

**TOWNSHIP OF CHESTERFIELD**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**TOWNSHIP OF CHESTERFIELD**  
**REPORT OF AUDIT - DECEMBER 31, 2011**

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**TOWNSHIP OF CHESTERFIELD**  
**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office during the year ended December 31, 2011:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE SURETY</u>
Michael Hlubik	Mayor		
Brian J. Kelly	Committeeman		
Lawrence M. Durr	Committeeman		
Bonnie J. Haines	Township Clerk, Registrar, Operations Manager, Recycling Coordinator, TDR Coordinator and Technical Assistant to the Construction Official		
Aggie Napoleon	Dog Registrar, Planning Board Secretary and Environmental Commission Secretary		
Robert Hudnell	Chief Financial Officer		
Caryn M. Hoyer	Treasurer, Tax Search Officer, Tax Collector and Deputy Clerk	\$1,000,000	A
ERI (Christopher Trebisky)	Township Engineer		
John C. Gillespie	Township Attorney		
Glenn McMahan	Tax Assessor		
Glenn McMahan	Housing Inspector and Construction Clerk, Deputy Assessor		
Glenn Riccardi	Construction Official, Building and Fire Inspector		

All statutory position bonds and all other insurance policies were covered under the Burlington County Joint Insurance Fund (A).

**TOWNSHIP OF CHESTERFIELD**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

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MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT  
ON BASIC FINANCIAL STATEMENTS**

The Honorable Mayor and  
Township Committee  
Township of Chesterfield  
County of Burlington  
Chesterfield, New Jersey

I have audited the accompanying financial statements of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Township of Chesterfield's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure 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. I believe that my audit provides a reasonable basis for my 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 practices differ from accounting principles generally accepted in the United States of America. The effect 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.

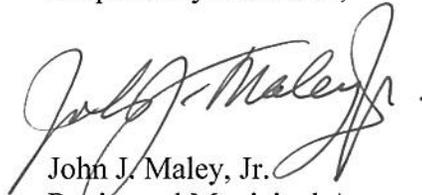
In my opinion, because of the Township of Chesterfield's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2011 and 2010, or the results of operations of such funds and changes in funds balances for the years then ended.

However, in my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2011 and 2010, and the results of operations of such funds and changes in fund balances for the years then ended in conformity with the basis of accounting described in the Note 1.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 29, 2012 on my consideration of the Township of Chesterfield's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements of the Township of Chesterfield, in the County of Burlington, State of New Jersey, taken as a whole. The accompanying schedule of state and county awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, State of New Jersey's OMB Circular Letter 04-04* and is not a required part of the financial statement. Also, the supplemental schedules of the individual funds listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,



John J. Maley, Jr.  
Registered Municipal Accountant No. 218  
Certified Public Accountant

February 29, 2012

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. BOX 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

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MEMBER  
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CERTIFIED PUBLIC ACCOUNTANTS

**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  
Township Committee  
Township of Chesterfield  
County of Burlington  
Chesterfield, New Jersey

I have audited the basic financial statements of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2011, and have issued my report thereon dated February 29, 2012. I conducted my 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The financial statements were prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United State of America. In my report my opinion on the financial statements prepared in accordance with the basis of accounting described in the notes to the financial statements was unqualified.

Internal Control Over Financial Reporting

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

My Consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of finding and responses, I identified certain deficiencies in internal control over financial reporting that I considered in the aggregate to be a material weakness and individually to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the combination of deficiencies described in the accompanying schedule of findings and responses identified as 2011-01 through 2011-05 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompanying schedule of findings and responses identified as 2010-01 through 2011-05 to be significant deficiencies.

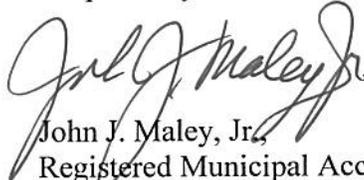
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Chesterfield's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-02.

The Township of Chesterfield's responses to the finding identified in my audit is described in the accompanying schedule of findings and responses. I did not audit the Township of Chesterfield's responses and, accordingly, I express no opinion on them.

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

Respectfully submitted,



John J. Maley, Jr.  
Registered Municipal Accountant No. 218  
Certified Public Accountant

February 29, 2012

**TOWNSHIP OF CHESTERFIELD**  
**COUNTY OF BURLINGTON**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
STATUTORY BASIS  
2011

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b><u>ASSETS</u></b>			
<b>Regular Fund:</b>			
Cash	A-4	\$ 3,223,969.81	\$ 4,687,559.43
Cash - Change Funds		100.00	100.00
		<u>3,224,069.81</u>	<u>4,687,659.43</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	268,416.68	266,169.77
Revenue Accounts Receivable	A-6	57,058.95	58,357.15
Tax Title Lien Receivable		54,697.15	23,544.82
Property Acquired for Taxes - Assessed Valuation		38,000.00	38,000.00
Due from Grant Fund	A	490,569.06	84,691.39
Due from Other Trust Funds	B	61,333.26	61,527.92
Due from General Capital Fund	C	502,187.22	1,030,200.78
		<u>1,472,262.32</u>	<u>1,562,491.83</u>
Deferred Charges		1,033.84	-
Total Regular Fund		<u>4,697,365.97</u>	<u>6,250,151.26</u>
<b>Federal and State Grant Fund:</b>			
Federal and State Grants Receivable	A-10	691,710.62	210,155.16
Total Federal and State Grant Funds		<u>691,710.62</u>	<u>210,155.16</u>
TOTAL ASSETS		<u>\$ 5,389,076.59</u>	<u>\$ 6,460,306.42</u>

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
STATUTORY BASIS  
2011

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b><u>LIABILITIES, RESERVES &amp; FUND BALANCE</u></b>			
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3:A-7	295,574.75	117,855.09
Reserve for Encumbrances	A-3:A-7	17,678.57	23,230.89
Due to State of New Jersey:			
Senior Citizen and Veterans Deductions		4,576.42	4,576.42
Marriage License Fees & Training Fees		5,905.00	2,874.00
Due County for Added & Omitted Taxes		21,877.34	43,675.83
Taxes Collected in Advance	A-4	72,281.08	90,212.83
Tax Overpayments		17,261.56	47,322.68
Reserve for Special Law Enforcement Fund		128.16	128.16
Reserve for Reassessment Program		34,447.22	34,447.22
Regional High School Tax Payable	A-9	350,000.00	350,000.00
Local District School Tax Payable	A-8	81.00	81.00
Prepaid Fees		200.00	200.00
Unallocated Receipt		2,500.00	2,500.00
		822,511.10	717,104.12
Reserves for Receivables and Other Assets	A	1,472,262.32	1,562,491.83
Fund Balance	A-1	2,402,592.55	3,970,555.31
		4,697,365.97	6,250,151.26
<b>Federal and State Grant Fund:</b>			
Due Current Fund	A	490,569.06	84,691.39
Reserve for Encumbrances	A-11	903.00	373.46
Appropriated Reserves	A-11	198,686.49	123,615.64
Unappropriated Reserves	A-12	1,552.07	1,474.67
		691,710.62	210,155.16
Total Federal and State Grant Funds		691,710.62	210,155.16
Total Liabilities, Reserves and Fund Balances		\$ 5,389,076.59	\$ 6,460,306.42

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
STATUTORY BASIS  
2011

	<u>Year 2011</u>	<u>Year 2010</u>
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>		
Fund Balance Utilized	2,345,000.00	2,749,100.00
Miscellaneous Revenue Anticipated	1,868,567.36	1,217,633.16
Receipts From Delinquent Taxes	250,435.46	274,599.77
Receipts From Current Taxes	15,331,435.69	14,963,940.02
Non-Budget Revenue	46,736.67	107,444.84
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	75,983.15	113,934.87
Prior Year Overpayments Cancelled	23,836.74	-
Interfunds Cleared	530,881.08	45,971.04
	<hr/>	<hr/>
TOTAL INCOME	\$ 20,472,876.15	\$ 19,472,623.70
<b><u>EXPENDITURES</u></b>		
Budget and Emergency Appropriations		
Operations		
Salaries and Wages	1,456,960.28	1,401,019.52
Other Expenses	1,387,398.95	1,609,838.44
Capital Improvements	1,019,007.00	287,500.00
Municipal Debt Service	147,023.18	134,755.75
Deferred Charges and Statutory Expenditures - Municipal	359,494.64	609,377.89
County Taxes	2,761,974.67	2,832,777.21
Due County for Added and Omitted Taxes	21,877.34	43,675.83
Local District School Tax	7,567,313.00	7,014,932.00
Regional High School Tax	3,924,954.18	3,699,537.38
Special District Tax	633,958.00	614,771.00
Canceled Grants	-	2,790.55
Refund of Prior Year Revenue	10,000.00	9,685.03
Interfund Advances	405,877.67	85,001.51
Overexpenditure of Appropriation Reserve	1,033.84	-
	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 19,696,872.75	\$ 18,345,662.11
Excess in Revenues (Expenditures)	776,003.40	1,126,961.59
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which Are by Statute, Deferred		
Charges to Budget of Succeeding Year	1,033.84	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	777,037.24	1,126,961.59
Fund Balance - January 1	3,970,555.31	5,592,693.72
	<hr/>	<hr/>
Decreased by:	4,747,592.55	6,719,655.31
Utilization as Anticipated Revenue	2,345,000.00	2,749,100.00
	<hr/>	<hr/>
Balance, December 31	\$ 2,402,592.55	\$ 3,970,555.31

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF REVENUES  
2011

	Anticipated Budget	Special N.J.S.A 40A:4-87	Realized	Excess Or (Deficit)
Fund Balance Anticipated	\$ 2,345,000.00		\$ 2,345,000.00	\$ -
<b>MISCELLANEOUS REVENUES</b>				
Local Revenues				
Licenses				
Alcoholic Beverages	5,000.00		5,250.00	250.00
Other	1,000.00		1,984.00	984.00
Fees and Permits	5,000.00		52,201.09	47,201.09
Fines and Costs				
Municipal Court	115,800.00		110,903.93	(4,896.07)
Interest and Costs on Taxes	53,000.00		55,990.56	2,990.56
Interest on Investments and Deposits	68,000.64		33,810.91	(34,189.73)
State Aid Without Offset Appropriations				
Consolidated Municipal Property Tax Relief Act	2,091.00		2,091.00	-
Energy Receipts Tax	510,624.00		510,624.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	125,000.00		102,566.00	(22,434.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Shared Service Agreements				
Interlocal Service Agreement-North Hanover Public Works	17,900.00		23,866.64	(5,966.64)
Public & Private Revenues Offset with Appropriations:				
N.J. Transportation Trust Fund Authority Act	200,000.00		200,000.00	-
Safe and Secure Communities Program - PL1994 Ch220	17,344.00		17,344.00	-
Recycling Tonnage Grant	6,367.69	2,946.77	9,314.46	-
Drunk Driving Enforcement Fund	1,274.67	1,534.80	2,809.47	-
Municipal Alliance on Alcoholism & Drug Abuse	13,000.00		13,000.00	-
Clean Communities Entitlement Program	-	11,018.30	11,018.30	-
Donation - Police Department	200.00		200.00	-
Green Team	-	1,000.00	1,000.00	-
Burlington County Park Development Program	250,000.00		250,000.00	-
Burlington County Park Development Program - Pedestrian Path and Bike Path	-	160,500.00	160,500.00	-
NJ Turnpike Reforestation Grant	-	304,093.00	304,093.00	-
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>1,391,602.00</b>	<b>481,092.87</b>	<b>1,868,567.36</b>	<b>(16,060.79)</b>
Receipts from Delinquent Taxes	270,000.00		250,435.46	(19,564.54)
Subtotal General Revenues	4,006,602.00	481,092.87	4,464,002.82	(35,625.33)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local tax for Municipal Purposes Including Reserve for Uncollected Taxes	383,866.00		720,098.62	336,232.62
<b>BUDGET TOTALS</b>	<b>4,390,468.00</b>	<b>481,092.87</b>	<b>5,184,101.44</b>	<b>300,607.29</b>
Non-Budget Totals	-		46,736.67	46,736.67
<b>TOTAL REVENUES</b>	<b>\$ 4,390,468.00</b>	<b>\$ 481,092.87</b>	<b>\$ 5,230,838.11</b>	<b>\$ 347,343.96</b>

Ref.           A-3                           A-3

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF REVENUES  
2011

## ANALYSIS OF REALIZED REVENUE

## ALLOCATION OF CURRENT TAX COLLECTIONS

Revenue from Collections		\$ 15,331,435.69
Allocated To:		
Local District School Tax	7,808,362.00	
Regional High School Tax	3,886,265.06	
County Taxes	2,783,852.01	
Special District Taxes	<u>633,958.00</u>	
		<u>15,112,437.07</u>
Balance for Support of Municipal Budget Appropriations		218,998.62
ADD: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>501,100.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 720,098.62</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections		246,819.77
Tax Title Lien Collections		<u>3,615.69</u>
	A-2	<u>\$ 250,435.46</u>
Fees and Permits:		
Road Opening, Zoning and Subdivision Fees		5,475.00
Housing Inspection Fees		<u>1,750.00</u>
		<u>7,225.00</u>
Less: Refunds		<u>-</u>
	A-2	<u>\$ 52,201.09</u>

## ANALYSIS OF NON-BUDGET REVENUE:

## MISCELLANEOUS REVENUE NOT ANTICIPATED:

Treasurer:		
Elections		80.00
Certified Lists		130.00
Duplicate Bill Fees, Postage, Copies and Buckets		737.58
Right of Way Agreement		2,500.00
Rental		5,077.00
Discovery Fees		30.18
Police Fees		611.32
Email Tax Files		500.00
Tax Collector - Tax Search Fees		8.00
FEMA Reimbursements		10,965.25
Police Donation		101.00
NSF Fees		60.00
Roadway Marking		25.00
Motor Vehicle Fines		3,286.67
Outside Police Fees		10,030.00
Septic/Well Permit		50.00
Solicitor's Permit		175.00
Towing Fees		1,840.00
Auction Proceeds		5,060.00
Architectural Reviews		1,140.00
Senior Citizen and Veteran Administration Fees		710.00
Miscellaneous		<u>3,619.67</u>
		<u>46,736.67</u>
Less: Refunds		<u>-</u>
	A-2	<u>46,736.67</u>
Total Miscellaneous Revenue Not Anticipated		<u>\$ 46,736.67</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
STATUTORY BASIS  
2011

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>GENERAL GOVERNMENT</b>						
Administrative and Executive						
Salaries and Wages	\$ 15,587.00	\$ 15,587.00	\$ 15,041.92		\$ 545.08	
Other Expenses	26,570.00	26,570.00	21,049.09		5,520.91	
Mayor and Council						
Salaries and Wages	19,500.00	19,500.00	19,500.00		-	
Other Expenses	600.00	600.00	219.00		381.00	
Municipal Clerk						
Salaries and Wages	47,056.00	47,056.00	46,957.39		98.61	
Other Expenses	2,225.00	2,225.00	2,085.00		140.00	
Financial Administration						
Salaries and Wages	31,210.00	31,210.00	31,210.00		-	
Other Expenses	12,550.00	12,550.00	10,317.28		2,232.72	
Audit Services						
Other Expenses	22,400.00	22,400.00	22,400.00		-	
Assessment of Taxes						
Salaries and Wages	31,264.00	25,064.00	25,062.83		1.17	
Other Expenses:						
Maintenance of Tax Map	2,500.00	2,500.00	2,486.25		13.75	
Miscellaneous Other Expenses	18,660.00	18,660.00	12,066.36		6,593.64	
Collection of Taxes						
Salaries and Wages	30,142.00	30,142.00	28,531.20		1,610.80	
Other Expenses	6,725.00	6,725.00	5,355.48	291.00	1,078.52	
Legal Services and Costs						
Other Expenses	130,000.00	130,000.00	71,663.81		58,336.19	
Engineering Services and Costs						
Other Expenses	45,000.00	54,041.71	47,953.82		6,087.89	
Public Buildings and Grounds						
Salaries and Wages	13,000.00	12,500.00	11,928.61		571.39	
Other Expenses	13,750.00	13,750.00	11,130.81		2,619.19	
Municipal Land Use Law (N.J.S. 40:55D-1):						
Planning Board						
Salaries and Wages	3,060.00	3,592.36	3,592.36		-	
Other Expenses	31,350.00	31,350.00	23,765.77		7,584.23	
Special Projects	3,000.00	3,000.00	-		3,000.00	
Environmental Commission (RS 40:56A-1, et seq)						
Salaries and Wages	690.00	690.00	689.33		0.67	
Other Expenses	1,335.00	1,335.00	945.44		389.56	
Recycling Program						
Salaries and Wages	219.00	219.00	219.00		-	
Other Expenses	1,000.00	1,000.00	95.35		904.65	
Insurance						
Liability Insurance	39,206.00	39,206.00	39,134.00		72.00	
Workers Compensation Insurance	81,500.00	81,500.00	78,641.00		2,859.00	
Employees Group Insurance	241,486.00	245,986.83	244,424.92		1,561.91	
Health Benefit Waiver - Buy Back	9,000.00	9,000.00	9,000.00		-	
<b>PUBLIC SAFETY</b>						
Police						
Salaries and Wages	289,379.00	289,379.00	256,757.38		32,621.62	
Other Expenses	34,195.00	34,195.00	19,596.93	2,300.68	12,297.39	
Acquisition of Police Car	30,000.00	30,000.00	28,232.77		1,767.23	
First Aid Organization - Contribution	16,500.00	16,500.00	13,693.70	2,806.30	(0.00)	
Animal Control Officer						
Salaries and Wages	1,020.00	1,020.00	1,020.00		-	
Other Expenses	500.00	500.00	-		500.00	
Emergency Management Services						
Salaries and Wages	3,642.00	3,642.00	3,641.47		0.53	
Other Expenses	1,000.00	1,000.00	285.67		714.33	

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
STATUTORY BASIS  
2011

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>STREETS AND ROADS</b>						
Road Repair and Maintenance						
Salaries and Wages	223,648.00	219,648.00	218,288.43		1,359.57	
Other Expenses	40,250.00	40,250.00	25,044.81	2,256.59	12,948.60	
Vehicle Maintenance						
Other Expenses	27,500.00	27,500.00	15,290.93		12,209.07	
<b>HEALTH AND WELFARE</b>						
Board of Health						
Salaries and Wages	4,741.00	4,767.92	4,449.92		318.00	
Other Expenses	500.00	500.00	246.50		253.50	
<b>RECREATION AND EDUCATION</b>						
Parks and Playgrounds						
Other Expenses	45,000.00	40,000.00	37,696.04		2,303.96	
Senior Citizens Programs						
Other Expenses	1,000.00	1,000.00	1,000.00		-	
<b>UNCLASSIFIED</b>						
Utilities						
Electricity	20,900.00	16,200.00	15,114.18		1,085.82	
Street Lighting	61,000.00	61,000.00	56,238.76		4,761.24	
Telephone	10,000.00	10,671.69	10,671.69		(0.00)	
Natural Gas	6,000.00	6,000.00	5,760.23		239.77	
Telecommunications Costs	1,300.00	1,400.00	1,349.79		50.21	
Gasoline	54,000.00	64,653.49	64,578.72		74.77	
<b>APPROPRIATIONS OFFSET BY DEDICATED REVENUES</b>						
State Uniform Construction Official						
Salaries and Wages	157,360.00	155,360.00	155,216.92		143.08	
Other Expenses	3,975.00	3,975.00	3,046.30		928.70	
Property Maintenance Code Enforcement						
Other Expenses	25,000.00	21,873.00	-		21,873.00	
<b>STATUTORY EXPENDITURES</b>						
Contribution to:						
Public Employees' Retirement System	69,110.00	69,110.00	69,110.00		-	
Social Security System (O.A.S.I.)	120,000.64	120,000.64	109,232.54		10,768.10	
Police and Firemen's Retirement System of N.J.	169,384.00	169,384.00	169,384.00		-	
Defined Contribution Retirement Program	1,000.00	1,000.00	-		1,000.00	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>						
	2,298,489.64	2,298,489.64	2,070,413.70	7,654.57	220,421.37	-
<b>Detail:</b>						
Salaries and Wages	871,518.00	859,377.28	822,106.76	-	37,270.52	-
Other Expenses	1,426,971.64	1,439,112.36	1,248,306.94	7,654.57	183,150.85	-

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
STATUTORY BASIS  
2011

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>						
<b>PUBLIC SAFETY</b>						
<b>General Government</b>						
<b>Statutory Expenditures</b>						
Group Health Insurance Plan for Employees	20,314.00	20,314.00	20,314.00		-	
Length of Service Award Program						
Other Expenses	10,000.00	10,000.00	8,400.00		1,600.00	
Aid to Crosswicks Library	18,000.00	18,000.00	18,000.00		-	
Fair Housing Act (Chap. 22 Laws of 1995):						
Affordable Housing						
Other Expenses	15,000.00	15,000.00	9,443.14		5,556.86	
<b>APPROPRIATION "CAP" WAIVER PER N.J.S.A. 40A:4-45.3ee</b>						
Public Safety:						
Police						
Salaries and Wages	580,239.00	580,239.00	559,155.63		21,083.37	
Ambulance Service						
Contractual	77,875.00	77,875.00	77,875.00		-	
Total Other Operations - Excluded from "CAPS"	721,428.00	721,428.00	693,187.77	-	28,240.23	-
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
North Hanover Township - Municipal Court	126,000.00	126,000.00	81,062.85		44,937.15	
Total Interlocal Municipal Service Agreements	126,000.00	126,000.00	81,062.85	-	44,937.15	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Municipal Drug Alliance						
Other Expenses	13,000.00	13,000.00	13,000.00		-	
Matching Funds	3,250.00	3,250.00	3,250.00		-	
Safe and Secure Communities Program:						
Police						
Salaries and Wages	17,344.00	17,344.00	17,344.00		-	
Drunk Driving Enforcement Fund (C159 \$1,534.80)	2,809.47	2,809.47	2,809.47		-	
Recycling Tonnage Grant (C159 \$2,946.77)	9,314.46	9,314.46	9,314.46		-	
Clean Communities Program (C159 \$11,018.30)	11,018.30	11,018.30	11,018.30		-	
Green Team (C159 \$1,000.00)	1,000.00	1,000.00	1,000.00		-	
Donations - Police Department	200.00	200.00	200.00		-	
Total Public & Private Programs Offset by Revenues	57,936.23	57,936.23	57,936.23	-	-	-
Total Operations Excluded from "CAPS"	905,364.23	905,364.23	832,186.85	-	73,177.38	-
Detail:						
Salaries and Wages	597,583.00	597,583.00	576,499.63	-	21,083.37	-
Other Expenses	307,781.23	307,781.23	255,687.22	-	52,094.01	-

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
STATUTORY BASIS  
2011

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	21,000.00	21,000.00	21,000.00		-	
Reserve for Open Space	71,414.00	71,414.00	71,414.00		-	
Acquisition of Road Equipment	12,000.00	12,000.00	-	10,024.00	1,976.00	
New Jersey Transportation Trust Herman Black Road 2011	200,000.00	200,000.00	200,000.00		-	
Burlington County Park Development Program	250,000.00	250,000.00	250,000.00		-	
Burlington County Park Development Program - Pedestrian Path and Bike Path (C159 \$160,500.00)	160,500.00	160,500.00	160,500.00		-	
NJ Turnpike Authority Reforestation Grant (C159 \$304,093.00)	304,093.00	304,093.00	304,093.00		-	
<b>Total Capital Improvements</b>	<b>1,019,007.00</b>	<b>1,019,007.00</b>	<b>1,007,007.00</b>	<b>10,024.00</b>	<b>1,976.00</b>	<b>-</b>
<b>MUNICIPAL DEBT SERVICE</b>						
Payment of Bond Principal	38,000.00	38,000.00	38,000.00		-	
Payment of Bond Anticipation Notes and Capital Notes	75,000.00	75,000.00	75,000.00		-	
Interest on Bonds	32,000.00	32,000.00	31,467.50		-	532.50
Interest on Notes	2,600.00	2,600.00	2,555.68		0.00	44.32
<b>Total Municipal Debt Service</b>	<b>147,600.00</b>	<b>147,600.00</b>	<b>147,023.18</b>	<b>-</b>	<b>0.00</b>	<b>576.82</b>
<b>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</b>	<b>2,071,971.23</b>	<b>2,071,971.23</b>	<b>1,986,217.03</b>	<b>10,024.00</b>	<b>75,153.38</b>	<b>576.82</b>
<b>SUB-TOTAL GENERAL APPROPRIATIONS</b>	<b>4,370,460.87</b>	<b>4,370,460.87</b>	<b>4,056,630.73</b>	<b>17,678.57</b>	<b>295,574.75</b>	<b>576.82</b>
Reserve for Uncollected Taxes	501,100.00	501,100.00	501,100.00		-	
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 4,871,560.87</b>	<b>\$ 4,871,560.87</b>	<b>\$ 4,557,730.73</b>	<b>\$ 17,678.57</b>	<b>\$ 295,574.75</b>	<b>\$ 576.82</b>

Budget	4,390,468.00					
Emergency Appropriation	-				Canceled	576.82
Appropriated by N.J.S. 40A:4-87	481,092.87				Overexpended	-
	<u>\$ 4,871,560.87</u>					<u>\$ 576.82</u>

**ANALYSIS OF PAID OR CHARGED:**

Reserve for Uncollected Taxes	501,100.00
Due to General Capital Fund:	
Capital Improvement Fund	21,000.00
Reserve for Open Space	71,414.00
Reserve for State and Federal Grant Funds	772,529.23
Cash Disbursed	3,191,687.50
	<u>\$ 4,557,730.73</u>

TOWNSHIP OF CHESTERFIELD  
TRUST FUND  
COMPARATIVE BALANCE SHEET  
STATUTORY BASIS  
2011

<u>ASSETS</u>	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Dog License Fund:			
Cash	B-1	\$ 9,922.99	\$ 7,642.03
		<u>\$ 9,922.99</u>	<u>\$ 7,642.03</u>
Other Funds:			
Cash	B-1	\$ 1,657,341.97	\$ 1,657,844.67
Due from Payroll Fund	E	4,203.02	2,098.49
		<u>\$ 1,661,544.99</u>	<u>\$ 1,659,943.16</u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>  			
Dog License Fund:			
Reserve for Dog Fund Expenditures	B-2	\$ 9,921.79	\$ 7,642.03
Due to State of New Jersey		1.20	-
		<u>\$ 9,922.99</u>	<u>\$ 7,642.03</u>
Other Funds:			
Due to Current Fund	A	\$ 61,333.26	\$ 61,527.92
Tax Sale Premiums		36,200.00	53,800.00
Reserve for Escrow Deposits		1,059,124.88	1,261,670.13
Reserve for Unemployment Compensation Insurance		41,890.51	39,770.56
Reserve for TDR Credits - Turnpike		168,750.00	168,750.00
Reserve for Public Defender Fees		13,249.44	9,717.44
Reserve for Police Outside Duty		58,290.54	54,485.54
Reserve for Basin Maintenance		194,433.99	-
Reserve for Municipal Drug Alliance		10,920.55	-
Reserve for Housing Trust		17,351.82	10,221.57
		<u>\$ 1,661,544.99</u>	<u>\$ 1,659,943.16</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 COMPARATIVE BALANCE SHEET  
 STATUTORY BASIS  
 2011

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b><u>ASSETS</u></b>			
Cash - Treasurer	C-2	\$ 694,889.83	\$ 1,089,420.31
Deferred Charges to Future Taxation - Funded	C	617,000.00	655,000.00
Deferred Charges to Future Taxation - Unfunded	C-3	5,217,817.17	5,792,817.17
Grants Receivable	C-13	1,113,343.70	1,613,343.70
<b>TOTAL ASSETS</b>		<b>\$ 7,643,050.70</b>	<b>\$ 9,150,581.18</b>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
General Serial Bonds	C-6	\$ 617,000.00	\$ 655,000.00
Bond Anticipation Notes	C-7	74,000.00	149,000.00
Reserve for Encumbrances	C-5	56,371.00	-
Improvement Authorizations:			
Funded	C-5	288,461.79	211,468.81
Unfunded	C-5	3,341,673.65	3,397,567.96
Capital Improvement Fund	C-4	150,077.17	129,077.17
Reserve for Recreation Improvements - Unappropriated	C-10	304,040.48	691,941.07
Reserve for Transportation Improvements - Unappropriated	C-11	22,136.73	170,636.73
Reserve for Needs Assessment Study	C-12	4,033.75	4,033.75
Reserve for Grants Receivable	C-13	1,113,343.70	1,613,343.70
Reserve for Open Space	C-14	376,540.00	305,126.00
Due to Current Fund	C-8	502,187.22	1,030,200.78
Due to Sewer Utility	C-9	724,000.00	724,000.00
Fund Balance	C-1	69,185.21	69,185.21
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 7,643,050.70</b>	<b>\$ 9,150,581.18</b>

There were bonds and notes authorized but not issued on December 31, 2011 in the amount of \$5,143,817 and on December 31, 2010 in the amount of \$5,643,817 as shown on Exhibit C-15.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
STATUTORY BASIS  
2011

<b>Balance December 31, 2010</b>	\$ 69,185.21
<b>Increased By:</b>	
Funded Improvement Authorizations Canceled	<u>69,185.21</u>
<b>Decreased By:</b>	
Improvement Authorizations Funded	<u>-</u>
<b>Balance December 31, 2011</b>	<u><u>\$ 69,185.21</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
2011

<u>ASSETS</u>	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Operating Fund:			
Cash	D-5	\$ 3,653,847.78	\$ 3,771,462.45
Due From General Capital Fund	C	724,000.00	724,000.00
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-9	41,382.73	28,865.03
Total Sewer Operating Fund		4,419,230.51	4,524,327.48
Capital Fund:			
Fixed Capital Authorized & Uncompleted	D-10	5,700,000.00	5,700,000.00
Fixed Capital	D-7	19,495.00	19,495.00
Due From Sewer Operating Fund	D-8	1,494,425.53	1,474,425.53
Total Sewer Capital Fund		7,213,920.53	7,193,920.53
Total Sewer Utility Fund		\$ 11,633,151.04	\$ 11,718,248.01
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4; D-14	\$ 56,218.05	\$ 23,181.48
Reserve for Encumbrances	D-4	1,740.00	0.00
Accrued Interest on Bonds and Notes	D-17	38,701.04	41,767.71
Due To Sewer Capital Fund	D-8	1,494,425.53	1,474,425.53
Total Reserves and Liabilities		1,591,084.62	1,539,374.72
Reserve for Receivables	D	41,382.73	28,865.03
Fund Balance	D-1	2,786,763.16	2,956,087.73
Total Sewer Operating Fund		4,419,230.51	4,524,327.48
Capital Fund:			
NJ Environmental Infrastructure Trust Payable	D-13	3,403,972.21	3,685,083.17
Improvement Authorizations:			
Funded			
Reserve for Treatment Plant Improvements	D-6	400,000.00	400,000.00
Deferred Reserve For Amortization	D-12	2,237,667.79	1,956,556.83
Reserve For Amortization	D-16	19,495.00	19,495.00
Capital Improvement Fund	D-15	120,505.00	100,505.00
Fund Balance	D-2	9,495.00	9,495.00
Total Capital Fund		7,213,920.53	7,193,920.53
Total Sewer Utility Fund		\$ 11,633,151.04	\$ 11,718,248.01

These were bonds and notes authorized but not issued on December 31, 2011 and 2010 in the amount of \$58,360.00.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
STATUTORY BASIS  
2011

<u>REVENUES AND OTHER INCOME REALIZED</u>	<u>Year 2011</u>	<u>Year 2010</u>
Fund Balance Utilized	\$ 183,650.00	\$ 150,550.00
Rents	317,932.65	297,300.55
Miscellaneous	56,716.30	63,742.90
Connection Fees	24,250.00	117,671.05
Non-Budget Revenue	-	-
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	8,744.27	1,607.44
	<hr/>	<hr/>
Total Income	591,293.22	630,871.94
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Operating	177,000.00	176,900.00
Capital Improvements	20,000.00	20,000.00
Debt Service	378,226.79	372,613.23
Deferred Charges and Statutory Expenditures	1,650.00	1,650.00
Refund of Prior Year Revenue	91.00	
	<hr/>	<hr/>
Total Expenditures	576,967.79	571,163.23
	<hr/>	<hr/>
Excess (Deficit) In Revenue	14,325.43	59,708.71
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	14,325.43	59,708.71
Fund Balance - January 1	2,956,087.73	3,046,929.02
	<hr/>	<hr/>
	2,970,413.16	3,106,637.73
Decreased By:		
Utilization as Anticipated Revenue	183,650.00	150,550.00
	<hr/>	<hr/>
Fund Balance - December 31	<u>\$ 2,786,763.16</u>	<u>\$ 2,956,087.73</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE  
STATUTORY BASIS  
2011

Balance - December 31, 2010 and 2011

\$ 9,495.00

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - STATUTORY BASIS  
2011

	Anticipated Budget	Realized	Excess Or (Deficit)
Surplus Anticipated	\$ 183,650.00	\$ 183,650.00	\$ -
Sewer Rents	297,000.00	317,932.65	20,932.65
Miscellaneous	63,000.00	56,716.30	(6,283.70)
Connection Fees	50,000.00	24,250.00	(25,750.00)
<b>BUDGET TOTALS</b>	<b>593,650.00</b>	<b>582,548.95</b>	<b>(11,101.05)</b>
Non-Budget Totals	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 593,650.00</b>	<b>\$ 582,548.95</b>	<b>\$ (11,101.05)</b>

MISCELLANEOUS REVENUE:

Interest Income	\$ 39,521.53
Penalties on Delinquent Payments	3,171.01
NJEIT Savings credit	13,903.76
Other	120.00
	<hr/>
	<b>\$ 56,716.30</b>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
2011

	APPROPRIATIONS		EXPENDED			Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid Or Charged	Encumbrances	Reserved		
Operating							
Salaries and Wages	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00		\$ -	\$ -	
Other Expenses	156,000.00	156,000.00	98,086.85	1,740.00	56,173.15	-	
	177,000.00	177,000.00	119,086.85	1,740.00	56,173.15	-	-
Capital Improvements:							
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		-	-	
Total Capital Improvements	20,000.00	20,000.00	20,000.00	-	-	-	-
Debt Service:							
Payment of Bond Principal	282,000.00	282,000.00	281,110.96		-	889.04	
Interest on Bonds	98,000.00	100,182.50	97,115.83		-	3,066.67	
Interest on Notes	15,000.00	12,817.50	-		-	12,817.50	
Total Debt Service	395,000.00	395,000.00	378,226.79	-	-	16,773.21	-
Deferred Charges & Statutory Expenditures:							
Statutory Expenditures:							
Contribution To:							
Social Security System (OASI)	1,650.00	1,650.00	1,605.10		44.90	-	
	1,650.00	1,650.00	1,605.10	-	44.90	-	-
Total Budget	\$ 593,650.00	\$ 593,650.00	\$ 518,918.74	\$ 1,740.00	\$ 56,218.05	\$ 16,773.21	\$ -
Budget		<u>\$ 593,650.00</u>					

Analysis of Paid or Charged

Interest on Bonds	97,115.83
Due to Sewer Operating Fund - Capital Improvement Fund	20,000.00
Cash Disbursed	401,802.91
	<u>\$ 518,918.74</u>

TOWNSHIP OF CHESTERFIELD  
 PAYROLL FUND  
 COMPARATIVE BALANCE SHEET  
 STATUTORY BASIS  
 2011

		<b>Balance</b>	<b>Balance</b>
	<b>Ref.</b>	<b>Dec. 31, 2011</b>	<b>Dec. 31, 2010</b>
<b><u>ASSETS</u></b>			
Cash	E-1	\$ 16,272.07	\$ 14,916.74
		<u>\$ 16,272.07</u>	<u>\$ 14,916.74</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Due Other Trust Fund	B	\$ 4,203.02	\$ 2,098.49
Payroll Taxes Payable		<u>12,069.05</u>	<u>12,818.25</u>
		<u>\$ 16,272.07</u>	<u>\$ 14,916.74</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD  
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
 STATUTORY BASIS  
 2011

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
<b>General Fixed Assets:</b>		
Land	\$ 3,682,445.00	\$ 3,682,445.00
Buildings	574,285.00	574,285.00
Improvements Other than Buildings	127,500.00	127,500.00
Machinery and Equipment	1,348,725.91	1,287,632.04
	<hr/>	<hr/>
<b>Total General Fixed Assets</b>	<b>\$ 5,732,955.91</b>	<b>\$ 5,671,862.04</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b>Investment in General Fixed Assets</b>	 <b>\$ 5,732,955.91</b>	 <b>\$ 5,671,862.04</b>
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

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

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of Chesterfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Chesterfield, as required by N.J.S.A. 40A:5-5.

**B. Description of Funds**

The accounting policies of the Township of Chesterfield conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Chesterfield accounts for its financial transactions through the following separate funds. This fund structure is not intended to present financial information in accordance with generally accepted accounting principles (GAAP).

**Current Fund** - Resources and expenditures for governmental operations of general nature, including Federal and State grant funds.

**Trust Fund** - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund. This fund is also used to account for current fund debt authorized.

**Payroll Fund** - Receipts and disbursement of funds to cover salary and wage expense and related payroll deductions and payroll taxes.

**Sewer Utility Operating and Capital Funds** - Account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

**General Fixed Assets Account Group** - Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP requires the use of governmental fund types, proprietary fund types, and fiduciary fund types and capital assets are reported in government-wide financial statements.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Under GAAP however, governmental fund-based financial statements are based on the modified accrual accounting basis and the flow of current financial resources. Government-wide financial statements are based on the accrual basis of accounting and on a flow of all economic resources.

**Revenues** - Revenues are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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.

Revenues are recognized under GAAP when they become both measurable and available.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts that may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Expenditures are recognized under GAAP in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the local school district and the regional school district. Expenditures are recorded for the full amount paid to the school districts from January 1 to December 31.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Expenditures are recorded 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.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Asset Account Group at the lower of cost or fair market value.

**Interfunds** - Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of offsetting reserves by charges to operations for Current Fund interfunds receivable. Revenues would not be recognized in the year of liquidation.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires current fund inventories on hand at the close of the year to be reported on the balance sheet and offset by a fund balance reserve.

**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 al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years. GAAP does not recognize deferred charges for amounts expended in excess of budgeted or for emergency appropriations.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts that 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. GAAP does not provide for the reservation of unexpended budget appropriations.

**Reserve for Uncollected Taxes** - The Reserve for Uncollected Taxes is a non-spending budget appropriation. The amount is calculated based on the percentage of taxes collected in the preceding year. The inclusion of the Reserve for Uncollected Taxes in the amount to be raised by taxes assures the Township, based on its prior year collection percentage, it will collect enough taxes to pay its current year obligations. A Reserve for Uncollected Taxes is not provided under GAAP.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**General Fixed Assets** - Property and equipment purchased by the current and the general capital funds are recorded as expenditures at the time of purchase and are not capitalized.

The Township has developed a fixed assets accounting system in accordance with Technical Accounting Directive No. 85-2, "Accounting for Governmental Fixed Assets", as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants-in-aid or contributed capital, have not been accounted for separately.

**Budgets and Budgetary Accounting** - In accordance with N.J.S.A. 40A:4-5 et al the Township must adopt an annual budget. 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.

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.

**Property Taxes**

**Assessment of Tax:** New Jersey statutes require that taxable valuation of real property be prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Taxes (Continued)**

by the Township, Regional and Local School Districts and the County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts. Pursuant to stature, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Tax Collector on or before May 13<sup>th</sup>.

**Collection of Tax:** Tax bills are prepared and mailed by the Collector of Taxes of the Township of Chesterfield annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

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

**Note 2: CASH AND INVESTMENTS**

**Deposits** - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as (Cash).

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to adopt a cash management plan and shall deposit or invest, or both deposit and invest its funds pursuant to that plan. Deposits of public funds are permitted 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 the New Jersey Cash Management Fund.

The Township deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 2: CASH AND CASH INVESTMENTS (Continued)**

Public funds are defined as the funds of any government unit. Public depositories include Savings and Loan Institutions, banks (both State and National Banks) and savings banks where deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 5% 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 full amount of their deposits to the government units.

At December 31, 2011, the carrying value of cash of the Township consisted of the following:

	Total
Interest Bearing Demand Deposits	\$ 8,052,164
NJ Cash Management Fund	250,825
Developer Funds	967,838
	\$ 9,270,827

Cash available to earn interest was placed in the NJ Cash Management Fund or interest bearing accounts. The carrying amount of cash at December 31, 2011 was \$9,270,827 and the bank balance was \$9,622,442. Of the bank balance, \$750,000 was covered by federal depository insurance and \$8,872,442 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Investments** - New Jersey Statutes establish the following securities as eligible for the investment of the Township of Chesterfield's funds:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Government money market mutual funds.
3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
5. Local government investment pools.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Agreements for the repurchase of fully collateralized securities, subject to conditions.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 2: CASH AND CASH INVESTMENTS (Continued)**  
**Investments (Continued)**

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure.

*Credit Risk:* Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The Township has no policy on credit risk

*Concentration of Credit Risk:* The Township places no limit on the amount that may be invested in any one issuer.

**Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION**

**Summary of Municipal Debt**

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<b><u>Issued:</u></b>			
General:			
Bonds and Notes	\$ 691,000	\$ 804,000	\$ 900,000
Sewer Utility:			
Bonds, Notes and Loans	3,403,972	3,685,083	3,953,843
Total Issued	4,094,972	4,489,083	4,853,843
Less:			
General:			
Cash Pledged to pay Bonds and Notes	-	-	-
	<u>4,094,972</u>	<u>4,489,083</u>	<u>4,853,843</u>
<b><u>Authorized But Not Issued</u></b>			
General:			
Bonds and Notes	5,143,817	5,643,817	6,430,528
Sewer Utility:			
Bonds and Notes	58,360	58,360	58,360
Total Authorized But Not Issued	<u>5,202,177</u>	<u>5,702,177</u>	<u>6,488,888</u>
Total Municipal Bonds, Notes and Loans			
Issued and Authorized But Not Issued	<u>\$ 9,297,149</u>	<u>\$ 10,191,260</u>	<u>\$ 11,342,731</u>

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is presented in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of 3.3183%.

	<b>Gross Debt</b>	<b>Deductions</b>	<b>Net debt</b>
Local School District Debt	\$ 37,222,000	\$18,022,250	\$19,199,750
Regional School District Debt	5,863,982	5,863,982	-
Sewer Utility Debt	3,462,332	3,462,332	-
General Debt	5,834,817	1,113,343	4,721,474
Totals	<u>\$ 52,383,131</u>	<u>\$28,461,907</u>	<u>\$23,921,224</u>

Net Debt is \$23,921,224 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$720,889,986 = 3.3183%.

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

3-1/2% of Equalized Valuation Basis	\$ 25,231,150
Municipal Net Debt	<u>23,921,224</u>
Excess Borrowing Approved by the Local Finance Board	<u>\$ 1,309,926</u>

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

Cash Receipts for Fees, Rents or Other Charges for the Year	\$ 579,899
Deductions:	
Operating and Maintenance Costs	178,650
Debt Service Per Sewer Operating Fund	<u>378,227</u>
	<u>556,877</u>
Excess in Revenue	<u>\$ 23,022</u>

The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer as amended.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)**

**Changes In Long-Term Debt**

General Capital Fund Debt

Purpose	Interest Rate or Range	Balance		Balance	
		Dec. 31, 2010	Issued	Retired	Dec. 31, 2011
General Improvements - 2003	4.375%-5.00%	655,000	-	(38,000)	617,000
Total		\$ 655,000	\$ -	\$ (38,000)	\$ 617,000

Sewer Utility Fund Debt

Purpose	Interest Rate or Range	Balance		Balance	
		Dec. 31, 2010	Issued	Retired	Dec. 31, 2011
Sewer Collection System - 2001	0%-5.50%	\$ 2,386,761	\$ -	\$(227,704)	\$ 2,159,057
Sewer Treatment Plant Expansion - 2003	0%-5.50%	848,322	-	(53,407)	794,915
Total		\$ 3,235,083	\$ -	\$(281,111)	\$ 2,953,972

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

Calendar Year	General		Sewer		Total
	Principal	Interest	Principal	Interest	
2012	39,000	30,138	292,743	92,883	454,764
2013	41,000	28,188	296,001	85,058	450,247
2014	43,000	26,138	299,088	76,958	445,184
2015	45,000	23,988	318,562	69,208	456,758
2016	47,000	21,738	321,616	61,058	451,412
2017-2021	275,000	70,740	1,727,167	170,621	2,243,528
2022-2023	127,000	8,563	148,795	6,413	290,771
	\$ 617,000	\$ 209,493	\$ 3,403,972	\$ 562,199	\$ 4,792,664

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 4: FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance 12/31/10	Increase	Decrease	Balance 12/31/11
Land	\$3,682,445	\$ -	\$ -	\$3,682,445
Buildings	574,285	-	-	574,285
Improvements Other than Building	127,500	-	-	127,500
Equipment	1,287,632	96,994	(35,900)	1,348,726
Totals	<u>\$5,671,862</u>	<u>\$ 96,994</u>	<u>\$(35,900)</u>	<u>\$5,732,956</u>

**Note 5: SCHOOL TAXES**

Local district school taxes and regional high school taxes have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<b><u>Local District</u></b> <b><u>School Tax</u></b>		<b><u>Regional High</u></b> <b><u>School Tax</u></b>	
	Balance	Balance	Balance	Balance
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Balance of Tax	\$ 3,904,342	\$ 3,663,212	\$ 2,064,809	\$ 2,103,498
Deferred	3,904,261	3,663,131	1,714,809	1,753,498
Tax Payable	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>

**Note 6: FUND BALANCE APPROPRIATED**

Fund balance at December 31, 2011 has been appropriated and included as anticipated revenue for the year ended December 31, 2012 was as follows:

	<b><u>Fund Balance Anticipated In</u></b> <b><u>Dec. 31, 2011 2012 Budget *</u></b>	
Current Fund	\$ 2,402,593	\$ -
General Capital Fund	69,185	-
Sewer Utility Fund	2,786,763	-
Sewer Utility Capital Fund	9,495	-

\* Amounts not determined at time of filing.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 7: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

<b><u>Current Fund</u></b>	<b>2011</b>	<b>2010</b>
Overexpenditure of Appropriation Reserves	\$ 1,033.84	\$ -

**Note 8: PENSIONS**

**Plan Description**

Employees who are eligible for a pension plan, are enrolled in one of two cost sharing multiple-employer public employee retirement systems: The Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. Township employees are also covered by the Federal Insurance Contribution Act, other than certain policemen.

**Funding Policy**

The contributions policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and PFRS. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In PERS, the employer contribution includes funding for post-retirement medical premiums. The Township's contributions were made as follows, equal to the required amounts.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 8: PENSIONS - (Continued)**

**Funding Policy – (Continued)**

Year	PERS		PFRS	
	Employer Contributions	% of Covered Payroll	Employer Contributions	% of Covered Payroll
	Amount		Amount	
2011	\$ 69,110	11.93%	\$ 169,384	23.62%
2010	67,295	11.42%	133,767	18.85%
2009	60,460	10.08%	121,908	18.50%

	PERS				PFRS			
	Normal Contribution	Accrued Liability	NCGI Premium	Total	Normal Contribution	Accrued Liability	NCGI Premium	Total
	2011	24,767	39,465	4,878	69,110	90,087	72,236	7,061
2010	25,865	33,234	8,196	67,295	74,336	52,959	6,472	133,767
2009	24,935	28,841	6,684	60,460	69,207	47,886	4,815	121,908

**Note 9: ACCRUED VACATION AND SICK BENEFITS**

The Township has a policy that permits employees to accrue unused sick leave. It is estimated that the current costs of such unpaid compensation would approximate \$160,000 if taken at current pay rates.

GASB No. 16 requires the accrual of the liability for compensated absences to the extent it is probable that the employer will compensate the employee for the benefits through cash payments conditioned on the employees' termination or retirement. The Township's sick leave policy allows an employee to be compensated for unused sick leave at retirement in an amount not to exceed \$2,500. The estimated liability under this sick leave buyout (including related payroll taxes) is \$46,800 as of December 31, 2011. The financial statements do not reflect expenditures or liabilities for compensated absences.

**Note 10: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in of the past three fiscal years. There was no reduction in commercial coverage during the year.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 10: RISK MANAGEMENT – (Continued)**

The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

Fiscal Year Ending	Township Contributions	Employee Contributions	Amount Reimbursed	Balance
2011	\$ -	\$ 2,210	\$ 90	\$ 41,891
2010	-	3,923	7,704	39,771
2009	-	2,121	650	43,552

**Note 11: DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by Nationwide Retirement Solutions permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan is administered by an independent plan administrator through an administrative service agreement. The Township’s administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. Therefore, the financial activity of these plans is not reported in the Township’s Trust Fund.

**Note 12: CONTINGENT LIABILITIES**

**Litigation**

The Township is the defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements.

\* \* \* \* \*

**TOWNSHIP OF CHESTERFIELD**  
**COUNTY OF BURLINGTON**

**SUPPLEMENTARY DATA**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
2011

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance - December 31, 2010	\$ 4,687,559.43	\$ -
<u>INCREASED BY RECEIPTS:</u>		
Revenue Accounts Receivable	899,288.13	-
Miscellaneous Revenue Not Anticipated	46,263.18	-
Due State of New Jersey:		
Training Fees	10,128.00	-
Marriage License Fees	575.00	-
Senior Citizen and Veterans Deductions	35,500.00	-
Petty Cash	100.00	-
Taxes Receivable	15,435,941.17	-
Tax Overpayments	39,696.32	-
2012 Prepaid Taxes	72,281.08	-
Tax Title Liens	3,615.69	-
Due Federal & State Grant Fund	487,801.17	-
Due General Capital Fund	500,000.00	-
Federal and State Grants Receivable	-	486,249.10
Federal and State Grants Unappropriated	-	1,552.07
Due Current Fund	-	408,754.21
	<u>17,531,189.74</u>	<u>896,555.38</u>
	22,218,749.17	896,555.38
<u>DECREASED BY DISBURSEMENTS:</u>		
2011 Appropriations	2,991,687.50	-
2010 Appropriation Reserves	66,136.67	-
Special District Tax Payable	633,958.00	-
County Taxes	2,761,974.67	-
County Share of Added and Omitted Taxes	43,675.83	-
Local School District Tax	7,567,313.00	-
Regional High School Tax	3,924,954.18	-
Tax Overpayments	29,319.21	-
Due State of New Jersey:		
Training Fees	7,147.00	-
Marriage License Fees	525.00	-
Refund of Prior Year Revenue	10,000.00	-
Due Federal & State Grant Fund	896,555.38	-
Due General Capital Fund	61,532.92	-
Federal and State Grants Disbursed	-	896,555.38
	<u>18,994,779.36</u>	<u>896,555.38</u>
Balance - December 31, 2011	<u>\$ 3,223,969.81</u>	<u>\$ -</u>

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
2011

Year	Balance Dec. 31, 2010	2011 Levy	Added Taxes	Paid By Cash		State Of New Jersey Ch. 20 P.L. 1971	Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2011
				2011	2010				
2010	\$ 266,169.77	\$ -	\$ -	\$ 246,819.77	\$ -	\$ -	\$ 10,558.08	\$ 8,791.92	\$ -
	266,169.77	-	-	246,819.77	-	-	10,558.08	8,791.92	-
2011	-	15,636,762.24	-	15,205,722.86	90,212.83	35,500.00	13,112.96	23,796.91	268,416.68
	\$ 266,169.77	\$ 15,636,762.24	\$ -	\$ 15,452,542.63	\$ 90,212.83	\$ 35,500.00	\$ 23,671.04	\$ 32,588.83	\$ 268,416.68

ANALYSIS OF 2011 PROPERTY TAX LEVY

Tax Yield	Tax Levy
General Purpose Tax	\$ 7,808,362.00
Special District Taxes	3,886,265.06
Added Taxes (54:4-3.1 et.seq.)	2,761,974.67
	<u>21,877.34</u>
	2,783,852.01
	442,403.00
	191,555.00
	383,866.00
	<u>140,459.17</u>
	524,325.17
	<u>\$ 15,636,762.24</u>

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
2011

	Balance Dec. 31, 2010	Accrued In 2011	Collections Collector/ Treasurer	Balance Dec. 31, 2011	Remarks
Clerk					
Licenses					
Alcoholic Beverages	\$ -	\$ 5,250.00	\$ 5,250.00	\$ -	
Other	-	1,984.00	1,984.00	-	
Construction Code Official					
Fees and Permits	-	102,566.00	102,566.00	-	
Zoning and Subdivision Fees	-	5,475.00	5,475.00	-	
Interlocal Service Agreement - North Hanover					
Public Works Department	5,966.66	17,899.98	23,866.64	-	
Housing Inspection Fees	-	1,750.00	1,750.00	-	
Municipal Court					
Fines and Costs	7,414.40	111,039.53	110,903.93	7,550.00	Dec. 2011
Comcast Cable TV Franchise Fees	29,892.67	31,839.19	29,892.67	31,839.19	2011
Verizon Franchise Fees	15,083.42	17,669.76	15,083.42	17,669.76	2011
Interest & Costs on Taxes	-	55,990.56	55,990.56	-	
Interest on Investments	-	33,810.91	33,810.91	-	
Consolidated Municipal Property Tax Relief Aid	-	2,091.00	2,091.00	-	
Energy Receipts Taxes	-	510,624.00	510,624.00	-	
	<u>\$ 58,357.15</u>	<u>\$ 897,989.93</u>	<u>\$ 899,288.13</u>	<u>\$ 57,058.95</u>	

Miscellaneous Revenues	899,288.13
MRNA	-
	<u>\$ 899,288.13</u>

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
2011

	Balance Dec. 31, 2010	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed or (Overexpended)
		to	from			
<b>GENERAL GOVERNMENT</b>						
Administrative & Executive						
Salaries and Wages	920.15			920.15	-	920.15
Other Expenses	8,898.35			8,898.35	8,839.75	58.60
Mayor and Council						
Other Expenses	176.22			176.22	-	176.22
Municipal Clerk						
Salaries and Wages	435.23			435.23	-	435.23
Other Expenses	125.88			125.88	-	125.88
Financial Administration						
Salaries and Wages	0.08			0.08	-	0.08
Other Expenses	2,636.56		2,300.00	336.56	74.00	262.56
Audit Services						
Other Expenses	600.00			600.00	-	600.00
Assessment of Taxes						
Salaries and Wages	0.81			0.81	-	0.81
Other Expenses						
Maintenance of Tax Map	110.00	90.00		200.00	200.00	-
Miscellaneous Other Expenses	1,937.28		1,024.19	913.09	76.00	837.09
Collection of Taxes						
Salaries and Wages	201.99			201.99	-	201.99
Other Expenses	1,063.44			1,063.44	-	1,063.44
Legal Services and Costs						
Other Expenses	14,826.43	4,945.32		19,771.75	9,771.75	10,000.00
Engineering Services and Costs						
Other Expenses	286.25	4,823.75		5,110.00	5,110.00	-
Public Buildings and Grounds						
Salaries and Wages	446.79			446.79	-	446.79
Other Expenses	867.01			867.01	201.62	665.39
Municipal Land Use Law (N.J.S. 40:55D-1)						
Planning Board						
Other Expenses	3,160.48	2,390.99	1,800.00	3,751.47	3,720.50	30.97
Special Projects						
Other Expenses	756.03			756.03	-	756.03
Environmental Commission (N.J.S. 40:56A-1)						
Other Expenses	33.39			33.39	-	33.39
Recycling Program (P.L. 1987, Ch. 74)						
Salaries and Wages	0.61			0.61	-	0.61
Other Expenses	234.14			234.14	-	234.14
Insurance						
Liability Insurance	2,384.00			2,384.00	-	2,384.00
Employees Group Insurance	4,192.42		4,192.42	-	-	-
<b>PUBLIC SAFETY</b>						
Police						
Salaries and Wages	9,935.08			9,935.08	-	9,935.08
Other Expenses	17,082.60			17,082.60	8,785.71	8,296.89
Acquisition of Police Car	1,268.75			1,268.75	-	1,268.75
First Aid Organization - Contribution	2,933.45		2,933.45	-	-	-
Animal Control Officer						
Salaries and Wages	335.35			335.35	-	335.35
Emergency Management Services						
Other Expenses	1,000.00			1,000.00	-	1,000.00
<b>STREETS AND ROADS</b>						
Road Repairs and Maintenance						
Salaries and Wages	3,688.92			3,688.92	-	3,688.92
Other Expenses	11,327.20			11,327.20	9,900.47	1,426.73
Vehicle Maintenance						
Other Expenses	5,224.27			5,224.27	4,856.32	367.95
<b>HEALTH AND WELFARE</b>						
Board of Health						
Salaries and Wages	0.90			0.90	-	0.90
Other Expenses	1,050.00			1,050.00	-	1,050.00

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
2011

	Balance Dec. 31, 2010	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed or (Overexpended)
		to	from			
<b>RECREATION AND EDUCATION</b>						
Parks and Playgrounds						
Other Expenses	4,193.87			4,193.87	2,293.76	1,900.11
<b>UNCLASSIFIED</b>						
Utilities						
Electricity	1,808.72			1,808.72	1,384.91	423.81
Street Lighting	4,856.40			4,856.40	5,419.48	(563.08)
Telephone	433.25			433.25	-	433.25
Natural Gas	731.13			731.13	1,201.89	(470.76)
Telecommunications Costs	57.72			57.72	-	57.72
Gasoline	1,735.01			1,735.01	1,575.91	159.10
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>						
State Uniform Construction Code Official						
Salaries and Wages	604.00			604.00	-	604.00
Other Expenses	1,531.39			1,531.39	105.60	1,425.79
<b>STATUTORY EXPENDITURES</b>						
Contributions to:						
Social Security System	5.83			5.83	-	5.83
<b><u>OPERATIONS EXCLUDED FROM "CAPS":</u></b>						
<b>APPROPRIATION "CAP" WAIVER PER N.J.S.A. 40A:4-45.3ee</b>						
Assessment of Taxes						
Reassessment Salaries and Wages	2,889.00			2,889.00	2,619.00	270.00
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
North Hanover Township - Municipal Court	24,099.60			24,099.60	-	24,099.60
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES</b>						
	141,085.98	12,250.06	12,250.06	141,085.98	66,136.67	74,949.31
Appropriation Reserves	117,855.09				Overexpended	(1,033.84)
Reserve for Encumbrances	23,230.89				Lapsed	75,983.15
	<u>\$ 141,085.98</u>					<u>\$ 74,949.31</u>
				Cash Disbursed	66,136.67	
					<u>\$ 66,136.67</u>	

TOWNSHIP OF CHESTERFIELD  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX  
2011

	<u>Ref.</u>		
Balance - December 31, 2010			
School Tax Payable		81.00	
School Tax Deferred		<u>3,663,212.00</u>	
			3,663,293.00
Increased By:			
Levy - School Year July 1, 2011 to June 30, 2012			<u>7,808,362.00</u>
			11,471,655.00
Decreased By:			
Payments	A-4		<u>7,567,313.00</u>
Balance - December 31, 2011			
School Tax Payable		81.00	
School Tax Deferred		<u>3,904,261.00</u>	
			<u>\$ 3,904,342.00</u>
2011 Liability for Local District School Tax:			
Tax Paid	A-4		7,567,313.00
Tax Payable December 31, 2011	A-8		<u>81.00</u>
			7,567,394.00
Less: Tax Payable December 31, 2010	A-8		<u>(81.00)</u>
Amount Charged to 2011 Operations	A-1		<u>\$ 7,567,313.00</u>

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX  
2011

	<u>Ref.</u>		
Balance - December 31, 2010			
School Tax Payable		350,000.00	
School Tax Deferred		<u>1,753,497.63</u>	
			2,103,497.63
Increased By:			
Levy - School Year July 1, 2011 to June 30, 2012			<u>3,886,265.06</u>
			5,989,762.69
Decreased By:			
Payments	A-4		<u>3,924,954.18</u>
Balance - December 31, 2011			
School Tax Payable		350,000.00	
School Tax Deferred		<u>1,714,808.51</u>	
			<u>\$ 2,064,808.51</u>
2011 Liability for Local District School Tax:			
Tax Paid	A-4		3,924,954.18
Tax Payable December 31, 2011	A-9		<u>350,000.00</u>
			4,274,954.18
Less: Tax Payable December 31, 2010	A-9		<u>(350,000.00)</u>
Amount Charged to 2011 Operations	A-1		<u>\$ 3,924,954.18</u>

TOWNSHIP OF CHESTERFIELD  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE  
 2011

Purpose	Balance Dec. 31, 2010	2011 Budget Revenue		From Unappropriated Reserves	Canceled	Balance Dec. 31, 2011
		Anticipated	Realized			
<b>Federal Grants:</b>						
Department of Justice - Bulletproof Vest Partnership	\$ -	-	-			\$ -
<b>State Grants:</b>						
Municipal Alliance on Alcoholism and Drug Abuse - 2010	13,000.00		9,803.34			3,196.66
Municipal Alliance on Alcoholism and Drug Abuse - 2011	-	13,000.00				13,000.00
NJ Transportation Trust Fund - Herman Black Road - 2010	180,000.00					180,000.00
NJ Transportation Trust Fund - Herman Black Road - 2011	-	200,000.00				200,000.00
Safe and Secure Communities Program	9,615.00	17,344.00	20,289.00			6,670.00
Drunk Driving Enforcement Fund	-	2,809.47	1,534.80	1,274.67		(0.00)
Clean Communities Program	-	11,018.30	11,018.30			-
Recycling Tonnage Grant	540.16	9,314.46	9,314.46			540.16
Green Team Grant	-	1,000.00	1,000.00			-
Business Stimulus Fund	7,000.00		7,000.00			-
NJ Turnpike Authority - Reforestation Agreement	-	304,093.00	304,093.00			-
<b>Other Grants:</b>						
Burlington County Municipal Park Program	-	250,000.00	122,196.20			127,803.80
Burlington County Municipal Park Program	-	160,500.00				160,500.00
Donation to Police Department	-	200.00		200.00		-
	\$ 210,155.16	\$ 969,279.23	\$ 486,249.10	\$ 1,474.67	\$ -	\$ 691,710.62

40A-4-87  
 Budget  
 481,092.87  
 488,186.36  
 \$ 969,279.23

TOWNSHIP OF CHESTERFIELD  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED  
 2011

Grant	Balance Dec. 31, 2010	Transferred From 2011 Budget Appropriation	Paid	Encumbered	Canceled	Balance Dec. 31, 2011
<b>Federal Grants:</b>						
Department of Justice - Bulletproof Vest Partnership	\$ -					\$ -
<b>State Grants:</b>						
Municipal Alliance on Alcoholism and Drug Abuse 2010	5,118.16	16,250.00	8,829.15	903.00		5,118.16
Municipal Alliance on Alcoholism and Drug Abuse 2011	-					6,517.85
NJ Transportation Trust Fund - Herman Black Rd 2010	83,789.20		20,194.71			63,594.49
NJ Transportation Trust Fund - Herman Black Rd 2011	-	200,000.00	191,735.58			8,264.42
NJ Turnpike Authority - Reforestation	-	304,093.00	271,845.80			32,247.20
Safe and Secure Communities Program	3,846.16	17,344.00	18,521.69			2,668.47
Drunk Driving Enforcement Fund	8,691.61	2,809.47	1,025.68			10,475.40
Clean Communities	5,661.79	11,018.30	10,756.79			5,923.30
Alcohol Education and Rehabilitation Program	214.18					214.18
Recycling Tonnage Grant	3,473.44	9,314.46	6,277.83			6,510.07
Body Armor Grant	1,288.47					1,288.47
Green Communities - 2006	2,500.00		990.00			2,500.00
Municipal Stormwater Regulation Program	2,168.93					1,178.93
Business Stimulus Fund	545.00		545.00			-
Green Team Grant	-	1,000.00				1,000.00
Matching Funds for Grants	3,000.00					3,000.00
<b>Other Grants:</b>						
Burl. Co. Park Development Program	-	250,000.00	250,000.00			-
Burl. Co. Park Development - Pedestrian Path & Bike Path	-	160,500.00	115,052.00			45,448.00
Contribution - Police Department	3,318.70	200.00	781.15			2,737.55
	\$ 123,615.64	\$ 972,529.23	\$ 896,555.38	\$ 903.00	\$ -	\$ 198,686.49
Budget	491,436.36					
40A:4-87	481,092.87					
	<u>\$ 972,529.23</u>					

TOWNSHIP OF CHESTERFIELD  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED  
 2011

Grant	Balance Dec. 31, 2010	Received In 2011	Less: Transferred to 2011 Budget Appropriations	Expended	Balance Dec. 31, 2011
<b>State Grants:</b>					
Body Armor Grant	-	\$ 1,352.07			\$ 1,352.07
Drunk Driving Enforcement Fund	1,274.67		1,274.67		-
Police Donation	200.00	200.00	200.00		200.00
	\$ 1,474.67	\$ 1,552.07	\$ 1,474.67	\$ -	\$ 1,552.07

TOWNSHIP OF CHESTERFIELD  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
2011

	<b>Dog License Fund</b>	<b>Other Fund</b>
Balance - December 31, 2010	\$ 7,642.03	\$ 1,657,844.67
<u>Receipts</u>		
Dog License Fees	5,460.40	-
Kennel Fees	50.00	-
Late Fees & Miscellaneous Fees	911.00	-
Due to New Jersey State Board of Health	1,362.60	-
Due Current Fund	-	1,231.53
Tax Sale Premiums	-	15,100.00
Reserve for Escrow Deposits	-	1,047,705.13
Reserve for Affordable Housing Trust	-	7,130.25
Reserve for Public Defender Fees	-	3,532.00
Reserve for Basin Maintenance	-	194,433.99
Reserve for Municipal Drug Alliance	-	11,661.38
Reserve for Police Outside Duty	-	38,800.00
	7,784.00	1,319,594.28
	15,426.03	2,977,438.95
<u>Disbursements</u>		
Expenditures Under R.S.4:19-15.11	4,141.64	-
Due to N.J. State Board of Health	1,361.40	-
Due Current Fund	-	1,311.48
Tax Sale Premiums	-	32,700.00
Reserve for Unemployment Compensation Insurance	-	108.10
Reserve for Escrow Deposits	-	1,250,241.57
Reserve for Municipal Drug Alliance	-	740.83
Reserve for Police Outside Duty	-	34,995.00
	5,503.04	1,320,096.98
Balance - December 31, 2011	\$ 9,922.99	\$ 1,657,341.97

TOWNSHIP OF CHESTERFIELD  
TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
2011

<b>Balance - December 31, 2010</b>		\$ 7,642.03
<b>Increased By:</b>		
Dog License Fees Collected	5,460.40	
Late Fees & Miscellaneous Fees Collected	911.00	
Kennel Fees Collected	50.00	
		6,421.40
		14,063.43
<b>Decreased By:</b>		
Expenditures Under R.S. 4:19-15.11	4,141.64	
Excess Reserve Remitted to Current Fund	-	
		4,141.64
<b>Balance - December 31, 2011</b>		<b>\$ 9,921.79</b>

**Licenses Fees Collected**

<u>Year</u>	<u>Amount</u>
2009	5,365.20
2010	5,746.00
	<b>\$ 11,111.20</b>

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
2011

Description	Balance		Receipts		Disbursements		Transfers		Balance	
	Dec. 31, 2010	Dec. 31, 2011	Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2011	Dec. 31, 2011
Fund Balance	\$ 69,185.21	\$ -							\$ -	\$ 69,185.21
Capital Improvement Fund	129,077.17		21,000.00							150,077.17
Reserve for Open Space	305,126.00		71,414.00							376,540.00
Green Acres Grant	-			500,000.00			500,000.00			-
Reserve for Recreation Improvements	840,441.07			66,000.00						906,441.07
Reserve for Transportation Improvements	22,136.73							386,167.41		408,304.14
Reserve for Feasibility Study	4,033.75									4,033.75
Due Sewer Utility	724,000.00									724,000.00
Reserve for Encumbrances	-									-
Due To/(Due From) Current Fund	1,030,200.78	(92,414.00)	(92,414.00)	(497,132.48)	(61,532.92)				56,371.00	56,371.00
<b>Ord. No. Improvement Authorizations:</b>										
1997-10 Farm Preservation	(63,922.41)				2,945.32					(66,867.73)
2009-17 Amending 1999-2:										
f. Acquisition of Public Works Equipment	34,883.95									34,883.95
g. Road Striping	51,000.00									51,000.00
2005-5 Amending 1999-2:										
a. Fenton Lane - Sanitary Sewer	(171,745.26)									(171,745.26)
b. Fenton Lane - Storm Sewer	-									-
2003-2 Various Improvements:										
a. Acquisition of Equipment	(56,191.91)									(56,191.91)
b. Road Improvements	-									-
2006-11 Acquisition of Equipment - Dump Truck	(154,330.00)									(154,330.00)
2007-17 Acquisition of Land - Fuels	(1,141,000.00)							500,000.00		(641,000.00)
2007-18 Acquisition of Land - Wilkinson (Green Acres)	(662,441.00)									(662,441.00)
2008-17 Acquisition of Various Equipment	(70,749.80)				17,800.00					(88,549.80)
2009-16 Various Improvements:										
b. Milling of Newbold Lane	(4,150.00)									(4,150.00)
c. Acquisition of Security Cameras	(6,023.65)									(6,023.65)
d. Construction of Black Road	2,477.36				37,626.35					(35,148.99)
2009-18 Various Improvements:										
a. Preliminary Costs-New Municipal Building	(1,579.13)									(1,579.13)
b. Acquisition of Block 107 Lots 12 and 20	2,900.00				1,563.75					4,463.75
c. Improvement to Recreation Fields	75,000.00									75,000.00
d. Improvement to Village Square Park	35,000.00				1,597.50					36,597.50
2005-8 Transportation Improvements - Village Square Park	57,298.21									57,298.21
<b>PROJECTS FUNDED BY RECREATION CONTRIBUTIONS</b>										
2004-141 Recreation Improvements - Village Square Park	19,570.83									19,570.83
2005-81 Recreation Improvements - Village Square Park	19,222.41				315.00		18,907.41			20,537.41
2009-9 Improvement to Recreation Area-Fuels										
2011-7 Recreation Improvements										
a. Construction of Bike Path	-				11,895.50			94,500.00		82,604.50
b. Construction of Pedestrian Path	-				22,529.00			84,500.00		1,471.00
c. Recreation Equipment	-							56,371.00		4,629.00
2011-9 Recreation - Construction of Village Square Park					428,658.50		282,760.00		724,568.00	13,149.50
	\$ 1,089,420.31	\$ -	\$ -	\$ 68,867.52	\$ 463,398.00	\$ -	\$ 1,931,106.41	\$ 1,931,106.41	\$ 694,889.83	\$ 694,889.83

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
2011

Ord. Number	Improvement Description	Useful Life	Balance Dec. 31, 2010	2011 Authorizations	Transferred to Deferred Charges Funded	Authorizations Canceled	Notes Paid by Budget Appropriation	Funded By Grant Received	Balance Dec. 31, 2011	Bond Anticipation Notes	Financed By	
											Expenditures	Unexpended Improvement Authorizations
1997-10	Farm Preservation	40	\$ 214,000.00						\$ 214,000.00	\$	\$ 66,867.73	\$ 147,132.27
1999-2/2009-17	Various Improvements		149,000.00		75,000.00				74,000.00	74,000.00		-
2005-5	Amending 1999-2: d. Fenton Lane - Sanitary Sewer	40	171,745.26						171,745.26		171,745.26	-
2003-2	Various Improvements: a. Acquisition of Equipment	5	56,191.91						56,191.91		56,191.91	-
2006-11	Acquisition of Equipment - Dump Truck	5	154,330.00						154,330.00		154,330.00	-
2007-17	Acquisition of Land - Fuchs	40	1,241,000.00					500,000.00	741,000.00		641,000.00	100,000.00
2007-18	Acquisition of Land - Wilkinson (Green Acres)	40	800,000.00						800,000.00		662,441.00	137,559.00
2008-17	Acquisition of Various Equipment	7.87	132,050.00						132,050.00		88,549.80	43,500.20
2009-16	Various: b. Milling of Newbold Lane c. Acquisition of Security Cameras d. Construction of Black Road	10 7 15	25,000.00 7,500.00 684,000.00						25,000.00 7,500.00 684,000.00		4,150.00 6,023.65 35,148.99	20,850.00 1,476.35 648,851.01
2009-18	Various Improvements: a. Preliminary Costs-New Municipal Building b. Acquisition of Block 107 Lots 12 and 20 c. Improvement to Recreation Fields d. Improvement to Village Square Park	5 40 15 15	20,900.00 47,100.00 1,425,000.00 665,000.00						20,900.00 47,100.00 1,425,000.00 665,000.00		1,579.13	19,320.87 47,100.00 1,425,000.00 665,000.00
<p>\$ 5,792,817.17    \$ -    \$ -    \$ -    \$ 75,000.00    \$ 500,000.00    \$ 5,217,817.17    \$ 74,000.00    \$ 1,888,027.47    \$ 3,255,789.70</p>												

Budget Green Acres Grant	-
	500,000.00
	500,000.00
Improvement Authorizations Unfunded	\$ 3,341,673.65
Add: Outstanding Encumbrances and Accounts Payable	-
	3,341,673.65
Less: Unexpended Proceeds of Bond Anticipation Notes: 1999-2/2009-17	85,883.95
	\$ 3,255,789.70

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
2011

<b>Balance December 31, 2010</b>	\$ 129,077.17
<b>Increased By:</b>	
2011 Budget Appropriation	21,000.00
Improvement Authorization canceled	
	<hr/> 150,077.17
<b>Decreased By:</b>	
Appropriation to Finance Improvement Authorizations	<hr/> -
<b>Balance December 31, 2011</b>	<hr/> <u>\$ 150,077.17</u>

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 2011

Ord. Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		Capital Improvement Fund	Deferred Charges to Future Taxation		Recreation Trust	Paid or Charged	Balance Dec. 31, 2011		
				Funded	Unfunded		Unfunded	Canceled			Funded	Unfunded	
1997-10	Farm Preservation	1997	500,000	\$	150,077.59					2,945.32		\$ 147,132.27	
1999-02/2009-17	Amending 1999-02 f. Acquisition of Public Works Equipment g. Road Striping	2009	160,000 51,000 211,000		34,883.95 51,000.00					-		34,883.95 51,000.00	
2007-17	Acquisition of Land - Fuchs	2007	1,780,000		100,000.00					-		100,000.00	
2007-18	Acquisition of Land - Wilkinson (Green Acres)	2007	1,650,000		137,559.00					-		137,559.00	
2008-17	Acquisition of Various Equipment	2008	139,000		61,300.20					17,800.00		43,500.20	
2009-16	Various:												
	b. Milling of Newbold Lane		25,000		20,850.00					-		20,850.00	
	c. Acquisition of Security Cameras		7,500		1,476.35					-		1,476.35	
	d. Construction of Black Road	2009	720,000 752,500		2,477.36 684,000.00					37,626.35		648,851.01	
2009-18	Various Improvements:												
	a. Preliminary Costs-New Municipal Building		22,000		19,320.87					-		19,320.87	
	b. Acquisition of Block 107 Lots 12 and 20		50,000		2,900.00					1,563.75		47,100.00	
	c. Improvement to Recreation Fields		1,500,000		75,000.00					-		1,425,000.00	
	d. Improvement to Village Square Park	2009	700,000 2,272,000		35,000.00 665,000.00					1,597.50		665,000.00	
2004-14/2005-08	Transportation	2005	57,414		57,298.21					-		57,298.21	
<b>PROJECTS FUNDED BY RECREATION CONTRIBUTIONS</b>													
2004-14/2005-08	Smart Growth Village Plan:												
	a. Recreation	2004Rec	56,092										
	Recreation	2005Rec	90,259										
			146,351		19,570.83					-		19,570.83	
2009-9	Improvement to Recreation Area - Fuchs Sports Complex	2009Rec	1,000,000		19,222.41					315.00	(18,907.41)	-	
2011-7	Recreation Improvements:												
	a. Construction of Bike Path	2011Rec	94,500							11,895.50		82,604.50	
	b. Construction of Pedestrian Path	2011Rec	108,500							22,529.00	(84,500.00)	-	
	c. Recreation Equipment	2011Rec	61,000							56,371.00		4,629.00	
2011-9	Recreation - Construction of Village Square Park	2011Rec	724,568		724,568.00					428,658.50	(282,760.00)	13,149.50	
				\$	2,114,688.81	\$	3,397,567.96	\$	-	\$	581,301.92	\$	288,461.79
				\$	211,468.81	\$	3,397,567.96	\$	-	\$	581,301.92	\$	3,341,673.65

Cash Disbursed - Recreation Checking 463,398.00  
 Cash Disbursed - Current Fund 61,532.92  
 Reserve for Encumbrances - Recreation 56,371.00  
\$ 581,301.92

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS  
 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011				Interest Rate	Balance Dec. 31, 2010	Increase	Decrease	Balance Dec. 31, 2011
			Date	Amount							
Burlington County Bridge Commission											
County Guaranteed Pooled Governmental											
Loan Revenue Bonds	12/11/03	\$ 894,000	12/1/2012	\$ 39,000	5.000%						
			12/1/2013	41,000	5.000%						
			12/1/2014	43,000	5.000%						
			12/1/2015	45,000	5.000%						
			12/1/2016	47,000	5.000%						
			12/1/2017	50,000	5.000%						
			12/1/2018	52,000	5.000%						
			12/1/2019	55,000	5.000%						
			12/1/2020	58,000	5.000%						
			12/1/2021	60,000	5.000%						
			12/1/2022	62,000	4.375%						
			12/1/2023	65,000	4.500%		655,000.00		38,000.00	617,000.00	
							\$ 655,000.00	\$ -	\$ 38,000.00	\$ 617,000.00	

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 2011

Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Increase	Decrease	Balance Dec. 31, 2011
					Dec. 31, 2010	Dec. 31, 2011			
1999-2 Various Improvements:									
Road & Drainage Improvements	7/25/02	1/12/10	1/11/11	1.72%	149,000.00		149,000.00		-
Road & Drainage Improvements	7/25/02	1/12/11	1/9/12	2.49%	-	74,000.00	-		74,000.00
					\$ 149,000.00	\$ 74,000.00	\$ 149,000.00	\$	74,000.00

Renewals	74,000.00	74,000.00
Paid By Budget	-	75,000.00
	\$ 74,000.00	\$ 149,000.00

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
DUE TO CURRENT FUND  
2011

<b>Balance December 31, 2010</b>		\$ 1,030,200.78
<b>Increased By:</b>		
Improvement Authorization Payments from Current Fund	61,532.92	
Interest Earned on Recreation Account	2,631.34	
Interest Earned on Transportation Account	236.18	
	64,400.44	
		1,094,601.22
<b>Decreased By:</b>		
Amounts Raised in Current Fund Budget:		
Reserve for Open Space	71,414.00	
Capital Improvement Fund	21,000.00	
Green Acres Grant Received in Current Fund	500,000.00	
	592,414.00	
<b>Balance December 31, 2011</b>		\$ 502,187.22

SCHEDULE OF DUE TO SEWER UTILITY  
2011

<b>Balance December 31, 2010 and 2011</b>		\$ 724,000.00
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TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 SCHEDULE OF RESERVE FOR RECREATION IMPROVEMENTS - UNAPPROPRIATED  
 2011

Balance December 31, 2010		\$ 691,941.07
Opening Balance Correction:		
Transfer from Transportation Improvements below		148,500.00
		840,441.07
Increased By:		
Developer Contributions Received	66,000.00	
Improvement Authorizations Canceled	386,167.41	
		452,167.41
		1,292,608.48
Decreased By:		
Improvement Authorizations Funded in 2011	988,568.00	
		988,568.00
Balance December 31, 2011		\$ 304,040.48

SCHEDULE OF RESERVE FOR TRANSPORTATION IMPROVEMENTS - UNAPPROPRIATED  
 2011

Balance December 31, 2010		\$ 170,636.73
Opening Balance Correction:		
Transfer to Recreation Improvements above		(148,500.00)
		(148,500.00)
Balance December 31, 2011		\$ 22,136.73

TOWNSHIP OF CHESTERFIELD  
GENERAL CAPITAL FUND  
RESERVE FOR NEEDS ASSESSMENT STUDY  
2011

**Balance December 31, 2010 and 2011**

\$ 4,033.75

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 RESERVE FOR GRANTS RECEIVABLE  
 2011

	County - Open Space	State - Green Acres	Total
Approved Grant Amount:			
Wilkinson	246,126.00	514,717.70	760,843.70
Fuchs	417,500.00	835,000.00	1,252,500.00
	<u>663,626.00</u>	<u>1,349,717.70</u>	<u>2,013,343.70</u>
Increased By:			
Additional Funds Obligated	-	-	-
	<u>663,626.00</u>	<u>1,349,717.70</u>	<u>2,013,343.70</u>
Decreased By:			
Received - 2009:			
Wilkinson	-	400,000.00	400,000.00
Fuchs	-	-	-
Received - 2011:			
Wilkinson	-	114,717.70	114,717.70
Fuchs	-	385,282.30	385,282.30
Balance - December 31, 2011	<u>\$ 663,626.00</u>	<u>\$ 449,717.70</u>	<u>\$ 1,113,343.70</u>

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 RESERVE FOR OPEN SPACE  
 2011

Balance December 31, 2010	\$ 305,126.00
Increased By:	
Budget Appropriation (one tax point)	<u>71,414.00</u>
Balance December 31, 2011	<u>\$ 376,540.00</u>

TOWNSHIP OF CHESTERFIELD  
 GENERAL CAPITAL FUND  
 2011  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Improvement Description	Balance		Notes Issued	Funded By		Funded By Budget Appropriation	Authorizations Canceled	Balance Dec. 31, 2011
		Dec. 31, 2010	2011 Authorizations		Grant Received	Appropriation			
1997-10	Farm Preservation	\$ 214,000.00							\$ 214,000.00
2005-5d	Fenton Lane - Sanitary Sewer	171,745.26							171,745.26
2003-2	Various Improvements:								
	a. Acquisition of Equipment	56,191.91							56,191.91
	b. Road Improvements	-							-
2006-11	Acquisition of Dump Truck	154,330.00							154,330.00
2007-17	Acquisition of Land - Fuchs	1,241,000.00			500,000.00				741,000.00
2007-18	Acquisition of Land - Wilkinson (Green Acres)	800,000.00							800,000.00
2008-17	Acquisition of Various Equipment	132,050.00							132,050.00
2009-16	Various Improvements:								
	b. Milling of Newbold Lane	25,000.00							25,000.00
	c. Acquisition of Security Cameras	7,500.00							7,500.00
	d. Construction of Black Road	684,000.00							684,000.00
2009-18	Various Improvements:								
	a. Preliminary Costs-New Municipal Building	20,900.00							20,900.00
	b. Acquisition of Block 107 Lots 12 and 20	47,100.00							47,100.00
	c. Improvement to Recreation Fields	1,425,000.00							1,425,000.00
	d. Improvement to Village Square Park	665,000.00							665,000.00
		\$ 5,643,817.17	\$ -	\$ -	\$ 500,000.00	\$ -	\$ -	\$ -	\$ 5,143,817.17

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER - OPERATING FUND  
2011

Balance - December 31, 2010		\$ 3,771,462.45
Increased By:		
Sewer Rents	317,932.65	
Late Payment Penalties	3,171.01	
Interest Income	39,521.53	
Connection Fees	24,250.00	
Other Miscellaneous Income	14,023.76	
Due From General Capital Fund	-	
		398,898.95
		4,170,361.40
Decreased By Disbursements:		
2011 Appropriations	401,802.91	
2010 Appropriations Reserves	14,437.21	
Debt Service Interest	100,182.50	
Refund of Prior Year Revenue	91.00	
Due from Sewer Capital Fund	-	
		516,513.62
Balance - December 31, 2011		\$ 3,653,847.78

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH  
2011

	Balance Dec. 31, 2010	Received		Disbursed		Transfers		Balance Dec. 31, 2011
		Budget	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 9,495.00							\$ 9,495.00
Capital Improvement Fund	100,505.00	20,000.00						120,505.00
Reserve for Treatment Plant Improvements	400,000.00							400,000.00
<u>Improvement Authorizations:</u>								
Ordinance								
Number								
2000-15								
Sewer System	964,425.53							964,425.53
Due From (To) Sewer Operating Fund	\$1,474,425.53	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,494,425.53

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
FIXED CAPITAL  
2011

	Balance Dec. 31, 2010	Additions		Balance Dec. 31, 2011
		By Ordinance	By Budget Capital Outlay	
<u>Sewer Utility</u>				
Flow Meter at Pump Station No. 1	-	19,495.00	-	19,495.00
	\$ -	\$ 19,495.00	\$ -	\$ 19,495.00

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE FROM/(TO) SEWER UTILITY OPERATING FUND  
2011

Balance - December 31, 2010 - Due From Sewer Operating	\$ 1,474,425.53
Increased By:	
Budget	
Capital Improvement Fund	20,000.00
Deferred Charges Raised	-
Received in Operating Fund:	
NJ Environmental Infrastructure Trust	-
	<u>20,000.00</u>
	1,494,425.53
Decreased By:	
Disbursed by Sewer Operating Fund	-
	<u>1,494,425.53</u>
Decreased By:	
Improvement Authorizations Paid by Operating Fund	-
	<u>-</u>
Balance - December 31, 2011 - Due From Sewer Operating	<u>\$ 1,494,425.53</u>

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
2011

Balance - December 31, 2010	\$ 28,865.03
Increased By:	
Sewer Rents Levied	<u>330,450.35</u>
	359,315.38
Decreased By:	
Collections	<u>317,932.65</u>
Balance - December 31, 2011	<u><u>\$ 41,382.73</u></u>

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
2011

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2010	Reserve For Amortization	2011 Authorizations		Costs To Fixed Capital	Authorizations Canceled	Balance Dec. 31, 2011
					Deferred Charges To Future Revenue				
General Improvements:									
2000-15	}	8/24/00							
2001-14	}	5/10/01							
2004-10	}	5/22/03	\$ 5,700,000.00						\$ 5,700,000.00
			\$ 5,700,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700,000.00

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
2011

Ord. Number	Improvement Description	Date	Amount	Balance Dec. 31, 2010		2011 Authorizations	Paid or Charged	Authorizations Canceled	Balance Dec. 31, 2011	
				Funded	Unfunded				Funded	Unfunded
<b>General Improvements</b>										
2000-15 }	Sewer Collection System	5/10/01	5,500,000							
2001-14 }	and Plant Upgrades	5/22/03	200,000							
2004-10 }			<u>\$ 5,700,000</u>	\$ 1,022,785.53					\$ 1,022,785.53	\$ -
				\$ 1,022,785.53	\$ -	\$ -	\$ -	\$ -	\$ 1,022,785.53	\$ -

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
2011

Ord. Number	Improvement Description	Date	Balance Dec. 31, 2010	Fixed Capital Authorized	Debt Paid By Budget Appropriation	Transferred To Reserve for Amortization	Canceled	Balance Dec. 31, 2011
General Improvements								
2000-15 }								
2001-14 }	Sewer Collection System	5/10/01						
2004-10 }	and Plant Upgrades	5/22/2003	\$ 1,956,556.83	\$	281,110.96			\$ 2,237,667.79
			\$ 1,956,556.83	\$ -	\$ 281,110.96	\$ -		\$ 2,237,667.79

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST PAYABLE  
2011

Purpose	Date of Issue	Original Issue	Maturities of Loan Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Increased	Paid By Budget Appropriation	Balance Dec. 31, 2011			
			Date	Amount								
SEWER COLLECTION SYSTEM Trust Portion	5/10/01	\$ 2,250,000.00	9/1/12	115,000.00	5.500%							
			9/1/13	120,000.00	5.500%							
			9/1/14	125,000.00	5.000%							
			9/1/15	135,000.00	5.000%							
			9/1/16	140,000.00	5.000%							
			9/1/17	145,000.00	5.000%							
			9/1/18	155,000.00	5.000%							
			9/1/19	160,000.00	5.000%							
			9/1/20	170,000.00	4.750%							
			9/1/21	180,000.00	4.750%							
							\$ 1,555,000.00	\$ -	\$ 110,000.00	\$ 1,445,000.00		
	Fund Portion	10/15/01	\$ 2,214,872.00	3/1/12	22,638.94							
			9/1/12	94,409.54								
			3/1/13	20,665.25								
			9/1/13	95,556.31								
			3/1/14	18,605.74								
			9/1/14	96,617.27								
			3/1/15	16,655.46								
			9/1/15	100,907.90								
			3/1/16	14,549.14								
			9/1/16	101,922.05								
			3/1/17	12,364.82								
			9/1/17	102,858.19								
		3/1/18	10,102.49									
		9/1/18	106,836.78									
		3/1/19	7,684.13									
		9/1/19	107,538.88									
		3/1/20	5,187.76									
		9/1/20	111,283.43									
		3/1/21	2,667.99									
		9/1/21	115,004.78	0.000%								
						\$ 1,281,760.63	\$ -	\$ 117,703.78	\$ 1,164,056.85			
TOTAL COLLECTION SYSTEM									\$ 2,836,760.63	\$ -	\$ 227,703.78	\$ 2,609,056.85



TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
2011

	<b>Balance Dec. 31, 2010</b>	<b>Balance After Transfer</b>	<b>Paid Or Charged</b>	<b>Balance Lapsed</b>	<b>Overexpended</b>
Operating					
Salaries and Wages	\$ 804.14	\$ 804.14	\$ -	\$ 804.14	
Other Expenses	22,262.54	22,262.54	14,437.21	7,825.33	
Statutory Expenditures					
Social Security	114.80	114.80	-	114.80	
	<u>\$ 23,181.48</u>	<u>\$ 23,181.48</u>	<u>\$ 14,437.21</u>	<u>\$ 8,744.27</u>	<u>\$ -</u>

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TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
2011

Balance - December 31, 2010		\$ 100,505.00
Increased By:		
2011 Budget Appropriation	<u>20,000.00</u>	<u>20,000.00</u>
Balance - December 31, 2011		<u>\$ 120,505.00</u>

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SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
2011

Balance - December 31, 2010 and 2011		<u>\$ 19,495.00</u>
--------------------------------------	--	---------------------

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY FUND  
SCHEDULE OF INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE  
2011

	BAN	NJEIT	Total
Balance - December 31, 2010	\$ -	\$ 41,767.71	\$ 41,767.71
Increased By:			
Interest on Bonds and Notes	-	97,115.83	97,115.83
	-	138,883.54	138,883.54
Decreased By:			
Interest Paid	-	100,182.50	100,182.50
Balance - December 31, 2011	\$ -	\$ 38,701.04	\$ 38,701.04

**Analysis of Balance - December 31, 2011**

	Principal Outstanding Dec. 31, 2011	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes:	\$ -					\$ -
NJ Environmental Infrastructure Trust:						
2001	\$ 1,445,000.00	Various	8/1/10	12/31/10	5 Months	30,229.17
2003	\$ 440,000.00	Various	8/1/10	12/31/10	5 Months	8,471.88
						\$ 38,701.04

TOWNSHIP OF CHESTERFIELD  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
2011

Ord. Number	Improvement Description	Date	Balance Dec. 31, 2010	2011 Authorizations	Bonds Issued	NJFIT Debt Issued	Notes Issued	Balance Dec. 31, 2011
<u>General Improvements</u>								
2000-15	}	8/24/00	\$ 4,300,000.00					
2001-14	}	5/10/01	1,200,000.00					
2003-10	}	5/22/03	200,000.00					
			<u>\$ 5,700,000.00</u>					\$ 58,360.00
			\$ 58,360.00	\$ -	\$ -	\$ -	\$ -	<u>\$ 58,360.00</u>

TOWNSHIP OF CHESTERFIELD  
 PAYROLL FUND  
 SCHEDULE OF CASH -TREASURER  
 2011

<b>Balance - December 31, 2010</b>		\$ 14,916.74
<b>Increased By:</b>		
Deposits for Payrolls and Miscellaneous	1,604,064.98	
Due Other Trust	2,104.53	
Due Sewer Operating Fund	-	
Due Current Fund	10,000.00	
	10,000.00	1,616,169.51
		1,631,086.25
<b>Decreased by:</b>		
Paid Employees	1,030,701.20	
Payroll Deductions and Employer Contributions	574,112.98	
Due Other Trust	-	
Due Sewer Operating Fund	-	
Due Current Fund	10,000.00	
	10,000.00	1,614,814.18
<b>Balance - December 31, 2011</b>		\$ 16,272.07

CHESTERFIELD TOWNSHIP  
 GENERAL FIXED ASSETS ACCOUNT GROUP  
 SCHEDULE OF CHANGE IN GENERAL FIXED ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>Beginning</b>				<b>General Fixed Asset Balance</b>
	<b>Balance</b>				
	<b>January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>December 31, 2011</b>
Land	\$ 3,682,445.00	\$ -	\$ -	\$ -	\$ 3,682,445.00
Buildings	574,285.00	-	-	-	574,285.00
Improvements Other than Buildings	127,500.00	-	-	-	127,500.00
Machinery and Equipment	1,287,632.04	96,994.00	35,900.13	-	1,348,725.91
<b>Total</b>	<b>\$ 5,671,862.04</b>	<b>\$ 96,994.00</b>	<b>\$ 35,900.13</b>	<b>\$ -</b>	<b>\$ 5,732,955.91</b>

**TOWNSHIP OF CHESTERFIELD  
SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2011**

**TAX RATE, TAX LEVY AND TAX COLLECTIONS**

**Comparison of Tax Rate Information**

	2011	2010	2009	2008
Total Tax Rate	\$ 2.079	\$ 1.835	\$ 1.739	\$ 1.638
Apportionment of Tax Rate:				
Municipal	0.053	0.041	0.041	0.041
County	0.388	0.362	0.354	0.348
Local School	1.094	0.931	0.883	0.803
Regional High School	0.544	0.501	0.461	0.446
	<u>2.079</u>	<u>1.835</u>	<u>1.739</u>	<u>1.638</u>
Fire District Rates:				
Fire District No. 1	0.096	0.085	0.088	0.084
Fire District No. 2	0.077	0.067	0.067	0.064

**Assessed Valuations - Net Valuation Taxable**

2011	\$ 714,138,185	
2010	787,000,869	
2009	758,872,285	
2008	721,788,710	
2007*	673,598,296	
2006	284,804,406	
2005	264,289,512	* Reassessment
2004	248,615,304	
2003	238,400,007	
2002	231,418,847	

**Comparison of Tax Levies and Collections Currently**

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

Year	Tax Levy	Currently	
		Cash Collection	Percentage Of Collection
2011	\$ 15,636,762	\$ 15,331,418	98.05%
2010	15,297,862	14,963,940	97.82%
2009	14,247,769	13,882,213	97.43%
2008	13,091,448	12,656,448	96.68%
2007	11,645,348	11,277,634	96.84%
2006	12,009,321	11,794,291	98.21%
2005	9,219,929	8,856,600	96.06%
2004	8,227,660	8,074,691	98.14%
2003	7,990,194	7,820,565	97.88%
2002	6,975,335	6,830,660	97.93%

**Delinquent Taxes and Tax Title Liens**

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

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2011	\$ 54,697	\$ 268,417	\$ 323,114	2.07%
2010	23,545	266,170	289,715	1.89%
2009	7,519	281,247	288,766	2.03%
2008	4,901	372,860	377,761	2.89%
2007	-	330,027	330,027	2.83%
2006	-	199,597	199,597	1.66%
2005	-	327,945	327,945	3.56%
2004	-	152,969	152,969	1.86%
2003	-	165,641	165,641	2.07%
2002	-	143,782	143,782	2.06%

**TOWNSHIP OF CHESTERFIELD  
SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2011**

**TAX RATE, TAX LEVY AND TAX COLLECTIONS**

**Property Acquired By Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2011	\$ 38,000
2010	38,000
2009	38,000
2008	38,000
2007	38,000
2006	38,000
2005	38,000
2004	38,000
2003	38,000
2002	38,000

**COMPARATIVE SCHEDULE OF FUND BALANCES**

**CURRENT FUND:**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget Of Succeeding Year*</u>	<u>Percentage Of Fund Balance Used</u>
2011	\$ 2,402,593	\$ 750,000	31.22%
2010	3,970,555	2,345,000	59.06%
2009	5,592,694	2,513,000	44.93%
2008	5,919,721	2,221,000	37.52%
2007	6,011,695	2,154,900	35.85%
2006	7,465,695	1,454,000	19.48%
2005	1,990,065	1,320,000	66.33%
2004	1,625,052	1,180,000	72.61%
2003	1,804,315	994,600	55.12%
2002	1,104,791	835,000	75.58%

**SEWER UTILITY OPERATING FUND:**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget Of Succeeding Year*</u>	<u>Percentage Of Fund Balance Used</u>
2011	\$ 2,786,763	\$ 209,100	7.50%
2010	2,956,088	183,650	6.21%
2009	3,046,929	155,550	5.11%
2008	2,855,362	18,217	0.64%
2007	2,905,747	343,200	11.81%
2006	2,775,723	329,000	11.85%
2005	2,411,190	265,000	10.99%
2004	1,371,207	190,000	13.86%
2003	837,410	265,734	31.73%
2002	620,297	375,526	60.54%

\* The 2012 amounts are proposed.

SINGLE AUDIT SECTION

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04**

The Honorable Mayor and  
Township Committee  
Township of Chesterfield  
County of Burlington  
Chesterfield, New Jersey 08515

**Compliance**

I have audited the compliance of the Township of Chesterfield, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended December 31, 2011. Chesterfield Township's major state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Chesterfield Township's management. My responsibility is to express an opinion on the Chesterfield Township's compliance based on my audit.

I conducted my audit of compliance 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Chesterfield Township's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Chesterfield Township's compliance with those requirements.

In my opinion, the Township of Chesterfield, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state and county programs for the fiscal year ended December 31, 2011.

### **Internal Control Over Compliance**

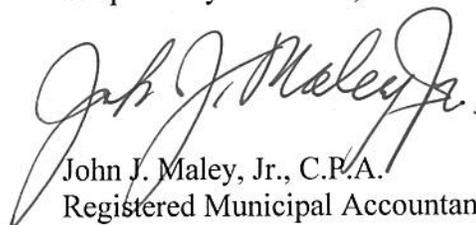
The management of the Township of Chesterfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing my audit, I considered Chesterfield Township's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine my auditing procedures for the purposes of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Township of Chesterfield's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees. In the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

My consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above

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

Respectfully submitted,



John J. Maley, Jr., C.P.A.  
Registered Municipal Accountant No. 218

February 29, 2012

**TOWNSHIP OF CHESTERFIELD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

State Funding Department/Program Title	State Account Number	Grant Period	Township Fund Reference	Program Award Amount Received	Disbursements
<b><u>Department of Law and Public Safety</u></b>					
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2011	A	\$ 2,809.47	\$ 1,025.68
Safe and Secure Communities Program	P-5122-11	2011	A	20,289.00	18,521.69
<b><u>Department of Environmental Protection</u></b>					
Clean Communities Grant	4900-765-042-4900-004-VCMB-6020	2011	A	11,018.30	10,756.79
Recycling Tonnage Grant	4900-752-042-4900-001-VREV-6020	2011	A	9,314.46	6,277.83
Green Team Grant	Unavailable	2011	A	1,000.00	-
New Jersey Turnpike Authority:					
NJ No Net Loss Reforestation Act	Unavailable	2011	A	304,093.00	271,845.80
Municipal Stormwater Regulation Program	Unavailable	2010	A	-	990.00
Business Stimulus Fund	Unavailable	2010	A	7,000.00	545.00
<b><u>Department of Community Affairs</u></b>					
Passed Through the County of Burlington:					
Municipal Alliance on Alcoholism and Drug Abuse	Unavailable	2010	A	9,803.34	-
Municipal Alliance on Alcoholism and Drug Abuse	Unavailable	2011	A	-	8,829.15
<b><u>Department of Transportation</u></b>					
Transportation Trust Fund:					
Improvements to Herman Black Road	Unavailable	2010	A	-	20,194.71
Improvements to Herman Black Road	Unavailable	2011	A	-	191,735.58
Total State Awards				\$ 365,327.57	\$ 530,722.23

**TOWNSHIP OF CHESTERFIELD**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2011**

**Note 1:        GENERAL**

The accompany schedules of financial assistance present the activity of all state and county financial assistance programs of the Township of Chesterfield. The reporting entity is defined in Note 1 to the Township's financial statements. All state and county financial assistance received directly from state and county agencies, as well as state financial assistance passed through other government agencies is included on the schedule of state and county financial assistance.

The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Township of Chesterfield, it is not intended to and does not present the financial position, results of operations, or the fund balances of the Township of Chesterfield.

**Note 2:        BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with minor exceptions. Revenues are recorded when received in cash. Expenditures and disbursements are recorded when cash is disbursed or encumbrances are reserved. Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

\*\*\*\*\*

**TOWNSHIP OF CHESTERFIELD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Section I - Summary of Auditor's Results**

**Financial Statement Section**

[Reference – Section .510 and .520 of Circular OMB-133]

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified?      yes   X   no

2) Were reportable condition(s) identified that were not considered to be material weaknesses?      yes   X   no

Noncompliance material to general-purpose statements noted?      yes   X   no

**Federal Awards Section**      N/A

**State Awards Section**

Dollar threshold used to distinguish between type A and type B programs:    \$ 300,000

Auditee qualified as low-risk auditee?      yes   X   no

Internal Control over major programs:

1) Material weakness(es) identified?      yes   X   no

2) Significant deficiencies identified that are not considered to be material weaknesses?      yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?      yes   X   no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

Unavailable  
\_\_\_\_\_

NJ Turnpike Authority – Reforestation Act  
\_\_\_\_\_

**TOWNSHIP OF CHESTERFIELD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(Continued)**

**Section II – Financial Statement Findings**

**Finding: \*2011-01**  
**Payroll**

Criteria

Sound accounting practices include internal controls over payroll processing that clearly establishes an analysis of payroll assets and liabilities.

Condition

The payroll ledger contained balances that were not in agreement with actual payroll liabilities.

Effect

Misstatement of liabilities within the payroll fund.

Cause

Inconsistency with following established internal controls.

Recommendation

The payroll ledger should be more closely monitored.

**Finding: \*2011-2**  
**Payment of Claims**

Criteria

N.J.S.A. 40A:5-16 requires a governing body of any local unit to obtain receipt of goods signatures and certifications that funds are available to pay claims. Further, internal controls require that payments are supported by invoices, and payments are approved by the Township Committee and recorded in the minute record.

Condition

Of fifty-eight vouchers examined sixteen were noncompliant with at least one of the above criteria.

Effect

Errors and irregularities could occur that would have a negative impact on the Township's financial statements.

Cause

Internal controls over voucher processing were not followed.

Recommendation

Internal controls over voucher processing should be followed.

**TOWNSHIP OF CHESTERFIELD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(Continued)**

***Section II – Financial Statement Findings –(Continued)***

**Finding: \*2011-03**  
**Tax Overpayments**

Criteria

Reconciliations of the subsidiary record of tax overpayments to control accounts should be prepared monthly.

Condition

The subsidiary record of tax overpayments was not reconciled to control accounts.

Effect

Errors and irregularities could occur that would have a negative impact on the Township's financial statements.

Cause

Internal controls associated with the tax office were not followed.

Recommendation

The subsidiary record of tax overpayments should be reconciled to control accounts.

**Finding: 2011-04**  
**Budget**

Criteria

Municipalities must not expend amounts in excess of approved budgetary line items.

Condition

Two appropriation reserve line items, Street Lighting and Natural Gas, were overexpended by a total of \$1,033.84. Two current line items were overexpended prior to an approved transfer. Three appropriation reserve line items were overexpended prior to an approved transfer.

Effect

Noncompliance with the required encumbrance accounting system.

Cause

The budget was not closely monitored.

Recommendation

Budget line-items should not be overexpended or over committed.

**TOWNSHIP OF CHESTERFIELD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(Continued)**

***Section II – Financial Statement Findings – (Continued)***

**Finding: \*2011-05**  
**Sewer Revenue**

Criteria

All accounts should be timely billed.

Condition

The fourth quarter sewer bill for the local school district which should have been billed December 1, 2011 was not billed until January 2012.

Effect

Delayed billing could result in lost revenue.

Cause

Oversight

Recommendation

All sewer billings should be timely prepared and mailed.

**View of Responsible Officials**

The responsible officials are in agreement with the above findings and will address them in a corrective action plan.

***Section III – Federal Awards and State and County Financial Assistance Findings and Questioned Costs***

**Federal Awards:**

Not applicable.

**State and County Financial Assistance:**

No matters were reported.

**Status of Prior Year Findings**

A review was performed on all 2010 recommendations and a corrective action plan was adopted and implemented except for those recommendations marked with an \* above.

**TOWNSHIP OF CHESTERFIELD**

**PART II**

**LETTER OF FINDINGS AND RESPONSES**

**YEAR ENDED DECEMBER 31, 2011**

## TOWNSHIP OF CHESTERFIELD

### FINDINGS AND RESPONSES - 2011

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

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

N.J.S.A. 40A:11-3a states in part, "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed, in any contract year, the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (Pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971, c. 198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000."

Subsection c. of N.J.S.A. 40A:11-3 directs the Governor, in consultation with the Department of the Treasury, to adjust the bid threshold amounts every fifth year after enactment of P.L. 1999 c.440. The bid threshold for 2010 increased from \$21,000 to \$26,000 or from \$29,000 to \$36,000 if the entity has a qualified purchasing agent. Beginning January 1, 2011 after enactment of P.L. 2009 c.166 any contracting unit without a qualified purchasing agent will have its bid threshold fixed at \$17,500. The Township does not have a qualified purchasing agent and the bid threshold was reduced from \$26,000 to \$17,500.

N.J.S. 40A:11-6.1 establishes, with exceptions, 15% of the bid threshold as the level requiring solicitation of at least two competitive quotations, if practicable.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Solicitor's opinion should be sought before a commitment is made.

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

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

My examination of expenditures, on a test basis, indicated no discrepancies with the above requirements.

#### Contracts and Agreements Requiring Solicitation of Quotations

N.J.A.C. 5.30-14.5 requires the governing body to ascertain that there are sufficient legally appropriated funds prior to the award of contracts. My review of contracts awarded indicated compliance with this requirement.

**TOWNSHIP OF CHESTERFIELD**

**FINDINGS AND RESPONSES - 2011**

**Collection of Interest on Delinquent Taxes and Assessments**

In accordance with the statutes, on January 3, 2011, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments, portions of which read as follows:

WHEREAS, N.J.S.A. 54:5-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes and assessments, subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:5-67 has been amended to permit the fixing of said rate at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Chesterfield, County of Burlington, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2009, there shall be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.”

It appears from an examination of the collector’s records that interest was collected in accordance with the resolution.

**Tax Title Liens**

The last tax sale was held on December 1, 2011 and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable at December 31:

<u>Year</u>	<u>Number of Liens</u>
2011	5
2010	3
2009	1

**Verification of Delinquent Taxes**

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

## TOWNSHIP OF CHESTERFIELD

### FINDINGS & RESPONSES - 2011

#### **Finding: \*2011-01**

##### **Payroll**

##### Criteria

Sound accounting practices include internal controls over payroll processing that clearly establishes an analysis of payroll assets and liabilities.

##### Condition

The payroll ledger contained balances that were not in agreement with actual payroll liabilities.

##### Effect

Misstatement of liabilities within the payroll fund.

##### Cause

Inconsistency with following established internal controls.

##### Recommendation

The payroll ledger should be more closely monitored.

#### **Finding: \*2011-2**

##### **Payment of Claims**

##### Criteria

N.J.S.A: 40A:5-16 requires a governing body of any local unit to obtain receipt of goods signatures and certifications that funds are available to pay claims. Further, internal controls require that payments are supported by invoices, and payments are approved by the Township Committee and recorded in the minute record.

##### Condition

Of fifty-eight vouchers examined sixteen were noncompliant with at least one of the above criteria.

##### Effect

Errors and irregularities could occur that would have a negative impact on the Township's financial statements.

##### Cause

Internal controls over voucher processing were not followed.

##### Recommendation

Internal controls over voucher processing should be followed.

#### **Finding: \*2011-03**

##### **Tax Overpayments**

##### Criteria

Reconciliations of the subsidiary record of tax overpayments to control accounts should be prepared monthly.

**TOWNSHIP OF CHESTERFIELD**

**FINDINGS & RESPONSES - 2011**

Condition

The subsidiary record of tax overpayments was not reconciled to control accounts.

Effect

Errors and irregularities could occur that would have a negative impact on the Township's financial statements.

Cause

Internal controls associated with the tax office were not followed.

Recommendation

The subsidiary record of tax overpayments should be reconciled to control accounts.

**Finding: 2011-04**

**Budget**

Criteria

Municipalities must not expend amounts in excess of approved budgetary line items.

Condition

Two appropriation reserve line items, Street Lighting and Natural Gas, were overexpended by a total of \$1,033.84. Two current line items were overexpended prior to an approved transfer. Three appropriation reserve line items were overexpended prior to an approved transfer.

Effect

Noncompliance with the required encumbrance accounting system.

Cause

The budget was not closely monitored.

Recommendation

Budget line-items should not be overexpended or over committed.

**Finding: \*2011-05**

**Sewer Revenue**

Criteria

All accounts should be timely billed.

Condition

The fourth quarter sewer bill for the local school district which should have been billed December 1, 2011 but was not billed until January 2012.

Effect

Delayed billing could result in lost revenue.

Cause

Oversight

Recommendation

All sewer billings should be timely prepared and mailed.

**TOWNSHIP OF CHESTERFIELD**

**FINDINGS & RESPONSES - 2011**

**View of Responsible Officials**

The responsible officials are in agreement with the above findings and will address them in a corrective action plan.

**Summary of Prior Years Audit Findings/Recommendations**

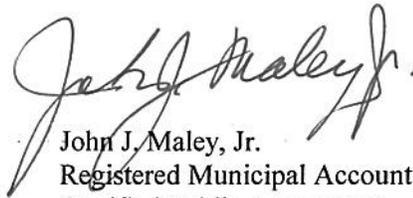
A review was performed on all 2010 recommendations and a corrective action plan was adopted and implemented except for those recommendations marked with an \* above.

**Acknowledgment**

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

Should you have any questions concerning my comments or recommendations, or should you desire any assistance in implementing my recommendations, please call me.

Respectfully submitted,



John J. Maley, Jr.  
Registered Municipal Accountant No.218  
Certified Public Accountant

February 29, 2012