natural Gas						
Sewerage Processing and Disposal						
Gasoline						
Solid Waste Disposal Fees						
Other Expenses	261,000.00	229,000.00	193,675.80	654.52	34,669.68	
<b>Total Operations -- Within "CAPS"</b>	<b>6,876,337.00</b>	<b>6,877,137.00</b>	<b>6,501,187.83</b>	<b>43,284.14</b>	<b>332,665.03</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	3,314,942.00	3,331,242.00	3,285,359.44		45,882.56	
Other Expenses	3,561,395.00	3,545,895.00	3,215,828.39	43,284.14	286,782.47	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
<b>MUNICIPAL--WITHIN "CAPS"</b>						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	273,148.95	272,348.95	266,119.16		6,229.79	
Public Employees Retirement System	138,890.00	138,890.00	138,890.00			
Police and Firemen's Retirement System	408,706.00	408,706.00	408,706.00			
<b>Total Statutory Expenditures</b>	<b>820,744.95</b>	<b>819,944.95</b>	<b>813,715.16</b>	<b>-</b>	<b>6,229.79</b>	<b>-</b>
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	820,744.95	819,944.95	813,715.16	-	6,229.79	-
Total General Appropriations for Municipal Purposes -- Within "CAPS"	7,697,081.95	7,697,081.95	7,314,902.99	43,284.14	338,894.82	-

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Maintenance of Free Public Library	\$ 290,812.79	\$ 290,812.79	\$ 290,812.75		\$ 0.04	
Contribution						
Solid Waste Disposal Fees	15,500.00	15,500.00	3,197.07		12,302.93	
Recycling Tax						
<b>Public and Private Programs Off-Set by Revenues</b>						
Alcohol Education & Rehabilitation Fund		2,752.12	2,752.12			
Other Expenses (N.J.S.A. 40A:4-87 \$2,752.12)		4,785.68	4,785.68			
Drunk Driving Enforcement Grant		20,462.09	20,462.09			
Salaries and Wages (N.J.S.A. 40A:4-87 \$4,785.68)		164,786.00	164,786.00			
Clean Communities Grant						
Other Expenses (N.J.S.A. 40A:4-87 \$20,462.09)		350.91	350.91			
Safe and Secure Communities Program		2,374.56	2,374.56			
Salaries and Wages (N.J.S.A. 40A:4-87 \$4,786.00)		2,500.00	2,500.00		2,500.00	
Recycling Tonnage Grant						
Other Expenses (N.J.S.A. 40A:4-87 \$350.91)						
Body Armor Replacement Grant						
Other Expenses						
Matching Funds for Grants						
<b>Total Operations--Excluded from "CAPS"</b>	<b>471,187.35</b>	<b>504,324.15</b>	<b>489,521.18</b>	<b>-</b>	<b>14,802.97</b>	<b>-</b>
Detail:						
Salaries and Wages	160,000.00	169,571.68	169,571.68			
Other Expenses	311,187.35	334,752.47	319,949.50		14,802.97	
<b>CAPITAL IMPROVEMENT--EXCLUDED FROM "CAPS"</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Improvement Fund						

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**

Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2012

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<b>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00			6.24
Interest on Bonds	197,350.00	197,350.00	197,343.76			
Principal and Interest on Loans	45,205.30	45,205.30	45,205.30			
<b>Total Municipal Debt Service-- Excluded from "CAPS"</b>	<b>692,555.30</b>	<b>692,555.30</b>	<b>692,549.06</b>	<b>-</b>	<b>-</b>	<b>6.24</b>
<b>DEFERRED CHARGES:</b>						
Special Emergency Authorizations - 5 Years	44,045.00	44,045.00	44,045.00			
Emergency Authorizations	10,000.00	10,000.00	10,000.00			
Deferred Charges to Future Taxation Unfunded Ord. 08-9	0.19	0.19				0.19
Deferred Charges to Future Taxation Unfunded Ord. 09-14	831.00	831.00	831.00			
	54,876.19	54,876.19	54,876.00	-	-	0.19
<b>Total General Appropriations for Municipal Purposes--Excluded from "CAPS"</b>	<b>1,228,618.84</b>	<b>1,261,755.64</b>	<b>1,246,946.24</b>	<b>-</b>	<b>\$ 14,802.97</b>	<b>6.43</b>
Subtotal General Appropriations	8,925,700.79	8,958,837.59	8,561,849.23	\$ 43,284.14	353,697.79	6.43
Reserve for Uncollected Taxes	817,740.75	817,740.75	817,740.75	-	-	-
<b>Total General Appropriations</b>	<b>\$ 9,743,441.54</b>	<b>\$ 9,776,578.34</b>	<b>\$ 9,379,589.98</b>	<b>\$ 43,284.14</b>	<b>\$ 353,697.79</b>	<b>6.43</b>
Appropriation by 40A:4-87	\$ 33,136.80					
Adopted Budget	<u>9,743,441.54</u>					
	<u>\$ 9,776,578.34</u>					
Reserve for Uncollected Taxes			\$ 817,740.75			
Reserve for Federal and State Grants Appropriated			195,511.36			
Special Emergency Authorizations - 5 Years			44,045.00			
Due General Capital -- Deferred Charges to Future Taxation Unfunded			831.00			
Emergency Authorizations			10,000.00			
Reimbursements			(183,775.31)			
Disbursed			<u>8,495,237.18</u>			
			<u>\$ 9,379,589.98</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Animal Control Fund:			
Cash--Chief Financial Officer	SB-1	\$ 1,062.80	\$ 643.00
Due from Municipal Clerk	SB-3	20.20	7.00
		<u>1,083.00</u>	<u>650.00</u>
Other Funds:			
Cash--Chief Financial Officer	SB-1	152,015.80	220,022.55
Cash--Collector	SB-2	175,530.81	105,150.11
Due from Camden County:			
Municipal Alliance	SB-1;SB-6	13,176.00	6,593.99
Community Development Block Grant Program	SB-4	94,691.66	75,304.10
Due from Vendors - Police Outside Services	SB-6	3,160.00	
		<u>438,574.27</u>	<u>407,070.75</u>
		<u>\$ 439,657.27</u>	<u>\$ 407,720.75</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Encumbrances	SB-1;SB-3	\$ 125.00	\$ 53.00
Reserve for Dog Fund Expenditures	SB-3	958.00	597.00
		<u>1,083.00</u>	<u>650.00</u>
Other Funds:			
Due Current Fund	SB-5	345.16	4,035.04
Due to State of NJ - VCCB	SB-6	2,526.05	
Reserve for Recreation Contributions	SB-6	13,479.06	18,882.88
Reserve for Parking Offenses Adjudication Act	SB-6	288.00	242.00
Reserve for Celebration of Public Events	SB-6	2,829.87	2,809.55
Reserve for Payroll Deductions Payable	SB-6	30,467.75	33,329.14
Reserve for Developers' Escrow Deposits	SB-6	32,693.11	37,208.55
Reserve for Tax Title Lien Redemptions	SB-6	20,530.81	14,750.11
Reserve for Premiums Received at Tax Sale	SB-6	155,000.00	90,400.00
Reserve for Community Development Block Grant	SB-6	5,448.63	78,307.92
Reserve for Retention Basin Maintenance	SB-6	20,000.00	20,000.00
Reserve for Police Outside Services	SB-6	1,990.00	11,890.00
Reserve for Public Defender	SB-6	11,550.00	10,141.05
Reserve for Maintenance Guarantees	SB-6	6,399.05	46,843.40
Reserve for Municipal Alliance	SB-6	12,600.96	4,936.60
Reserve for Forfeited Property	SB-6	21,284.16	20,786.26
Reserve for Uniform Fire Safety Act	SB-6	50.00	50.00
Reserve for Historic Commission	SB-6		2,422.53
Reserve for Encumbrances	SB-6	10,150.41	10,035.72
Contracts Payable	SB-6	90,941.25	
		<u>438,574.27</u>	<u>407,070.75</u>
		<u>\$ 439,657.27</u>	<u>\$ 407,720.75</u>

The accompanying Notes to Financial Statement are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash--Chief Financial Officer	SC-1	\$ 261,173.41	\$ 136,211.35
Deferred Charges to Future Taxation:			
Funded	SC-3	5,367,877.16	5,854,376.51
Unfunded	SC-4	1,144,750.00	922,331.00
Due from NJ DOT	SC-7	230,000.00	
Due from Economic Development Authority	C	50,000.00	50,000.00
		<u>\$ 7,053,800.57</u>	<u>\$ 6,962,918.86</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-11	\$ 4,910,000.00	\$ 5,360,000.00
Green Acres Loan	SC-13	407,877.16	444,376.51
Economic Development Authority Loan	C	50,000.00	50,000.00
Bond Anticipation Notes	SC-12	921,500.00	
Improvement Authorizations:			
Funded	SC-7	207,519.15	195,556.10
Unfunded	SC-7	389,062.54	228,409.98
Contracts Payable	SC-5	48,409.46	402,344.03
Reserve for Encumbrances	SC-9	13,701.32	74,751.49
Reserve for Payment of Debt	SC-8	105,530.75	205,530.75
Due to Current Fund	SC-6	0.19	
Capital Improvement Fund	SC-10	200.00	1,950.00
		<u>\$ 7,053,800.57</u>	<u>\$ 6,962,918.86</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash--Chief Financial Officer	SD-1	\$ 239,084.70	\$ 84,861.81
Cash--Collector	SD-2	1,570.50	2,730.94
Cash--Change Fund	D	100.00	100.00
Due from Current Fund	SD-1		13,455.28
Due from Water / Sewer Utility Capital Fund	D-2	11,000.00	
Due from Bank	SD-2	180.84	
		<u>251,936.04</u>	<u>101,148.03</u>
Receivables with Full Reserves:			
Sewer Utility Liens Receivable	D	8,404.74	8,404.74
Consumer Accounts Receivable	SD-4	42,272.28	34,827.07
		<u>50,677.02</u>	<u>43,231.81</u>
Total Operating Fund		<u>302,613.06</u>	<u>144,379.84</u>
Capital Fund:			
Cash--Chief Financial Officer	SD-1	431,501.82	460,819.42
Fixed Capital	SD-7	11,892,888.32	11,892,888.32
Fixed Capital Authorized and Uncompleted	SD-6	583,887.30	583,887.30
Total Capital Fund		<u>12,908,277.44</u>	<u>12,937,595.04</u>
		<u>\$ 13,210,890.50</u>	<u>\$ 13,081,974.88</u>

(Continued)

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

LIABILITIES, RESERVES  
AND FUND BALANCE

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;SD-9	\$ 48,408.78	\$ 10,381.72
Reserve for Encumbrances	SD-13	6,060.27	16,603.54
Water Rent Overpayments	SD-5	160.39	490.52
Sewer Rent Overpayments	SD-5	743.30	2,070.37
Accrued Interest on Bonds and Notes	SD-8	42,850.38	58,008.95
Reserve for Escrow Deposits	D	13,547.66	13,547.66
		<u>111,770.78</u>	<u>101,102.76</u>
Reserve for Receivables	D	50,677.02	43,231.81
Fund Balance	D-1	140,165.26	45.27
		<u>302,613.06</u>	<u>144,379.84</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds	SD-14	1,561,000.00	1,691,000.00
NJ Environmental Infrastructure Loan	SD-15	1,974,228.95	2,256,441.14
Improvement Authorizations Funded	SD-10	252,798.53	447,464.22
Reserve for Amortization	SD-12	8,938,296.67	8,526,084.48
Deferred Reserve for Amortization	SD-11	3,250.00	3,250.00
Contracts Payable	SD-10	158,700.00	
Reserve for Encumbrances	SD-1;SD-10	5,390.59	2,242.50
Due to Water / Sewer Utility Operating Fund	D-2	11,000.00	
Capital Improvement Fund	SD-1	3,500.00	
Reserve for Payment of Debt	D-2	112.70	11,112.70
		<u>12,908,277.44</u>	<u>12,937,595.04</u>
Total Capital Fund		<u>12,908,277.44</u>	<u>12,937,595.04</u>
		<u>\$ 13,210,890.50</u>	<u>\$ 13,081,974.88</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2012 and 2011

<u>Revenue and Other</u>	<u>2012</u>	<u>2011</u>
<u>Income Realized</u>		
Fund Balance Realized		\$ 84,000.00
Water and Sewer Rents	\$ 1,038,632.26	946,383.48
Miscellaneous	151,065.34	48,171.97
Reserve for Payments of Bonds	11,000.00	
Anticipated Deficit (Current Fund Budget)		13,455.28
Non Budget Revenue	4,154.04	6,834.98
Cancellation of Water and Sewer Overpayments		45.49
Unexpended Balance of Appropriation Reserves	<u>10,381.72</u>	<u>3,591.60</u>
Total Income	<u>1,215,233.36</u>	<u>1,102,482.80</u>
 <u>Expenditures</u>		
Operating	483,525.00	507,770.52
Debt Service	533,213.37	533,435.28
Deferred Charges and Statutory Expenditures	<u>58,375.00</u>	<u>61,277.00</u>
Total Expenditures	<u>1,075,113.37</u>	<u>1,102,482.80</u>
Excess in Revenue	<u>140,119.99</u>	<u>0.00</u>
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	140,119.99	-
 <u>Fund Balance</u>		
Balance Jan. 1	<u>45.27</u>	<u>84,045.27</u>
	140,165.26	84,045.27
Utilized as Revenue:		
Water & Sewer Operating Budget	<u>-</u>	<u>84,000.00</u>
	<u>-</u>	<u>84,000.00</u>
Balance Dec. 31	<u>\$ 140,165.26</u>	<u>\$ 45.27</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY OPERATING FUND**  
 Statement of Revenues--Regulatory Basis  
 For the Year Ended December 31, 2012

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated			
Water Rents	\$ 406,600.00	\$ 421,888.34	\$ 15,288.34
Sewer Rents	539,600.00	540,613.92	1,013.92
Water Connection Fees	3,300.00	26,205.00	22,905.00
Sewer Connection Fees	24,300.00	96,495.00	72,195.00
Water Miscellaneous	9,900.00	16,830.05	6,930.05
Sewer Miscellaneous	10,400.00	11,535.29	1,135.29
Reserve for Payment of Bonds	11,000.00	11,000.00	
Additional Water Rents	44,630.00	44,630.00	
Additional Sewer Rents	31,500.00	31,500.00	
	<u>1,081,230.00</u>	<u>1,200,697.60</u>	<u>119,467.60</u>
Budget Totals			
Non-Budget Revenue	-	4,154.04	4,154.04
	<u>\$ 1,081,230.00</u>	<u>\$ 1,204,851.64</u>	<u>\$ 123,621.64</u>

Analysis of Realized Revenues

## Water Miscellaneous:

## Receipts Collector:

Interest on Delinquent Rents  
 Other Miscellaneous Fees

\$ 3,928.69  
12,901.36

\$ 16,830.05

## Sewer Miscellaneous:

## Receipts Collector:

Interest on Delinquent Rents  
 Other Miscellaneous Fees

\$ 9,938.57  
1,596.72

\$ 11,535.29

## Miscellaneous Revenue Not Anticipated:

## Collector:

Miscellaneous

\$ 269.95

## Chief Financial Officer:

Interest on Deposits  
 Miscellaneous

907.87  
136.10

\$ 1,313.92

## Due from Utility Capital Fund:

Interest on Deposits

2,840.12

\$ 4,154.04

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY OPERATING FUND**  
 Statement of Expenditures—Regulatory Basis  
 For the Year Ended December 31, 2012

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
Operating:						
Salaries and Wages	\$ 106,700.00	\$ 121,600.00	\$ 120,510.28		\$ 1,089.72	
Other Expenses	376,825.00	361,925.00	312,332.40	\$ 5,918.77	43,673.83	
<b>Total Operating</b>	<b>483,525.00</b>	<b>483,525.00</b>	<b>432,842.68</b>	<b>5,918.77</b>	<b>44,763.55</b>	<b>-</b>
Capital Improvements:						
Capital Improvement Fund	3,500.00	3,500.00	3,500.00	-	-	-
Debt Service:						
Payment of Bond Principal	130,000.00	130,000.00	130,000.00			
Interest on Bonds	64,830.00	64,830.00	64,801.28			\$ 28.72
Environmental Infrastructure Loan Principal and Interest	341,000.00	341,000.00	334,912.09			6,087.91
<b>Total Debt Service</b>	<b>535,830.00</b>	<b>535,830.00</b>	<b>529,713.37</b>	<b>-</b>	<b>-</b>	<b>6,116.63</b>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	46,300.00	46,400.00	46,397.27		2.73	
Unemployment Compensation Insurance	975.00	875.00	486.68		388.32	
Social Security System (O.A.S.I.)	11,100.00	11,100.00	7,845.82		3,254.18	
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>58,375.00</b>	<b>58,375.00</b>	<b>54,729.77</b>	<b>-</b>	<b>3,645.23</b>	<b>-</b>
<b>Total Water &amp; Sewer Utility Appropriations</b>	<b>\$ 1,081,230.00</b>	<b>\$ 1,081,230.00</b>	<b>\$ 1,020,785.82</b>	<b>\$ 5,918.77</b>	<b>\$ 48,408.78</b>	<b>\$ 6,116.63</b>
Disbursed Refunds			\$ 903,918.12			
Accrued Interest on Bonds and Notes			(1,468.40)			
			118,336.10			
			<u>\$ 1,020,785.82</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF WATERFORD**  
**FIXED ASSET ACCOUNT GROUP**  
 Statement of General Fixed Asset Account Group  
 As of December 31, 2012

	Balance <u>Dec. 31, 2011</u>	Additions	Deletions	Balance <u>Dec. 31, 2012</u>
General Fixed Assets:				
Land	\$ 1,921,600.00			\$ 1,921,600.00
Buildings	2,027,834.24		\$ 155,400.00	1,872,434.24
Machinery and Equipment	<u>4,105,208.17</u>	<u>\$ 6,930.00</u>	<u>119,743.00</u>	<u>3,992,395.17</u>
	<u>\$ 8,054,642.41</u>	<u>\$ 6,930.00</u>	<u>\$ 275,143.00</u>	<u>\$ 7,786,429.41</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 8,054,642.41</u>	<u>\$ 6,930.00</u>	<u>\$ 275,143.00</u>	<u>\$ 7,786,429.41</u>

The accompanying Notes to Financial Statements are an integral part of this schedule.

**TOWNSHIP OF WATERFORD**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2012**

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

**Description of Financial Reporting Entity** - The Township of Waterford was incorporated in 1798 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,649.

The form of Government is known as a Township pursuant to N.J.S.A. 40A:63-1 et seq. The government consists of five Committee Members who are elected at large to three year staggered terms. Under statute, the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor. The implementation of the policies of the governing body and the day-to-day operations are handled by the Director of Administration and Clerk.

**Component Units** - The financial statements of the component units of the Township of Waterford are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Waterford Township Free Public Library  
 2204 Atco Avenue  
 Waterford, New Jersey 08004

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township of Waterford contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Waterford accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Funds** - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

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

**Water/Sewer Utility Operating and Capital Funds** - The Water/Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer Utility.

**Budgets and Budgetary Accounting** - The Township of Waterford must adopt an annual budget for its current and water/sewer utility funds in accordance with N.J.S.A. 40A:4 et. seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Waterford requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Township of Waterford School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Waterford School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2011 and decreased by the amount deferred at December 31, 2012.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2012, none of the Township's bank balances of \$5,038,447.11 were exposed to custodial credit.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Comparative Schedule of Tax Rates**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$5.406	\$5.198	\$5.111	\$4.925	\$4.771
Apportionment of Tax Rate:					
Municipal	\$1.332	\$1.292	\$1.355	\$1.245	\$1.205
Municipal Library	.061	.063			
County	1.303	1.243	1.205	1.088	1.077
County Open Space Preservation Trust Fund	.038	.039	.000	.040	.038
Local School	2.672	2.561	2.551	2.552	2.451

**Assessed Valuation**

2012	\$470,608,051.00
2011	471,810,609.00
2010	473,777,254.00
2009	472,982,984.00
2008	471,791,645.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$25,572,869.95	\$24,848,669.73	97.17%
2011	24,571,819.73	23,836,292.06	97.01%
2010	24,266,276.62	23,634,338.80	97.40%
2009	23,408,529.73	22,669,917.69	96.85%
2008	22,621,608.13	21,943,182.74	97.00%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$517,647.35	\$652,123.47	\$1,169,770.82	4.57%
2011	461,833.01	648,301.57	1,110,134.58	4.52%
2010	407,974.45	593,438.21	1,001,412.66	4.13%
2009	377,171.00	653,248.74	1,030,419.74	4.40%
2008	353,008.87	543,359.71	896,368.58	3.96%

Note 3: **PROPERTY TAXES (CONT'D)**

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

<u>Year</u>	<u>Number</u>
2012	102
2011	48
2010	29
2009	35
2008	64

Note 4: **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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2012	\$142,300.00
2011	142,300.00
2010	142,300.00
2009	148,800.00
2008	148,800.00

Note 5: **WATER/SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water/sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2012	\$34,827.07	\$8,404.74	\$1,046,691.73	\$1,089,923.54	\$1,038,632.26
2011	33,219.61	7,617.22	949,665.60	990,502.43	946,383.48
2010	26,734.88	6,829.70	969,326.08	1,002,890.66	962,051.51
2009	21,069.69	6,132.18	829,551.10	856,752.97	823,110.92
2008	20,485.73	5,524.66	787,208.88	813,219.27	785,950.40

Note 6: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2012	\$1,096,568.66	\$778,000.00	70.95%
2011	772,696.71	545,000.00	70.53%
2010	1,099,574.32	872,000.00	79.30%
2009	958,643.79	777,000.00	81.05%
2008	1,108,103.05	995,000.00	89.79%
<b><u>Water/Sewer Utility Operating Fund</u></b>			
2012	\$140,165.26	\$10,000.00	07.13%
2011	45.27	---	---
2010	84,045.27	84,000.00	99.95%
2009	23,052.15	23,000.00	99.77%
2008	98,599.77	98,554.74	99.95%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following inter-fund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2012:

<u>Fund</u>	<u>Inter-funds Receivable</u>	<u>Inter-funds Payable</u>
Current Fund	\$345.35	---
Trust-- Other Funds	---	\$345.16
General Capital Fund	---	.19
Water/Sewer Utility Operating Fund	11,000.00	---
Water/Sewer Utility Capital Fund	---	11,000.00
	<u>\$11,345.35</u>	<u>\$11,345.35</u>

The inter-fund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2013, the Township expects to liquidate such inter-funds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

The Township of Waterford contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
 Division of Pensions and Benefits  
 P.O. Box 295  
 Trenton, New Jersey 08625-0295

**Public Employees' Retirement System** - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Township</u>
2012	\$69,125.00	\$116,065.00	\$185,190.00	---	---	\$185,190.00
2011	80,209.00	106,777.00	186,986.00	---	---	186,986.00
2010	75,497.00	73,664.00	149,161.00	---	---	149,161.00

**Police and Firemen's Retirement System** - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 8: **PENSION PLANS (CONT'D)**

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded By State</u>	<u>Paid by Township</u>
2012	\$199,941.00	\$208,765.00	\$408,706.00	---	---	\$408,706.00
2011	290,974.00	216,357.00	507,331.00	---	---	507,331.00
2010	244,690.00	160,364.00	405,054.00	---	---	405,054.00

Note 9: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2001, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 2001-140. The Township assumes the entire cost of group health insurance for all employees who have retired after twenty-five of service with the Township.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis.

The Township contributions to SHBP for the years ended December 31, 2012, 2011, and 2010, were \$356,070.83, \$306,162.18 and \$226,697.62, respectively, which equaled the required contributions for each year. There were approximately 20, 19, and 16 retired participants eligible at December 31, 2012, 2011, and 2010, respectively.

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**Note 9: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

In addition to the benefits described above, the Township provides post-employment dental and vision benefits to a previously retired police chief as required by his individual contract.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2012, the cost of this benefit resulted in the payment of \$1,805.88 in related health care premiums.

**Note 10: COMPENSATED ABSENCES****Police Officers**

Vacation Time - All full-time police officers are entitled to vacation time varying from 120 working hours per year in the first year of employment to 360 working hours per year after completing 20 years of service plus 12 hours for each year over 20 years. Vacation time can be carried forward for a period of one year only.

Sick time - All police officers are entitled to 120 paid sick hours per year. Sick hours not taken may accrue and be carried forward for an amount not to exceed 720 hours. Hours earned and not taken which exceed the maximum are paid currently.

Compensatory time - All police officers are entitled to accumulate compensatory time in lieu of overtime in an amount not to exceed 200 hours.

**Other Personnel**

Vacation time - Full-time Township employees with at least one year of service are entitled to 11 to 31 vacation days per year depending on length of service. Unused vacation days not used during the year may be accumulated and carried forward for one year. Vacation days not used in the following year are not accumulated. Employees whose employment has terminated with the Township are entitled to be paid for unused vacation time from the current year and one-year prior.

Sick time - Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave is paid to the employee from a budget appropriation at year-end or in January of the following year.

Compensatory time - Employees have the option of taking compensatory time in lieu of cash payments for overtime. The employee may carry up to 40 hours of compensatory time to the following year. Compensatory time over 40 hours at December 31 are paid to the employee the following January.

Non-permanent or seasonal employees are not entitled to compensatory absences.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2012, accrued benefits for compensated absences are valued at \$945,052.09.

Note 11: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: **LEASE OBLIGATIONS**

At December 31, 2012, the Township had lease agreements in effect for the following:

Capital:  
 Two (2) Ford Crown Victoria  
 One (1) Ford Explorer

Operating:  
 Seven (7) Ricoh Copiers

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<b><u>B a l a n c e</u></b>	
	<b><u>Dec. 31, 2012</u></b>	<b><u>Dec. 31, 2011</u></b>
Vehicles	\$45,058.22	\$94,560.99

Future minimum lease payments under capital lease agreements are as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>
2013	\$28,391.28
2014	18,927.64

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>
2013	\$15,365.88
2014	15,365.88
2015	15,365.88
2016	7,682.94

Rental payments under operating leases for the year 2012 were \$24,694.92.

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$6,289,377.16	\$5,854,376.51	\$6,265,156.68
Water/Sewer Utility:			
Bonds, Loans and Notes	3,535,228.95	3,947,441.14	4,874,596.42
Total Issued	9,824,606.11	9,801,817.65	11,139,753.10
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	223,250.00	922,331.00	831.19
Water/Sewer Utility:			
Bonds and Notes	---	---	---
Total Authorized but Not Issued	223,250.00	922,331.00	831.19
Total Issued and Authorized but Not Issued	10,047,856.11	10,724,148.65	11,140,584.29
Deductions:			
Funds Temporarily Held To Pay Notes	105,530.75	205,530.75	65,170.75
Self-liquidating Debt	3,535,228.95	3,874,699.34	4,874,596.42
Total Deductions	3,640,759.70	4,080,230.09	4,939,767.17
Net Debt	\$6,407,096.41	\$6,643,918.56	\$6,200,817.12

**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 indicated a statutory net debt of .74%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$365,000.00	\$365,000.00	---
Water/Sewer Utility	3,535,228.95	3,535,228.95	---
General	6,512,627.16	105,530.75	\$6,407,096.41
	\$10,412,856.11	\$4,005,759.70	\$6,407,096.41

Net Debt \$6,407,096.41 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$861,425,467.33 equals .74%

Note 13: **CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A.40A:2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$30,149,891.36
Net Debt	<u>6,407,096.41</u>
Remaining Borrowing Power	<u>\$23,742,794.95</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$1,204,851.64
Deductions:	
Operating and Maintenance Cost	\$541,900.00
Debt Service per Water/Sewer Fund	<u>529,713.37</u>
Total Deductions	<u>1,071,613.37</u>
Excess in Revenue	<u>\$133,238.27</u>

The above information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>General</u>		<u>Water/Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$475,000.00	\$179,000.00	\$125,000.00	\$60,756.26	\$839,756.26
2014	500,000.00	159,187.50	135,000.00	55,578.13	849,765.63
2015	510,000.00	138,662.50	150,000.00	49,937.50	848,600.00
2016	535,000.00	117,275.00	165,000.00	43,621.88	860,896.88
2017	500,000.00	101,975.00	170,000.00	36,618.76	808,593.76
2018-22	2,390,000.00	247,000.00	610,000.00	91,296.88	3,338,296.88
2023-24			206,000.00	11,550.00	217,550.00

**Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding**

<u>Year</u>	<u>General</u>		<u>Water/Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$37,232.98	\$7,972.30	\$285,543.12	\$60,368.65	\$391,117.05
2014	37,981.36	7,223.92	296,860.39	52,573.91	394,639.58
2015	38,744.78	6,460.50	232,179.01	44,660.51	322,044.80
2016	39,523.56	5,681.73	189,319.92	41,306.46	275,831.67
2017	40,317.98	4,887.30	194,627.36	37,772.31	277,604.95
2018-22	214,076.50	11,949.92	775,699.15	88,422.56	1,090,148.13

Note 14: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>2013 Budget Appropriation</u></b>
Special Emergency Authorizations	\$166,090.00	\$44,045.00

The appropriation in the 2013 Budget as adopted is not less than that required by the statutes.

Note 15: **SCHOOL TAXES**

The Waterford Township Local School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<b><u>Balance Dec. 31,</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>
Balance of Tax	\$6,287,462.59	\$6,040,123.25
Deferred	4,200,000.00	4,200,000.00
	<u>\$2,087,462.59</u>	<u>\$1,840,123.25</u>

Note 16: **JOINT INSURANCE POOL**

The Township of Waterford is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

- Public Employee Dishonesty
- Workers' Compensation
- Employer's Liability
- Public Officials Liability
- Employment Practices Liability
- Property - Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Crime and Excess Crime

Note 16: **JOINT INSURANCE POOL (CONT'D)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2012, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
P.O. Box 488  
Marlton, New Jersey 08053

Note 17: **LITIGATION**

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Township of Waterford authorized additional Bonds and Notes as follows:

	<b><u>Purpose</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
General Capital:			
Bonds and Notes:			
	Acquisition of Equipment	May 8, 2013	\$147,250.00
	Facilities and Building Improvements	May 8, 2013	427,500.00
	Road and Drainage Improvements	May 8, 2013	850,250.00
Water/Sewer Capital:			
Bonds and Notes:			
	Acquisition of Equipment	May 8, 2013	10,000.00
	Renovation to Pump Station	May 8, 2013	<u>50,000.00</u>
			<u>\$1,485,000.00</u>

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Current Cash  
 Per N.J.S.40A:5-5--Chief Financial Officer  
 For the Year Ended December 31, 2012

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2011	\$ 2,978,592.27	\$ 72,791.25
Increased by Receipts:		
Received from Collector	\$ 25,485,962.64	
Revenue Accounts Receivable	605,068.97	
Due from State of New Jersey, Ch. 20, P.L. 1971	123,922.21	
Miscellaneous Revenue not Anticipated	121,979.29	
Energy Receipts Tax	1,048,158.00	
Consolidated Municipal Property Tax Relief Aid	68,783.00	
Garden State Preservation Trust Fund	187,735.00	
Cable TV Franchise Fees	131,167.21	
Reserve for Payment of Debt	100,000.00	
Reserve for Sale of Municipal Assets	42,594.00	
2012 Appropriation Refunds	183,775.31	
Construction Code--State Training Fees	11,309.00	
Due Current Fund		\$ 104,786.00
Due Trust Other Fund -- Collector	814.45	
Due Trust Other Fund -- Chief Financial Officer	5,341.24	
Due Animal Control Fund	11.74	
Due General Capital Fund	2,933.53	
Federal and State Grants Receivable		140,043.01
Contra	140.00	
	<u>28,119,695.59</u>	<u>244,829.01</u>
	31,098,287.86	317,620.26
Decreased by Disbursements:		
2012 Appropriations	8,495,237.18	
2011 Appropriation Reserves	82,112.59	
County Taxes Payable	6,301,988.77	
Due County for Added and Omitted Taxes	11,554.85	
Local School Taxes Payable	12,327,678.66	
Tax Overpayments	6,815.43	
Construction Code--State Training Fees	10,273.00	
Due Federal and State Grant Fund	104,786.00	
Operations - Refund of Prior Year Revenue	28.50	
Federal and State Grants--Appropriated		191,608.26
Contracts Payable	181,250.00	
Due General Capital Fund	831.19	
Due Water & Sewer Utility Operating Fund	13,455.28	
Contra	140.00	
	<u>27,536,151.45</u>	<u>191,608.26</u>
Balance Dec. 31, 2012	<u>\$ 3,562,136.41</u>	<u>\$ 126,012.00</u>

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
Statement of Current Cash  
Per N.J.S.40A:5-5--Collector  
For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$	145,324.73
Increased by Receipts:			
Taxes Receivable	\$ 25,209,277.67		
Tax Title Liens	3,130.74		
Interest and Cost on Taxes	104,485.19		
2013 Prepaid Taxes	152,264.81		
Tax Overpayments	6,812.65		
Revenue Accounts Receivable	3,167.53		
Contra	4,941.07		
Due Bank	77,528.06		
Due CCMUA	56,945.84		
Due Winslow Township	128.15		
Miscellaneous Revenue not Anticipated	14,038.33		
			25,632,720.04
			25,778,044.77
Decreased by Disbursements:			
Payments to Chief Financial Officer	25,485,962.64		
Due CCMUA	56,945.84		
Due Winslow Township	128.15		
Due Bank	99,642.17		
Contra	4,941.07		
			25,647,619.87
Balance Dec. 31, 2012		\$	130,424.90

**TOWNSHIP OF WATERFORD**  
 CURRENT FUND  
 Schedule of Change Funds  
 For the Year Ended December 31, 2012

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 100.00
Municipal Clerk	50.00
Police Department	20.00
Municipal Court	<u>200.00</u>
	<u><u>\$ 370.00</u></u>

CURRENT FUND  
 Statement of Due from State of New Jersey  
 CH. 20, P.L. 1971  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$ 5,921.21
Increased by:		
2012 Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 128,500.00	
2012 Senior Citizens' and Veterans' Deductions Allowed by Collector	<u>3,750.00</u>	
		\$ 132,250.00
Less:		
2012 Senior Citizens' and Veterans' Deductions Disallowed by Collector		3,699.87
Operations -- Prior Years Senior Citizens' and Veterans' Deductions Disallowed by Collector		<u>4,000.00</u>
		<u>124,550.13</u>
		130,471.34
Decreased by:		
Collections		<u>123,922.21</u>
Balance Dec. 31, 2012		<u><u>\$ 6,549.13</u></u>

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2012

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2012
				2012	2011					
2009	\$ 2,243.05			\$ 1,388.92					\$ 854.13	
2010	2,165.49			643.67					1,521.82	
2011	643,893.03		\$ 4,016.20	636,086.42		\$	14.54	\$ 7,731.42	4,076.85	
2012	648,301.57	-	4,016.20	638,119.01	-	-	14.54	-	7,731.42	6,452.80
	-	\$ 25,572,869.95	9,770.78	24,571,158.66	\$ 148,960.94	\$ 128,550.13	38,058.30		50,242.03	645,670.67
	\$ 648,301.57	\$ 25,572,869.95	\$ 13,786.98	\$ 25,209,277.67	\$ 148,960.94	\$ 128,550.13	\$ 38,072.84	\$ -	\$ 57,973.45	\$ 652,123.47

Analysis of 2012 Property Tax Levy

<u>Tax Yield</u>	
General Purpose Tax	\$ 25,441,071.33
Added / Omitted Taxes	<u>131,798.62</u>
	\$ <u>25,572,869.95</u>
<u>Tax Levy</u>	
Local District School Tax	\$ 12,575,018.00
County Taxes:	
County Tax	\$ 6,127,731.91
Open Space Tax	174,256.86
County for Added and Omitted Taxes	<u>32,687.93</u>
Total County Taxes	6,334,676.70
Local Tax for Municipal Purposes	6,268,864.19
Minimum Tax for Library Purposes	290,812.79
Add: Additional Tax Levied	<u>103,498.27</u>
Local Tax for Municipal Purposes Levied	<u>6,663,175.25</u>
	\$ <u>25,572,869.95</u>

## TOWNSHIP OF WATERFORD

## CURRENT FUND

Statement of Tax Title Liens Receivable and Property Maintenance Liens Receivable  
For the Year Ended December 31, 2012

	Tax Title Liens	Property Maintenance Liens	Total
Balance Dec. 31, 2011	\$ 461,833.01	\$ 79,821.98	\$ 541,654.99
Increased by:			
Transfers from Taxes Receivable	57,973.45		57,973.45
Interest and Costs on Taxes	1,481.92		1,481.92
Maintenance Services		515.57	515.57
	<u>59,455.37</u>	<u>515.57</u>	<u>59,970.94</u>
			601,625.93
Decreased by:			
Receipts -- Collector	3,130.74		3,130.74
Canceled	510.29	-	510.29
	<u>3,641.03</u>	<u>-</u>	<u>3,641.03</u>
Balance Dec. 31, 2012	<u>\$ 517,647.35</u>	<u>\$ 80,337.55</u>	<u>\$ 597,984.90</u>

**TOWNSHIP OF WATERFORD**  
CURRENT FUND

Statement of Revenue Account Receivable  
For the Year Ended December 31, 2012

	Balance <u>Dec. 31, 2011</u>	Accrued in 2012	Chief Financial <u>Officer</u>	Collected by <u>Tax Collector</u>	Due from General <u>Capital Fund</u>	Due from Animal <u>Control Fund</u>	Due from Trust <u>Other Fund</u>	Balance <u>Dec. 31, 2012</u>
Clerk:								
Licenses:								
Alcoholic Beverages		\$ 9,850.00	\$ 9,850.00					
Other		9,068.00	9,068.00					
Fees and Permits -- Other:								
Clerk - Other	\$ 5,057.56	37,151.20	41,721.55				\$ 487.21	
Planning Board		3,345.76	3,345.76					
Zoning Board		4,970.00	4,970.00					
Police Department		7,957.00	7,957.00					
Property Maintenance		3,975.00	3,975.00					
Tax Search Officer		1,230.00		\$ 1,230.00				
Uniform Construction Code Fees		219,166.00	219,166.00					
Municipal Court Fines and Costs	17,478.62	283,286.74	283,072.17					17,693.19
Interest on Investments:								
Current Fund		23,379.30	21,441.77	1,937.53				
General Capital Fund		2,933.53			\$ 2,933.53			
Animal Control Fund		11.74				\$ 11.74		
Trust Other Fund		2,465.81						
Township Clerk		44.84	44.84					
Municipal Court		456.88	456.88					
	\$ 22,536.18	\$ 609,291.80	\$ 605,068.97	\$ 3,167.53	\$ 2,933.53	\$ 11.74	\$ 2,465.81	\$ 18,180.40

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 2011 Appropriation Reserves  
 For the Year Ended December 31, 2012

	Balance Dec. 31, 2011		Balance After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
<b>GENERAL GOVERNMENT FUNCTIONS</b>					
General Administration					
Salaries and Wages		\$ 90.60	\$ 90.60		\$ 90.60
Other Expenses		279.28	279.28		279.28
Postage		193.67	193.67	\$ 5.00	188.67
Office Supplies and Equipment Maintenance	\$ 335.10	418.37	753.47	335.10	418.37
Township Committee					
Salaries and Wages		4.55	4.55		4.55
Other Expenses	923.56	331.37	1,254.93	623.47	631.46
Municipal Clerk					
Salaries and Wages		874.56	874.56		874.56
Other Expenses	901.54	726.23	1,627.77	901.54	726.23
Elections					
Salaries and Wages		103.15	103.15		103.15
Other Expenses		137.22	137.22		137.22
Financial Administration					
Salaries and Wages		794.23	794.23		794.23
Other Expenses	1,748.80	756.42	2,505.22	1,874.35	630.87
Collection of Taxes					
Salaries and Wages		1,029.75	1,029.75		1,029.75
Other Expenses		2,564.84	2,564.84		2,564.84
Assessment of Taxes					
Salaries and Wages		41.68	41.68		41.68
Other Expenses	2,131.60	618.99	2,750.59	2,131.60	618.99
Legal Services and Costs					
Other Expenses	1,693.44	2,621.58	4,315.02	2,432.94	1,882.08
Engineering Services and Costs					
Other Expenses	2,558.00	9,051.24	11,609.24	9,590.25	2,018.99
Municipal Court					
Salaries and Wages		1,545.37	1,545.37		1,545.37
Other Expenses	233.16	1,774.01	2,007.17	293.16	1,714.01
Land Use Administration					
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning & Zoning Boards					
Salaries and Wages		231.42	231.42		231.42
Other Expenses	84.90	700.06	784.96	67.65	717.31
Public Defender					
Other Expenses		4,999.96	4,999.96		4,999.96
Economic Development Committee					
Other Expenses		323.48	323.48		323.48
<b>INSURANCE</b>					
Unemployment Compensation Insurance		406.70	406.70		406.70
Other Insurance		4,185.14	4,185.14		4,185.14
Workers Compensation Insurance		5,315.86	5,315.86		5,315.86
Group Insurance for Employees		2,309.80	2,309.80		2,309.80
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police					
Salaries and Wages		1,416.23	1,416.23		1,416.23
Other Expenses	16,841.76	75,744.08	92,585.84	14,627.42	77,958.42
Leases -- Police Vehicles		740.62	740.62		740.62
Fire Hydrant Services		300.00	300.00		300.00
Aid to Volunteer Ambulance Association					
Other Expenses	4,209.39	5,205.07	9,414.46	3,905.40	5,509.06
Fire					
Other Expenses	13,398.27	18,149.00	31,547.27	14,087.13	17,460.14
Emergency Responders Stipend Program		10.93	10.93		10.93
<b>PUBLIC WORKS FUNCTIONS</b>					
Office of Emergency Management					
Other Expenses		94.54	94.54		94.54
Road Repairs and Maintenance					
Salaries and Wages		6,318.46	6,318.46	1,660.86	4,657.60
Other Expenses	293.81	13,464.17	13,757.98	258.81	13,499.17

(Continued)

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 2011 Appropriation Reserves  
 For the Year Ended December 31, 2012

	Balance Dec. 31, 2011		Balance After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
<b>PUBLIC WORKS FUNCTIONS (CONT'D)</b>					
Snow Removal					
Salaries and Wages		\$ 2,217.55	\$ 2,217.55		\$ 2,217.55
Other Expenses		5,512.31	5,512.31		5,512.31
Garbage and Trash Removal					
Contractual		5,246.82	5,246.82		5,246.82
Recycling					
Collection - Contractual		5,649.96	5,649.96		5,649.96
Public Buildings and Grounds					
Salaries and Wages		1,264.99	1,264.99		1,264.99
Other Expenses	\$ 5,048.72	4,297.33	9,346.05	\$ 5,660.66	3,685.39
Municipal Garage					
Salaries and Wages		3,242.42	3,242.42		3,242.42
Other Expenses	4,357.97	5,538.96	9,896.93	4,107.17	5,789.76
Gypsy Moth Spraying					
Other Expenses		3.68	3.68		3.68
<b>HEALTH AND HUMAN SERVICES</b>					
Environmental Commission					
Other Expenses		850.00	850.00		850.00
Dog Regulation					
Other Expenses	574.00	1,161.00	1,735.00	1,735.00	
<b>PARK AND RECREATION FUNCTIONS</b>					
Parks and Playgrounds					
Salaries and Wages		674.75	674.75		674.75
Other Expenses	19,566.64	9,028.93	28,595.57	19,297.50	9,298.07
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		1,821.42	1,821.42		1,821.42
Safety Projects	36.66	3,352.44	3,389.10	46.55	3,342.55
<u>State Uniform Construction Code Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		892.31	892.31		892.31
Other Expenses		1,326.99	1,326.99	110.00	1,216.99
<u>Unclassified</u>					
Utilities:					
Electricity		5,717.55	5,717.55		5,717.55
Street Lighting		4,022.70	4,022.70		4,022.70
Telephone and Telegraph		470.28	470.28		470.28
Water		49.00	2,049.00	1,963.53	85.47
Natural Gas		189.44	189.44		189.44
Sewerage Processing and Disposal		11.39	11.39		11.39
Gasoline		60.53	60.53		60.53
Solid Waste Disposal Fees					
Other Expenses	352.30	22,121.58	20,473.88		20,473.88
<b>DEFERRED CHARGES</b>					
<b>AND STATUTORY EXPENDITURES</b>					
Statutory Expenditures:					
Social Security System (O.A.S.I.)		2,559.91	2,559.91		2,559.91
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Solid Waste Disposal Fees					
Recycling Tax		1,080.89	1,080.89		1,080.89
Interlocal Service Agreement					
Matching Funds for Grants		2,500.00	2,500.00		2,500.00
	<b>\$ 75,289.62</b>	<b>\$ 254,737.76</b>	<b>\$ 330,027.38</b>	<b>\$ 85,715.09</b>	<b>\$ 244,312.29</b>
Disbursed				\$ 82,112.59	
Transferred to Accounts Payable				3,602.50	
				<b>\$ 85,715.09</b>	

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011 (2012 Taxes)	\$ 148,960.94
Increased by:	
Receipts -- Collector -- 2013 Taxes	152,264.81
	301,225.75
Decreased by:	
Application to 2012 Taxes Receivable	148,960.94
Balance Dec. 31, 2012 (2013 Taxes)	\$ 152,264.81

**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$ 3.80
Increased by:	
Receipts -- Collector	6,812.65
	6,816.45
Decreased by:	
Refunds - Chief Financial Officer	6,815.43
Balance Dec. 31, 2012	\$ 1.02

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Uniform Construction Code--State Training Fees  
For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$ 1,461.00
Increased by:	
Collections	11,309.00
	12,770.00
Decreased by:	
Payments	10,273.00
Balance Dec. 31, 2012	\$ 2,497.00

**CURRENT FUND**  
Statement of Reserve for Sale of Municipal Assets  
For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$ 37,160.00
Increased by:	
Collections	42,594.00
Balance Dec. 31, 2012	\$ 79,754.00

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2012

Balance Dec. 31, 2011	\$	11,554.85
Increased by:		
County Share of Added / Omitted Taxes		32,687.93
		44,242.78
Decreased by:		
Payments		11,554.85
Balance Dec. 31, 2012	\$	32,687.93

**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2012

Balance Dec. 31, 2011:		
School Tax Payable	\$	1,840,123.25
School Tax Deferred		4,200,000.00
	\$	6,040,123.25
Increased by:		
Levy--School Year July 1, 2012 to June 30, 2013		12,575,018.00
		18,615,141.25
Decreased by:		
Payments		12,327,678.66
Balance Dec. 31, 2012:		
School Tax Payable		2,087,462.59
School Tax Deferred		4,200,000.00
	\$	6,287,462.59
2012 Liability for Local District School Tax:		
Tax Paid	\$	12,327,678.66
Tax Payable Dec. 31, 2012		2,087,462.59
		14,415,141.25
Less: Tax Payable Dec. 31, 2011		1,840,123.25
Amount Charged to 2012 Operations	\$	12,575,018.00

**TOWNSHIP OF WATERFORD**  
**CURRENT FUND**

Statement of Deferred Charges  
 N.J.S.40A:4-55 -- Special Emergency -- Master Plan and Tax Map  
 For the Year Ended December 31, 2012

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Added in 2012</u>	<u>Reduced in 2012</u>	<u>Balance Dec. 31, 2012</u>
11-11-09	Preparation of Master Plan	\$ 25,225.00	\$ 5,045.00	\$ 15,135.00		\$ 5,045.00	\$ 10,090.00
12-14-11	Preparation of Tax Map	195,000.00	39,000.00	195,000.00		39,000.00	156,000.00
				<u>\$ 210,135.00</u>	<u>-</u>	<u>\$ 44,045.00</u>	<u>\$ 166,090.00</u>

**TOWNSHIP OF WATERFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve For Federal and State Grants--Receivable  
For the Year Ended December 31, 2012

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<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
State:				
Clean Communities Grant		\$ 20,462.09	\$ 20,462.09	
Alcohol Education and Rehabilitation		2,752.12	2,752.12	
Drunk Driving Enforcement Grant		4,785.68	4,785.68	
Safe and Secure Communities Program	\$ 55,214.00	60,000.00	92,714.00	\$ 22,500.00
Recycling Tonnage Grant		16,990.24	16,990.24	
Body Armor Replacement Grant		2,338.88	2,338.88	
		<hr/>	<hr/>	
Total Grants	<u>\$ 55,214.00</u>	<u>\$ 107,329.01</u>	<u>\$ 140,043.01</u>	<u>\$ 22,500.00</u>

**TOWNSHIP OF WATERFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve For State Grants--Unappropriated  
For the Year Ended December 31, 2012

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2012 Budget</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
State:				
Clean Communities Grant		\$ 20,462.09	\$ 20,462.09	
Alcohol Education and Rehabilitation Fund		2,752.12	2,752.12	
Drunk Driving Enforcement Grant		4,785.68	4,785.68	
Safe and Secure Communities Program		60,000.00	60,000.00	
Recycling Tonnage Grant		16,990.24	350.91	\$ 16,639.33
Body Armor Replacement Fund	\$ 2,374.56	2,338.88	2,374.56	2,338.88
<b>Total Grants</b>	<b>\$ 2,374.56</b>	<b>\$ 107,329.01</b>	<b>\$ 90,725.36</b>	<b>\$ 18,978.21</b>

**TOWNSHIP OF WATERFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants--Appropriated  
For the Year Ended December 31, 2012

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Transferred</u> <u>from 2012</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Federal Grants:					
Storm Water Regulation	\$ 7,940.57	-	-	-	\$ 7,940.57
State Grants:					
Clean Communities Grant	21,973.44	\$ 20,462.09	\$ 17,237.22	\$ 22.50	25,220.81
Drunk Driving Enforcement Grant	17,882.45	4,785.68	5,813.04		16,855.09
Alcohol Education and Rehabilitation	14,046.82	2,752.12	950.00		15,848.94
Recycling Tonnage Grant	20,080.86	350.91			20,431.77
Safe and Secure Communities Program		164,786.00	160,000.00		4,786.00
Tree Planting Grant	5,163.75		287.84		4,875.91
Body Armor Replacement	980.66	2,374.56	980.66		2,374.56
Total State Grants	80,127.98	195,511.36	185,268.76	22.50	90,393.08
Local Grants:					
County Recycling Rebate Grant	20,159.64		7,264.50		12,895.14
Comcast Technology Grant	17,360.00				17,360.00
Total Local Grants	37,519.64	-	7,264.50	-	30,255.14
Total All Grants	\$ 125,588.19	\$ 195,511.36	\$ 192,533.26	\$ 22.50	\$ 128,588.79
Disbursed			\$ 191,608.26		
Reserve for Encumbrances			925.00		
			<u>\$ 192,533.26</u>		

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF WATERFORD**  
**TRUST FUNDS**  
Statement of Trust Cash  
Per N.J.S.40A:5-5--Chief Financial Officer  
For the Year Ended December 31, 2012

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2011	\$ 643.00	\$ 220,022.55
Increased by Receipts:		
Reserve for Animal Control Fund Expenditures	\$ 6,614.80	
Due Current Fund	11.74	\$ 1,651.36
Due County of Camden -- Municipal Alliance		6,593.99
Due County of Camden -- CDBG		15,212.44
Reserve for Parking Offenses Adjudication Act		46.00
Reserve for Celebration of Public Events		20.32
Reserve for Payroll Deductions Payable		2,213,596.53
Reserve for Net Payroll		2,385,020.33
Reserve for Recreation Contributions		2,175.00
Reserve for Community Development Block Grant		7,624.01
Reserve for Developers' Escrow Deposits		49,776.21
Reserve for Police Outside Services		100,895.00
Reserve for Public Defender		11,935.00
Reserve for Municipal Alliance		7,354.45
Reserve for Forfeited Property		8,791.90
	6,626.54	4,810,692.54
	7,269.54	5,030,715.09
Decreased by Disbursements:		
Due Current Fund	11.74	5,341.24
Reserve for Encumbrances	53.00	
Expenditures Under R.S.4:19-15.11	6,142.00	
Reserve for Maintenance Guarantee		40,444.35
Reserve for Historical Commission		2,422.53
Reserve for Payroll Deductions Payable		2,216,457.92
Reserve for Net Payroll		2,385,020.33
Reserve for Recreation Contributions		5,760.29
Reserve for Developers' Escrow Deposits		57,023.68
Reserve for Community Development Block Grant		26,327.05
Reserve for Police Outside Services		113,955.00
Reserve for Public Defender		8,000.00
Reserve for Municipal Alliance		9,652.90
Reserve for Forfeited Property		8,294.00
	6,206.74	4,878,699.29
Balance Dec. 31, 2012	\$ 1,062.80	\$ 152,015.80

**TOWNSHIP OF WATERFORD**  
**TRUST FUNDS**  
 Statement of Trust Cash  
 Per N.J.S.40A:5-5--Collector  
 For the Year Ended December 31, 2012

		<u>Other Funds</u>
Balance Dec. 31, 2011		\$ 105,150.11
Increased by Receipts:		
Due Current Fund	\$ 814.45	
Contra	113,165.81	
Reserve for Tax Title Lien Redemptions	193,051.38	
Reserve for Premiums Received at Tax Sale	<u>118,700.00</u>	
		<u>425,731.64</u>
		530,881.75
Decreased by Disbursements:		
Due Current Fund	814.45	
Contra	113,165.81	
Reserve for Tax Title Lien Redemptions	187,270.68	
Reserve for Premiums Received at Tax Sale	<u>54,100.00</u>	
		<u>355,350.94</u>
Balance Dec. 31, 2012		<u><u>\$ 175,530.81</u></u>

**ANIMAL CONTROL TRUST FUND**  
 Statement of Reserve For Animal Control Fund Expenditures  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$ 597.00
Increased by:		
Receipts:		
Animal Control Fees Collected	\$ 6,614.80	
Due from Clerk	<u>13.20</u>	
		<u>6,628.00</u>
		7,225.00
Decreased by:		
Expenditures Under R.S.4:19-15.11:		
Disbursements	6,142.00	
Reserve for Encumbrances	<u>125.00</u>	
		<u>6,267.00</u>
Balance Dec. 31, 2012		<u><u>\$ 958.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 2,006.00
2011	<u>2,028.00</u>
	<u><u>\$ 4,034.00</u></u>

**TOWNSHIP OF WATERFORD**  
 TRUST OTHER FUNDS  
 Schedule of Due From Camden County  
 Community Development Block Grant Program  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$ 75,304.10
Increased by:		
Entitlement -- Year 34		34,600.00
		109,904.10
Decreased by:		
Receipts		15,212.44
Balance Dec. 31, 2012		\$ 94,691.66
<u>Analysis of Balance Dec. 31, 2012</u>		<u>Amount</u>
Year 32		\$ 25,491.66
Year 33		34,600.00
Year 34		34,600.00
		\$ 94,691.66

TRUST OTHER FUNDS  
 Statement of Due To Current Fund  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$ 4,035.04
Increased by:		
Chief Financial Officer Receipts:		
Interest Earned -- Current Budget Revenue	\$ 1,651.36	
Collector Receipts:		
Interest Earned -- Current Budget Revenue	814.45	
		2,465.81
Decreased by:		6,500.85
Disbursements:		
Interfund Loans Returned -- Chief Financial Officer	5,341.24	
Interfund Loans Returned -- Collector	814.45	
		6,155.69
Balance Dec. 31, 2012		\$ 345.16

**TOWNSHIP OF WATERFORD**  
**TRUST – OTHER FUND**  
 Statement of Trust Other Reserves  
 For the Year Ended December 31, 2012

Reserve	Balance Dec. 31, 2011	Increased			Decreased			Balance Dec. 31, 2012
		Receipts	Due from Vendors	Entitlements	Contracts Payable and Encumbrance Adjustments	Disbursements	Due to State of NJ - VCOB	
Reserve for Recreation Contributions	\$ 18,882.88	\$ 2,175.00				\$ 5,760.29	\$ 1,818.53	\$ 13,479.06
Reserve for Parking Offenses Adjudication Act	242.00	46.00						288.00
Reserve for Celebration of Public Events	2,809.55	20.32						2,829.87
Reserve for Payroll Deductions Payable	33,329.14	2,213,596.53				2,216,457.92		30,467.75
Reserve for Net Payroll		2,385,020.33				2,385,020.33		
Reserve for Developers' Escrow Deposits	37,208.55	49,776.21				57,023.68	4,978.69	32,693.11
Reserve for Tax Title Lien Redemptions	14,750.11	193,051.38		\$ 7,710.72		187,270.68		20,530.81
Reserve for Premiums Received at Tax Sale	90,400.00	118,700.00				54,100.00		155,000.00
Reserve for Community Development Block Grant	78,307.92	7,624.01		\$ 34,600.00		26,327.05	90,941.25	5,448.63
Reserve for Retention Basin Maintenance	20,000.00							20,000.00
Reserve for Police Outside Services	11,890.00	100,895.00	\$ 3,160.00			113,955.00		1,990.00
Reserve for Public Defender	10,141.05	11,935.00				8,000.00		11,550.00
Reserve for Maintenance Guarantees	46,843.40					40,444.35		6,399.05
Reserve for Municipal Alliance	4,936.60	7,354.45		13,176.00		9,652.90	3,213.19	12,600.96
Reserve for Forfeited Property	20,786.26	8,791.90				8,294.00		21,284.16
Reserve for Uniform Fire Safety Act	50.00					2,422.53		50.00
Reserve for Historic Commission	2,422.53							
Reserve for Encumbrances	10,035.72				(9,895.72)		(10,010.41)	10,150.41
Contracts Payable							(90,941.25)	90,941.25
	<u>\$ 403,035.71</u>	<u>\$ 5,098,986.13</u>	<u>\$ 3,160.00</u>	<u>\$ 47,776.00</u>	<u>\$ -</u>	<u>\$ 5,114,728.73</u>	<u>\$ 2,526.05</u>	<u>\$ 435,703.06</u>

Chief Financial Officer  
 Collector

\$ 4,787,234.75  
311,751.38  
 \$ 5,098,986.13

\$ 4,873,358.05  
241,370.68  
 \$ 5,114,728.73

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Per N.J.S.40A:5-5--Chief Financial Officer  
For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$	136,211.35
Increased by Receipts:			
Due Current Fund	\$	3,764.72	
Capital Improvement Fund		10,000.00	
Bond Anticipation Notes		921,500.00	
Contra		<u>775.00</u>	
			<u>936,039.72</u>
			1,072,251.07
Decreased by Disbursements:			
Improvement Authorizations		238,841.21	
Reserve for Encumbrances		73,810.75	
Contracts Payable		394,717.17	
Due Current Fund		2,933.53	
Reserve for the Payment of Debt - Current Fund		100,000.00	
Contra		<u>775.00</u>	
			<u>811,077.66</u>
Balance Dec. 31, 2012		\$	<u><u>261,173.41</u></u>

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2012

	Balance (Deficit) Dec. 31, 2011	Budget		Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2012
		Appropriation	Anticipation Notes	Bond	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Reserve for Payment of Debt	\$ 205,530.75									\$ 105,530.75
Capital Improvement Fund	1,950.00	\$ 10,000.00						\$ 11,750.00		200.00
Improvement Authorizations:										
05-12.3 Construction of Public Works Building	12,181.92									6,177.92
05-17 Installation of Lighting at Burnt Mill Complex	17,501.37					190.00		5,814.00		17,501.37
09-14.1 Purchase of Public Works Equipment	(250.00)								\$ 250.00	
09-14.2 Road Overlay Program	117,407.74					112,026.43		5,498.64	500.00	382.67
09-14.3 Drainage and Stormwater Management	18,415.07					18,415.07			182.00	182.00
09-14.4 Municipal Building Improvements	(81.00)								1,113.86	1,032.86
11-4.1 Purchase of Public Works Equipment	(63,914.77)		\$	66,500.00						2,585.23
11-4.2 Purchase of Police Vehicles and Equipment	(107,218.14)			114,000.00						6,781.86
11-4.3 Road Overlay, Drainage and Stormwater Projects	7,000.00			133,000.00		42,848.44				97,151.56
11-4.4 Municipal Building Renovations	(264,527.21)			313,500.00		33,725.86		2,829.00	2,090.24	14,508.17
11-4.5 Purchase of Office Equipment	(63,179.91)			99,750.00		8,270.91				28,299.18
11-4.6 Purchase of Fire Department Equipment	(99,750.00)			99,750.00						
11-11 WHP Corridor Redevelopment Project	23,050.00			95,000.00		1,678.00		5,268.14		16,103.86
11-20 Construction of Emergency Services Facility	(94,999.99)					21,686.50		37,438.50	233,500.00	174,375.00
12-12 Drainage and Resurfacing Improvements									8,250.00	8,250.00
12-20 Renovation of Public Works Garage										0.19
Due Current Fund										
Reserve for Encumbrances	74,751.49							831.00		13,701.32
Due EDA Loan	(50,000.00)							365.24		(50,000.00)
Due NJDOT										(230,000.00)
Contracts Payable	402,344.03							230,000.00		48,409.46
Contra								2,939.86	43,722.46	
	\$ 136,211.35	\$ 10,000.00	\$ 921,500.00	\$ 4,539.72	\$ 238,841.21	\$ 572,236.45	\$ 302,734.38	\$ 302,734.38	\$ 261,173.41	

**TOWNSHIP OF WATERFORD**  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation--Funded  
For the Year Ended December 31, 2012

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Balance Dec. 31, 2011		\$ 5,854,376.51
Decreased by:		
2012 Budget Appropriation:		
Serial Bonds	\$ 450,000.00	
Green Acres Loan	<u>36,499.35</u>	
		<u>486,499.35</u>
Balance Dec. 31, 2012		<u>\$ 5,367,877.16</u>

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation--Unfunded  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Ordinance	Balance		Raised in Current Fund Budget	Analysis of Balance Dec. 31, 2012		Unexpended Improvement Authorizations
			Dec. 31, 2011	2012 Authorizations		Dec. 31, 2012	Bond Anticipation Notes	
08-9.3	Cooper Road Sidewalk and Drainage	8-27-08						
09-14.1	Purchase of Public Works Equipment	12-16-09	\$ 250.00		\$ 250.00			
09-14.2	Road Overlay Program	12-16-09	500.00		500.00			
09-14.4	Municipal Building Improvements	12-16-09	81.00		81.00			
11-4.1	Purchase of Public Works Equipment	6-22-11	66,500.00			\$ 66,500.00		
11-4.2	Purchase of Police Vehicles and Equipment	6-22-11	114,000.00			114,000.00		
11-4.3	Road Overlay, Drainage and Stormwater Projects	6-22-11	133,000.00			133,000.00		
11-4.4	Municipal Building Renovations	6-22-11	313,500.00			313,500.00		
11-4.5	Purchase of Office Equipment	6-22-11	99,750.00			99,750.00		
11-4.6	Purchase of Fire Department Equipment	6-22-11	99,750.00			99,750.00		
11-11	WHP Corridor Redevelopment Project	8-24-11						
11-20	Construction of Emergency Services Facility	11-21-11	95,000.00			95,000.00		
12-12	Drainage and Resurfacing Improvements	9-12-12		\$ 66,500.00		66,500.00		\$ 66,500.00
12-20	Renovation of Public Works Garage	12-19-12		156,750.00		156,750.00		156,750.00
			<u>\$ 922,331.00</u>	<u>\$ 223,250.00</u>	<u>\$ 831.00</u>	<u>\$ 1,144,750.00</u>	<u>\$ 921,500.00</u>	<u>\$ 223,250.00</u>
Improvement Authorizations Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Note:								
Ordinance 09-14.2								
Ordinance 11-4.1							\$ 382.67	
Ordinance 11-4.2							2,585.23	
Ordinance 11-4.3							6,781.86	
Ordinance 11-4.4							97,151.56	
Ordinance 11-4.5							14,508.17	
Ordinance 11-11							28,299.18	
Ordinance 11-20							16,103.86	
Ordinance 11-20							0.01	
							<u>165,812.54</u>	
								<u>\$ 223,250.00</u>

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Contracts Payable  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$ 402,344.03
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		43,722.46
		446,066.49
Decreased by:		
Disbursements	\$ 394,717.17	
Canceled	2,939.86	
		397,657.03
Balance Dec. 31, 2012		\$ 48,409.46

Schedule of Contracts Payable Dec. 31, 2012

<u>Vendor:</u>	<u>Ordinance Number</u>	<u>Amount</u>
CME Associates	12-12	\$ 37,438.50
MJJ Construction	11-4.4	7,516.00
Jade Construction, Inc.	09-14.2	3,454.96
		\$ 48,409.46

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Due To Current Fund  
 For the Year Ended December 31, 2012

Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 2,933.53	
Interfund Loans Advanced	831.19	
		\$ 3,764.72
Decreased by:		
Disbursements -- Interfund Loans Returned	2,933.53	
Deferred Charges Raised in Current Fund Budget	831.00	
		3,764.53
Balance Dec. 31, 2012		\$ 0.19

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2012

2012 Authorizations

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2011		Capital Improvement Fund	New Jersey Department of Transportation	Deferred Charges Unfunded	Paid or Charged	Increased	Balance Dec. 31, 2012	
				Funded	Unfunded						Funded	Unfunded
05-12.3	Construction of Public Works Building	7-13-05	\$ 200,000.00	\$ 12,181.92					\$ 6,004.00	\$	6,177.92	
05-17	Installation of Lighting at Burnt Mill Complex	9-28-05	100,000.00	17,501.37							17,501.37	
09-14.2	Road Overlay Program	12-16-09	150,000.00	117,407.74	\$ 500.00				117,525.07		182.00	\$ 382.67
09-14.3	Drainage and Stormwater Management	12-16-09	100,000.00	18,415.07					18,415.07	\$		
09-14.4	Municipal Building Improvements	12-16-09	106,000.00							1,032.86	1,032.86	
11-4.1	Purchase of Public Works Equipment	6-22-11	70,000.00		2,585.23							2,585.23
11-4.2	Purchase of Police Vehicles and Equipment	6-22-11	120,000.00		6,781.86							6,781.86
11-4.3	Road Overlay, Drainage and Stormwater Projects	6-22-11	140,000.00	7,000.00	133,000.00				42,848.44			97,151.56
11-4.4	Municipal Building Renovations	6-22-11	330,000.00		48,972.79				36,554.86	2,090.24		14,508.17
11-4.5	Purchase of Office Equipment	6-22-11	105,000.00		36,570.09				8,270.91			28,299.18
11-11	WHP Corridor Redevelopment Project	8-24-11	50,000.00						6,946.14			16,103.86
11-20	Construction of Emergency Services Facility	11-21-11	100,000.00		0.01							0.01
12-12	Drainage and Resurfacing Improvements	9-12-12	300,000.00	23,050.00		\$ 3,500.00	\$ 230,000.00	\$ 66,500.00	59,125.00		174,375.00	66,500.00
12-20	Renovation of Public Works Garage	12-19-12	165,000.00			8,250.00		156,750.00			8,250.00	156,750.00
				<u>\$ 195,556.10</u>	<u>\$ 228,409.98</u>	<u>\$ 11,750.00</u>	<u>\$ 230,000.00</u>	<u>\$ 223,250.00</u>	<u>\$ 295,689.49</u>	<u>\$ 3,305.10</u>	<u>\$ 207,519.15</u>	<u>\$ 389,062.54</u>

Reserve for Encumbrances  
 Disbursed \$ 13,125.82  
 Contracts Payable 238,841.21  
43,722.46

Reserve for Encumbrances Canceled  
 Contracts Payable Canceled \$ 295,689.49

\$ 365.24  
2,939.86  
\$ 3,305.10

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Payment of Debt  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$	205,530.75
Decreased by:		
Disbursements -- Realized as Current Fund Budget Revenue		100,000.00
Balance Dec. 31, 2012	\$	105,530.75

**Exhibit SC-9**

**GENERAL CAPITAL FUND**  
 Statement of Reserve For Encumbrances  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$	74,751.49
Increased by:		
Charges to Improvement Authorizations		13,125.82
		87,877.31
Decreased by:		
Canceled Disbursements	\$	365.24
		73,810.75
		74,175.99
Balance Dec. 31, 2012	\$	13,701.32

**Exhibit SC-10**

**GENERAL CAPITAL FUND**  
 Statement of Capital Improvement Fund  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011	\$	1,950.00
Increased by:		
Receipt from Current Fund - Budget Appropriations		10,000.00
		11,950.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		11,750.00
Balance Dec. 31, 2012	\$	200.00



**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Issued for Cash	Decreased	Balance Dec. 31, 2012
11-4.1	Purchase of Public Works Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%		\$ 66,500.00		\$ 66,500.00
11-4.2	Purchase of Police Vehicles and Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%		114,000.00		114,000.00
11-4.3	Road Overlay, Drainage and Stormwater Projects	3/28/2012	3/28/2012	3/27/2013	0.90%		133,000.00		133,000.00
11-4.4	Municipal Building Renovations	3/28/2012	3/28/2012	3/27/2013	0.90%		313,500.00		313,500.00
11-4.5	Purchase of Office Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%		99,750.00		99,750.00
11-4.6	Purchase of Fire Department Equipment	3/28/2012	3/28/2012	3/27/2013	0.90%		99,750.00		99,750.00
11-20	Construction of Emergency Services Facility	3/28/2012	3/28/2012	3/27/2013	0.90%		95,000.00		95,000.00
						-	\$ 921,500.00	-	\$ 921,500.00

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Green Acres Loan  
 For the Year Ended December 31, 2012

Purpose	Date of Issue	Loan Amount	Payment Schedule Date	Payment Schedule Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Paid by Budget Appropriation	Balance Dec. 31, 2012
Burnt Mill Road	12-24-08	\$ 532,509.38	3-24-2013	\$ 18,523.87	2.000%				
			9-24-2013	18,709.11	2.000%				
			3-24-2014	18,896.20	2.000%				
			9-24-2014	19,085.16	2.000%				
			3-24-2015	19,276.01	2.000%				
			9-24-2015	19,468.77	2.000%				
			3-24-2016	19,663.46	2.000%				
			9-24-2016	19,860.10	2.000%				
			3-24-2017	20,058.70	2.000%				
			9-24-2017	20,259.28	2.000%				
			3-24-2018	20,461.88	2.000%				
			9-24-2018	20,666.50	2.000%				
			3-24-2019	20,873.16	2.000%				
			9-24-2019	21,081.89	2.000%				
			3-24-2020	21,292.71	2.000%				
			9-24-2020	21,505.64	2.000%				
			3-24-2021	21,720.69	2.000%				
			9-24-2021	21,937.90	2.000%				
			3-24-2022	22,157.28	2.000%				
			9-24-2022	22,378.85	2.000%				
						\$ 444,376.51		\$ 36,499.35	\$ 407,877.16
						\$ 444,376.51	-	\$ 36,499.35	\$ 407,877.16

**TOWNSHIP OF WATERFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2011	2012 Authorizations	Raised in		Notes Issued	Balance Dec. 31, 2012
					Current Fund Budget	Budget		
General Improvements:								
09-14.1	Purchase of Public Works Equipment	12-16-09	\$ 250.00		\$ 250.00			
09-14.2	Road Overlay Program	12-16-09	500.00		500.00			
09-14.4	Municipal Building Improvements	12-16-09	81.00		81.00			
11-4.1	Purchase of Public Works Equipment	6-22-11	66,500.00			\$ 66,500.00		
11-4.2	Purchase of Police Vehicles and Equipment	6-22-11	114,000.00			114,000.00		
11-4.3	Road Overlay, Drainage and Stormwater Projects	6-22-11	133,000.00			133,000.00		
11-4.4	Municipal Building Renovations	6-22-11	313,500.00			313,500.00		
11-4.5	Purchase of Office Equipment	6-22-11	99,750.00			99,750.00		
11-4.6	Purchase of Fire Department Equipment	6-22-11	99,750.00			99,750.00		
11-20	Construction of Emergency Services Facility	11-21-11	95,000.00	\$ 66,500.00			95,000.00	
12-12	Drainage and Resurfacing Improvements	9-12-12		156,750.00				
12-20	Renovation of Public Works Garage	12-19-12						
			<u>\$ 922,331.00</u>	<u>\$ 223,250.00</u>	<u>\$ 831.00</u>	<u>\$ 921,500.00</u>	<u>\$ 66,500.00</u>	<u>\$ 223,250.00</u>
								<u>\$ 156,750.00</u>

**SUPPLEMENTAL EXHIBITS**  
**WATER / SEWER UTILITY FUND**

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY FUNDS**  
 Statement of Sewer Utility Cash  
 Per N.J.S.40A:5-5--Chief Financial Officer  
 For the Year Ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2011	\$ 84,861.81	\$ 460,819.42
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 1,043.97	
Received from Utility Collector	1,189,289.95	
Refund of 2012 Budget Appropriations	1,468.40	
Capital Improvement Fund		\$ 3,500.00
Due Current Fund	13,455.28	
Due Water / Sewer Utility Capital Fund	2,840.12	
Due Water / Sewer Utility Operating Fund		2,840.12
Contra	<u>98.74</u>	
	<u>1,208,196.46</u>	<u>6,340.12</u>
	1,293,058.27	467,159.54
Decreased by Disbursements:		
2012 Budget Appropriations	903,918.12	
2011 Appropriation Reserves	16,462.04	
Accrued Interest on Bonds and Loans	133,494.67	
Due Water / Sewer Utility Operating Fund		2,840.12
Improvement Authorizations		30,575.10
Reserve for Encumbrances		2,242.50
Contra	<u>98.74</u>	
	<u>1,053,973.57</u>	<u>35,657.72</u>
Balance Dec. 31, 2012	<u><u>\$ 239,084.70</u></u>	<u><u>\$ 431,501.82</u></u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY FUND**  
 Statement of Sewer Utility Cash  
 Per N.J.S.40A:5-5--Collector  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011		\$	2,730.94
Receipts:			
Water Rents Receivable	\$	465,795.09	
Sewer Rents Receivable		569,527.56	
Water Overpayments		393.12	
Sewer Overpayments		1,259.29	
Water Connection Fees		26,205.00	
Sewer Connection Fees		96,495.00	
Water Miscellaneous Revenue		16,830.05	
Sewer Miscellaneous Revenue		11,535.29	
Miscellaneous Revenue Not Anticipated		269.95	
Due From Bank		2,162.35	
Contra		<u>574.96</u>	
			<u>1,191,047.66</u>
			1,193,778.60
Decreased by Disbursements:			
Payments to Chief Financial Officer	1,189,289.95		
Due From Bank		2,343.19	
Contra		<u>574.96</u>	
			<u>1,192,208.10</u>
Balance Dec. 31, 2012		\$	<u><u>1,570.50</u></u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Sewer Utility Capital Cash and Investments  
 For the Year Ended December 31, 2012

	Receipts		Disbursements		Transfers		Balance (Overdraft) Dec. 31, 2012
	Balance (Overdraft) Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	From	To	
Improvement Authorizations:							
06-7, 06-11.3 Sewer System Upgrades	\$ 83,049.16						\$ 83,049.16
06-7, 06-11.4 Utility Department Equipments	225,628.47				\$ 158,700.00		66,928.47
07-13.2 Sewer System Improvements	39,239.73						39,239.73
07-13.3 Utility Department Equipments	21,568.17	\$ 8,562.33					13,005.84
08-9 Sewer System Improvements	38,166.02	5,787.94			5,390.59		26,987.49
09-14 Water System Improvements	39,812.67	16,224.83					23,587.84
Capital Improvement Fund		\$ 3,500.00					3,500.00
Due Water / Sewer Utility Operating Fund	11,112.70	\$ 2,840.12		\$ 2,840.12		\$ 11,000.00	11,000.00
Reserve for Payment of Debt					11,000.00		112.70
Contracts Payable	2,242.50						158,700.00
Reserve for Encumbrances				2,242.50			5,390.59
	<u>\$ 460,819.42</u>	<u>\$ 3,500.00</u>	<u>\$ 2,840.12</u>	<u>\$ 30,575.10</u>	<u>\$ 175,090.59</u>	<u>\$ 175,090.59</u>	<u>\$ 431,501.82</u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY OPERATING FUND**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2012**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2011	\$ 3,411.96	\$ 31,415.11	\$ 34,827.07
Increased by:			
Rents Levied	<u>468,799.60</u>	<u>577,892.13</u>	<u>1,046,691.73</u>
	472,211.56	609,307.24	1,081,518.80
Decreased by:			
Collections	465,795.09	569,527.56	1,035,322.65
Canceled		614.26	614.26
Overpayments Applied	<u>723.25</u>	<u>2,586.36</u>	<u>3,309.61</u>
	<u>466,518.34</u>	<u>572,728.18</u>	<u>1,039,246.52</u>
Balance Dec. 31, 2012	<u>\$ 5,693.22</u>	<u>\$ 36,579.06</u>	<u>\$ 42,272.28</u>

## Exhibit SD-5

**WATER & SEWER UTILITY OPERATING FUND**  
**Statement of Water & Sewer Overpayments**  
**For the Year Ended December 31, 2012**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2011	\$ 490.52	\$ 2,070.37	\$ 2,560.89
Increased by:			
Receipts	<u>393.12</u>	<u>1,259.29</u>	<u>1,652.41</u>
	883.64	3,329.66	4,213.30
Decreased by:			
Overpayments Applied	<u>723.25</u>	<u>2,586.36</u>	<u>3,309.61</u>
Balance Dec. 31, 2012	<u>\$ 160.39</u>	<u>\$ 743.30</u>	<u>\$ 903.69</u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital Authorized and Uncompleted  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance Amount	2012 Authorizations		Costs to Fixed Capital	Improvement Authorization Canceled	Balance Dec. 31, 2012
				Balance Dec. 31, 2011	Deferred Charges to Future Revenue			
06-7; 06-11.3	Sewer System Upgrades	8-23-06	\$ 100,000.00	\$ 100,000.00				\$ 100,000.00
06-7; 06-11.4	Utility Department Equipments	8-23-06	295,000.00	283,887.30				283,887.30
07-13.2	Sewer System Improvements	7-11-07	40,000.00	40,000.00				40,000.00
07-13.3	Utility Department Equipments	7-11-07	25,000.00	25,000.00				25,000.00
08-9	Sewer System Improvements	8-27-08	50,000.00	50,000.00				50,000.00
09-14	Water System Improvements	12-16-09	85,000.00	85,000.00				85,000.00
				<u>\$ 583,887.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 583,887.30</u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2012**

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<b>Sewer Utility:</b>			
Land	\$ 37,859.79		\$ 37,859.79
Buildings	50,751.30		50,751.30
Collection System	1,534,588.17		1,534,588.17
Pump Stations	2,235,117.84		2,235,117.84
Sewer Mains	213,575.42		213,575.42
Tractor	6,629.18		6,629.18
Trash Pump	5,280.00		5,280.00
Submersible Pumps	28,095.00		28,095.00
Storage Tank	14,402.00		14,402.00
Vehicles	61,838.35		61,838.35
Jet Truck	8,000.00		8,000.00
Office Equipment	19,523.62		19,523.62
	<u>4,215,660.67</u>	<u>-</u>	<u>4,215,660.67</u>
<b>Water Utility:</b>			
Land	6,681.14		6,681.14
Buildings	8,956.11		8,956.11
Water Mains	4,355,803.75		4,355,803.75
Treatment Plants	1,584,266.79		1,584,266.79
Water Tank	1,661,878.57		1,661,878.57
Tractor	1,169.86		1,169.86
Vehicles	10,912.65		10,912.65
Office Equipment	47,558.78		47,558.78
	<u>7,677,227.65</u>	<u>-</u>	<u>7,677,227.65</u>
<b>Total Fixed Capital</b>	<u>\$ 11,892,888.32</u>	<u>-</u>	<u>\$ 11,892,888.32</u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds and Notes and Analysis of Balance  
 For the Year Ended December 31, 2012

Balance Dec. 31, 2011	\$ 58,008.95
Increased by:	
Charges to Budget Appropriations	118,336.10
	176,345.05
Decreased by:	
Interest Paid:	
Utility Operating Fund	133,494.67
Balance Dec. 31, 2012	\$ 42,850.38

Analysis of Accrued Interest Dec. 31, 2012

<u>Principal Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 945,000.00	Various	11/1/12	12/31/12	61 Days	\$ 7,041.48
616,000.00	Various	7/15/12	12/31/12	170 Days	10,152.78
					17,194.26
Environmental Infrastructure Loans:					
820,957.08	Various	8/1/12	12/31/12	153 Days	17,568.50
380,203.04	Various	8/1/12	12/31/12	153 Days	8,087.62
					25,656.12
					\$ 42,850.38

**WATER & SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
 For the Year Ended December 31, 2012

	Balance Dec. 31, 2011		Total	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 1,488.57	\$ 1,488.57		\$ 1,488.57
Other Expenses	\$ 16,462.04	7,580.40	24,042.44	\$ 16,462.04	7,580.40
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation		301.43	301.43		301.43
Social Security System (O.A.S.I.)		1,011.32	1,011.32		1,011.32
	\$ 16,462.04	\$ 10,381.72	\$ 26,843.76	\$ 16,462.04	\$ 10,381.72

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance Amount	2012 Authorizations		Deferred Charges to Future Revenue	Paid or Charged	Improvement Authorizations Canceled	Balance	
				Balance Dec. 31, 2011					Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
06-7; 06-11.2	Water Plant Upgrades	8/23/06	\$ 20,000.00							
06-7; 06-11.3	Sewer System Upgrades	8/23/06	100,000.00							
06-7; 06-11.4	Utility Department Equipment	8/23/06	295,000.00			\$ 158,700.00				
07-13.2	Sewer System Improvements	7/11/07	40,000.00							
07-13.3	Utility Department Equipment	7/11/07	25,000.00			8,562.33				
08-9	Sewer System Improvements	8/27/08	50,000.00			11,178.53				
09-14	Water System Improvements	12/16/09	85,000.00			16,224.83				
						\$ 194,665.69				\$ 252,798.53
						\$ 30,575.10				
						158,700.00				
						5,390.59				
						\$ 194,665.69				

Disbursed  
 Contacts Payable  
 Reserve for Encumbrances

**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Deferred Reserve for Amortization  
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Ordinance	Balance		Fixed Capital Authorized	Transferred to Reserve for Amortization	Balance Dec. 31, 2012
			Dec. 31, 2011	Dec. 31, 2012			
07-13.2	Sewer System Improvements	7/11/07	\$ 2,000.00				\$ 2,000.00
07-13.3	Utility Department Equipment	7/11/07	1,250.00				1,250.00
			\$ 3,250.00				\$ 3,250.00

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Reserve for Amortization  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011		\$ 8,526,084.48
Increased by:		
Serial Bonds Paid by Operating Budget	\$ 130,000.00	
Loans Paid by Operating Budget	<u>282,212.19</u>	
		<u>412,212.19</u>
Balance Dec. 31, 2012		<u>\$ 8,938,296.67</u>

## Exhibit SD-13

**WATER & SEWER UTILITY OPERATING FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2012

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Balance Dec. 31, 2011		\$ 16,603.54
Increased by:		
Transferred from 2012 Budget Appropriations		<u>5,918.77</u>
		22,522.31
Decreased by:		
Transferred to Appropriation Reserves		<u>16,462.04</u>
Balance Dec. 31, 2012		<u>\$ 6,060.27</u>

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Sewer Serial Bonds  
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
			<u>Outstanding Date</u>	<u>Amount</u>					
2004 Refunding Bonds	5-15-04	\$ 1,765,000.00	5-1-2013	\$ 115,000.00	4.00%				
			5-1-2014	125,000.00	4.125%				
			5-1-2015	130,000.00	4.25%				
			5-1-2016	135,000.00	4.375%				
			5-1-2017	140,000.00	4.50%				
			5-1-2018	145,000.00	4.625%				
			5-1-2019	155,000.00	4.75%	\$ 1,065,000.00		\$ 120,000.00	\$ 945,000.00
2010 Serial Bonds	6-10-10	636,000.00	7-15-2013	10,000.00	3.00%				
			7-15-2014	10,000.00	3.00%				
			7-15-2015	20,000.00	3.00%				
			7-15-2016	30,000.00	3.00%				
			7-15-2017	30,000.00	3.25%				
			7-15-2018	30,000.00	3.50%				
			7-15-2019	30,000.00	3.50%				
			7-15-2020	75,000.00	3.50%				
			7-15-2021	75,000.00	3.50%				
			7-15-2022	100,000.00	3.50%				
			7-15-2023	100,000.00	3.60%				
			7-15-2024	106,000.00	3.75%				
						626,000.00		10,000.00	616,000.00
						\$ 1,691,000.00	-	\$ 130,000.00	\$ 1,561,000.00

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Environmental Infrastructure Loans  
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
2001A Fund Loan	11-8-01	\$ 1,342,670.00	2-1-2013	\$ 13,737.85	N/A				
			8-1-2013	62,153.18	N/A				
			2-1-2014	12,406.42	N/A				
			8-1-2014	64,049.45	N/A				
			2-1-2015	11,115.35	N/A				
			8-1-2015	65,986.06	N/A				
			2-1-2016	9,743.58	N/A				
			8-1-2016	67,841.98	N/A				
			2-1-2017	8,291.12	N/A				
			8-1-2017	69,617.21	N/A				
			2-1-2018	6,757.97	N/A				
			8-1-2018	71,311.75	N/A				
			2-1-2019	5,144.12	N/A				
			8-1-2019	72,925.59	N/A				
			2-1-2020	3,449.59	N/A				
			8-1-2020	49,892.01	N/A	\$ 672,977.10		\$ 78,553.87	\$ 594,423.23
2001A Trust Loan	11-8-01	1,440,000.00	8-1-2013	75,000.00	5.50%				
			8-1-2014	80,000.00	5.00%				
			8-1-2015	80,815.98	5.00%				
			8-1-2016	85,580.03	5.00%				
			8-1-2017	90,328.51	5.00%				
			8-1-2018	95,072.65	5.00%				
			8-1-2019	99,905.32	5.00%				
			8-1-2020	104,703.57	4.75%				
			8-1-2021	109,551.02	4.75%	895,957.08		75,000.00	820,957.08

**TOWNSHIP OF WATERFORD**  
**WATER & SEWER UTILITY CAPITAL FUND**  
 Statement of Environmental Infrastructure Loans  
 For the Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012	Interest Rate	Balance Dec. 31, 2011	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2012
2002A Trust Loan	11-7-02	\$ 1,370,000.00						
			8-1-2013	5.25%				
			8-1-2014	5.25%				
			8-1-2015	5.00%				
			8-1-2016	5.00%				
			8-1-2017	5.00%				
			8-1-2018	5.00%				
			8-1-2019	5.00%				
			8-1-2020	5.00%				
			8-1-2021	5.00%				
			8-1-2022	4.75%	\$ 445,203.04		\$ 65,000.00	\$ 380,203.04
2002A Fund Loan	11-7-02	736,096.00						
			2-1-2013	N/A				
			8-1-2013	N/A				
			2-1-2014	N/A				
			8-1-2014	N/A				
			2-1-2015	N/A				
			8-1-2015	N/A	242,303.92		63,658.32	178,645.60
					\$ 2,256,441.14	-	\$ 282,212.19	\$ 1,974,228.95

**TOWNSHIP OF WATERFORD**  
**PART 2**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**TOWNSHIP OF WATERFORD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2012**

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF WATERFORD**  
**Summary Schedule of Prior Year Audit Findings**  
**And Recommendations as Prepared by Management**

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None.

**TOWNSHIP OF WATERFORD**  
**Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Maryann Merlino	Mayor and Director of Administration	\$1,000,000.00(A)
Robert Critelli Jr.	Deputy Mayor	1,000,000.00(A)
Charles Hamilton	Committeeman	1,000,000.00(A)
William Hurley	Committeeman	1,000,000.00(A)
William Richardson	Committeeman	1,000,000.00(A)
Virginia Chandler	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics	1,000,000.00(A)
Stephen Miller	Certified Municipal Finance Officer	1,000,000.00(A)
Anita Wilson	Tax Collector and Search Clerk	1,000,000.00(A)
Susan Danson	Treasurer and Purchasing Agent	1,000,000.00(B)
John Holroyd, Jr.	Electrical, Fire, and Plumbing Sub Code Official	1,000,000.00(A)
Edward Toussaint	Construction and Building Sub Code Official	1,000,000.00(A)
Krisden McCrink	Judge of Municipal Court	1,000,000.00(A)
Heather Campbell	Court Administrator	1,000,000.00(A)
Kelly Foster	Special Deputy Court Administrator	1,000,000.00(A)
John Knoll	Police Chief and Gun Permit Clerk	1,000,000.00(A)
Theresa Stagliano	Assessor	1,000,000.00(A)
Consulting Municipal Engineers	Engineer	
John Maroccia	Attorney (through April)	
David Patterson	Attorney (from May)	

- (A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a \$1,000.00 per loss deductible through the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.
- (B) Employee was bonded through Selective Insurance Company of America for the first \$50,000.00 of any loss. Any loss in excess of \$50,000.00 is covered by the Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, through the Atlantic County Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Registered Municipal Accountant

