

**TOWNSHIP OF WATERFORD
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2010**

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TOWNSHIP OF WATERFORD
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

INDEPENDENT AUDITOR'S REPORT

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

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, 2010 and 2009, 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, 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

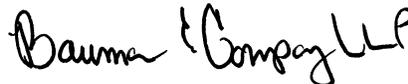
In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Waterford, in the County of Camden, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above 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, 2010 and 2009, 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, 2010 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.

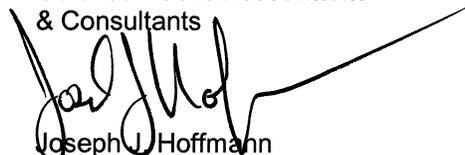
In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2011 on our consideration of the Township of Waterford, in the County of Camden, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Waterford's basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 16, 2011

**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**

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

We have audited the financial statements (regulatory basis) of the Township of Waterford, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 16, 2011, which indicated that the 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. 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.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

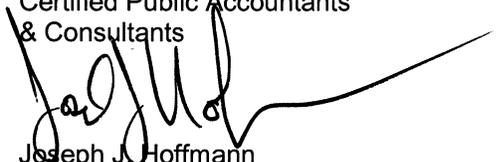
As part of obtaining reasonable assurance about whether the Township of Waterford's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

This report is intended solely for the information and use of the management of the Township, the Division of Local Government Services, Department of Community Affairs, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 16, 2011

TOWNSHIP OF WATERFORD
CURRENT FUND

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Cash--Chief Financial Officer	SA-1	\$ 3,260,353.36	\$ 3,159,892.55
Cash--Collector	SA-2	104,366.75	84,706.67
Cash--Change Fund	SA-3	370.00	370.00
Due from State of New Jersey, Ch. 20, P.L. 1971	SA-4	8,476.29	6,924.90
		<u>3,373,566.40</u>	<u>3,251,894.12</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	593,438.21	653,248.74
Tax Title Liens Receivable	SA-6	407,974.45	377,171.00
Property Acquired for Taxes--Assessed Valuation	SA-14	142,300.00	148,800.00
Property Maintenance Assessments Receivable	SA-6	79,821.98	79,821.98
Revenue Accounts Receivable	SA-7	16,787.49	26,330.51
Due from Bank	SA-2	0.28	0.30
Due from General Capital Fund	SC-6	30,000.00	160,000.00
Due from Trust Other Fund	SB-5	1,197.22	666.24
		<u>1,271,519.63</u>	<u>1,446,038.77</u>
Deferred Charges:			
Special Emergency Appropriation (40A:4-55)	SA-18	20,180.00	25,225.00
		<u>4,665,266.03</u>	<u>4,723,157.89</u>
Federal and State Grant Fund:			
Cash	SA-1	65,638.05	114,454.16
Federal and State Grants Receivable	SA-19	59,037.00	39,432.90
		<u>124,675.05</u>	<u>153,887.06</u>
		<u>\$ 4,789,941.08</u>	<u>\$ 4,877,044.95</u>

(Continued)

TOWNSHIP OF WATERFORD

CURRENT FUND

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2010 and 2009LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 201,214.40	\$ 219,962.45
Reserve for Encumbrances	A-3;SA-8;SA-11	61,233.70	64,120.48
Accounts Payable	SA-9	919.00	
Prepaid Taxes	SA-10	148,176.94	145,323.39
Reserve for Sale of Municipal Assets	SA-15	8,900.00	
Deposit for Sale of Land	SA-1;SA-15	17,100.00	650.00
Tax Overpayments	SA-12	0.01	
Reserve for Revision of Master Plan	SA-11	581.25	25,225.00
Due County for Added and Omitted Taxes	SA-16	12,090.83	26,225.58
Local District School Taxes Payable	SA-17	1,841,511.95	1,836,270.43
Due to State of New Jersey -- State Training Fees	SA-13	2,444.00	698.00
		<u>2,294,172.08</u>	<u>2,318,475.33</u>
Reserves for Receivables and Other Assets	A	1,271,519.63	1,446,038.77
Fund Balance	A-1	<u>1,099,574.32</u>	<u>958,643.79</u>
		<u>4,665,266.03</u>	<u>4,723,157.89</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-20		35,250.54
Appropriated	SA-21	120,444.25	118,286.52
Reserve for Encumbrances	SA-1;SA-21	4,230.80	350.00
		<u>124,675.05</u>	<u>153,887.06</u>
		<u>\$ 4,789,941.08</u>	<u>\$ 4,877,044.95</u>

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

TOWNSHIP OF WATERFORD
CURRENT FUND
 Comparative Statement of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2010 and 2009

<u>Revenue and Other Income Realized</u>	<u>2010</u>	<u>2009</u>
Fund Balance Utilized	\$ 777,000.00	\$ 995,000.00
Miscellaneous Revenues Anticipated	2,336,027.99	2,636,705.31
Receipts from Current Taxes	23,634,338.80	22,669,917.69
Receipts from Delinquent Taxes	650,094.73	545,941.66
Non-Budget Revenue	163,985.25	92,429.41
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	202,630.17	153,620.60
Cancellation of Accounts Payable		3,867.50
Reserve Liquidated -- Due from Utility Operating Fund		36,048.14
Reserve Liquidated -- Due from Bank	0.02	5,909.99
Reserve Liquidated -- Due from Trust Other Fund		35,834.72
Total Income	27,764,076.96	27,175,275.02
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	3,520,407.83	3,641,241.00
Other Expenses	3,344,504.44	3,409,912.00
Deferred Charges and Statutory Expenditures--		
Municipal--Within "CAPS"	775,782.15	767,585.00
Operations--Excluded from "CAPS":		
Salaries and Wages	170,812.56	165,857.21
Other Expenses	479,319.49	405,711.75
Capital Improvements--Excluded from "CAPS"	10,000.00	26,700.00
Municipal Debt Service--Excluded from "CAPS"	617,179.18	584,296.60
Deferred Charges--Municipal--Excluded from "CAPS"	5,045.00	
Judgements--Municipal--Excluded from "CAPS"	119,999.54	344,811.84
County Taxes	5,705,658.10	5,328,551.24
Due County for Added and Omitted Taxes	12,090.83	26,225.58
Local District School Tax	12,083,023.00	11,649,730.65
Prior Year Tax Deductions Disallowed	1,733.33	3,849.23
Refund of Prior Year Revenue	60.00	487.18
Reserve Created -- Due from Trust Other Fund	530.98	
Total Expenditures	26,846,146.43	26,354,959.28
Excess (Deficit) in Revenues	917,930.53	820,315.74
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years		25,225.00
Statutory Excess to Fund Balance	917,930.53	845,540.74
<u>Fund Balance</u>		
Balance Jan. 1	958,643.79	1,108,103.05
	1,876,574.32	1,953,643.79
Decreased by:		
Utilized as Revenue	777,000.00	995,000.00
Balance Dec. 31	\$ 1,099,574.32	\$ 958,643.79

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, 2010

	Anticipated <u>Budget</u>	Special N.J.S. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 777,000.00	-	\$ 777,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,500.00		9,565.00	\$ 65.00
Other	9,000.00		7,706.00	(1,294.00)
Fees and Permits -- Other	24,000.00		36,585.40	12,585.40
Fines and Costs -- Municipal Court	245,000.00		242,156.21	(2,843.79)
Interest and Costs on Taxes	85,000.00		89,672.34	4,672.34
Interest on Investments and Deposits	22,000.00		44,604.16	22,604.16
Energy Receipts Taxes	987,780.00		987,780.00	
Consolidated Municipal Property Tax Relief Aid	129,161.00		128,089.19	(1,071.81)
Garden State Preservation Trust Fund	281,602.00		187,735.00	(93,867.00)
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	60,000.00		128,165.00	68,165.00
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		\$ 21,310.85	21,310.85	
Safe and Secure Communities Program-P.L. 1993, Chapter 20	59,037.00		59,037.00	
Alcohol Education and Rehabilitation Fund		3,519.11	3,519.11	
Recycling Tonnage Grant	25,561.98		25,561.98	
County Recycling Rebate Grant	9,688.56		9,688.56	
Drunk Driving Enforcement Grant		10,812.56	10,812.56	
Body Armor Replacement Fund		3,320.66	3,320.66	
Other Special Items:				
Reserve for Payment of Debt -- General Capital Fund	30,000.00		30,000.00	
Liquidation of General Capital Interfund	160,000.00		130,000.00	(30,000.00)
Summer Camp Fees	40,000.00		66,730.00	26,730.00
Cable TV Franchise Fees	113,988.97		113,988.97	
	2,291,319.51	38,963.18	2,336,027.99	5,745.30
Receipts from Delinquent Taxes	550,000.00		650,094.73	100,094.73
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,424,108.84	-	6,717,874.79	293,765.95
Budget Totals	10,042,428.35	38,963.18	10,480,997.51	399,605.98
Non-Budget Revenue	-	-	163,985.25	163,985.25
	<u>\$ 10,042,428.35</u>	<u>\$ 38,963.18</u>	<u>\$ 10,644,982.76</u>	<u>\$ 563,591.23</u>

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2010

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 23,634,338.80
Allocated to:	
County and School Taxes	17,800,771.93

Balance for Support of Municipal Budget Appropriations	5,833,566.87
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Add: Appropriation "Reserve for Uncollected Taxes"	884,307.92
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Amount for Support of Municipal Budget Appropriations	\$ 6,717,874.79
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Revenue from Delinquent Taxes:

Delinquent Taxes	\$ 649,187.66
Tax Title Liens	907.07

	\$ 650,094.73
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Fees and Permits--Other:

Revenue Accounts Receivable:

Clerk	\$ 16,802.35
Planning Board	3,176.04
Zoning Board	2,305.00
Police Department	7,652.01
Property Maintenance	6,250.00
Tax Collector--Searches	400.00

	\$ 36,585.40
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Miscellaneous Revenue not Anticipated:

Chief Financial Officer:

Senior Citizens and Veterans Administrative Fee	\$ 2,708.03
Miscellaneous Sales and Refunds	1,950.99
Refund of Prior Year Expenditures	15,920.00
DMV Inspection Fees	3,342.00
Insurance Settlement	22,783.05
FEMA Reimbursement	44,704.41
Rental of Municipal Facilities	825.00
Rental of Cell Phone Tower	27,652.84
Police Outside Service Administration Fees	8,972.50
Sale of Recyclable Materials	16,119.87
Cancellation of Outstanding Checks	4,199.99

	\$ 149,178.68
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Tax Collector:

Duplicate Tax Bills	400.00
Copies	650.40
Cost of Sale Fees	13,656.17
Protested Check Fees	100.00

	14,806.57
--	-----------

	\$ 163,985.25
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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, 2010

	<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>				
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
Administration						
Salaries and Wages	\$ 75,800.00	\$ 86,050.00	\$ 86,018.85		\$ 31.15	
Other Expenses	2,575.00	2,575.00	2,005.81	\$ 525.00	44.19	
Postage	18,000.00	18,000.00	16,603.34		1,396.66	
Office Supplies and Equipment Maintenance	30,700.00	30,700.00	24,419.53	312.27	5,968.20	
Township Committee						
Salaries and Wages	20,400.00	20,400.00	20,395.70		4.30	
Other Expenses	2,550.00	2,550.00	2,319.64		230.36	
Municipal Clerk						
Salaries and Wages	104,300.00	111,950.00	111,871.67		78.33	
Other Expenses	11,550.00	11,550.00	10,211.41	60.00	1,278.59	
Elections						
Salaries and Wages	500.00	500.00	381.32		118.68	
Other Expenses	5,300.00	5,300.00	4,237.47		1,062.53	
Financial Administration						
Salaries and Wages	118,100.00	121,100.00	120,987.87		112.13	
Other Expenses	26,000.00	27,350.00	25,833.71	445.88	1,070.41	
Audit Services						
Other Expenses	37,000.00	37,000.00	37,000.00			
Collection of Taxes						
Salaries and Wages	60,359.50	85,709.50	85,610.65		98.85	
Other Expenses	5,355.00	7,855.00	7,349.05		505.95	
Assessment of Taxes						
Salaries and Wages	36,795.00	36,545.00	36,473.41		71.59	
Other Expenses	13,998.00	6,998.00	4,276.58	1,260.00	1,461.42	
Legal Services and Costs						
Other Expenses	82,000.00	98,500.00	87,797.29	406.25	10,296.46	
Engineering Services and Costs						
Other Expenses	30,000.00	34,000.00	28,829.99	4,209.00	961.01	
Municipal Court						
Salaries and Wages	93,159.16	95,159.16	94,964.16	195.00		
Other Expenses	10,300.00	10,300.00	7,775.78	459.09	2,065.13	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	<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>				
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>GENERAL GOVERNMENT FUNCTIONS (CONT'D)</u>						
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning and Zoning Boards						
Salaries and Wages	\$ 97,700.00	\$ 101,550.00	\$ 101,222.48		\$ 327.52	
Other Expenses	11,350.00	10,350.00	9,288.15	\$ 67.25	994.60	
Public Defender						
Other Expenses	8,380.00	330.00	0.03		329.97	
Economic Development Committee						
Other Expenses	20,000.00	8,150.00		8,000.00	150.00	
<u>INSURANCE</u>						
Unemployment Compensation Insurance	12,900.00	12,900.00	12,776.75		123.25	
Other Insurance	125,296.00	125,296.00	125,296.00			
Workers Compensation Insurance	292,453.00	291,253.00	291,203.00		50.00	
Group Insurance for Employees	892,580.44	892,580.44	865,247.88	867.60	6,464.96	\$ 20,000.00
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police						
Salaries and Wages	1,941,170.97	1,941,170.97	1,870,718.20		20,452.77	50,000.00
Other Expenses	71,607.00	71,607.00	44,035.61	6,131.98	21,439.41	
Leases -- Police Vehicles	62,100.00	55,250.00	55,100.42		149.58	
Fire Hydrant Services						
	18,000.00	17,700.00	17,700.00			
Aid to Volunteer Ambulance Association						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	32,350.00	32,350.00	22,060.58	760.61	9,528.81	
Fire						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	72,400.00	72,400.00	43,722.18	3,428.76	25,249.06	
Emergency Responders Stipend Program						
	19,000.00	19,000.00	18,915.20	20.00	64.80	
Municipal Prosecutor						
Other Expenses	16,750.00	15,000.00	14,999.00		1.00	
Office of Emergency Management						
Other Expenses	750.00	750.00	50.00		700.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance						
Salaries and Wages	426,973.20	430,973.20	430,717.89		255.31	
Other Expenses	44,860.00	24,860.00	22,334.50	1,574.85	950.65	
Snow Removal						
Salaries and Wages	22,500.00	22,500.00	21,429.04		1,070.96	
Other Expenses	40,000.00	40,000.00	27,218.29	6,256.52	6,525.19	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	<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>				
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC WORKS FUNCTIONS (CONT'D)</u>						
Garbage and Trash Removal						
Contractual	\$ 365,000.00	\$ 374,000.00	\$ 350,299.07		\$ 8,700.93	\$ 15,000.00
Recycling						
Collection-Contractual	245,500.00	226,500.00	223,466.67		3,033.33	
Public Buildings and Grounds						
Salaries and Wages	93,200.00	93,200.00	91,691.24		1,508.76	
Other Expenses	40,900.00	43,400.00	30,861.87	\$ 10,692.82	1,845.31	
Municipal Garage						
Salaries and Wages	126,700.00	127,900.00	127,819.34		80.66	
Other Expenses	98,500.00	77,500.00	66,906.88	1,641.67	8,951.45	
<u>HEALTH AND HUMAN SERVICES</u>						
Board of Health						
Salaries and Wages	2,000.00	2,000.00			2,000.00	
Environmental Commission						
Salaries and Wages	2,350.00	700.00	695.82		4.18	
Other Expenses	1,050.00	1,050.00	121.50	928.50		
Dog Regulation						
Other Expenses	24,000.00	24,700.00	22,825.82	1,440.00	434.18	
<u>PARK AND RECREATION FUNCTIONS</u>						
Parks and Playgrounds						
Salaries and Wages	152,000.00	161,900.00	153,179.47		8,720.53	
Other Expenses	56,500.00	38,600.00	31,957.13	650.00	5,992.87	
Senior Citizens Activity						
Other Expenses	4,500.00	4,500.00	4,500.00			
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	5,000.00	5,000.00	3,711.71		1,288.29	
Safety Projects	2,000.00	6,000.00	1,792.48	4,191.43	16.09	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	<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>				
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>State Uniform Construction Code Appropriations Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	\$ 111,100.00	\$ 111,100.00	\$ 109,784.03		\$ 1,315.97	
Other Expenses	5,400.00	3,300.00	990.91		2,309.09	
<u>Unclassified</u>						
<u>Utilities:</u>						
Electricity	77,200.00	85,100.00	85,039.69	\$ 46.12	14.19	
Street Lighting	102,400.00	100,700.00	99,759.19	79.38	861.43	
Telephone and Telegraph	13,400.00	18,000.00	16,584.79		1,415.21	
Water	2,400.00	2,900.00	2,806.13		93.87	
Natural Gas	38,100.00	33,100.00	24,948.18	4,107.47	4,044.35	
Sewerage Processing and Disposal	2,300.00	2,900.00	2,562.89		337.11	
Gasoline	90,500.00	103,800.00	93,480.07		10,319.93	
Solid Waste Disposal Fees						
Other Expenses	280,000.00	276,000.00	253,297.73		7,702.27	\$ 15,000.00
Total Operations--Within "CAPS"	6,960,862.27	6,964,912.27	6,613,481.04	58,757.45	192,673.78	100,000.00
<u>Detail:</u>						
Salaries and Wages	3,490,107.83	3,555,407.83	3,468,961.14	195.00	36,251.69	50,000.00
Other Expenses	3,470,754.44	3,409,504.44	3,144,519.90	58,562.45	156,422.09	50,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>MUNICIPAL--WITHIN "CAPS"</u>						
<u>Deferred Charges:</u>						
Anticipated Deficit in Water / Sewer Operating Fund	43,000.00	43,000.00	-	-	-	43,000.00
<u>Statutory Expenditures:</u>						
Social Security System (O.A.S.I.)	296,242.15	287,692.15	283,073.33		4,618.82	
Public Employees Retirement System	108,609.00	108,609.00	108,609.00			
Police and Firemans Retirement System	379,481.00	379,481.00	379,481.00			
Total Statutory Expenditures	784,332.15	775,782.15	771,163.33	-	4,618.82	-
Total Operations--Within "CAPS"	827,332.15	818,782.15	771,163.33	-	4,618.82	43,000.00
Total General Appropriations for Municipal Purposes -- Within "CAPS"	7,788,194.42	7,783,694.42	7,384,644.37	58,757.45	197,292.60	143,000.00

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	<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>				
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Insurance						
Employee Group Health	\$ 57,982.00	\$ 57,982.00	\$ 57,982.00			
Maintenance of Free Public Library						
Contribution	310,611.33	310,611.33	310,611.00		\$ 0.33	
Solid Waste Disposal Fees						
Recycling Tax	12,000.00	16,500.00	14,578.53		1,921.47	
Contribution to:						
Police and Firemens Retirement System	25,573.00	25,573.00	25,573.00			
Public Employees Retirement System	3,252.00	3,252.00	3,252.00			
<u>Public and Private Programs Off-Set by Revenues</u>						
Alcohol Education & Rehabilitation Fund						
Other Expenses (N.J.S.A. 40A:4-87 \$3,519.11)		3,519.11	3,519.11			
Drunk Driving Enforcement Grant						
Salaries and Wages (N.J.S.A. 40A:4-87 \$10,812.56)		10,812.56	10,812.56			
Clean Communities Grant						
Other Expenses (N.J.S.A. 40A:4-87 \$21,310.85)		21,310.85	21,310.85			
Safe and Secure Communities Program						
Salaries and Wages	160,000.00	160,000.00	160,000.00			
Recycling Tonage Grant						
Other Expenses	25,561.98	25,561.98	25,561.98			
County Recycling Rebate Grant						
Other Expenses	9,688.56	9,688.56	9,688.56			
Body Armor Replacement Fund						
Other Expenses (N.J.S.A. 40A:4-87 \$3,320.66)		3,320.66	3,320.66			
Matching Funds for Grants	2,000.00	2,000.00			2,000.00	
Total Operations--Excluded from "CAPS"	606,668.87	650,132.05	646,210.25	-	3,921.80	-
<u>Detail:</u>						
Salaries and Wages	160,000.00	170,812.56	170,812.56			
Other Expenses	446,668.87	479,319.49	475,397.69		3,921.80	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2010

	<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>				
<u>CAPITAL IMPROVEMENT--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	400,000.00	400,000.00	400,000.00			
Interest on Bonds	148,143.76	148,143.76	148,143.76			
Interest on Notes	31,695.00	31,695.00	23,830.13			\$ 7,864.87
Principal and Interest on Loans	45,205.29	45,205.29	45,205.29			
Total Municipal Debt Service-- Excluded from "CAPS"	625,044.05	625,044.05	617,179.18	-	-	7,864.87
<u>DEFERRED CHARGES:</u>						
Special Emergency Authorizations - 5 Years	5,045.00	5,045.00	5,045.00	-	-	-
<u>JUDGMENTS:</u>						
Judgments	123,168.09	123,168.09	119,999.54	-	-	3,168.55
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	1,369,926.01	1,413,389.19	1,398,433.97	-	\$ 3,921.80	11,033.42
Subtotal General Appropriations	9,158,120.43	9,197,083.61	8,783,078.34	\$ 58,757.45	201,214.40	154,033.42
Reserve for Uncollected Taxes	884,307.92	884,307.92	884,307.92	-	-	-
Total General Appropriation:	<u>\$ 10,042,428.35</u>	<u>\$ 10,081,391.53</u>	<u>\$ 9,667,386.26</u>	<u>\$ 58,757.45</u>	<u>\$ 201,214.40</u>	<u>\$ 154,033.42</u>
Appropriation by 40A:4-87 Adopted Budget		\$ 38,963.18 <u>10,042,428.35</u>				
		<u>\$ 10,081,391.53</u>				
Reserve for Uncollected Taxes			\$ 884,307.92			
Reserve for Federal and State Grants Appropriated			234,213.72			
Special Emergency Authorizations - 5 Years			5,045.00			
Reimbursements			(156,636.45)			
Disbursed			<u>8,700,456.07</u>			
			<u>\$ 9,667,386.26</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, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:			
Cash--Chief Financial Officer	SB-1	\$ 224.00	\$ 3,348.38
Due from Municipal Clerk	SB-1	7.00	25.00
		<u>231.00</u>	<u>3,373.38</u>
Other Funds:			
Cash--Chief Financial Officer	SB-1	123,847.37	104,690.31
Cash--Collector	SB-2	72,903.88	117,500.00
Due from Camden County:			
Municipal Alliance	SB-1;SB-6	16,723.02	15,626.00
Community Development Block Grant Program	SB-4	160,188.21	166,761.75
		<u>373,662.48</u>	<u>404,578.06</u>
		<u>\$ 373,893.48</u>	<u>\$ 407,951.44</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Encumbrances	SB-1		\$ 3,063.20
Reserve for Dog Fund Expenditures	SB-3	\$ 231.00	310.18
		<u>231.00</u>	<u>3,373.38</u>
Other Funds:			
Due Current Fund	SB-5	1,197.22	666.24
Reserve for Recreation Contributions	SB-6	21,405.88	21,405.88
Reserve for Parking Offenses Adjudication Act	SB-6	202.00	180.00
Reserve for Celebration of Public Events	SB-6	2,782.56	2,756.54
Reserve for Payroll Deductions Payable	SB-6	25,601.10	230.12
Reserve for Developers' Escrow Deposits	SB-6	48,987.67	62,317.57
Reserve for Tax Title Lien Redemptions	SB-6	14,203.88	
Reserve for Premiums Received at Tax Sale	SB-6	58,700.00	117,500.00
Reserve for Recycling Funds	SB-6	1,188.59	1,188.59
Reserve for Community Development Block Grant	SB-6	54,936.17	131,325.78
Reserve for Retention Basin Maintenance	SB-6	20,000.00	20,000.00
Reserve for Police Outside Services	SB-6	6,630.00	
Reserve for Public Defender	SB-6	10,185.01	5,679.48
Reserve for Maintenance Guarantees	SB-6	4,270.40	4,270.40
Reserve for Police Donations	SB-6		1,000.00
Reserve for Municipal Alliance	SB-6	13,044.61	12,378.10
Reserve for Forfeited Property	SB-6	18,727.32	18,145.02
Reserve for Uniform Fire Safety Act	SB-6	50.00	50.00
Reserve for Historic Commission	SB-6	2,422.53	2,422.53
Reserve for Encumbrances	SB-6	14,483.68	3,061.81
Contracts Payable	SB-6	54,643.86	
		<u>373,662.48</u>	<u>404,578.06</u>
		<u>\$ 373,893.48</u>	<u>\$ 407,951.44</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, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Cash--Chief Financial Officer	SC-1	\$ 1,104,058.59	\$ 748,918.74
Deferred Charges to Future Taxation:			
Funded	SC-3	6,265,156.68	4,270,231.83
Unfunded	SC-4	831.19	2,430,831.19
Due from State of NJ - Transportation Grant	SC-1	_____	38,000.00
		<u>\$ 7,370,046.46</u>	<u>\$ 7,487,981.76</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 5,785,000.00	\$ 3,755,000.00
Green Acres Loan	SC-11	480,156.68	515,231.83
Bond Anticipation Notes	SC-12		1,750,000.00
Improvement Authorizations:			
Funded	SC-7	655,630.44	146,546.21
Unfunded	SC-7	750.19	977,166.53
Contracts Payable	SC-5	319,314.68	133,814.56
Reserve for Encumbrances	SC-9	8,573.72	3,150.00
Reserve for Payment of Debt	SC-8	65,170.75	31,622.63
Due to Current Fund	SC-6	30,000.00	160,000.00
Capital Improvement Fund	SC-1	25,450.00	15,450.00
		<u>\$ 7,370,046.46</u>	<u>\$ 7,487,981.76</u>

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
For the Years Ended December 31, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Cash--Chief Financial Officer	SD-1	\$ 172,912.87	\$ 71,183.23
Cash--Collector	SD-2	2,190.54	2,428.14
Cash--Change Fund	D	100.00	100.00
Due from Water / Sewer Utility Capital Fund	SD-1	<u> </u>	<u>107,145.26</u>
		<u>175,203.41</u>	<u>180,856.63</u>
Receivables with Full Reserves:			
Utility Liens Receivable	SD-13	7,617.22	6,829.70
Consumer Accounts Receivable	SD-4	<u>33,219.61</u>	<u>26,734.88</u>
		<u>40,836.83</u>	<u>33,564.58</u>
Total Operating Fund		<u>216,040.24</u>	<u>214,421.21</u>
Capital Fund:			
Cash--Chief Financial Officer	SD-1	525,727.24	8,272.93
Fixed Capital	SD-7	11,872,888.32	11,872,888.32
Fixed Capital Authorized and Uncompleted	SD-6	615,000.00	615,000.00
Due from NJ Environmental Protection	SD-1	<u> </u>	<u>9,873.90</u>
Total Capital Fund		<u>13,013,615.56</u>	<u>12,506,035.15</u>
		<u>\$ 13,229,655.80</u>	<u>\$ 12,720,456.36</u>

(Continued)

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
For the Years Ended December 31, 2010 and 2009

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;SD-9	\$ 3,591.60	\$ 79,331.68
Reserve for Encumbrances	D-3;SD-9	6,523.74	5,558.95
Water Rent Overpayments	SD-5	2,085.78	668.22
Sewer Rent Overpayments	SD-5	3,575.65	2,683.09
Accrued Interest on Bonds and Notes	SD-8	60,818.42	54,983.59
Reserve for Escrow Deposits	SD-1	<u>14,562.95</u>	<u>14,578.95</u>
		91,158.14	157,804.48
Reserve for Receivables	D	40,836.83	33,564.58
Fund Balance	D-1	<u>84,045.27</u>	<u>23,052.15</u>
		216,040.24	214,421.21
Total Operating Fund			
		<u>216,040.24</u>	<u>214,421.21</u>
Capital Fund:			
Serial Bonds	SD-14	1,811,000.00	1,280,000.00
NJ Environmental Infrastructure Loan	SD-15	3,063,596.42	3,329,856.19
Improvement Authorizations Funded	SD-10	525,727.24	3,250.00
Improvement Authorizations Unfunded	SD-10		543,751.57
Reserve for Amortization	SD-12	7,610,041.90	7,238,782.13
Deferred Reserve for Amortization	SD-11	3,250.00	3,250.00
Due to Water / Sewer Utility Operating Fund	SD-1		<u>107,145.26</u>
		13,013,615.56	12,506,035.15
Total Capital Fund		<u>13,013,615.56</u>	<u>12,506,035.15</u>
		<u>\$ 13,229,655.80</u>	<u>\$ 12,720,456.36</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, 2010 and 2009

<u>Revenue and Other Income Realized</u>	<u>2010</u>	<u>2009</u>
Fund Balance Realized	\$ 23,000.00	\$ 98,554.74
Water and Sewer Rents	962,051.51	823,110.92
Miscellaneous	26,549.46	127,668.62
Non Budget Revenue	3,992.40	13,378.57
Cancellation of Water and Sewer Overpayments	3,351.31	43.72
Cancellation of Accounts Payable		741.85
Unexpended Balance of Appropriation Reserves	<u>79,392.36</u>	<u>82,049.11</u>
Total Income	<u>1,098,337.04</u>	<u>1,145,547.53</u>
 <u>Expenditures</u>		
Operating	457,895.85	579,717.00
Debt Service	504,151.97	489,594.13
Deferred Charges and Statutory Expenditures	<u>52,296.10</u>	<u>53,229.28</u>
Total Expenditures	<u>1,014,343.92</u>	<u>1,122,540.41</u>
Excess in Revenue	<u>83,993.12</u>	<u>23,007.12</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	83,993.12	23,007.12
 <u>Fund Balance</u>		
Balance Jan. 1	<u>23,052.15</u>	<u>98,599.77</u>
	107,045.27	121,606.89
Utilized as Revenue:		
Water & Sewer Operating Budget	<u>23,000.00</u>	<u>98,554.74</u>
	<u>23,000.00</u>	<u>98,554.74</u>
Balance Dec. 31	<u>\$ 84,045.27</u>	<u>\$ 23,052.15</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, 2010

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	\$ 23,000.00	\$ 23,000.00	
Water Rents	349,500.00	385,852.95	\$ 36,352.95
Sewer Rents	473,500.00	473,500.00	
Water Connection Fees	4,300.00	1,675.00	(2,625.00)
Sewer Connection Fees	2,400.00	7,305.00	4,905.00
Water Miscellaneous	16,189.45	9,577.33	(6,612.12)
Sewer Miscellaneous	6,900.00	7,992.13	1,092.13
Additional Water Rents	41,800.00	41,800.00	
Additional Sewer Rents	64,900.00	60,898.56	(4,001.44)
Anticipated Deficit (Current Fund Budget)	<u>43,000.00</u>		<u>(43,000.00)</u>
 Budget Totals	 1,025,489.45	 1,011,600.97	 (13,888.48)
 Non-Budget Revenue	 <u>-</u>	 <u>3,992.40</u>	 <u>3,992.40</u>
	<u>\$ 1,025,489.45</u>	<u>\$ 1,015,593.37</u>	<u>\$ (9,896.08)</u>

Analysis of Realized Revenues

Water Miscellaneous:

Receipts Collector:

Interest on Delinquent Rents
 Other Miscellaneous Fees

\$ 2,652.33
6,925.00

\$ 9,577.33

Sewer Miscellaneous:

Receipts Collector:

Interest on Delinquent Rents
 Other Miscellaneous Fees

\$ 7,852.13
140.00

\$ 7,992.13

Miscellaneous Revenue Not Anticipated:

Collector:

Miscellaneous

\$ 272.48

Chief Financial Officer:

Interest on Deposits
 Refund of Prior Year Expenditures
 Miscellaneous

1,004.23
 241.00
493.19

\$ 2,010.90

Due from Utility Capital Fund

Interest on Deposits

1,981.50

\$ 3,992.40

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, 2010

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 161,330.68	\$ 161,330.68	\$ 159,032.91		\$ 2,297.77	
Other Expenses	295,765.17	296,565.17	290,007.50	\$ 6,523.74	33.93	
Total Operating	<u>457,095.85</u>	<u>457,895.85</u>	<u>449,040.41</u>	<u>6,523.74</u>	<u>2,331.70</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	105,000.00	105,000.00	105,000.00			
Interest on Bonds	71,269.60	71,269.60	61,485.48			\$ 9,784.12
Environmental Infrastructure Loan Principal and Interest	339,027.90	339,027.90	337,666.49			1,361.41
Total Debt Service	<u>515,297.50</u>	<u>515,297.50</u>	<u>504,151.97</u>	<u>-</u>	<u>-</u>	<u>11,145.53</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	37,300.00	37,300.00	37,300.00			
Unemployment Compensation Insurance	1,000.00	1,200.00	1,180.38		19.62	
Social Security System (O.A.S.I.)	14,796.10	13,796.10	12,555.82		1,240.28	
Total Deferred Charges and Statutory Expenditures	<u>53,096.10</u>	<u>52,296.10</u>	<u>51,036.20</u>	<u>-</u>	<u>1,259.90</u>	<u>-</u>
Total Water & Sewer Utility Appropriations	<u>\$ 1,025,489.45</u>	<u>\$ 1,025,489.45</u>	<u>\$ 1,004,228.58</u>	<u>\$ 6,523.74</u>	<u>\$ 3,591.60</u>	<u>\$ 11,145.53</u>
Disbursed			\$ 871,475.04			
Refunds			(138.66)			
Accrued Interest on Bonds and Notes			132,892.20			
			<u>\$ 1,004,228.58</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, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance <u>Dec. 31, 2010</u>
General Fixed Assets:					
Land	\$ 1,921,600.00				\$ 1,921,600.00
Buildings	1,828,236.91				1,828,236.91
Machinery and Equipment	<u>3,702,370.02</u>	\$ 92,981.68			<u>3,795,351.70</u>
	<u>\$ 7,452,206.93</u>	<u>\$ 92,981.68</u>	<u>-</u>	<u>-</u>	<u>\$ 7,545,188.61</u>
Investment in General Fixed Assets:					
General Capital Fund	<u>\$ 7,452,206.93</u>	<u>\$ 92,981.68</u>	<u>-</u>	<u>-</u>	<u>\$ 7,545,188.61</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, 2010

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 2000 census is 10,494.

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 units 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 offices of these component units 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.

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.

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.

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 overexpenditures 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, 2009 and decreased by the amount deferred at December 31, 2010.

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.

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 township 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 township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, none of the Township's bank balances of \$5,397,624.87 were exposed to custodial credit risk.

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	\$5.111	\$4.925	\$4.771	\$4.760	\$4.484
Apportionment of Tax Rate:					
Municipal	\$1.355	\$1.245	\$1.205	\$1.170	\$1.109
County	1.205	1.088	1.077	1.098	1.102
County Open Space Preservation Trust Fund	.000	.040	.038	.035	.030
Local School	2.551	2.552	2.451	2.457	2.243

Assessed Valuation

2010	\$473,777,254.00
2009	472,982,984.00
2008	471,791,645.00
2007	467,672,601.00
2006	460,067,459.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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%
2007	22,414,297.75	21,853,549.95	97.50%
2006	20,934,726.16	20,453,179.19	97.70%

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>
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%
2007	324,900.02	558,147.65	883,047.67	3.94%
2006	303,944.17	445,568.54	749,512.71	3.58%

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>
2010	29
2009	35
2008	64
2007	64
2006	61

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>
2010	\$142,300.00
2009	148,800.00
2008	148,800.00
2007	148,800.00
2006	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>			
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
2007	25,127.28	4,917.14	782,829.66	812,874.08	784,850.94
2006	35,854.09	---	766,094.43	801,948.52	762,244.22

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>
<u>Current Fund</u>			
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%
2007	1,423,251.32	936,000.00	65.76%
2006	854,980.07	600,000.00	70.18%
<u>Water/Sewer Utility Operating Fund</u>			
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%
2007	280,217.37	225,817.37	80.59%
2006	227,407.55	84,551.25	37.18%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$31,197.22	
Trust-- Other Funds		\$1,197.22
General Capital Fund		30,000.00
Water/Sewer Utility Operating Fund		
Water/Sewer Utility Capital Fund		
	<u>\$31,197.22</u>	<u>\$31,197.22</u>

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. 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>Funded by State</u>	<u>Funded by Township</u>
2010	\$75,497.00	\$73,664.00	\$149,161.00	-	\$ 149,161.00
2009	73,173.00	66,742.00	139,915.00	-	139,915.00
2008	72,411.00	55,803.00	128,214.00	\$ 25,642.80	102,571.20 (1)

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. 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.

(1) Under the provisions of Chapter 108, P.L. 2003 the Township's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Township is paying 100% of the total normal contribution and accrued liability.

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>Funded by State</u>	<u>Funded by Township</u>
2010	\$244,690.00	\$160,364.00	\$405,054.00	-	\$ 405,054.00
2009	222,628.00	144,021.00	366,649.00	-	366,649.00
2008	177,056.00	104,628.00	281,684.00	-	281,684.00

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

(1) Under the provisions of Chapter 108, P.L. 2003 the Township's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Township is paying 100% of the total normal contribution and accrued liability.

Note 9: OTHER POST EMPLOYMENT BENEFITS
Cost-Sharing Multiple Employer Defined Benefit Plan:

Plan Description - The Township contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription drug, and mental health/substance abuse to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy - Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 requires the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning July 1, 1993 with an additional contribution beginning July 1, 1995 to maintain a medical reserve of one half of one percent of the active State payroll.

The State's contribution rate is based on the *annual required contribution (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

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 2010, there were sixteen retired employees who received this benefit resulting in the payment of \$226,697.62 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, 2010, accrued benefits for compensated absences are valued at \$886,349.46.

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, 2010, the Township had lease agreements in effect for the following:

- Capital:
Four (4) Ford Crown Victorias
- Operating:
Three (6) Ricoh Copiers

The following is an analysis of capital and operating leases.

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

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Crown Victorias	\$59,127.43	\$108,652.37

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

<u>Year</u>	<u>Amount</u>
2011	\$37,561.56
2012	25,041.04

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

<u>Year</u>	<u>Amount</u>
2011	\$18,658.08
2012	9,329.04

Rental payments under operating leases for the year 2010 were \$18,658.08.

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

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$6,265,156.68	\$6,020,231.83	\$5,612,509.38
Water/Sewer Utility:			
Bonds, Loans and Notes	4,874,596.42	4,609,856.19	4,418,820.16
Total Issued	11,139,753.10	10,630,088.02	10,031,329.54
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	831.19	680,831.19	824,381.19
Water/Sewer Utility:			
Bonds and Notes		636,000.00	551,000.00
Total Authorized but Not Issued	831.19	1,316,831.19	1,375,381.19
Total Issued and Authorized but Not Issued	11,140,584.29	11,946,919.21	11,406,710.73
Deductions:			
Funds Temporarily Held To Pay Notes			
	65,170.75	31,622.63	191,622.63
Self-liquidating Debt	4,874,596.42	4,049,304.99	4,969,820.16
Total Deductions	4,939,767.17	4,080,927.62	5,161,442.79
Net Debt	\$6,200,817.12	\$7,865,991.59	\$6,245,267.94

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 0.67%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$490,000.00	\$490,000.00	
Water/Sewer Utility	4,874,596.42	4,874,596.42	
General	6,265,987.87	65,170.75	\$6,200,817.12
	\$11,630,584.29	\$5,429,767.17	\$6,200,817.12

Net Debt \$6,200,817.12 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$920,975,639.00 equals 0.67%

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)	\$32,234,147.37
Net Debt	<u>6,200,817.12</u>
Remaining Borrowing Power	<u><u>\$26,033,330.25</u></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	\$1,015,593.37
Deductions:	
Operating and Maintenance Cost	\$510,191.95
Debt Service per Water/Sewer Fund	<u>504,151.97</u>
Total Deductions	<u>1,014,343.92</u>
Excess in Revenue	<u><u>\$1,249.45</u></u>

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>	
2011	\$425,000.00	\$214,067.54	\$120,000.00	\$70,247.75	\$829,315.29
2012	450,000.00	197,343.76	130,000.00	65,756.26	843,100.02
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
2016-20	2,515,000.00	418,300.00	770,000.00	146,762.52	3,850,062.52
2021-24	910,000.00	47,950.00	381,000.00	36,325.00	1,375,275.00

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>	
2011	\$35,780.17	\$9,425.13	\$278,315.40	\$100,887.50	\$424,408.20
2012	36,499.35	8,705.95	282,212.19	93,787.50	421,204.99
2013	37,232.98	7,972.30	285,543.12	86,412.50	417,160.90
2014	37,981.36	7,223.92	296,860.39	78,612.50	420,678.17
2015	38,744.78	6,460.50	285,690.40	70,675.00	401,570.68
2016-20	205,723.32	20,303.11	1,314,974.92	223,375.00	1,764,376.35
2021-22	88,194.72	2,215.84	320,000.00	20,437.50	430,848.06

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, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$20,180.00	\$5,045.00

The appropriations in the 2011 Budget as adopted are not less than that required by the statutes.

Note 15: **SCHOOL TAXES**

Waterford 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:

	<u>Balance Dec. 31,</u>	
	<u>2010</u>	<u>2009</u>
Balance of Tax	\$6,041,511.95	\$6,036,270.43
Deferred	4,200,000.00	4,200,000.00
	<u>\$1,841,511.45</u>	<u>\$1,836,270.43</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

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, 2010, 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 Borough of Audubon Park authorized additional Bonds and Notes as follows:

	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:			
Bonds and Notes:			
	Acquisition of Public Works Equipment	May 25, 2011	\$66,500.00
	Road Overlay and Drainage of Township Streets	May 25, 2011	133,000.00
	Acquisition of Police Vehicles and Equipment	May 25, 2011	114,000.00
	Municipal Building Renovations	May 25, 2011	313,500.00
	Purchase of Office Equipment	May 25, 2011	99,750.00
	Purchase of Fire Equipment	May 25, 2011	99,750.00
			99,750.00
			\$826,500.00

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, 2010

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2009	\$ 3,159,892.55	\$ 114,454.16
Increased by Receipts:		
Received from Collector	\$ 24,246,752.58	
Revenue Accounts Receivable	522,207.55	
Due from State of New Jersey, Ch. 20, P.L. 1971	135,401.60	
Miscellaneous Revenue not Anticipated	149,178.68	
Energy Receipts Tax	987,780.00	
Consolidated Municipal Property Tax Relief Aid	128,089.19	
Garden State Preservation Trust Fund	187,735.00	
Cable TV Franchise Fees	113,988.97	
2010 Appropriation Refunds	156,636.45	
Construction Code--State Training Fees	7,958.00	
Deposit for Sale of Land	17,100.00	
Sale of Municipal Assets	8,250.00	
Due Current Fund		\$ 100,963.00
Due Trust Other Fund -- Treasurer	969.47	
Due Trust Other Fund -- Collector	1,020.18	
Due Animal Control Fund	6.44	
Due General Capital Fund	168,744.57	
Federal and State Grants Receivable		78,396.08
Contra	<u>3,868.62</u>	
	<u>26,835,687.30</u>	<u>179,359.08</u>
	29,995,579.85	293,813.24
Decreased by Disbursements:		
2010 Appropriations	8,700,456.07	
2009 Appropriation Reserves	80,533.76	
County Taxes Payable	5,705,658.10	
Due County for Added and Omitted Taxes	26,225.58	
Local School Taxes Payable	12,077,781.48	
Tax Overpayments	11,300.38	
Construction Code--State Training Fees	6,212.00	
Due Federal and State Grant Fund	100,963.00	
Reserve for Revision of Master Plan	22,167.50	
Refund of Prior Year Revenue	60.00	
Federal and State Grants--Appropriated		227,825.19
Reserve for Encumbrances		350.00
Contra	<u>3,868.62</u>	
	<u>26,735,226.49</u>	<u>228,175.19</u>
Balance Dec. 31, 2010	<u>\$ 3,260,353.36</u>	<u>\$ 65,638.05</u>

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$	84,706.67
Increased by Receipts:			
Taxes Receivable	\$ 23,999,516.75		
Tax Title Liens	907.07		
Interest and Cost on Taxes	89,672.34		
2011 Prepaid Taxes	148,176.94		
Tax Overpayments	11,300.39		
Revenue Accounts Receivable	2,032.58		
Contra	3,164.95		
Due Bank	75,442.44		
Due CCMUA	41,551.36		
Due Winslow Township	520.35		
Miscellaneous Revenue not Anticipated	<u>14,806.57</u>		
			<u>24,387,091.74</u>
			24,471,798.41
Decreased by Disbursements:			
Payments to Chief Financial Officer	24,246,752.58		
Due CCMUA	41,551.36		
Due Winslow Township	520.35		
Due Bank	75,442.42		
Contra	<u>3,164.95</u>		
			<u>24,367,431.66</u>
Balance Dec. 31, 2010		\$	<u><u>104,366.75</u></u>

TOWNSHIP OF WATERFORD
 CURRENT FUND
 Schedule of Change Funds
 For the Year Ended December 31, 2010

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

CURRENT FUND
 Statement of Due from State of New Jersey
 CH. 20, P.L. 1971
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 6,924.90
Increased by:		
2010 Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 137,250.00	
2010 Senior Citizens' and Veterans' Deductions Allowed by Collector	4,250.00	
		\$ 141,500.00
Less:		
2010 Senior Citizens' and Veterans' Deductions Disallowed by Collector		2,813.68
Operations -- Prior Years Senior Citizens' and Veterans' Deductions Disallowed by Collector		1,733.33
		136,952.99
		143,877.89
Decreased by:		
Collections		135,401.60
Balance Dec. 31, 2010		\$ 8,476.29

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2010

Year	Balance	2010 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance
	Dec. 31, 2009			2010	2009					Dec. 31, 2010
2003										
2004										
2005	\$ 263.27			\$ 263.27						
2006										
2007										
2008	4,877.01			4,877.01						
2009	648,108.46		\$ 5,494.96	644,047.38		\$ (1,733.33)			\$ 1,894.07	\$ 9,395.30
	653,248.74	-	5,494.96	649,187.66	-	(1,733.33)	-	-	1,894.07	9,395.30
2010		\$ 24,266,276.62	1,908.58	23,350,329.09	\$ 145,323.39	138,686.32	\$ 20,188.35		29,615.14	584,042.91
	\$ 653,248.74	\$ 24,266,276.62	\$ 7,403.54	\$ 23,999,516.75	\$ 145,323.39	\$ 136,952.99	\$ 20,188.35	-	\$ 31,509.21	\$ 593,438.21

Analysis of 2010 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 24,214,758.13
Added / Omitted Taxes	<u>51,518.49</u>
	<u>\$ 24,266,276.62</u>

Tax Levy

Local District School Tax	\$ 12,083,023.00
County Taxes:	
County Tax	\$ 5,705,658.10
Open Space Tax	
County for Added and Omitted Taxes	<u>12,090.83</u>
Total County Taxes	5,717,748.93
Local Tax for Municipal Purposes	6,424,108.84
Add: Additional Tax Levied	<u>41,395.85</u>
Local Tax for Municipal Purposes Levied	<u>6,465,504.69</u>
	<u>\$ 24,266,276.62</u>

TOWNSHIP OF WATERFORD

CURRENT FUND

Statement of Tax Title Liens Receivable and Property Maintenance Liens Receivable
For the Year Ended December 31, 2010

	Tax <u>Title Liens</u>	Property Maintenance <u>Liens</u>	<u>Total</u>
Balance Dec. 31, 2009	\$ 377,171.00	\$ 79,821.98	\$ 456,992.98
Increased by:			
Transfers from Taxes Receivable	31,509.21		31,509.21
Interest and Costs on Taxes	201.31		201.31
	<u>31,710.52</u>	<u>-</u>	<u>31,710.52</u>
	408,881.52	79,821.98	488,703.50
Decreased by:			
Receipts -- Collector	907.07		907.07
Balance Dec. 31, 2010	<u>\$ 407,974.45</u>	<u>\$ 79,821.98</u>	<u>\$ 487,796.43</u>

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenue Account Receivable
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued in 2010	Collected by		Due from General Capital Fund	Due from Animal Control Fund	Due from Trust Other Fund	Balance Dec. 31, 2010
			Chief Financial Officer	Tax Collector				
Clerk:								
Licenses:								
Alcoholic Beverages		\$ 9,565.00	\$ 9,565.00					
Other		7,706.00	7,706.00					
Fees and Permits -- Other:								
Clerk	\$ 3,332.80	14,029.00	16,802.35					\$ 559.45
Planning Board		3,176.04	3,176.04					
Zoning Board		2,305.00	2,305.00					
Police Department		7,652.01	7,652.01					
Property Maintenance		6,250.00	6,250.00					
Tax Search Officer		400.00		\$ 400.00				
Uniform Construction Code Fees		128,165.00	128,165.00					
Summer Camp Fees		66,730.00	66,730.00					
Municipal Court Fines and Costs	22,997.71	235,386.54	242,156.21					16,228.04
Interest on Investments:								
Current Fund		32,824.98	31,192.40	1,632.58				
General Capital Fund		8,744.57			\$ 8,744.57			
Animal Control Fund		6.44				\$ 6.44		
Trust Other Fund		2,520.63					\$ 2,520.63	
Township Clerk		32.32	32.32					
Municipal Court		475.22	475.22					
	<u>\$ 26,330.51</u>	<u>\$ 525,968.75</u>	<u>\$ 522,207.55</u>	<u>\$ 2,032.58</u>	<u>\$ 8,744.57</u>	<u>\$ 6.44</u>	<u>\$ 2,520.63</u>	<u>\$ 16,787.49</u>

TOWNSHIP OF WATERFORD
CURRENT FUND
 2009 Appropriation Reserves
 For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Balance After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages		\$ 48.52	\$ 48.52		\$ 48.52
Other Expenses		216.98	216.98		216.98
Postage	\$ 24.00	991.46	1,015.46	\$ 300.73	714.73
Office Supplies and Equipment Maintenance	155.00	399.39	554.39		554.39
Township Committee					
Salaries and Wages		4.67	4.67		4.67
Other Expenses		2,593.48	2,593.48		2,593.48
Municipal Clerk					
Salaries and Wages		3,123.62	3,123.62		3,123.62
Other Expenses	830.44	1,399.78	2,230.22	830.44	1,399.78
Elections					
Salaries and Wages		110.90	110.90		110.90
Other Expenses		1,139.12	1,139.12		1,139.12
Financial Administration					
Salaries and Wages		3,104.18	3,104.18		3,104.18
Other Expenses	817.46	2,451.45	3,268.91	817.46	2,451.45
Collection of Taxes					
Salaries and Wages		79.25	79.25		79.25
Other Expenses	85.00	1,201.21	1,286.21	77.00	1,209.21
Assessment of Taxes					
Salaries and Wages		45.97	45.97		45.97
Other Expenses	117.34	3,269.56	3,386.90	117.34	3,269.56
Legal Services and Costs					
Other Expenses		3,077.33	3,077.33	1,545.53	1,531.80
Engineering Services and Costs					
Other Expenses	4,656.55	5,822.04	10,478.59	3,691.05	6,787.54
Municipal Court					
Salaries and Wages		4,546.32	4,546.32		4,546.32
Other Expenses	1,804.15	1,802.66	3,606.81	1,804.15	1,802.66
Land Use Administration					
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning & Zoning Boards					
Salaries and Wages		1,318.90	1,318.90		1,318.90
Other Expenses	33.33	2,840.08	2,873.41	33.33	2,840.08
Public Defender					
Other Expenses		7,111.28	7,111.28	289.96	6,821.32
Economic Development Committee					
Other Expenses		979.45	979.45		979.45
INSURANCE					
Unemployment Compensation Insurance		643.45	643.45		643.45
Workers Compensation Insurance		1,249.00	1,249.00		1,249.00
Group Insurance for Employees	867.60	16,317.80	17,185.40	867.60	16,317.80
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		19,722.63	19,722.63	17,936.44	1,786.19
Other Expenses	6,160.06	13,489.66	19,649.72	5,921.25	13,728.47
Leases -- Police Vehicles		7,618.49	7,618.49		7,618.49
Fire Hydrant Services		300.00	300.00		300.00
Aid to Volunteer Ambulance Association					
Other Expenses	6,885.03	665.98	7,551.01	6,864.03	686.98
Fire					
Salaries and Wages		0.02	0.02		0.02
Other Expenses	15,353.03	21.75	15,374.78	7,642.16	7,732.62
Emergency Responders Stipend Program	31.97	35.83	67.80	31.97	35.83
Municipal Prosecutor					
Salaries and Wages		549.48	549.48		549.48

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
 2009 Appropriation Reserves
 For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Balance After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
PUBLIC WORKS FUNCTIONS					
Office of Emergency Management					
Other Expenses		\$ 1,300.00	\$ 1,300.00		\$ 1,300.00
Road Repairs and Maintenance					
Salaries and Wages		112.02	112.02		112.02
Other Expenses	\$ 100.41	3,392.07	3,492.48	\$ 100.41	3,392.07
Snow Removal					
Salaries and Wages		10.32	10.32		10.32
Other Expenses	5,358.77	2,494.14	7,852.91	5,358.77	2,494.14
Garbage and Trash Removal					
Contractual		13,448.61	13,448.61		13,448.61
Public Buildings and Grounds					
Salaries and Wages		55.17	55.17		55.17
Other Expenses	1,420.71	698.15	2,118.86	1,410.71	708.15
Municipal Garage					
Salaries and Wages		52.80	52.80		52.80
Other Expenses	6,896.41	11,833.58	18,729.99	6,896.41	11,833.58
Gypsy Moth Spraying					
Other Expenses		4,811.19	4,811.19		4,811.19
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages		2,000.00	2,000.00	2,000.00	
Environmental Commission					
Salaries and Wages		114.36	114.36		114.36
Other Expenses		585.71	585.71		585.71
Dog Regulation					
Other Expenses	1,375.95	229.55	1,605.50	1,375.95	229.55
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Salaries and Wages		274.78	274.78		274.78
Other Expenses	926.15	13,283.98	9,710.13	926.15	8,783.98
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		1,520.00	1,520.00		1,520.00
Safety Projects	301.02	250.65	5,051.67	4,946.17	105.50
<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		1,721.59	1,721.59		1,721.59
Other Expenses		6,143.68	6,143.68		6,143.68
<u>Unclassified</u>					
Utilities:					
Electricity	42.13	2,275.16	2,317.29	42.13	2,275.16
Street Lighting	143.83	7,385.43	7,529.26	143.83	7,385.43
Telephone and Telegraph	72.27	2,869.13	2,941.40	72.27	2,869.13
Water		75.07	75.07		75.07
Natural Gas	3,400.79	2,206.55	5,607.34	3,400.79	2,206.55
Sewerage Processing and Disposal		955.03	955.03		955.03
Gasoline	5,281.63	15,988.02	21,269.65	5,281.63	15,988.02
Solid Waste Disposal Fees					
Other Expenses	979.45	11,519.22	12,498.67	727.10	11,771.57
DEFERRED CHARGES					
AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Social Security System (O.A.S.I.)		1,499.05	1,499.05		1,499.05
Solid Waste Disposal Fees					
Recycling Tax		565.75	565.75		565.75
Matching Funds for Grants		2,000.00	2,000.00		2,000.00
	<u>\$ 64,120.48</u>	<u>\$ 219,962.45</u>	<u>\$ 284,082.93</u>	<u>\$ 81,452.76</u>	<u>\$ 202,630.17</u>
Disbursed				\$ 80,533.76	
Transferred to Accounts Payable				919.00	
				<u>\$ 81,452.76</u>	

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Accounts Payable
 For the Year Ended December 31, 2010

Increased by:		
Transferred from Appropriation Reserves	\$	919.00
Balance Dec. 31, 2010	\$	919.00

Exhibit SA-10

CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009 (2010 Taxes)	\$	145,323.39
Increased by:		
Receipts -- Collector -- 2011 Taxes		148,176.94
		293,500.33
Decreased by:		
Application to 2010 Taxes Receivable		145,323.39
Balance Dec. 31, 2010 (2011 Taxes)	\$	148,176.94

Exhibit SA-11

CURRENT FUND
 Statement of Reserve for Revision of Master Plan
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	25,225.00
Decreased by:		
Disbursements	\$	22,167.50
Reserve for Encumbrances		2,476.25
		24,643.75
Balance Dec. 31, 2010	\$	581.25

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2010

Increased by:		
Receipts -- Collector	\$	11,300.39
		<u>11,300.39</u>
Decreased by:		
Refunds - Chief Financial Officer		<u>11,300.38</u>
Balance Dec. 31, 2010	\$	<u><u>0.01</u></u>

Exhibit SA-13

CURRENT FUND
 Statement of Due to State of New Jersey
 Uniform Construction Code--State Training Fees
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	698.00
Increased by:		
Collections		<u>7,958.00</u>
		8,656.00
Decreased by:		
Payments		<u>6,212.00</u>
Balance Dec. 31, 2010	\$	<u><u>2,444.00</u></u>

Exhibit SA-14

CURRENT FUND
 Statement of Property Acquired for Taxes
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	148,800.00
Decreased by:		
Property Sold		<u>6,500.00</u>
Balance Dec. 31, 2010	\$	<u><u>142,300.00</u></u>

Exhibit SA-15

CURRENT FUND
 Statement of Reserve for Sale of Municipal Assets
 For the Year Ended December 31, 2010

Increased by:		
Transfer from Land Sale Deposits	\$	650.00
Collections		<u>8,250.00</u>
		<u>8,900.00</u>
Balance Dec. 31, 2010	\$	<u><u>8,900.00</u></u>

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	26,225.58
Increased by:		
County Share of Added / Omitted Taxes		12,090.83
		38,316.41
Decreased by:		
Payments		26,225.58
Balance Dec. 31, 2010	\$	12,090.83

CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2010

Balance Dec. 31, 2009:		
School Tax Payable	\$	1,836,270.43
School Tax Deferred		4,200,000.00
	\$	6,036,270.43
Increased by:		
Levy--School Year July 1, 2010 to June 30, 2011		12,083,023.00
		18,119,293.43
Decreased by:		
Payments		12,077,781.48
Balance Dec. 31, 2010:		
School Tax Payable	1,841,511.95	
School Tax Deferred		4,200,000.00
	\$	6,041,511.95
2010 Liability for Local District School Tax:		
Tax Paid	\$	12,077,781.48
Tax Payable Dec. 31, 2010		1,841,511.95
		13,919,293.43
Less: Tax Payable Dec. 31, 2009		1,836,270.43
Amount Charged to 2010 Operations	\$	12,083,023.00

TOWNSHIP OF WATERFORD
CURRENT FUND
 Statement of Deferred Charges
 N.J.S.40A:4-55 -- Special Emergency -- Revaluation and Master Plan
 For the Year Ended December 31, 2010

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2009</u>	<u>Added in 2010</u>	<u>Reduced in 2010</u>	<u>Balance Dec. 31, 2010</u>
11-11-09	Preparation of Master Plan	\$ 25,225.00	\$ 5,045.00	<u>\$ 25,225.00</u>	<u>-</u>	<u>\$ 5,045.00</u>	<u>\$ 20,180.00</u>

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For Federal and State Grants--Receivable
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal:				
Justice Assistance Grant	\$ 11,553.90	-	\$ 11,553.90	-
State:				
Clean Communities Grant		\$ 21,310.85	21,310.85	
Alcohol Education and Rehabilitation		3,519.11	3,519.11	
Drunk Driving Enforcement Grant		10,812.56	10,812.56	
Safe and Secure Communities Program	19,679.00	59,037.00	19,679.00	\$ 59,037.00
Body Armor Replacement Grant		3,320.66	3,320.66	
Total State Grants	19,679.00	98,000.18	58,642.18	59,037.00
Local:				
County Recreation Facility Enhancement	8,200.00	-	8,200.00	-
Total All Grants	\$ 39,432.90	\$ 98,000.18	\$ 78,396.08	\$ 59,037.00

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For State Grants--Unappropriated
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2010 Budget</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
State:				
Clean Communities Grant		\$ 21,310.85	\$ 21,310.85	
Alcohol Education and Rehabilitation Fund		3,519.11	3,519.11	
Drunk Driving Enforcement Grant		10,812.56	10,812.56	
Safe and Secure Communities Program		59,037.00	59,037.00	
Recycling Tonnage Grant	\$ 25,561.98		25,561.98	
State Park Service Recreational Trails				
Body Armor Replacement Fund		3,320.66	3,320.66	
Total State Grants	25,561.98	98,000.18	123,562.16	-
Local:				
County Recycling Rebate Grant	9,688.56	-	9,688.56	-
Total All Grants	\$ 35,250.54	\$ 98,000.18	\$ 133,250.72	-

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants--Appropriated
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Transferred</u> <u>from 2010</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Grants:				
Justice Assistance Grant	\$ 11,553.90		\$ 11,553.90	
Storm Water Regulation	10,238.42		2,297.85	\$ 7,940.57
	<u>21,792.32</u>	<u>-</u>	<u>13,851.75</u>	<u>7,940.57</u>
State Grants:				
Supplemental Fire Services	73.16		73.16	
Clean Communities Grant	37,101.50	\$ 21,310.85	41,017.61	17,394.74
Drunk Driving Enforcement Grant	16,542.68	10,812.56	9,499.53	17,855.71
Alcohol Education and Rehabilitation	10,016.00	3,519.11	1,208.31	12,326.80
Recycling Tonnage Grant	9,430.77	25,561.98	1,286.78	33,705.97
Safe and Secure Communities Program		160,000.00	160,000.00	
Tree Planting Grant	5,163.75			5,163.75
Body Armor Replacement	5,089.31	3,320.66	5,089.31	3,320.66
	<u>83,417.17</u>	<u>224,525.16</u>	<u>218,174.70</u>	<u>89,767.63</u>
Local Grants:				
County Recycling Rebate Grant	13,047.49	9,688.56		22,736.05
County Recreation Facility Enhancement	29.54		29.54	
	<u>13,077.03</u>	<u>9,688.56</u>	<u>29.54</u>	<u>22,736.05</u>
Total All Grants	<u>\$ 118,286.52</u>	<u>\$ 234,213.72</u>	<u>\$ 232,055.99</u>	<u>\$ 120,444.25</u>
Disbursed			\$ 227,825.19	
Reserve for Encumbrances			<u>4,230.80</u>	
			<u>\$ 232,055.99</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, 2010

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2009	\$ 3,348.38	\$ 104,690.31
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$ 2,006.00	
Due Current Fund	6.44	\$ 1,500.45
Due Clerk	18.00	
Due County of Camden -- Municipal Alliance		12,078.98
Due County of Camden -- CDBG		46,827.54
Reserve for Parking Offenses Adjudication Act		22.00
Reserve for Celebration of Public Events		26.02
Reserve for Payroll Deductions Payable		1,727,063.29
Reserve for Net Payroll		2,667,535.60
Reserve for Developers' Escrow Deposits		35,686.26
Reserve for Police Outside Services		40,270.00
Reserve for Public Defender		12,885.50
Reserve for Municipal Alliance		7,345.71
Reserve for Forfeited Property		642.30
	2,030.44	4,551,883.65
	5,378.82	4,656,573.96
Decreased by Disbursements:		
Due Current Fund	6.44	969.47
Reserve for Encumbrances	3,063.20	
Expenditures Under R.S.4:19-15.11	2,085.18	
Reserve for Snow Removal		443.81
Reserve for Payroll Deductions Payable		1,701,692.31
Reserve for Net Payroll		2,667,535.60
Reserve for Developers' Escrow Deposits		42,022.43
Reserve for Community Development Block Grant		61,999.75
Reserve for Police Outside Services		33,640.00
Reserve for Public Defender		8,379.97
Reserve for Police Donations		1,000.00
Reserve for Municipal Alliance		14,983.25
Reserve for Forfeited Property		60.00
	5,154.82	4,532,726.59
Balance Dec. 31, 2010	\$ 224.00	\$ 123,847.37

TOWNSHIP OF WATERFORD
TRUST FUNDS
 Statement of Trust Cash
 Per N.J.S.40A:5-5--Collector
 For the Year Ended December 31, 2010

		<u>Other Funds</u>
Balance Dec. 31, 2009		\$ 117,500.00
Increased by Receipts:		
Due Current Fund	\$ 1,020.18	
Contra	185,603.72	
Reserve for Tax Title Lien Redemptions	206,057.54	
Reserve for Premiums Received at Tax Sale	<u>33,600.00</u>	
		<u>426,281.44</u>
		543,781.44
Decreased by Disbursements:		
Due Current Fund	1,020.18	
Contra	185,603.72	
Reserve for Tax Title Lien Redemptions	191,853.66	
Reserve for Premiums Received at Tax Sale	<u>92,400.00</u>	
		<u>470,877.56</u>
Balance Dec. 31, 2010		<u><u>\$ 72,903.88</u></u>

ANIMAL CONTROL TRUST FUND
 Statement of Reserve For Dog Fund Expenditures
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 310.18
Increased by:		
Receipts:		
Dog Fees Collected		<u>2,006.00</u>
		2,316.18
Decreased by:		
Expenditures Under R.S.4:19-15.11:		
Disbursements		<u>2,085.18</u>
Balance Dec. 31, 2010		<u><u>\$ 231.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2008	\$ 2,132.00
2009	<u>2,032.00</u>
	<u><u>\$ 4,164.00</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, 2010

Balance Dec. 31, 2009		\$ 166,761.75
Increased by:		
Elittlement -- Year 31		40,254.00
		207,015.75
Decreased by:		
Receipts		46,827.54
		160,188.21
Balance Dec. 31, 2010		\$ 160,188.21

Analysis of Balance Dec. 31, 2010

		<u>Amount</u>
Year 25		\$ 39,426.21
Year 30		40,254.00
Year 31		40,254.00
Year 32		40,254.00
		160,188.21
		\$ 160,188.21

TRUST OTHER FUNDS
 Statement of Due To Current Fund
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 666.24
Increased by:		
Chief Financial Officer Receipts:		
Interest Earned -- Current Budget Revenue	\$ 1,500.45	
Collector Receipts:		
Interest Earned -- Current Budget Revenue	1,020.18	
		2,520.63
Decreased by:		3,186.87
Disbursements:		
Interfund Loans Returned -- Chief Financial Officer	969.47	
Interfund Loans Returned -- Collector	1,020.18	
		1,989.65
Balance Dec. 31, 2010		\$ 1,197.22

TOWNSHIP OF WATERFORD
TRUST -- OTHER FUND
 Statement of Trust Other Reserves
 For the Year Ended December 31, 2010

Reserve	Balance Dec. 31, 2009	Increased			Decreased			Balance Dec. 31, 2010
		Receipts	Entitlements	Contracts Payable and Encumbrance Adjustments	Disbursements	Due Current Fund	Contracts Payable and Encumbrance Adjustments	
Reserve for Recreation Contributions	\$ 21,405.88							\$ 21,405.88
Reserve for Parking Offenses Adjudication Act	180.00	\$ 22.00						202.00
Reserve for Celebration of Public Events	2,756.54	26.02						2,782.56
Reserve for Snow Removal				\$ 443.81	\$ 443.81			
Reserve for Payroll Deductions Payable	230.12	1,727,063.29			1,701,692.31			25,601.10
Reserve for Net Payroll		2,667,535.60			2,667,535.60			
Reserve for Developers' Escrow Deposits	62,317.57	35,686.26			42,022.43		\$ 6,993.73	48,987.67
Reserve for Tax Title Lien Redemptions		206,057.54			191,853.66			14,203.88
Reserve for Premiums Received at Tax Sale	117,500.00	33,600.00			92,400.00			58,700.00
Reserve for Recycling Funds	1,188.59							1,188.59
Reserve for Community Development Block Grant	131,325.78		\$ 40,254.00		61,999.75		54,643.86	54,936.17
Reserve for Retention Basin Maintenance	20,000.00							20,000.00
Reserve for Police Outside Services		40,270.00			33,640.00			6,630.00
Reserve for Public Defender	5,679.48	12,885.50			8,379.97			10,185.01
Reserve for Maintenance Guarantees	4,270.40							4,270.40
Reserve for Police Donations	1,000.00				1,000.00			
Reserve for Municipal Alliance	12,378.10	7,345.71	13,176.00	2,618.00	14,983.25		7,489.95	13,044.61
Reserve for Forfeited Property	18,145.02	642.30			60.00			18,727.32
Reserve for Uniform Fire Safety Act	50.00							50.00
Reserve for Historic Commission	2,422.53							2,422.53
Reserve for Encumbrances	3,061.81			(3,061.81)			(14,483.68)	14,483.68
Contracts Payable							(54,643.86)	54,643.86
	<u>\$ 403,911.82</u>	<u>\$ 4,731,134.22</u>	<u>\$ 53,430.00</u>	<u>-</u>	<u>\$ 4,816,010.78</u>	<u>-</u>	<u>-</u>	<u>\$ 372,465.26</u>
Chief Financial Officer		\$ 4,491,476.68			\$ 4,531,757.12			
Collector		239,657.54			284,253.66			
		<u>\$ 4,731,134.22</u>			<u>\$ 4,816,010.78</u>			

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, 2010

Balance Dec. 31, 2009		\$	748,918.74
Increased by Receipts:			
Due Current Fund	\$	8,744.57	
Due from NJ DOT		38,000.00	
Bond Proceeds		2,430,000.00	
Capital Improvement Fund		10,000.00	
Improvement Authorizations Refunds		366.97	
Contra		<u>34,024.44</u>	
			<u>2,521,135.98</u>
			3,270,054.72
Decreased by Disbursements:			
Improvement Authorizations		76,262.56	
Reserve for Encumbrances		3,150.00	
Contracts Payable		133,814.56	
Due Current Fund		168,744.57	
Bond Anticipation Notes		1,750,000.00	
Contra		<u>34,024.44</u>	
			<u>2,165,996.13</u>
Balance Dec. 31, 2010		\$	<u><u>1,104,058.59</u></u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2010

	Balance (Deficit) Dec. 31, 2009	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2010
		Budget Appropriation	Bonds Issued	Miscellaneous	Improvement Authorizations	Notes	Miscellaneous	From	To	
Reserve for Payment of Debt	\$ 31,622.63							\$ 30,000.00	\$ 63,548.12	\$ 65,170.75
Capital Improvement Fund	15,450.00	\$ 10,000.00								25,450.00
Improvement Authorizations:										
00-6 Phase I of the Burnt Mill Recreation Complex	20,364.51				\$ 4,170.00			16,194.51		
00-9;01-21.7 Reconstruction of Hayes Mill Road	289.36							289.36		
00-9;06-12.10 Reconstruct NJ Avenue Drainage System	987.50							987.50		
01-9.7 Engineering for Burnt Mill Complex	2,190.30							2,190.30		
02-18;04-04 Acquisition of Fire Equipment	40.14				40.14					
04-20;04-24 Reconstruction of Kohler Avenue	35,706.76							35,706.76		
04-22 Reconstruction of Maple Avenue Phase II	21,279.55									21,279.55
05-12.1 Tanker Truck and Emergency Equipment	41.65				41.65					
05-12.2 Acquisition of Public Works Equipment	31,096.44				5,312.59			3,859.52		21,924.33
05-12.3 Construction of Public Works Building	14,879.31		\$ 61,556.19		2,279.89	\$ 61,556.19		275.00		12,324.42
05-16.1 Acquisition of Land			120,650.00			120,650.00				
05-16.2 Construction of C. William Haines Blvd.	27,609.14		95,000.00		1,044.64	95,000.00		26,564.50		
05-17 Installation of Lighting at Burnt Mill Complex	34,237.19		95,000.00		1,295.43	95,000.00		15,832.39		17,109.37
06-7; 06-11.1 Purchase of Office Equipment			32,750.00			32,750.00				
06-7; 06-11.2 Purchase of Police Vehicles and Equipment			152,000.00			152,000.00				
06-7; 06-11.3 Purchase of Ambulance			90,250.00			90,250.00				
06-7; 06-11.4 Improvement of Public Buildings	13,600.00		19,000.00		13,600.00	19,000.00				
07-13.1 Reconstruction of Martha Blvd.	77,313.45		152,000.00		7,415.23	152,000.00				69,898.22
07-13.2 Purchase of Office Equipment	5,723.27		30,400.00	\$ 366.97	6,090.24	30,400.00				
07-13.3 Purchase of Police Vehicles and Equipment	2,275.14		80,275.00		515.31	80,275.00				1,759.83
07-13.4 Purchase of Fire Department Equipment	244.53		19,000.00		244.53	19,000.00				
07-13.5 Improvement of Public Buildings	52,568.30		128,250.00		2,102.53	125,250.00		53,465.77		
07-17 Purchase of Two Fire Trucks			289,750.00			289,750.00				
08-3 Purchase of Two Fire Trucks	19,322.00		190,000.00		731.08	190,000.00				18,590.92
08-9.1 Purchase of Police Vehicles and Equipment	23,390.47		123,500.00		885.02	123,500.00				22,505.45
08-9.2 Purchase of Fire Department Equipment	918.60		14,250.00		918.60	14,250.00				
08-9.3 Cooper Road Sidewalk and Drainage	24,253.94		80,749.81		3,470.49	59,368.81				42,164.45
09-14.1 Purchase of Public Works Equipment	8,750.00		166,000.00		6,621.45					168,128.55
09-14.2 Road Overlay Program	7,500.00		142,000.00		5,675.53					143,824.47
09-14.3 Drainage and Stormwater Management	5,000.00		95,000.00		3,783.68					96,216.32
09-14.4 Municipal Building Improvements	5,300.00		100,619.00		4,010.71			101,989.29		(81.00)
09-14.5 Emergency Medical Service Vehicles	8,000.00		152,000.00		6,013.82			134,081.62		19,904.56
Due Current Fund	160,000.00			8,744.57			\$ 168,744.57		30,000.00	30,000.00
Due Sewer Utility Fund				10,194.33			10,194.33			
Reserve for Encumbrances	3,150.00						3,150.00		8,573.72	8,573.72
Due from State of NJ Department of Transportation	(38,000.00)			38,000.00						
Contracts Payable	133,814.56						133,814.56		319,314.68	319,314.68
Contra				23,830.11			23,830.11			
	<u>\$ 748,918.74</u>	<u>\$ 10,000.00</u>	<u>\$ 2,430,000.00</u>	<u>\$ 81,135.98</u>	<u>\$ 76,262.56</u>	<u>\$ 1,750,000.00</u>	<u>\$ 339,733.57</u>	<u>\$ 421,436.52</u>	<u>\$ 421,436.52</u>	<u>\$ 1,104,058.59</u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 4,270,231.83
Increased by:		
Serial Bonds Issued		<u>2,430,000.00</u>
		6,700,231.83
Decreased by:		
2010 Budget Appropriation:		
Serial Bonds	\$ 400,000.00	
Green Acres Loan	<u>35,075.15</u>	
		<u>435,075.15</u>
Balance Dec. 31, 2010		<u><u>\$ 6,265,156.68</u></u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Unfunded
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2009	2010 Authorizations	Decreased Bonds Issued	Analysis of Balance Dec. 31, 2010		
						Balance Dec. 31, 2010	Expenditures	Unexpended Improvement Authorizations
05-12.3	Construction of Public Works Building	7-13-05	\$ 61,556.19		\$ 61,556.19			
05-16.1	Acquisition of Land	9-28-05	120,650.00		120,650.00			
05-16.2	Construction of C. William Haines Blvd.	9-28-05	95,000.00		95,000.00			
05-17	Installation of Lighting at Burnt Mill Complex	9-28-05	95,000.00		95,000.00			
06-7; 06-11.1	Purchase of Office Equipment	8-23-06	32,750.00		32,750.00			
06-7; 06-11.2	Purchase of Police Vehicles and Equipment	8-23-06	152,000.00		152,000.00			
06-7; 06-11.3	Purchase of Ambulance	8-23-06	90,250.00		90,250.00			
06-7; 06-11.4	Improvement of Public Buildings	8-23-06	19,000.00		19,000.00			
07-13.1	Reconstruction of Martha Blvd.	7-11-07	152,000.00		152,000.00			
07-13.2	Purchase of Office Equipment	7-11-07	30,400.00		30,400.00			
07-13.3	Purchase of Police Vehicles and Equipment	7-11-07	80,275.00		80,275.00			
07-13.4	Purchase of Fire Department Equipment	7-11-07	19,000.00		19,000.00			
07-13.5	Improvement of Public Buildings	7-11-07	128,250.00		128,250.00			
07-17	Purchase of Two Fire Trucks	11-14-07	289,750.00		289,750.00			
08-3	Purchase of Two Fire Trucks	5-14-08	190,000.00		190,000.00			
08-9.1	Purchase of Police Vehicles and Equipment	8-27-08	123,500.00		123,500.00			
08-9.2	Purchase of Fire Department Equipment	8-27-08	14,250.00		14,250.00			
08-9.3	Cooper Road Sidewalk and Drainage	8-27-08	80,750.00		80,749.81	\$ 0.19		\$ 0.19
09-14.1	Purchase of Public Works Equipment	12-16-09	166,250.00		166,000.00	250.00		250.00
09-14.2	Road Overlay Program	12-16-09	142,500.00		142,000.00	500.00		500.00
09-14.3	Drainage and Stormwater Management	12-16-09	95,000.00		95,000.00			
09-14.4	Municipal Building Improvements	12-16-09	100,700.00		100,619.00	81.00	\$ 81.00	
09-14.5	Emergency Medical Service Vehicles	12-16-09	152,000.00		152,000.00			
			<u>\$ 2,430,831.19</u>	<u>-</u>	<u>\$ 2,430,000.00</u>	<u>\$ 831.19</u>	<u>\$ 81.00</u>	<u>\$ 750.19</u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 133,814.56
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		319,314.68
		453,129.24
Decreased by:		
Disbursements		133,814.56
Balance Dec. 31, 2010		\$ 319,314.68

Schedule of Contracts Payable Dec. 31, 2010

<u>Vendor:</u>	<u>Ordinance Number</u>	<u>Amount</u>
Musco Lighting	00-6	\$ 14,284.00
Bott Electrical Contractors	00-6	1,910.51
Bott Electrical Contractors	05-17	15,033.49
Hutchinson Mechanical	07-13.5	53,465.77
Hutchinson Mechanical	09-14.4	101,989.29
Bay Head Investments	09-14.5	132,631.62
		\$ 319,314.68

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 160,000.00
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 8,744.57	
Anticipated as Current Fund Budget Revenue	30,000.00	
		38,744.57
		198,744.57
Decreased by:		
Disbursements -- Interfund Loans Returned	168,744.57	
		168,744.57
Balance Dec. 31, 2010		\$ 30,000.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2009		2010 Authorizations		Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2010	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded			Funded	Unfunded
00-6	Burnt Mill Recreation Complex	6-13-00	\$ 500,000.00	\$ 20,364.51				\$ 20,364.51			
00-9; 01-21.7	Reconstruction of Hayes Mill Road	5-10-00	255,000.00	289.36					\$ 289.36		
00-9; 06-12.10	Reconstruct NJ Avenue Drainage System	8-23-06	14,000.00	987.50					987.50		
01-9.7	Burnt Mill Recreation Complex	5-9-01	70,000.00	2,190.30				2,190.30			
02-18;04-04	Acquisition of Fire Equipment	11-25-02	265,284.00	40.14				40.14			
04-20;04-24	Reconstruction of Kohler Avenue	10-27-04	244,150.00	35,706.76					35,706.76		
04-22	Reconstruction of Maple Avenue Phase II	11-22-04	200,000.00	21,279.55						\$ 21,279.55	
05-12.1	Tanker Truck and Emergency Equipment	7-13-05	200,000.00	41.65				41.65			
05-12.2	Acquition of Public Works Equipment	7-13-05	150,000.00	31,096.44				9,172.11		21,924.33	
05-12.3	Construction of Public Works Building	7-13-05	200,000.00		\$ 14,879.31			2,554.89		12,324.42	
05-16.2	Construction of C. William Haines Blvd.	9-28-05	100,000.00		27,609.14			1,044.64	26,564.50		
05-17	Installation of Lighting at Burnt Mill Complex	9-28-05	100,000.00		34,237.19			17,127.82		17,109.37	
06-7; 06-11.1	Purchase of Office Equipment	8-23-06	35,250.00								
06-7; 06-11.4	Improvement of Public Buildings	8-23-06	20,000.00		13,600.00			13,600.00			
07-13.1	Reconstruction of Martha Blvd.	7-11-07	320,000.00		77,313.45			7,415.23		69,898.22	
07-13.2	Purchase of Office Equipment	7-11-07	32,000.00		5,723.27			5,723.27			
07-13.3	Purchase of Police Vehicles and Equipment	7-11-07	84,500.00		2,275.14			515.31		1,759.83	
07-13.4	Purchase of Fire Department Equipment	7-11-07	20,000.00		244.53			244.53			
07-13.5	Improvement of Public Buildings	7-11-07	135,000.00		55,568.30			55,568.30			
08-3	Purchase of Two Fire Trucks	5-14-08	200,000.00		19,322.00			731.08		18,590.92	
08-9.1	Purchase of Police Vehicles and Equipment	8-27-08	130,000.00		23,390.47			885.02		22,505.45	
08-9.2	Purchase of Fire Department Equipment	8-27-08	15,000.00		918.60			918.60			
08-9.3	Cooper Road Sidewalk and Drainage	8-27-08	85,000.00		45,635.13			3,470.49		42,164.45	\$ 0.19
09-14.1	Purchase of Public Works Equipment	12-16-09	175,000.00	8,750.00	166,250.00			6,621.45		168,128.55	250.00
09-14.2	Road Overlay Program	12-16-09	150,000.00	7,500.00	142,500.00			5,675.53		143,824.47	500.00
09-14.3	Drainage and Stormwater Management	12-16-09	100,000.00	5,000.00	95,000.00			3,783.68		96,216.32	
09-14.4	Municipal Building Improvements	12-16-09	106,000.00	5,300.00	100,700.00			106,000.00			
09-14.5	Emergency Medical Service Vehicles	12-16-09	160,000.00	8,000.00	152,000.00			140,095.44		19,904.56	
				<u>\$ 146,546.21</u>	<u>\$ 977,166.53</u>			<u>\$ 403,783.99</u>	<u>\$ 63,548.12</u>	<u>\$ 655,630.44</u>	<u>\$ 750.19</u>
Reserve for Encumbrances								\$ 8,573.72			
Disbursed								76,262.56			
Reimbursements								(366.97)			
Contracts Payable								319,314.68			
								<u>\$ 403,783.99</u>			

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	31,622.63
Increased by:		
Improvement Authorization Cancelations		<u>63,548.12</u>
		95,170.75
Decreased by:		
Due Current Fund -- Realized as Current Fund Budget Revenue		<u>30,000.00</u>
Balance Dec. 31, 2010	\$	<u><u>65,170.75</u></u>

GENERAL CAPITAL FUND
Statement of Reserve For Encumbrances
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$	3,150.00
Increased by:		
Charges to Improvement Authorizations		<u>8,573.72</u>
		11,723.72
Decreased by:		
Disbursements		<u>3,150.00</u>
Balance Dec. 31, 2010	\$	<u><u>8,573.72</u></u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>
			<u>Outstanding Dec. 31, 2010</u>	<u>Date</u>					
General Bonds of 2001	4-1-01	\$ 3,200,000.00	3-15-2011	\$ 225,000.00	4.500%	\$ 1,800,000.00		\$ 225,000.00	\$ 1,575,000.00
			3-15-2012-13	250,000.00	4.500%				
			3-15-2014-15	275,000.00	4.500%				
			3-15-2016	300,000.00	4.500%				
General Bonds of 2005	9-15-05	2,480,000.00	9-15-2011-12	175,000.00	3.625%	1,955,000.00		175,000.00	1,780,000.00
			9-15-2013	200,000.00	3.625%				
			9-15-2014-15	200,000.00	3.700%				
			9-15-2016-18	200,000.00	3.750%				
			9-15-2019	230,000.00	3.750%				
General Bonds of 2010	6-10-10	2,430,000.00	7-15-2011-14	25,000.00	3.000%				
			7-15-2015-16	35,000.00	3.000%				
			7-15-2017	300,000.00	3.250%				
			7-15-2018-19	300,000.00	3.500%				
			7-15-2020-21	450,000.00	3.500%				
			7-15-2022	460,000.00	3.500%				
							\$ 2,430,000.00		2,430,000.00
						\$ 3,755,000.00	\$ 2,430,000.00	\$ 400,000.00	\$ 5,785,000.00
Issued for Cash							\$ 680,000.00		
Proceeds to Pay Existing Notes							1,750,000.00		
							\$ 2,430,000.00		

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
 Statement of Green Acres Loan
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Loan Amount</u>	<u>Payment Schedule</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>	
			<u>Date</u>	<u>Amount</u>						
Burnt Mill Road	12-24-08	\$ 532,509.38	3-24-2011	\$ 17,801.08	2.000%					
			9-24-2011	17,979.09	2.000%					
			3-24-2012	18,158.88	2.000%					
			9-24-2012	18,340.47	2.000%					
			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%								
						\$ 515,231.83		\$ 35,075.15	\$ 480,156.68	
						\$ 515,231.83	-	\$ 35,075.15	\$ 480,156.68	

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Paid with Serial Bond Proceeds</u>	<u>Balance Dec. 31, 2010</u>
05-12.3	Construction of Public Works Building	7-25-08	7-23-09	7-22-10	1.45%	\$ 61,556.19		\$ 61,556.19	
05-16.1	Acquisition of Land	7-25-08	7-23-09	7-22-10	1.45%	120,650.00		120,650.00	
05-16.2	Construction of C. William Haines Blvd.	7-25-08	7-23-09	7-22-10	1.45%	95,000.00		95,000.00	
05-17	Installation of Lighting at Burnt Mill Complex	7-25-08	7-23-09	7-22-10	1.45%	95,000.00		95,000.00	
06-11.1	Purchase of Office Equipment	7-25-08	7-23-09	7-22-10	1.45%	32,750.00		32,750.00	
06-11.2	Purchase of Police Vehicles and Equipment	7-25-08	7-23-09	7-22-10	1.45%	152,000.00		152,000.00	
06-11.3	Purchase of Ambulance	7-25-08	7-23-09	7-22-10	1.45%	90,250.00		90,250.00	
06-11.4	Improvement of Public Buildings	7-25-08	7-23-09	7-22-10	1.45%	19,000.00		19,000.00	
07-13.1	Reconstruction of Martha Blvd.	7-25-08	7-23-09	7-22-10	1.45%	152,000.00		152,000.00	
07-13.2	Purchase of Office Equipment	7-25-08	7-23-09	7-22-10	1.45%	30,400.00		30,400.00	
07-13.3	Purchase of Police Vehicles and Equipment	7-25-08	7-23-09	7-22-10	1.45%	80,275.00		80,275.00	
07-13.4	Purchase of Fire Department Equipment	7-25-08	7-23-09	7-22-10	1.45%	19,000.00		19,000.00	
07-13.5	Improvement of Public Buildings	7-25-08	7-23-09	7-22-10	1.45%	2,118.81		2,118.81	
07-13.5	Improvement of Public Buildings	12-30-09	12-30-09	7-22-10	2.24%	123,131.19		123,131.19	
07-17	Purchase of Two Fire Trucks	12-30-09	12-30-09	7-22-10	2.24%	289,750.00		289,750.00	
08-3	Purchase of Two Fire Trucks	12-30-09	12-30-09	7-22-10	2.24%	190,000.00		190,000.00	
08-9.1	Purchase of Police Vehicles and Equipment	12-30-09	12-30-09	7-22-10	2.24%	123,500.00		123,500.00	
08-9.2	Purchase of Fire Department Equipment	12-30-09	12-30-09	7-22-10	2.24%	14,250.00		14,250.00	
08-9.3	Cooper Road Sidewalk and Drainage	12-30-09	12-30-09	7-22-10	2.24%	59,368.81		59,368.81	
						<u>\$ 1,750,000.00</u>	<u>-</u>	<u>\$ 1,750,000.00</u>	<u>-</u>

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2009	Notes Paid With Bond Funds	Bonds Issued	Balance Dec. 31, 2010
General Improvements:						
05-12.3	Construction of Public Works Building	7-13-05		\$ 61,556.19	\$ 61,556.19	
05-16.1	Acquisition of Land	9-28-05		120,650.00	120,650.00	
05-16.2	Construction of C. William Haines Blvd.	9-28-05		95,000.00	95,000.00	
05-17	Installation of Lighting at Burnt Mill Complex	9-28-05		95,000.00	95,000.00	
06-11.1	Purchase of Office Equipment	8-23-06		32,750.00	32,750.00	
06-11.2	Purchase of Police Vehicles and Equipment	8-23-06		152,000.00	152,000.00	
06-11.3	Purchase of Ambulance	8-23-06		90,250.00	90,250.00	
06-11.4	Improvement of Public Buildings	8-23-06		19,000.00	19,000.00	
07-13.1	Reconstruction of Martha Blvd.	7-11-07		152,000.00	152,000.00	
07-13.2	Purchase of Office Equipment	7-11-07		30,400.00	30,400.00	
07-13.3	Purchase of Police Vehicles and Equipment	7-11-07		80,275.00	80,275.00	
07-13.4	Purchase of Fire Department Equipment	7-11-07		19,000.00	19,000.00	
07-13.5	Improvement of Public Buildings	7-11-07		2,118.81	2,118.81	
07-13.5	Improvement of Public Buildings	7-11-07		123,131.19	123,131.19	
07-17	Purchase of Two Fire Trucks	5-14-08		289,750.00	289,750.00	
08-3	Purchase of Two Fire Trucks	8-27-08		190,000.00	190,000.00	
08-9.1	Purchase of Police Vehicles and Equipment	8-27-08		123,500.00	123,500.00	
08-9.2	Purchase of Fire Department Equipment	8-27-08		14,250.00	14,250.00	
08-9.3	Cooper Road Sidewalk and Drainage	8-27-08		59,368.81	59,368.81	
07-13.5	Improvement of Public Buildings	7-11-07	\$ 3,000.00		3,000.00	
08-9.3	Cooper Road Sidewalk and Drainage	8-27-08	21,381.19		21,381.00	\$ 0.19
09-14.1	Purchase of Public Works Equipment	12-16-09	166,250.00		166,000.00	250.00
09-14.2	Road Overlay Program	12-16-09	142,500.00		142,000.00	500.00
09-14.3	Drainage and Stormwater Management	12-16-09	95,000.00		95,000.00	
09-14.4	Municipal Building Improvements	12-16-09	100,700.00		100,619.00	81.00
09-14.5	Emergency Medical Service Vehicles	12-16-09	152,000.00		152,000.00	
			<u>\$ 680,831.19</u>	<u>\$ 1,750,000.00</u>	<u>\$ 2,430,000.00</u>	<u>\$ 831.19</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, 2010

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2009	\$ 71,183.23	\$ 8,272.93
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 1,738.42	
Received from Utility Collector	994,772.48	
Refund of 2010 Budget Appropriations	138.66	
Reserve for Escrow Deposits	500.00	
Due from NJ Environmental Protection		\$ 9,873.90
Proceeds from Bond Sale		636,000.00
Due Water / Sewer Utility Capital Fund	109,126.76	
Due Water / Sewer Utility Operating Fund		1,981.50
Contra	<u>631.88</u>	
	<u>1,106,908.20</u>	<u>647,855.40</u>
	1,178,091.43	656,128.33
Decreased by Disbursements:		
2010 Budget Appropriations	871,475.04	
2009 Appropriation Reserves	5,498.27	
Accrued Interest on Bonds and Loans	127,057.37	
Reserve for Escrow Deposits	516.00	
Due Water / Sewer Utility Operating Fund		109,126.76
Improvement Authorizations		21,274.33
Contra	<u>631.88</u>	
	<u>1,005,178.56</u>	<u>130,401.09</u>
Balance Dec. 31, 2010	<u>\$ 172,912.87</u>	<u>\$ 525,727.24</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, 2010

Balance Dec. 31, 2009		\$	2,428.14
Receipts:			
Water Rents Receivable	\$	427,652.95	
Sewer Rents Receivable		534,361.64	
Water Overpayments		2,122.70	
Sewer Overpayments		3,575.65	
Water Connection Fees		1,675.00	
Sewer Connection Fees		7,305.00	
Water Miscellaneous Revenue		9,577.33	
Sewer Miscellaneous Revenue		7,992.13	
Miscellaneous Revenue Not Anticipated		272.48	
Contra		901.08	
			995,435.96
			997,864.10
Decreased by Disbursements:			
Payments to Chief Financial Officer		994,772.48	
Contra		901.08	
			995,673.56
Balance Dec. 31, 2010		\$	2,190.54

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Sewer Utility Capital Cash and Investments
For the Year Ended December 31, 2010

	Balance (Overdraft) <u>Dec. 31, 2009</u>	Receipts		Disbursements		Transfers		Balance (Overdraft) <u>Dec. 31, 2010</u>
		Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Improvement Authorizations:								
06-7; 06-11.1 Purchase of Office Equipment	\$ (14,750.00)	\$ 14,750.00						
06-7; 06-11.2 Water Plant Upgrades	(11,603.93)	20,000.00		\$ 2,500.00				\$ 5,896.07
06-7; 06-11.3 Sewer System Upgrades		100,000.00		1,900.67				98,099.33
06-7; 06-11.4 Utility Department Equipment	(53,672.00)	295,000.00		4,586.83				236,741.17
07-13.1 Water System Improvements	(9,500.00)	9,500.00						
07-13.2 Sewer System Improvements	2,000.00	38,000.00		760.27				39,239.73
07-13.3 Utility Department Equipment	1,250.00	23,750.00		1,799.51				23,200.49
08-9 Sewer System Improvements	(2,722.50)	50,000.00		8,111.48				39,166.02
09-14 Water System Improvements		85,000.00		1,615.57				83,384.43
Due NJ Environmental Protection	(9,873.90)		\$ 9,873.90					
Due Water / Sewer Utility Operating Fund	<u>107,145.26</u>		<u>1,981.50</u>		<u>\$ 109,126.76</u>			
	<u>\$ 8,272.93</u>	<u>\$ 636,000.00</u>	<u>\$ 11,855.40</u>	<u>\$ 21,274.33</u>	<u>\$ 109,126.76</u>	<u>-</u>	<u>-</u>	<u>\$ 525,727.24</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2009	\$ 910.99	\$ 25,823.89	\$ 26,734.88
Increased by:			
Rents Levied	429,815.07	539,511.01	969,326.08
	430,726.06	565,334.90	996,060.96
Decreased by:			
Collections	427,652.95	534,361.64	962,014.59
Canceled	0.79	1.53	2.32
Overpayments Applied		36.92	36.92
Transferred to Township Liens		787.52	787.52
	427,653.74	535,187.61	962,841.35
Balance Dec. 31, 2010	<u>\$ 3,072.32</u>	<u>\$ 30,147.29</u>	<u>\$ 33,219.61</u>

Exhibit SD-5

WATER & SEWER UTILITY OPERATING FUND
Statement of Water & Sewer Overpayments
For the Year Ended December 31, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance Dec. 31, 2009	\$ 668.22	\$ 2,683.09	\$ 3,351.31
Increased by:			
Receipts	2,122.70	3,575.65	5,698.35
	2,790.92	6,258.74	9,049.66
Decreased by:			
Canceled	705.14	2,646.17	3,351.31
Overpayments Applied		36.92	36.92
	705.14	2,683.09	3,388.23
Balance Dec. 31, 2010	<u>\$ 2,085.78</u>	<u>\$ 3,575.65</u>	<u>\$ 5,661.43</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2009	2010 Authorizations		Balance Dec. 31, 2010
				Amount		Deferred Charges to Future Revenue	Costs to Fixed Capital	
06-7; 06-11.2	Water Plant Upgrades	8-23-06	\$	20,000.00	\$ 20,000.00			\$ 20,000.00
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 Equipment	8-23-06		295,000.00	295,000.00			295,000.00
07-13.2	Sewer System Improvements	7-11-07		40,000.00	40,000.00			40,000.00
07-13.3	Utility Department Equipment	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>\$ 615,000.00</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 615,000.00</u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2010

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Sewer Utility:			
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>
Water Utility:			
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	1,564,266.79		1,564,266.79
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>7,657,227.65</u>	<u>-</u>	<u>7,657,227.65</u>
Total Fixed Capital	<u>\$ 11,872,888.32</u>	<u>-</u>	<u>\$ 11,872,888.32</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, 2010

Balance Dec. 31, 2009	\$ 54,983.59
Increased by:	
Charges to Budget Appropriations	132,892.20
	187,875.79
Decreased by:	
Interest Paid:	
Utility Operating Fund	127,057.37
Balance Dec. 31, 2010	\$ 60,818.42

Analysis of Accrued Interest Dec. 31, 2010

<u>Principal Outstanding</u> <u>Dec. 31, 2010</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 1,175,000.00	Various	11/1/10	12/31/10	61 Days	\$ 8,600.37
636,000.00	Various	7/27/10	12/31/10	158 Days	9,340.86
					17,941.23
Environmental Infrastructure Loans					
1,000,000.00	Various	8/1/10	12/31/10	153 Days	21,478.44
1,005,000.00	Various	8/1/10	12/31/10	153 Days	21,398.75
					42,877.19
					\$ 60,818.42

WATER & SEWER UTILITY OPERATING FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 1,642.00	\$ 1,642.00		\$ 1,642.00
Other Expenses	\$ 5,558.95	77,340.66	82,899.61	\$ 5,498.27	77,401.34
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation		300.88	300.88		300.88
Social Security System (O.A.S.I.)		48.14	48.14		48.14
	\$ 5,558.95	\$ 79,331.68	\$ 84,890.63	\$ 5,498.27	\$ 79,392.36

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations		Balance Dec. 31, 2010	
				Funded	Unfunded	Deferred Charges to Future Revenue	Disbursed	Funded	Unfunded
06-7; 06-11.2	Water Plant Upgrades	8/23/06	\$ 20,000.00		\$ 8,396.07		\$ 2,500.00	\$ 5,896.07	
06-7; 06-11.3	Sewer System Upgrades	8/23/06	100,000.00		100,000.00		1,900.67	98,099.33	
06-7; 06-11.4	Utility Department Equipment	8/23/06	295,000.00		241,328.00		4,586.83	236,741.17	
07-13.2	Sewer System Improvements	7/11/07	40,000.00	\$ 2,000.00	38,000.00		760.27	39,239.73	
07-13.3	Utility Department Equipment	7/11/07	25,000.00	1,250.00	23,750.00		1,799.51	23,200.49	
08-9	Sewer System Improvements	8/27/08	50,000.00		47,277.50		8,111.48	39,166.02	
09-14	Water System Improvements	12/16/09	85,000.00		85,000.00		1,615.57	83,384.43	
				\$ 3,250.00	\$ 543,751.57	-	\$ 21,274.33	\$ 525,727.24	-

Exhibit SD-11

WATER & SEWER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2009	Fixed Capital Authorized	Transferred to Reserve for Amortization	Balance Dec. 31, 2010
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, 2010

Balance Dec. 31, 2009		\$	7,238,782.13
Increased by:			
Serial Bonds Paid by Operating Budget	\$	105,000.00	
Loans Paid by Operating Budget		<u>266,259.77</u>	
			<u>371,259.77</u>
Balance Dec. 31, 2010		\$	<u><u>7,610,041.90</u></u>

WATER & SEWER UTILITY OPERATING FUND
 Statement of Utility Liens Receivable
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$	6,829.70
Increased by:			
Transferred from Rents Receivable			<u>787.52</u>
Balance Dec. 31, 2010		\$	<u><u>7,617.22</u></u>

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Sewer Serial Bonds
 For the Year Ended December 31, 2010

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010
			Outstanding Date	Dec. 31, 2010 Amount					
2004 Refunding Bonds	5-15-04	\$ 1,765,000.00	5-1-2011	\$ 110,000.00	4.00%				
			5-1-2012	120,000.00	4.00%				
			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%				
2010 Serial Bonds	6-10-10	636,000.00	7-15-2011	10,000.00	3.00%				
			7-15-2012	10,000.00	3.00%				
			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%				
						\$ 636,000.00		636,000.00	
						\$ 1,280,000.00	\$ 636,000.00	\$ 105,000.00	\$ 1,811,000.00

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Environmental Infrastructure Loans
For the Year Ended December 31, 2010

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2009	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2010	
			Outstanding Dec. 31, 2010	Date	Amount						
2001A Fund Loan	11-8-01	\$ 1,342,670.00	2-1-2011	\$	16,311.93	N/A					
			8-1-2011		61,499.57	N/A					
			2-1-2012		15,069.27	N/A					
			8-1-2012		63,484.60	N/A					
			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		\$	827,680.21		\$
2001A Trust Loan	11-8-01	1,440,000.00	8-1-2011		70,000.00	5.50%					
			8-1-2012		75,000.00	5.50%					
			8-1-2013		75,000.00	5.50%					
			8-1-2014		80,000.00	5.00%					
			8-1-2015		85,000.00	5.00%					
			8-1-2016		90,000.00	5.00%					
			8-1-2017		95,000.00	5.00%					
			8-1-2018		100,000.00	5.00%					
			8-1-2019		105,000.00	5.00%					
			8-1-2020		110,000.00	4.75%					
			8-1-2021		115,000.00	4.75%		1,065,000.00		65,000.00	1,000,000.00

(Continued)

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2010</u>
06-7; 06-11.1	Purchase of Office Equipment	8-23-06	\$ 14,750.00		\$ 14,750.00	
06-7; 06-11.2	Water Plant Upgrades	8-23-06	20,000.00		20,000.00	
06-7; 06-11.3	Sewer System Upgrades	8-23-06	100,000.00		100,000.00	
06-7; 06-11.4	Utility Department Equipment	8-23-06	295,000.00		295,000.00	
07-13.1	Water System Improvements	7-11-07	9,500.00		9,500.00	
07-13.2	Sewer System Improvements	7-11-07	38,000.00		38,000.00	
07-13.3	Utility Department Equipment	7-11-07	23,750.00		23,750.00	
08-9	Sewer System Improvements	8-27-08	50,000.00		50,000.00	
09-14	Water System Improvements	12-16-09	85,000.00		85,000.00	
			<u>\$ 636,000.00</u>	<u>-</u>	<u>\$ 636,000.00</u>	<u>-</u>

TOWNSHIP OF WATERFORD
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

TOWNSHIP OF WATERFORD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

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

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

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	\$1,000,000.00(A)
Roeder D. Halbert	Deputy Mayor	1,000,000.00(A)
Ralph Condo	Committeeman	1,000,000.00(A)
Charles Hamilton	Committeeman	1,000,000.00(A)
Pamela Finnerty	Committeeman	1,000,000.00(A)
Lawrence C. Ruocco	Township Administrator and Purchasing Agent	1,000,000.00(A)
Virginia L. Chandler	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics	1,000,000.00(A)
Stephen A. 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 Assistant Purchasing Agent	1,000,000.00(B)
Wendy Parducci	Planning and Zoning Board Secretary	1,000,000.00(A)
John Holroyd, Jr.	Construction Official and Electrical, Fire, and Plumbing Sub Code Official (to 5/18/10)	1,000,000.00(A)
Edward Toussaint	Construction Official and Electrical, Fire, and Plumbing Sub Code Official (from 5/19/10)	1,000,000.00(A)
Edward Toussaint	Building Sub Code Official	1,000,000.00(A)
Krisden McCrink	Judge of Municipal Court	1,000,000.00(A)
Heather N. Iannarellal	Court Administrator	1,000,000.00(A)
Jacqueline Genovese	Deputy Court Administrator (to 4/14/10)	1,000,000.00(A)
John Knoll	Police Chief and Gun Permit Clerk	1,000,000.00(A)
Marie L. Procacci	Assessor	1,000,000.00(A)
Environmental Resolutions, Inc.	Engineer	
John P. Maroccia	Attorney	

(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 RLI Insurance Company 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

A handwritten signature in black ink, appearing to read "Joe Hoffmann", written over the printed name and title.

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

