

*TOWNSHIP OF WHITE
COUNTY OF WARREN
REPORT OF AUDIT*

2011

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF WHITE
COUNTY OF WARREN
REPORT OF AUDIT
2011

TOWNSHIP OF WHITE
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TOWNSHIP OF WHITE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2011



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Independent Auditors' Report

The Honorable Mayor and Members
 of the Township Committee
 Township of White, NJ

We have audited the financial statements – regulatory basis of the various funds of the Township of White in the County of Warren (the "Township") as of and for the years ended December 31, 2011, and 2010, as listed in the foregoing table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

However, in our opinion, the financial statements – regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of White at December 31, 2011 and 2010, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles prescribed by the Division, as described in Note 1.

The Honorable Mayor and Members
of the Township Committee
Township of White
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In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012, on our consideration of the Township of White's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole is fairly stated in all material respects in relation to the financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements and Note 2 to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
March 23, 2012



NISIVOCCHIA LLP



David H. Evans
Registered Municipal Accountant No. 98
Certified Public Accountant

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
CURRENT FUND

TOWNSHIP OF WHITE
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,553,657.66	\$ 1,710,454.53
Tax Collector	A-5	1,047,756.59	1,341,567.92
		<u>2,601,414.25</u>	<u>3,052,022.45</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	231,820.21	194,536.19
Tax Title Liens Receivable	A-7	79,917.42	64,019.48
Property Acquired for Taxes at Assessed Valuation		75,500.00	83,200.00
Revenue Accounts Receivable	A-8	4,664.19	9,563.43
Due from:			
Federal and State Grant Fund	A	60,370.59	
Other Trust Fund	B	408.55	319.75
Animal Control Fund	B	4,358.45	4,250.29
General Capital Fund	C	15,550.88	110,878.97
Sewer Utility Operating Fund	E	364.21	
Total Receivables and Other Assets With Full Reserves		<u>472,954.50</u>	<u>466,768.11</u>
Deferred Charges:			
Special Emergency Authorization		2,700.00	5,400.00
		<u>2,700.00</u>	<u>5,400.00</u>
Total Regular Fund		<u>3,077,068.75</u>	<u>3,524,190.56</u>
Federal and State Grant Fund:			
Grants Receivable	A-11	280,499.12	296,521.50
Due from Current Fund	A		76,897.91
Total Federal and State Grant Fund		<u>280,499.12</u>	<u>373,419.41</u>
<u>TOTAL ASSETS</u>		<u>\$ 3,357,567.87</u>	<u>\$ 3,897,609.97</u>

TOWNSHIP OF WHITE
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 100,477.07	\$ 111,993.92
Encumbered	A-3;A-9	41,071.71	95,287.93
Total Appropriation Reserves		141,548.78	207,281.85
Prepaid Taxes		104,632.87	100,246.34
Local School Taxes Payable	A-10	338,762.53	444,119.53
County Added and Omitted Taxes Payable		450.67	13,465.77
Due State of New Jersey:			
Veterans and Senior Citizens Deductions		18,210.24	8,210.24
Marriage License Fees		100.00	25.00
Due to Federal and State Grant Fund	A		76,897.91
Reserve for Driveway Bonds		7,100.00	7,100.00
Reserve for Watershed Moratorium Aid		13,442.00	13,442.00
Reserve for Open Space Pilot Aid		14,328.00	14,328.00
Reserve for Sale of Municipal Assets		206,328.14	351,328.14
Reserve for Pending Tax Appeal		24,261.00	
		869,164.23	1,236,444.78
Reserve for Receivables and Other			
Assets	A	472,954.50	466,768.11
Fund Balance	A-1	1,734,950.02	1,820,977.67
Total Regular Fund		3,077,068.75	3,524,190.56
Federal and State Grant Fund:			
Due to Current Fund	A	60,370.59	
Appropriated Reserves	A-12	204,307.81	373,418.91
Unappropriated Reserves	A-13	15,820.72	0.50
Total Federal and State Grant Fund		280,499.12	373,419.41
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,357,567.87</u>	<u>\$ 3,897,609.97</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,000,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated		1,502,762.92	1,955,583.13
Receipts from:			
Delinquent Taxes		202,217.76	180,676.33
Current Taxes		11,031,441.18	11,405,143.23
Nonbudget Revenue		53,714.72	54,006.98
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		80,398.84	104,739.17
Interfunds Returned		115,449.01	224,293.11
Increase in Deferred School Tax		100,000.00	200,000.00
Cancellation of Prior Year Reconciling Items		13,442.11	96.98
Total Income		<u>14,099,426.54</u>	<u>15,124,538.93</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		2,306,091.12	2,858,881.50
County Taxes		3,738,737.29	4,047,661.33
Amount Due County for Added and Omitted Taxes		458.39	13,473.88
Local School District Taxes		6,905,351.00	6,906,779.00
Municipal Open Space Tax		115,804.71	115,618.91
Interfunds Advanced		81,052.68	115,449.01
Reserve for Pending Tax Appeal		24,261.00	
Senior Citizen's Deductions Disallowed		10,500.00	1,000.00
Cancellation of Federal and State Grant Receivables		3,198.00	
Total Expenditures		<u>13,185,454.19</u>	<u>14,058,863.63</u>
Excess in Revenue		913,972.35	1,065,675.30
<u>Fund Balance</u>			
Balance January 1		<u>1,820,977.67</u>	<u>1,755,302.37</u>
		2,734,950.02	2,820,977.67
Decreased by:			
Utilized as Anticipated Revenue		<u>1,000,000.00</u>	<u>1,000,000.00</u>
Balance December 31	A	<u>\$ 1,734,950.02</u>	<u>\$ 1,820,977.67</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 1,000,000.00		\$ 1,000,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	3,500.00		3,960.00	\$ 460.00
Fines and Costs:				
Municipal Court	40,000.00		23,872.32	16,127.68 *
Interest and Costs on Taxes	30,000.00		42,965.18	12,965.18
Interest on Investments and Deposits	25,000.00		21,843.32	3,156.68 *
Consolidated Municipal Property Tax Relief	27,010.00		27,010.00	
Energy Receipts Tax	256,276.00		256,276.00	
Reserve for Open Space Pilot Aid	14,328.00		14,328.00	
Reserve for Watershed Moratorium Aid	13,442.00		13,442.00	
Uniform Construction Code Fees	30,000.00		90,366.99	60,366.99
Department of Transportation Grant	150,000.00		150,000.00	
Highlands Council Grant:				
RMP Compliance Grant Program	5,500.00	\$ 6,420.00	11,920.00	
Plan Conformance Grant		2,618.75	2,618.75	
Recycling Tonnage Grant	4,240.39		4,240.39	
Wastewater Management Grant	10,000.00		10,000.00	
Energy Efficiency Conservation Block Program		18,285.11	18,285.11	
White Township Host Community Fees	330,000.00		551,634.86	221,634.86
Reserve for Sale of Municipal Assets	160,000.00		160,000.00	
Reserve for Payment of Debt Service	100,000.00		100,000.00	
	<u>1,199,296.39</u>	<u>27,323.86</u>	<u>1,502,762.92</u>	<u>276,142.67</u>
Receipts from Delinquent Taxes	150,000.00		202,217.76	52,217.76
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	518,776.35		860,318.14	341,541.79
Budget Totals	<u>2,868,072.74</u>	<u>27,323.86</u>	<u>3,565,298.82</u>	<u>669,902.22</u>
Nonbudget Revenue			53,714.72	53,714.72
	<u>\$ 2,868,072.74</u>	<u>\$ 27,323.86</u>	<u>\$ 3,619,013.54</u>	<u>\$ 723,616.94</u>

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Allocation of Current Tax Collections

Revenue from Collection of Current Taxes	\$ 11,031,441.18
Allocated to County, School, and Local Open Space Taxes	<u>10,760,351.39</u>
Balance for Support of Municipal Budget	271,089.79
Add: Appropriation - Reserve for Uncollected Taxes	<u>589,228.35</u>
Realized for Support of Municipal Budget	<u>\$ 860,318.14</u>

Analysis of Delinquent Tax Collections:

Delinquent Taxes	\$ 199,013.27
Tax Title Liens	<u>3,204.49</u>
	<u>\$ 202,217.76</u>

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$ 16,349.56	
Zoning Board Fees	8,143.03	
Planning Board Fees	1,700.00	
Land and Court Rental	5,300.00	
Veterans and Senior Citizens Deductions Administration Fee	1,890.00	
Recycled Metal/Scrap	636.00	
Other Miscellaneous	<u>12,339.09</u>	
		\$ 46,357.68

Due from Animal Control Fund - Statutory Excess in Animal Control Fund 4,358.45

Tax Collector:

Other Miscellaneous 2,979.16

Due from Other Trust Funds:

Close Out of Escrow and Maintenance Bonds Accounts 19.43

\$ 53,714.72

Analysis of Interest Earned

Interest Earned in Current Fund	\$ 8,167.36
Interest Earned by Tax Collector	4,560.06
Interest Earned in General Capital Fund	9,026.94
Interest Earned in Other Trust Funds	<u>88.96</u>
	<u>\$ 21,843.32</u>

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS"					
GENERAL GOVERNMENT:					
General Administration:					
Other Expenses	\$ 14,000.00	\$ 14,000.00	\$ 13,629.34	\$ 370.66	
Human Resources:					
Other Expenses	1,000.00	1,000.00	795.00	205.00	
Mayor and Council:					
Salaries & Wages	11,726.00	11,726.00	11,551.92	174.08	
Other Expenses	1,000.00	1,000.00	994.00	6.00	
Municipal Clerk (Includes Assessment Searches):					
Salaries & Wages	82,000.00	82,000.00	81,349.60	650.40	
Other Expenses	2,500.00	2,500.00	1,676.53	823.47	
Financial Administration (Treasury):					
Salaries & Wages	22,000.00	22,000.00	21,791.90	208.10	
Other Expenses	6,000.00	6,000.00	4,991.40	1,008.60	
Audit Services:					
Other Expenses	19,350.00	19,350.00	15,850.00	3,500.00	
Computerized Data Processing:					
Other Expenses	12,500.00	12,500.00	7,008.33	5,491.67	
Revenue Administration (Tax Collection):					
Salaries & Wages	22,331.00	22,331.00	22,329.96	1.04	
Other Expenses	6,500.00	6,500.00	6,146.89	353.11	
Tax Assessment Administration:					
Salaries & Wages	24,052.00	24,052.00	24,051.30	0.70	
Other Professional, Consultant and Specialized Services	7,000.00	7,000.00	6,644.75	355.25	
Legal Services (Legal Department):					
Other Expenses	48,000.00	48,000.00	41,538.19	6,461.81	

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS" (continued)					
GENERAL GOVERNMENT (continued):					
Engineering Services:					
Other Expenses	\$ 10,000.00	\$ 12,670.70	\$ 12,670.70		
Historical Sites Office:					
Other Expenses	1,800.00	1,800.00	1,800.00		
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	10,174.00	10,174.00	9,573.12	\$ 600.88	
Other Expenses	25,000.00	15,142.15	8,013.90	7,128.25	
Zoning Board of Adjustment:					
Salaries & Wages	4,188.00	4,188.00	4,187.88	0.12	
Other Expenses	8,000.00	8,000.00	7,402.97	597.03	
Zoning Officer:					
Salaries & Wages	7,800.00	7,800.00	7,748.84	51.16	
Other Expenses	150.00	150.00	73.73	76.27	
CODE ENFORCEMENT AND ADMINISTRATION:					
Uniform Construction Code Enforcement Functions:					
Plumbing Inspector:					
Salaries & Wages	4,692.00	4,692.00	4,692.00		
Electrical Inspector:					
Salaries & Wages	10,151.00	10,151.00	10,149.96	1.04	
Other Expenses	400.00	400.00		400.00	
PUBLIC SAFETY FUNCTIONS:					
Police Dispatch / 911:					
Other Expenses	150.00	150.00		150.00	

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
PUBLIC SAFETY FUNCTIONS (Continued):					
Office of Emergency Management:					
Salaries & Wages	\$ 4,029.00	\$ 4,029.00	\$ 4,028.08	\$ 0.92	
Other Expenses	3,980.00	3,980.00	240.00	3,740.00	
Aid to Volunteer Fire Companies:					
Belvidere Fire Company	29,500.00	29,500.00	29,500.00		
Mountain Lake Fire Company	29,500.00	29,500.00	29,500.00		
Oxford Township Fire Company	29,500.00	29,500.00	29,500.00		
Contribution to First Aid Organizations:					
Belvidere Rescue Squad	25,000.00	25,000.00	25,000.00		
Oxford Rescue Squad	22,000.00	22,000.00	22,000.00		
Fire Department:					
Other Expenses:					
Fire Hydrant Service	11,500.00	11,500.00	10,447.14	1,052.86	
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries & Wages	200,000.00	200,000.00	195,249.62	4,750.38	
Other Expenses	135,000.00	135,000.00	113,326.18	21,673.82	
Solid Waste Collection (Includes Recycling Program):					
Other Expenses	1,500.00	1,500.00	1,278.42	221.58	
Buildings and Grounds:					
Salaries & Wages	5,000.00	5,000.00	3,603.63	1,396.37	
Other Expenses	24,000.00	24,000.00	19,533.48	4,466.52	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Service (Board of Health):					
Other Expenses	100.00	100.00		100.00	

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
HEALTH AND HUMAN SERVICES FUNCTIONS (Continued):					
Environmental Health Services:					
Salaries & Wages	\$ 1,020.00	\$ 1,020.00	\$ 780.00	\$ 240.00	
Other Expenses	500.00	500.00	340.00	160.00	
Animal Control Services:					
Salaries & Wages	7,974.00	7,974.00	7,973.52	0.48	
Other Expenses	6,000.00	6,000.00	3,704.24	2,295.76	
Contribution to Social Services Agencies:					
Senior Citizens Center / Project Graduation	1,000.00	1,000.00	1,000.00		
Belvidere High School Project Graduation	500.00	500.00	500.00		
White Township PTO	500.00	500.00	500.00		
White Township Girl Scouts	500.00	500.00		500.00	
Recreation Services and Programs:					
Contribution to White Township Athletic Association	6,000.00	6,000.00	6,000.00		
Other Expenses	2,000.00	2,606.00	2,606.00		
Maintenance of Parks:					
Other Expenses	31,000.00	31,000.00	25,871.00	5,129.00	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events	4,000.00	4,000.00		4,000.00	
Open Space Committee:					
Salaries & Wages	1,020.00	1,061.25	1,061.25		
Other Expenses	300.00	300.00	106.60	193.40	
Agricultural Advisory Board:					
Other Expenses	300.00	300.00	103.20	196.80	
Municipal Court:					
Salaries & Wages	55,000.00	55,000.00	54,935.55	64.45	

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations - Within "CAPS" (continued)					
Municipal Court (Continued):					
Other Expenses	\$ 6,000.00	\$ 6,000.00	\$ 5,671.20	\$ 328.80	
Public Defender:					
Other Expenses	1,600.00	2,400.00	2,400.00		
Insurance:					
General Liability	54,479.00	54,479.00	53,980.00	499.00	
Employee Group Health	75,500.00	79,130.80	71,999.90	7,130.90	
Building Inspector (N.J.S.A. 5:23-4.17):					
Salaries & Wages	34,000.00	34,000.00	31,526.10	2,473.90	
Other Expenses	3,000.00	3,000.00	2,144.99	855.01	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	17,000.00	17,000.00	12,591.34	4,408.66	
Street Lighting	10,000.00	10,000.00	8,419.11	1,580.89	
Telephone	13,000.00	13,000.00	11,057.51	1,942.49	
Natural Gas	6,000.00	6,000.00	5,242.82	757.18	
Gasoline	12,000.00	14,109.10	14,109.10		
Total Operations Within "CAPS"	<u>1,233,266.00</u>	<u>1,233,266.00</u>	<u>1,134,492.19</u>	<u>98,773.81</u>	
Detail:					
Salaries and Wages	507,157.00	507,198.25	496,584.23	10,614.02	
Other Expenses	<u>726,109.00</u>	<u>726,067.75</u>	<u>637,907.96</u>	<u>88,159.79</u>	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Public Employees' Retirement System	52,125.00	52,125.00	52,125.00		
Social Security	40,000.00	40,000.00	38,980.17	1,019.83	

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures (Continued):					
Statutory Expenditures (Continued):					
Unemployment Compensation	\$ 1,000.00	\$ 1,000.00	\$ 316.57	\$ 683.43	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>93,125.00</u>	<u>93,125.00</u>	<u>91,421.74</u>	<u>1,703.26</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>1,326,391.00</u>	<u>1,326,391.00</u>	<u>1,225,913.93</u>	<u>100,477.07</u>	
Operations - Excluded from "CAPS"					
Public and Private Programs Offset by Revenues:					
Municipal Alliance:					
Local Share	1,482.00	1,482.00	1,482.00		
Recycling Tonnage Grant	4,240.39	4,240.39	4,240.39		
Highlands Council Grant					
Plan Performance Grant (N.J.S.A.40A:4-87 + \$2,618.75)		2,618.75	2,618.75		
RMP Compliance Grant Program (N.J.S.A.40A:4-87 + \$6,420.00)	5,500.00	11,920.00	11,920.00		
Wastewater Management Grant	10,000.00	10,000.00	10,000.00		
Energy Efficiency Conservation Block Program (N.J.S.A.40A:4-87 + \$18,285.11)		<u>18,285.11</u>	<u>18,285.11</u>		
Total Public and Private Programs Offset by Revenues	<u>21,222.39</u>	<u>48,546.25</u>	<u>48,546.25</u>		
Total Operations - Excluded from "CAPS"	<u>21,222.39</u>	<u>48,546.25</u>	<u>48,546.25</u>		

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Detail:					
Other Expenses	\$ 21,222.39	\$ 48,546.25	\$ 48,546.25		
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Bunker Gear - Town of Belvidere	4,500.00	4,500.00	4,500.00		
Mt. Lake Fire Truck	24,000.00	24,000.00	24,000.00		
Bunker Gear - Township of Oxford	6,800.00	6,800.00	6,800.00		
Purchase of Ambulance - Oxford Rescue Squad	10,000.00	10,000.00	10,000.00		
Public and Private Offset by Revenues:					
New Jersey Transportation Trust Fund Authority Act	150,000.00	150,000.00	150,000.00		
Total Capital Improvements Excluded from "CAPS"	245,300.00	245,300.00	245,300.00		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	57,500.00	57,500.00	57,500.00		
Payment of Bond Anticipation Notes	550,000.00	550,000.00	550,000.00		
Interest on Bonds	45,018.00	45,018.00	45,017.50		\$ 0.50
Interest on Notes	30,713.00	30,713.00	30,636.37		76.63
Total Municipal Debt Service - Excluded from "CAPS"	683,231.00	683,231.00	683,153.87		77.13
Deferred Charges - Municipal - Excluded from "CAPS"					
DEFERRED CHARGES:					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55)	2,700.00	2,700.00	2,700.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	2,700.00	2,700.00	2,700.00		

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 952,453.39	\$ 979,777.25	\$ 979,700.12		\$ 77.13
Total General Appropriations - Excluded from "CAPS"	952,453	979,777	979,700		77
Subtotal General Appropriations	2,278,844.39	2,306,168.25	2,205,614.05	\$ 100,477.07	77.13
Reserve for Uncollected Taxes	589,228.35	589,228.35	589,228.35		
Total General Appropriations	<u>\$ 2,868,072.74</u>	<u>\$ 2,895,396.60</u>	<u>\$ 2,794,842.40</u>	<u>\$ 100,477.07</u>	<u>\$ 77.13</u>

Ref.

A

TOWNSHIP OF WHITE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 2,868,072.74	
Added by N.J.S.A. 40A:4-87		27,323.86	
		\$ 2,895,396.60	
Reserve for Uncollected Taxes			\$ 589,228.35
Cash Disbursed			1,970,426.99
Deferred Charges:			
Special Emergency Authorization			2,700.00
Due to Federal and State Grant Fund			198,546.25
Encumbrances	A		41,071.71
			2,801,973.30
Less: Appropriation Refunds			7,130.90
			\$ 2,794,842.40

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
TRUST FUNDS

TOWNSHIP OF WHITE
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 20,273.09	\$ 17,110.18
Registrar	B-5	68.36	109.71
		<u>20,341.45</u>	<u>17,219.89</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	393,322.62	274,861.83
		<u>393,322.62</u>	<u>274,861.83</u>
<u>TOTAL ASSETS</u>		<u>\$ 413,664.07</u>	<u>\$ 292,081.72</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 114.80	\$ 113.60
Due to Current Fund	A	4,358.45	4,250.29
Accounts Payable - Vendors		40.00	40.00
Reserve for Animal Control Fund Expenditures	B-6	15,828.20	12,816.00
		<u>20,341.45</u>	<u>17,219.89</u>
Other Trust Funds:			
Due to Current Fund	A	408.55	319.75
Reserve for:			
Gravel Pit Escrow Deposit		27,535.41	26,801.77
Escrow Deposits		220,141.11	107,247.70
Maintenance Bond Deposits		40,583.42	43,810.48
Soil Extraction Bond Deposits		262.00	262.00
Tax Sale Premiums		2,000.00	4,500.00
Unemployment Compensation Insurance		7,137.36	6,167.34
Open Space Fund		95,254.77	85,752.79
Total Other Trust Funds		<u>393,322.62</u>	<u>274,861.83</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 413,664.07</u>	<u>\$ 292,081.72</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
GENERAL CAPITAL FUND

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,620,907.54	\$ 2,845,395.00
Deferred Charges to Future Taxation:			
Funded		1,795,000.00	1,910,000.00
Unfunded	C-4	2,475,000.00	3,025,000.00
<u>TOTAL ASSETS</u>		<u>\$ 6,890,907.54</u>	<u>\$ 7,780,395.00</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 2,375,000.00	\$ 2,925,000.00
Serial Bonds Payable	C-8	1,795,000.00	1,910,000.00
Improvement Authorizations:			
Funded	C-5	381,482.66	368,767.03
Unfunded	C-5	158,227.66	158,227.66
Due to Current Fund	A	15,550.88	110,878.97
Capital Improvement Fund	C-6	50,819.25	90,819.25
Reserve for:			
Encumbrances		13,125.00	
Preliminary Expenses		1,325.00	1,325.00
Payment of Debt Service		1,795,000.00	1,910,000.00
Fund Balance	C-1	305,377.09	305,377.09
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 6,890,907.54</u>	<u>\$ 7,780,395.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2010	C	<u>\$ 305,377.09</u>
Balance December 31, 2011	C	<u>\$ 305,377.09</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
SEWER UTILITY FUND

TOWNSHIP OF WHITE
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 318,042.72	\$ 282,534.12
		318,042.72	282,534.12
Due from Sewer Utility Capital Fund	E	15.15	21.13
		318,057.87	282,555.25
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	25,956.20	27,557.00
		25,956.20	27,557.00
Total Operating Fund		344,014.07	310,112.25
Capital Fund:			
Cash and Cash Equivalents	E-5	95,015.15	70,021.13
Total Capital Fund		95,015.15	70,021.13
<u>TOTAL ASSETS</u>		<u>\$ 439,029.22</u>	<u>\$ 380,133.38</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	E-4; E-10	\$ 2,865.73	\$ 7,720.39
Total Appropriation Reserves		2,865.73	7,720.39
Due To Current Fund	A	364.21	
Prepaid Rents		1,271.67	2,886.61
		4,501.61	10,607.00
Reserve for Receivables		25,956.20	27,557.00
Fund Balance	E-1	313,556.26	271,948.25
		339,512.46	299,505.25
Total Operating Fund		344,014.07	310,112.25
Capital Fund:			
Due to Sewer Operating Fund	E	15.15	21.13
Capital Improvement Fund	E-12	95,000.00	70,000.00
Total Capital Fund		95,015.15	70,021.13
<u>TOTAL LIABILITIES, RESERVES, AND FUND BALANCE</u>		<u>\$ 439,029.22</u>	<u>\$ 380,133.38</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN UTILITY OPERATING FUND BALANCE

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 150,000.00	\$ 100,000.00
Sewer Rents		402,357.65	287,509.31
Miscellaneous		4,741.97	3,716.68
Other Credits to Income:			
Appropriation Reserves Lapsed		7,720.39	37,734.46
Total Income		<u>564,820.01</u>	<u>428,960.45</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		373,212.00	283,218.00
Total Expenditures		<u>373,212.00</u>	<u>283,218.00</u>
Excess in Revenue		191,608.01	145,742.45
<u>Fund Balance</u>			
Balance January 1	E	<u>271,948.25</u>	<u>226,205.80</u>
		463,556.26	371,948.25
Decreased by:			
Utilization as Anticipated Revenue		<u>150,000.00</u>	<u>100,000.00</u>
Balance December 31	E	<u>\$ 313,556.26</u>	<u>\$ 271,948.25</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 150,000.00	\$ 150,000.00	
Sewer Rents	<u>223,212.00</u>	<u>402,357.65</u>	<u>\$ 179,145.65</u>
	373,212.00	552,357.65	179,145.65
Nonbudget Revenue		<u>4,741.97</u>	<u>4,741.97</u>
	<u>\$ 373,212.00</u>	<u>\$ 557,099.62</u>	<u>\$ 183,887.62</u>
 <u>Analysis of Nonbudget Revenue</u>			
Interest on Sewer Rents		\$ 3,462.67	
Interest Income		1,264.15	
Interest Due from Sewer Capital Fund		<u>15.15</u>	
		<u>\$ 4,741.97</u>	
 <u>Analysis of Sewer Rents</u>			
2011 Collections		\$ 399,471.04	
Prepaid Sewer Rents Applied		<u>2,886.61</u>	
		<u>\$ 402,357.65</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Mod- ification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 4,100.00	\$ 4,100.00	\$ 4,059.96	\$ 40.04
Other Expenses (Includes Belvidere)	15,900.00	15,900.00	13,074.31	2,825.69
Sewer Service Charges - PRMUA	328,212.00	328,212.00	328,212.00	
Capital Improvements:				
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	
	<u>\$ 373,212.00</u>	<u>\$ 373,212.00</u>	<u>\$ 370,346.27</u>	<u>\$ 2,865.73</u>

Ref.

E

Cash Disbursed	\$ 369,982.06
Due to Current Fund	<u>364.21</u>
	<u>\$ 370,346.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
PUBLIC ASSISTANCE FUND

TOWNSHIP OF WHITE
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 4,340.81	\$ 4,326.60
<u>TOTAL ASSETS</u>		<u>\$ 4,340.81</u>	<u>\$ 4,326.60</u>
 <u>RESERVES:</u>			
Reserve for Public Assistance Expenditures		\$ 4,340.81	\$ 4,326.60
<u>TOTAL RESERVES</u>		<u>\$ 4,340.81</u>	<u>\$ 4,326.60</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF WHITE
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2011	2010
Land	\$ 2,102,800.00	\$ 2,102,800.00
Buildings	512,901.00	512,901.00
Machinery and Equipment	1,403,911.00	1,403,911.00
<u>TOTAL ASSETS</u>	<u>\$ 4,019,612.00</u>	<u>\$ 4,019,612.00</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 4,019,612.00	\$ 4,019,612.00
<u>TOTAL RESERVES</u>	<u>\$ 4,019,612.00</u>	<u>\$ 4,019,612.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WHITE
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 White include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of White, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of White do not include the operations of the volunteer fire company or first aid organization.

Governmental Accounting Standards Board ("GASB" publication, Codification of Governmental Accounting and Financial Reporting Standards) Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of White 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 (the "Division"). 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 White accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - 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.

Sewer Utility Operating Fund - Account for the operations of the municipally owned sewer utility. There are no municipally owned sewer capital facilities.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Account Group - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1C - "Basis of Accounting".

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of White conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are realized in the Current Fund when they are budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Other amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the 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 which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds or by issuing loans or capital lease purchase agreements.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township of White's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned and inventories would not be reflected as expenditures at the time of purchase.

Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Grants Receivable – Grants receivable represent the total grant award less amounts collected to date. Because the amount of grant funds to be collected is dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

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

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

General fixed assets are recorded at cost, except for land which is recorded at assessed value, and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund, General Capital Fund and Sewer Utility Fund. The values recorded in the general fixed asset account group, the Current Fund, the General Capital Fund and Sewer Utility Fund may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance the general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2011	2010	2009
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 4,170,000.00	\$ 4,835,000.00	\$ 5,655,000.00
Total Issued	4,170,000.00	4,835,000.00	5,655,000.00
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	100,000.00	100,000.00	380,000.00
Total Authorized but not Issued	100,000.00	100,000.00	380,000.00
Less: Reserve to Pay Debt Service	1,795,000.00	1,910,000.00	2,620,000.00
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 2,475,000.00</u>	<u>\$ 3,025,000.00</u>	<u>\$ 3,415,000.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.37%.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 4,270,000.00	\$ 1,795,000.00	\$ 2,475,000.00
School Debt	<u>2,005,000.00</u>	<u>2,005,000.00</u>	
	<u>\$ 6,275,000.00</u>	<u>\$ 3,800,000.00</u>	<u>\$ 2,475,000.00</u>

Net Debt of \$2,475,000.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$669,754,951.67 = 0.37%.

Borrowing Power Under N.J.S. 40A:2-5 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 23,441,423.31
Net Debt	<u>2,475,000.00</u>
Remaining Borrowing Power	<u>\$ 20,966,423.31</u>

The foregoing information is in agreement with the annual debt statement as filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current and Prior Year

	<u>Balance 12/31/10</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance 12/31/11</u>
Serial Bonds:				
General Capital Fund	\$1,910,000.00		\$ 115,000.00	\$1,795,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>2,925,000.00</u>	<u>\$2,375,000.00</u>	<u>2,925,000.00</u>	<u>2,375,000.00</u>
Total	<u>\$4,835,000.00</u>	<u>\$2,375,000.00</u>	<u>\$3,040,000.00</u>	<u>\$4,170,000.00</u>
	<u>Balance 12/31/09</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance 12/31/10</u>
Serial Bonds:				
General Capital Fund	\$2,020,000.00		\$ 110,000.00	\$1,910,000.00
Bond Anticipation Notes:				
General Capital Fund	<u>3,635,000.00</u>	<u>\$2,925,000.00</u>	<u>3,635,000.00</u>	<u>2,925,000.00</u>
Total	<u>\$5,655,000.00</u>	<u>\$2,925,000.00</u>	<u>\$3,745,000.00</u>	<u>\$4,835,000.00</u>

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2011 is described as follows:

General Capital Serial Bonds Payable

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
	<u>Date</u>	<u>Amount</u>		
Purchase of Parcels of Real Estate	12/1/2012	\$ 120,000.00	4.50%	
	12/1/2013	125,000.00	4.50%	
	12/1/2014	130,000.00	4.50%	
	12/1/2015	135,000.00	4.50%	
	12/1/2016	145,000.00	4.50%	
	12/1/2017	150,000.00	4.50%	
	12/1/2018	155,000.00	4.70%	
	12/1/2019	160,000.00	4.75%	
	12/1/2020	165,000.00	5.00%	
	12/01/21-23	170,000.00	5.00%	<u>\$1,795,000.00</u>

General Capital Bond Anticipation Notes Payable

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
Tax Appeal Refunding	5/27/2011	1.05%	\$2,095,000.00
Purchase of Fire Engine	5/27/2011	1.05%	280,000.00
			<u>\$2,375,000.00</u>
Total Debt Issued and Outstanding			<u>\$4,170,000.00</u>

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for Bonded Debt Issued and Outstanding

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 120,000.00	\$ 84,860.00	\$ 204,860.00
2013	125,000.00	79,460.00	204,460.00
2014	130,000.00	73,835.00	203,835.00
2015	135,000.00	67,985.00	202,985.00
2016	145,000.00	61,910.00	206,910.00
2017-2021	800,000.00	204,620.00	1,004,620.00
2022-2023	340,000.00	25,500.00	365,500.00
	<u>\$ 1,795,000.00</u>	<u>\$ 598,170.00</u>	<u>\$ 2,393,170.00</u>

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 3: Deferred Charges to be Raised in Succeeding Years (Cont'd)

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

	Balance Dec. 31, 2011	2012 Budget Appropriation	Balance to Succeeding Years' Budget
Current Fund:			
Special Emergency Authorization	\$ 2,700.00	\$ 2,700.00	\$ -0-
	<u>\$ 2,700.00</u>	<u>\$ 2,700.00</u>	<u>\$ -0-</u>

The 2011 Budget Appropriation will not be less than that required by statute.

Note 4: Fund Balance Appropriated

As of the date of this report, the budget for 2012 has not been introduced. Thus, the amount of fund balance at December 31, 2011, which will be introduced in the Current Fund and Sewer Utility Operating Fund budgets for the year ending December 31, 2012, is not known at this time.

Note 5: Local School District Taxes

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

Local District Tax has been raised and liabilities deferred by statutes (under provisions of C.63, P.L. 1991, as amended), resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Local School Tax</u>	
	Balance 12/31/2011	Balance 12/31/2010
Balance of Tax	\$ 3,298,894.88	\$ 3,304,251.88
Deferred	2,960,132.35	2,860,132.35
Tax Payable	<u>\$ 338,762.53</u>	<u>\$ 444,119.53</u>

Note 6: Pension Plans

Township employees are enrolled in a cost sharing multiple-employer public employee retirement system: the Public Employees' Retirement System (PERS). The State of New Jersey sponsors and administers the plan which covers substantially all Township employees. As a general rule, all full-time employees are eligible to join this public employees' retirement system.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 6: Pension Plans (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above system. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for PERS went from 5.5% to 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Township contributions to PERS amounted to \$52,125, \$50,211 and \$42,817 for 2011, 2010 and 2009, respectively.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	\$ 1.949	\$ 2.012	\$ 2.038
<u>Apportionment of Tax Rate:</u>			
County	0.646	0.703	0.765
Local School Tax	1.193	1.199	1.170
Municipal Open Space Tax	0.020	0.020	0.020
Municipal Local Tax	0.090	0.090	0.083
<u>Assessed Valuations:</u>			
2011	<u>\$ 578,953,003.00</u>		
2010		<u>\$ 576,191,518.00</u>	
2009			<u>\$ 570,745,908.00</u>

TOWNSHIP OF WHITE
NOTES TO FINACIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 11,285,172.51	\$ 11,031,441.18	97.75%
2010	11,631,106.62	11,405,143.23	98.06%
2009	11,716,327.69	11,520,775.52	98.33%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, Governmental Accounting Standards Board Deposit and Investment Risk Disclosures, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following pages.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Deposits: (Cont'd)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (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;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2011, cash and cash equivalents of the Township of White consisted of the following:

	<u>Checking Accounts</u>	<u>Cash on Hand</u>	<u>Total</u>
Current Fund	\$ 2,600,564.25	\$ 850.00	\$ 2,601,414.25
Animal Control Fund	20,341.45		20,341.45
Other Trust Funds	393,322.62		393,322.62
General Capital Fund	2,620,907.54		2,620,907.54
Sewer Utility Operating Fund	318,042.72		318,042.72
Sewer Utility Capital Fund	95,015.15		95,015.15
Public Assistance Fund	4,340.81		4,340.81
	<u>\$ 6,052,534.54</u>	<u>\$ 850.00</u>	<u>\$ 6,053,384.54</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2011, was \$6,053,384.54 and the bank balance was \$6,062,798.31. The Township did not hold any investments during the year.

Note 9: 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; and natural disasters. These risks are covered by the Public Alliance Insurance Coverage Fund. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property, Liability and Workers' Compensation

The Township is currently a member of the Public Alliance Insurance Coverage Fund (the "Fund"). The Fund provides its members with Liability, Property and Workers' Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 9: Risk Management: (Cont'd)

Property, Liability and Workers' Compensation (Cont'd)

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2011 audit report for the Fund was not available as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2010 is as follows:

	Public Alliance Insurance Coverage Fund Dec. 31, 2010
Total Assets	\$ 12,473,920
Net Assets	\$ 3,500,192
Total Revenue	\$ 9,633,163
Total Expenditures	\$ 9,433,058
Change in Net Assets	\$ 200,105
Net Assets Distribution to Participating Members	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Public Alliance Insurance Coverage Fund
Public Entity Group Administrative Services
51 Everett Drive, Suite B-40
West Windsor, NJ 08550
(609) 275-1155

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.

The following is a summary of Township and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years.

Year	Township Contributions	Employee Contributions	Interest Earned	Reimbursements	Ending Balance
2011	\$ 316.57	\$ 633.11	\$ 20.34	\$ -0-	\$ 7,137.36
2010	491.37	513.87	25.10	18.06	6,167.34
2009	341.16	2,824.85	44.63	5,263.98	5,155.06

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 81,052.68	
Federal and State Grant Fund		\$ 60,370.59
Animal Control Trust Fund		4,358.45
Other Trust Funds		408.55
General Capital Fund		15,550.88
Sewer Utility Operating Fund	15.15	364.21
Sewer Utility Capital Fund		15.15
	<u>\$ 81,067.83</u>	<u>\$ 81,067.83</u>

The interfund payable in the Federal and State Grant Fund represents grant funds received in the Current Fund and grant fund expenditures made from the Current Fund on behalf of the Federal and State Grant Fund. The interfund receivable in the Current Fund represents the statutory excess due from the Animal Control Trust Fund; interest earned in the various trust funds and the General Capital Fund; the excess of Reserve to Pay Debt Service over outstanding debt due from the General Capital Fund; and Sewer Operating Sewer paid by the Current Fund on behalf of Sewer Utility Operating Fund. The interfund receivable in the Sewer Utility Operating Fund represents interest due from the Sewer Utility Capital Fund. The Open Space Trust Fund transferred \$102,517.50 to the Current Fund to provide for current year principal and interest due on open space serial bonds payable.

Note 11: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 12: Open Space Trust Reserve

The Township of White established an Open Space Trust Fund in 1999. The Township has levied a tax equal to two cents per \$100 of total Township equalized real property valuation. The tax has remained two cents since the approval by the voters to establish the open space tax. The intention of the municipality is to use this funding to offset the debt issued to acquire open space property in the Township. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The Township is currently using the funds raised by taxes to pay down the Township's only serial bond issue which was issued on August 7, 2003 to purchase open space. The balance in the Reserve for Open Space at December 31, 2011 is \$95,254.77.

TOWNSHIP OF WHITE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 13: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 14: Deferred Compensation

The Township offers its employees the following deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the entity listed below, 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 administrator is Lincoln Financial Group.

Note 15: Accrued Sick and Vacation Benefits

The Township has permitted full-time employees to accrue unused vacation and sick pay. Fifty percent of unused sick days are made payable upon retirement up to a maximum of \$14,000.00. The current cost of such unpaid compensation has been estimated at approximately \$14,000.00 at December 31, 2011, and is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

Note 16: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2011 and 2010:

	Balance Dec. 31, 2010	Additions	Deletions	Balance Dec. 31, 2011
Land	\$ 2,102,800.00			\$ 2,102,800.00
Buildings	512,901.00			512,901.00
Machinery and Equipment	1,403,911.00			1,403,911.00
	<u>\$ 4,019,612.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,019,612.00</u>
	Balance Dec. 31, 2009	Additions	Deletions	Balance Dec. 31, 2010
Land	\$ 2,102,800.00			\$ 2,102,800.00
Buildings	512,901.00			512,901.00
Machinery and Equipment	1,103,911.00	\$ 300,000.00		1,403,911.00
	<u>\$ 3,719,612.00</u>	<u>\$ 300,000.00</u>	<u>\$ -0-</u>	<u>\$ 4,019,612.00</u>

TOWNSHIP OF WHITE
SUPPLEMENTARY DATA

TOWNSHIP OF WHITE
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2011

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Samuel Race	Mayor		
Jeff Herb	Committeeperson		
Holly Mackey	Committeeperson		
Kathleen R. Reinalda	Chief Financial Officer; Municipal Clerk; Registrar of Vital Statistics; Assessment Search Officer; Board of Health Secretary		
Rachel Edinger	Tax Collector; Sewer Utility Clerk	*	*
Ralph Price	Construction Official		
Thomas Bocko	Zoning Officer		
Michelle Trivigno	Tax Assessor		
Brian Tipton	Township Attorney		
Betty Wysocki	Dog Warden		
J. Edward Palmer	Magistrate		
Gayle S. Farrell	Court Administrator; Violations Clerk		

There is a Public Employees Blanket Bond for \$1,000,000 covering all municipal employees not separately bonded:

Public Alliance Insurance Coverage Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

* There is a separate Statutory Position Bond for \$1,000,000 covering the Tax Collector:

Public Alliance Insurance Coverage Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

All bonds were examined and were properly executed.

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
CURRENT FUND

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 1,710,454.53
Increased by Receipts:		
Tax Collector		\$ 11,500,000.00
Revenue Accounts Receivable		961,287.53
Miscellaneous Revenue Not Anticipated		46,357.68
Reserve For Watershed Moratorium Aid		13,442.00
Reserve for Open Space Pilot Aid		14,328.00
2011 Appropriation Refunds		7,130.90
Due to Federal and State Grant Fund:		
Grants Receivable		209,888.63
Unappropriated Reserves		15,820.22
Due to State of New Jersey - Marriage License Fees		325.00
Due from State of New Jersey:		
Veterans' and Senior Citizens' Deductions		94,500.00
Due from Other Trust Funds:		
Interest on Investments and Deposits		0.16
Close Out of Escrow/Maintenance Bonds Accounts		19.43
Due from Animal Control Fund:		
Prior Year Interfund Returned		4,250.29
Due from General Capital Fund:		
Prior Year Interfund Returned		110,878.97
Interest on Investments and Deposits		8,476.06
Reserve for Payment of Debt Service		100,000.00
Cancellation of Prior Year Reconciling Items		13,442.11
		13,100,146.98
		14,810,601.51
Decreased by Disbursements:		
2011 Appropriation Expenditures		1,970,426.99
2010 Appropriation Reserve Expenditures		126,883.01
Local School District Taxes		6,910,708.00
County Taxes		3,752,210.78
Tax Overpayments Refunded		12,638.80
Due from Federal and State Grant Fund:		
Appropriated Reserves		367,657.35
Due from Sewer Operating Fund:		
Interfund Advanced		364.21
Due to Other Trust Funds:		
Open Space Tax Levy		115,804.71
Due to State of New Jersey - Marriage License Fees		250.00
		13,256,943.85
Balance December 31, 2011	A	\$ 1,553,657.66

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

Balance December 31, 2010	<u>Ref.</u> A	\$ 1,341,567.92
Increased by Receipts:		
Taxes Receivable	\$ 11,035,208.11	
2012 Prepaid Taxes	104,632.87	
Interest and Costs on Taxes	42,965.18	
Tax Title Lien Redemption	3,204.49	
Tax Overpayments	12,638.80	
Interest on Investments	4,560.06	
Miscellaneous Revenue Not Anticipated	2,979.16	
	<hr/>	11,206,188.67
		<hr/>
		12,547,756.59
Decreased by:		
Payments to Treasurer		11,500,000.00
		<hr/>
Balance December 31, 2011	A	<u>\$ 1,047,756.59</u>

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

Year	Balance	2011 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance
	Dec. 31, 2010		2010	2011				Dec. 31, 2011
2006				\$ 1,000.00	\$ (2,000.00)			\$ 1,000.00
2007				1,500.00	(2,500.00)			1,000.00
2008				2,000.00	(2,750.00)			750.00
2009				500.00	(1,500.00)			1,000.00
2010	\$ 194,536.19			194,013.27	(1,750.00)		\$ 2,272.92	
	<u>194,536.19</u>			<u>199,013.27</u>	<u>(10,500.00)</u>		<u>2,272.92</u>	<u>3,750.00</u>
2011		\$ 11,285,172.51	\$ 100,246.34	10,836,194.84	\$ 95,000.00	\$ 9,612.87	16,048.25	228,070.21
	<u>\$ 194,536.19</u>	<u>\$ 11,285,172.51</u>	<u>\$ 100,246.34</u>	<u>\$ 11,035,208.11</u>	<u>\$ 84,500.00</u>	<u>\$ 9,612.87</u>	<u>\$ 18,321.17</u>	<u>\$ 231,820.21</u>
Ref.	A							A

Analysis of 2011 Property Tax Levy

General Purpose Tax	\$ 11,283,795.32
Added Taxes (54:4-63.1 et seq.)	<u>1,377.19</u>
	<u>\$ 11,285,172.51</u>
Tax Levy:	
Local School District Taxes	\$ 6,905,351.00
County Taxes:	
County Taxes	3,738,737.29
Due County for Added and Omitted Taxes	<u>458.39</u>
	<u>3,739,195.68</u>
	<u>10,644,546.68</u>
Local Tax for Municipal Purposes	518,776.35
Municipal Open Space Tax	115,790.60
Additional Open Space - Municipal	14.11
Add: Additional Tax Levied	<u>6,044.77</u>
	<u>640,625.83</u>
	<u>\$ 11,285,172.51</u>

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 64,019.48
Increased by:			
Transferred From Taxes Receivable		\$ 18,321.17	
Interest and Costs Accrued at Tax Sale		<u>781.26</u>	
			<u>19,102.43</u>
			83,121.91
Decreased by:			
Tax Title Liens Redeemed			<u>3,204.49</u>
Balance December 31, 2011	A		<u>\$ 79,917.42</u>

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clerk:				
ABC Licenses		\$ 3,960.00	\$ 3,960.00	
Construction Code Official:				
Fees and Permits	\$ 7,263.10	85,960.31	90,366.99	\$ 2,856.42
Municipal Court:				
Fines and Courts	2,300.33	23,379.76	23,872.32	1,807.77
Consolidated Municipal Property Tax Relief Aid		27,010.00	27,010.00	
Energy Receipts Tax		256,276.00	256,276.00	
Interest on Investments and Deposits		8,167.36	8,167.36	
Pollution Control Authority - Host Community Fees		551,634.86	551,634.86	
	<u>\$ 9,563.43</u>	<u>\$ 956,388.29</u>	<u>\$ 961,287.53</u>	<u>\$ 4,664.19</u>
<u>Ref.</u>	A			A

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
General Administration:				
Other Expenses	\$ 1,399.05	\$ 1,399.05	\$ 1,254.55	\$ 144.50
Human Resources:				
Other Expenses	725.00	725.00		725.00
Mayor and Council:				
Salaries and Wages	1.08	1.08		1.08
Other Expenses	87.01	87.01		87.01
Municipal Clerk:				
Salaries and Wages	332.28	1,012.70	1,012.70	
Other Expenses	1,666.29	1,666.29	154.99	1,511.30
Financial Administration (Treasury):				
Salaries and Wages	664.29	664.29		664.29
Other Expenses	1,046.27	1,046.27	169.60	876.67
Audit Services:				
Other Expenses	300.00	300.00		300.00
Computerized Data Processing:				
Other Expenses		1,287.50	1,287.50	
Revenue Administration (Tax Collection):				
Other Expenses	1,145.35	1,145.35	270.36	874.99
Tax Assessment Administration:				
Salaries and Wages	0.12	0.12		0.12
Other Expenses	490.36	490.36	466.32	24.04
Legal Services:				
Other Expenses	2,642.78	3,045.00	3,045.00	
Engineering Services:				
Other Expenses	3,310.55	3,310.55	2,000.00	1,310.55
Planning Board:				
Salaries and Wages	400.36	400.36		400.36
Other Expenses		1,947.50	1,947.50	
Zoning Board of Adjustment:				
Salaries and Wages	0.04	0.04		0.04
Other Expenses	2,909.71	2,909.71	58.54	2,851.17
Plumbing Inspector:				
Other Expenses	0.28	0.28		0.28
Electrical Inspector:				
Salaries and Wages	0.78	0.78		0.78
Other Expenses	400.00	400.00	288.36	111.64
Office of Emergency Management:				
Salaries and Wages	0.40	0.40		0.40
Other Expenses	1,434.93	1,434.93		1,434.93

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Aid to Volunteer Fire Companies:				
Belvidere Fire Company	\$ 29,500.00	\$ 29,500.00	\$ 29,500.00	
Mountain Lake Fire Company	29,500.00	29,500.00	29,500.00	
Fire Department:				
Other Expenses:				
Fire Hydrant Service	1,522.34	1,522.34	907.06	\$ 615.28
Streets and Road Maintenance:				
Salaries and Wages	15,188.29	15,188.29	8,260.16	6,928.13
Other Expenses	23,109.25	15,940.21	3,305.04	12,635.17
Solid Waste Collection:				
Other Expenses	270.72	270.72	49.14	221.58
Buildings and Grounds:				
Salaries and Wages	4,176.51	4,176.51	141.03	4,035.48
Other Expenses	84.40	950.67	950.67	
Public Health Service (Board of Health):				
Other Expenses	100.00	100.00		100.00
Environmental Health Services:				
Salaries and Wages	780.00	780.00		780.00
Other Expenses	50.00	50.00		50.00
Animal Control Services:				
Salaries and Wages	0.32	0.32		0.32
Other Expenses		766.12	766.12	
Contribution to Social Services:				
White Township Girl Scouts	500.00	500.00		500.00
Recreation Services and Programs:				
Contribution to White Township				
Athletic Association	6,000.00	6,000.00	6,000.00	
Other Expenses	3,220.00	3,220.00		3,220.00
Maintenance of Parks:				
Other Expenses	4,150.00	4,150.00		4,150.00
Celebration of Public Events	5,000.00	5,000.00	435.00	4,565.00
Open Space:				
Salaries and Wages	1,300.00	1,300.00	520.00	780.00
Other Expenses	107.20	107.20		107.20
Agricultural Advisory Board:				
Other Expenses	16.52	16.52		16.52
Municipal Court:				
Salaries and Wages	1,162.15	1,162.15		1,162.15
Other Expenses	237.00	412.97	412.97	
Public Defender:				
Other Expenses	400.00	400.00		400.00

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Building Inspector:				
Salaries and Wages		\$ 1,043.04	\$ 1,043.04	
Other Expenses	\$ 538.46	538.46	371.32	\$ 167.14
Utility Expenses:				
Electricity	4,820.46	4,820.46	1,455.78	3,364.68
Street Lighting	10,048.49	10,048.49		10,048.49
Telephone	1,933.76	1,933.76	100.20	1,833.56
Natural Gas	2,668.51	2,668.51		2,668.51
Gasoline	8,167.27	8,167.27	2,710.06	5,457.21
Statutory Expenditures:				
Social Security	4,674.88	4,674.88		4,674.88
Unemployment Compensation	508.63	508.63		508.63
Employee Group Insurance	89.76	89.76		89.76
Capital Improvements:				
Bunker Gear - Town of Belvidere	4,500.00	4,500.00	4,500.00	
Mt. Lake Fire Truck	24,000.00	24,000.00	24,000.00	
	<u>\$ 207,281.85</u>	<u>\$ 207,281.85</u>	<u>\$ 126,883.01</u>	<u>\$ 80,398.84</u>

	<u>Ref.</u>	
<u>Balance as of December 31, 2010</u>		
Unencumbered	A	\$ 111,993.92
Encumbered	A	95,287.93
		<u>\$ 207,281.85</u>

TOWNSHIP OF WHITE
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010:		
School Tax Payable	A	\$ 444,119.53
School Tax Deferred		2,860,132.35
Increased by:		
Levy - School Year July 1, 2011 through June 30, 2012		<u>6,905,351.00</u>
		10,209,602.88
Decreased by:		
Payments to Local School District		<u>6,910,708.00</u>
Balance December 31, 2011		<u><u>\$ 3,298,894.88</u></u>
Analysis of Balance December 31, 2011:		
School Tax Payable	A	\$ 338,762.53
School Tax Deferred		<u>2,960,132.35</u>
		<u><u>\$ 3,298,894.88</u></u>

TOWNSHIP OF WHITE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2010	2011 Budget Revenue Realized	Cash Received	Uncollectible Balance Cancelled	Balance Dec. 31, 2011
Recycling Tonnage Grant - 2010		\$ 4,240.39	\$ 4,240.39		
Highlands Council Grant:					
Plan Performance Grant - 2009	\$ 12,137.50				\$ 12,137.50
Plan Performance Grant - 2011		11,920.00	11,920.00		
RMP Compliance Grant Program - 2011		2,618.75	2,618.75		
New Jersey Transportation Trust Fund Authority Act:					
2009	32,500.00		32,500.00		
2011		150,000.00	102,621.38		47,378.62
Municipal Alliance Program	5,584.00		2,386.00	\$ 3,198.00	
Warren County Open Space Grant	246,300.00		35,317.00		210,983.00
Wastewater Management Grant		10,000.00			10,000.00
Energy Efficiency Conservation Block Program		18,285.11	18,285.11		
	<u>\$ 296,521.50</u>	<u>\$ 197,064.25</u>	<u>\$ 209,888.63</u>	<u>\$ 3,198.00</u>	<u>\$ 280,499.12</u>

Ref. A

A

TOWNSHIP OF WHITE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	Transferred from <u>2011 Budget</u> <u>Appropriations</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Alliance Program:				
2010 - State Share	\$ 8,502.64		\$ 8,502.64	
2010 - Local Share	1,577.00		1,577.00	
2011 - Local Share		\$ 1,482.00	1,482.00	
Clean Communities:				
2009	6,832.61		5,609.85	\$ 1,222.76
2010	11,520.84			11,520.84
Recycling Tonnage Grant:				
2006	613.02		95.94	517.08
2007	1,211.27			1,211.27
2008	3,826.06			3,826.06
2009	4,284.62			4,284.62
2010		4,240.39		4,240.39
Stormwater Management:				
2006	2,205.01		894.00	1,311.01
Council On Affordable Housing Grant	6,802.50			6,802.50
Highlands Council Grant:				
Plan Performance Grant - 2011		11,920.00		11,920.00
RMP Compliance Grant Program - 2011		2,618.75	1,663.84	954.91
Comcast Grant	10,000.00			10,000.00
New Jersey Transportation Trust				
Fund Authority Act:				
2009	81,293.34		356.25	80,937.09
2011		150,000.00	122,597.14	27,402.86
Warren County Open Space Grant	234,750.00		224,878.69	9,871.31
Wastewater Management Grant		10,000.00		10,000.00
Energy Efficiency Conservation Block Program		18,285.11		18,285.11
	<u>\$ 373,418.91</u>	<u>\$ 198,546.25</u>	<u>\$ 367,657.35</u>	<u>\$ 204,307.81</u>

Ref.

A

A

2011 Budget Revenue	\$ 197,064.25
Local Share	<u>1,482.00</u>
	<u>\$ 198,546.25</u>

TOWNSHIP OF WHITE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2010	Cash Received	Balance Dec. 31, 2011
Clean Communities Program:			
2009	\$ 0.50		\$ 0.50
2011		\$ 12,311.42	12,311.42
Recycling Tonnage Grant:			
2009		3,508.80	3,508.80
	\$ 0.50	\$ 15,820.22	\$ 15,820.72
<u>Ref.</u>	A		A

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
TRUST FUNDS

TOWNSHIP OF WHITE
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 17,110.18	\$ 274,861.83
Increased by Receipts:			
Due Current Fund:			
Interest on Investments			\$ 88.80
Open Space Tax Levy			115,804.71
Open Space Fund - Interest			281.33
Gravel Pit Escrow Deposits			6,682.89
Escrow Deposits			214,086.46
Maintenance Bond Deposits			131.69
Tax Sale Premium			2,000.00
Unemployment Compensation Insurance			970.02
Animal Control Registrar		<u>\$ 8,678.00</u>	
		<u>8,678.00</u>	<u>340,045.90</u>
		25,788.18	614,907.73
Decreased by Disbursements:			
Due to Current Fund:			
Settlement of Prior Year Interfund		4,250.29	
Close Out of Escrow Accounts			19.71
Gravel Pit Escrow Expenditures			5,949.25
Escrow Deposit Expenditures			101,173.34
Maintenance Bond Expenditures			3,358.75
Open Space Expenditures			106,584.06
Tax Sale Premium Returned			4,500.00
Due to State Board of Health		<u>1,264.80</u>	
		<u>5,515.09</u>	<u>221,585.11</u>
Balance December 31, 2011	B	<u>\$ 20,273.09</u>	<u>\$ 393,322.62</u>

TOWNSHIP OF WHITE
ANIMAL CONTROL FUND
SCHEDULE OF CASH - REGISTRAR

Balance December 31, 2010	<u>Ref.</u> B	\$ 109.71
Increased by:		
Collections:		
Municipal License Fees	\$ 7,422.00	
State License Fees	1,266.00	
Interest Earned	0.90	
	<hr/>	8,688.90
		<hr/>
		8,798.61
Decreased by:		
Payments:		
Municipal Treasurer	8,678.00	
Bank Service Charges	52.25	
	<hr/>	8,730.25
		<hr/>
		8,730.25
Balance December 31, 2011	B	<u>\$ 68.36</u>

TOWNSHIP OF WHITE
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 12,816.00
Increased by:		
2011 Dog License Fees Collected		7,422.00
Interest Earned		0.90
		20,238.90
Decreased by:		
Bank Service Charges		52.25
Statutory Excess Due Current Fund		4,358.45
		4,358.45
Balance December 31, 2011	B	\$ 15,828.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 7,910.40
2010	7,917.80
	15,828.20
Maximum Allowable Reserve	\$ 15,828.20

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
GENERAL CAPITAL FUND

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 2,845,395.00
Increased by Receipts:		
Current Fund Appropriation:		
Capital Improvement Fund	\$ 50,000.00	
Due Current Fund:		
Interest Earned	9,026.94	
Bond Anticipation Notes Issued	<u>2,375,000.00</u>	
		<u>2,434,026.94</u>
		<u>5,279,421.94</u>
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned	110,878.97	
Anticipated Revenue	100,000.00	
Interest Earned	8,476.06	
Improvement Authorization Expenditures	64,159.37	
Bond Anticipation Notes Matured	<u>2,375,000.00</u>	
		<u>2,658,514.40</u>
Balance December 31, 2011	C	<u>\$ 2,620,907.54</u>

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2010	Receipts			Disbursements				Transfers		Balance/ (Deficit) Dec. 31, 2011	
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Anticipated Budget Revenue	Miscellaneous	From	To		
Fund Balance	\$ 305,377.09										\$ 305,377.09	
Capital Improvement Fund	90,819.25		\$ 50,000.00					\$ 90,000.00			50,819.25	
Due Current Fund	110,878.97			\$ 9,026.94						\$ 15,000.00	15,550.88	
Reserve for Encumbrances										13,125.00	13,125.00	
Reserve to Pay Debt Service	1,910,000.00					\$ 100,000.00		15,000.00			1,795,000.00	
Reserve for Preliminary Expense	1,325.00										1,325.00	
Ord.												
<u>Date/No.</u>	<u>Improvement Description</u>											
2006-10	Road Improvements										30,000.00	
2009-02	Tax Appeal Refunding	59,039.85	\$ 2,095,000.00			\$ 2,095,000.00					59,039.85	
2009-08	Acquisition of Aerial Fire Truck	(812.19)	280,000.00			280,000.00					(812.19)	
2010-01	South Foul Rift Road Paving Project	787.69			\$ 787.69							
2010-02	Pequest Drive/Orchard Drive Paving Project	228,460.28			9,348.56						219,111.72	
2010-05	Municipal Building Improvements	89,454.96									89,454.96	
2010-07	Castners Road Road Improvements	20,064.10			2,279.62						17,784.48	
2011-02	Tamarack Road Road Improvements				25,176.19				35,000.00		9,823.81	
2011-04	Free Union Road Road Improvements				10,280.28				15,000.00		4,719.72	
2011-06	Road Department - Stainless Steel Spreader				57.35			13,125.00	15,000.00		1,817.65	
2011-07	Road Repairs - Buckhorn Drive				16,229.68				25,000.00		8,770.32	
		<u>\$ 2,845,395.00</u>	<u>\$ 2,375,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 9,026.94</u>	<u>\$ 64,159.37</u>	<u>\$ 2,375,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 119,355.03</u>	<u>\$ 118,125.00</u>	<u>\$ 118,125.00</u>	<u>\$ 2,620,907.54</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2010	Notes Paid by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011		
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2009-02	Tax Appeal Refunding	\$ 2,645,000.00	\$ 550,000.00	\$ 2,095,000.00	\$ 2,095,000.00		
2009-08	Acquisition of Aerial Fire Truck	380,000.00		380,000.00	280,000.00	\$ 812.19	\$ 99,187.81
		<u>\$ 3,025,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 2,475,000.00</u>	<u>\$ 2,375,000.00</u>	<u>\$ 812.19</u>	<u>\$ 99,187.81</u>
	<u>Ref.</u>	C		C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded	\$ 158,227.66
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ord. #09-02	<u>59,039.85</u>
	<u>\$ 99,187.81</u>

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations Capital Improvement Fund	Paid or Charged	Balance Dec. 31, 2011	
	Number	Amount	Funded	Unfunded			Funded	Unfunded
Road Improvements	2006-10	\$ 30,000.00	\$ 30,000.00				\$ 30,000.00	
Tax Appeal Refunding	2009-02	3,635,000.00		\$ 59,039.85				\$ 59,039.85
Acquisition of Aerial Fire Truck	2009-08	400,000.00		99,187.81				99,187.81
South Foul Rift Road Paving Project	2010-01	20,000.00	787.69			\$ 787.69		
Pequest Drive/Orchard Drive Paving Project	2010-02	320,000.00	228,460.28			9,348.56	219,111.72	
Municipal Building Improvements	2010-05	110,000.00	89,454.96				89,454.96	
Castners Road Road Improvements	2010-07	70,000.00	20,064.10			2,279.62	17,784.48	
Tamarack Road Road Improvements	2011-02	35,000.00			\$ 35,000.00	25,176.19	9,823.81	
Free Union Road Road Improvements	2011-04	15,000.00			15,000.00	10,280.28	4,719.72	
Road Department - Stainless Steel Spreader	2011-06	15,000.00			15,000.00	13,182.35	1,817.65	
Road Repairs - Buckhorn Drive	2011-07	25,000.00			25,000.00	16,229.68	8,770.32	
			<u>\$ 368,767.03</u>	<u>\$ 158,227.66</u>	<u>\$ 90,000.00</u>	<u>\$ 77,284.37</u>	<u>\$ 381,482.66</u>	<u>\$ 158,227.66</u>
	<u>Ref.</u>		C	C			C	C
					Cash Disbursed	\$ 64,159.37		
					Current Year Encumbrances	13,125.00		
						<u>\$ 77,284.37</u>		

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 90,819.25
Increased By:		
Budget Appropriation		<u>50,000.00</u>
		140,819.25
Decreased By:		
Appropriation to Finance		
Improvement Authorizations		<u>90,000.00</u>
Balance December 31, 2011	C	<u>\$ 50,819.25</u>

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Issue of Original Note	Issue	Maturity					
2009-02	Tax Appeal Refunding	05/29/09	05/28/10	05/27/11	1.05%	\$ 2,645,000.00		\$ 2,645,000.00	
		05/29/09	05/26/11	05/25/12	1.29%		\$ 2,095,000.00		\$ 2,095,000.00
2009-08	Purchase of Fire Engine	05/29/09	05/28/10	05/27/11	1.05%	280,000.00		280,000.00	
		05/29/09	05/26/11	05/25/12	1.29%		280,000.00		280,000.00
						<u>\$ 2,925,000.00</u>	<u>\$ 2,375,000.00</u>	<u>\$ 2,925,000.00</u>	<u>\$ 2,375,000.00</u>
						<u>Ref.</u>	C		C
							Renewals	\$ 2,375,000.00	\$ 2,375,000.00
							Paid by Budget Appropriation		550,000.00
							<u>\$ 2,375,000.00</u>	<u>\$ 2,925,000.00</u>	

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Int. Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
Purchase of Parcels of Real Estate	8/7/03	\$ 2,585,000.00	12/01/12	\$ 120,000.00	4.50%			
			12/01/13	125,000.00	4.50%			
			12/01/14	130,000.00	4.50%			
			12/01/15	135,000.00	4.50%			
			12/01/16	145,000.00	4.50%			
			12/01/17	150,000.00	4.50%			
			12/01/18	155,000.00	4.70%			
			12/01/19	160,000.00	4.75%			
			12/01/20	165,000.00	5.00%			
			12/01/21-23	170,000.00	5.00%			
						<u>\$ 1,910,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 1,795,000.00</u>
						<u>\$ 1,910,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 1,795,000.00</u>
					<u>Ref.</u>	C		C
						Current Fund	\$ 57,500.00	
						Open Space Fund	<u>57,500.00</u>	
							<u>\$ 115,000.00</u>	

TOWNSHIP OF WHITE
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2011</u>
2009-08	Acquisition of Aerial Fire Truck	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
		<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
SEWER UTILITY FUND

TOWNSHIP OF WHITE
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Sewer Operating</u>	<u>Capital</u>
Balance December 31, 2010	E	\$ 282,534.12	\$ 70,021.13
Increased by Receipts:			
Consumer Accounts Receivable		\$ 399,471.04	
Prepaid Sewer Rents		1,271.67	
Interest on Sewer Rents		3,462.67	
Interest Income		1,264.15	
Due to Sewer Operating Fund:			
Interest Earned			\$ 15.15
Settlement of Prior Year Interfund		21.13	
2011 Budget Appropriation:			
Capital Improvement Fund			<u>25,000.00</u>
		<u>405,490.66</u>	<u>25,015.15</u>
		688,024.78	95,036.28
Decreased by Disbursements:			
2011 Appropriation Expenditures		369,982.06	
Due to Sewer Operating Fund:			
Interest Earned			<u>21.13</u>
		<u>369,982.06</u>	<u>21.13</u>
Balance December 31, 2011	E	<u>\$ 318,042.72</u>	<u>\$ 95,015.15</u>

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance Dec. 31, 2010	Receipts		Disbursements	Balance Dec. 31, 2011
		Budget Appropriation	Miscellaneous	Miscellaneous	
Capital Improvement Fund	\$ 70,000.00	\$ 25,000.00			\$ 95,000.00
Due to Sewer Utility Operating Fund	21.13		\$ 15.15	\$ 21.13	15.15
	<u>\$ 70,021.13</u>	<u>\$ 25,000.00</u>	<u>\$ 15.15</u>	<u>\$ 21.13</u>	<u>\$ 95,015.15</u>

TOWNSHIP OF WHITE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2010	<u>Ref.</u> E	\$ 27,557.00
Increased by:		
Sewer Rents Levied		400,908.60
		<u>428,465.60</u>
Decreased by:		
Collections	\$ 399,471.04	
Prepaid Rents Applied	2,886.61	
Cancellation of Small Balances	<u>151.75</u>	
		<u>402,509.40</u>
Balance December 31, 2011	E	<u>\$ 25,956.20</u>

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses (Includes Belvidere)	\$ 7,709.39	\$ 7,709.39		\$ 7,709.39
Sewer Service Charges - PRMUA	11.00	11.00		11.00
	<u>\$ 7,720.39</u>	<u>\$ 7,720.39</u>	<u>\$ -0-</u>	<u>\$ 7,720.39</u>

Ref. E

Balance December 31, 2010:

Unencumbered	<u>\$ 7,720.39</u>
	<u>\$ 7,720.39</u>

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 70,000.00
Increased by:		
2011 Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2011	E	<u>\$ 95,000.00</u>

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
PUBLIC ASSISTANCE FUND

TOWNSHIP OF WHITE
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Fund Total</u>	<u>Public Assistance Trust Fund I</u>
Balance December 31, 2010	F	\$ 4,326.60	\$ 4,326.60
Increased by Receipts			
Interest Earned		14.21	14.21
Balance December 31, 2011	F	<u>\$ 4,340.81</u>	<u>\$ 4,340.81</u>

TOWNSHIP OF WHITE
COUNTY OF WARREN
2011
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF WHITE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF WHITE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of State Agency or Department	Name of Program	Pass-Through Entity ID#	C.F.D.A. Number	Grant Period		Grant Award Amount	Amount Received	Program Expenditures	Cumulative Expenditures
				From	To				
<u>US Environmental Protection Agency:</u>									
(Pass Through New Jersey Department of Environmental Protection)	Municipal Stormwater Regulation Program	4801-100-042-4801- 444-VB78-6110	66.454	01/01/06	12/31/11	\$ 2,500.00		\$ 894.00	\$ 1,188.99
Total US Environmental Protection Agency								894.00	1,188.99
<u>U.S. Department of Transportation</u>									
(Passed thru State of NJ Department of Transportation)	Transportation Trust Fund Authority Act: Municipal Aid - 2009 Municipal Aid - 2011	480-078-6320- TCAP-6010	20.205	01/01/09 01/01/10	12/31/11 12/31/11	130,000.00 150,000.00	\$ 32,500.00 102,621.38	356.25 122,597.14	49,062.91 122,597.14
Total US Department of Transportation								135,121.38	171,660.05
<u>US Department of Energy</u>									
(Pass Through New Jersey Board of Public Utilities)	ARRA - Energy Efficiency Block Program	N/A	81.128	03/08/11	08/01/12	\$ 18,285.11	18,285.11		
Total US Department of Energy								18,285.11	
							<u>\$ 153,406.49</u>	<u>\$ 123,847.39</u>	<u>\$ 172,849.04</u>

TOWNSHIP OF WHITE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of State Agency or Department	Name of Program	Program Account No.	Grant Award Amount	Grant Period		Receipts	Expenditures	Total Cumulative Expenditures
				From	To			
Department of Environmental Protection	Clean Communities Grant	765-042-4900- 004-VCMC-6020	\$ 10,886.80	01/01/09	12/31/11		\$ 5,609.85	\$ 9,663.54
			12,311.42	01/01/11	12/31/11	\$ 12,311.42		
			23,198.22			12,311.42	5,609.85	9,663.54
	Recycling Grant	752-042-4900- 001-6020	2,733.63	01/01/06	12/31/11		95.94	2,216.55
			4,240.39	01/01/10	12/31/11	4,240.39		
			3,508.80	01/01/11	12/31/11	3,508.80		
			10,482.82			7,749.19	95.94	2,216.55
Total Department of Environmental Protection			33,681.04			20,060.61	5,705.79	11,880.09
Department of Treasury (Passed through the County of Warren)	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance	100-082-2000- 044-995120	16,764.00	01/01/10	12/31/11	2,386.00	8,502.64	16,764.00
			16,764.00			2,386.00	8,502.64	16,764.00
Total Department of Treasury			16,764.00			2,386.00	8,502.64	16,764.00
New Jersey Highlands Council	Plan Conformance Grant	09-033-011-2123	11,920.00	01/01/11	12/31/11	11,920.00		
	RMP Compliance Grant	09-033-011-2123	2,618.75	01/01/11	12/31/11	2,618.75	1,663.84	1,663.84
Total New Jersey Highlands Council			14,538.75			14,538.75	1,663.84	1,663.84
Total State Awards			\$ 64,983.79			\$ 36,985.36	\$ 15,872.27	\$ 30,307.93

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF WHITE
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Note 1: GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of White. The Township of White is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

Note 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report on Internal Control Over
 Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial
 Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor and Members
 of the Township Committee
 Township of White, New Jersey

We have audited the financial statements of the Township of White, in the County of Warren (the "Township") as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 23, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as Finding 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

The Honorable Mayor and Members
of the Township Committee
Township of White
Page 2

Compliance and Other Matters


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

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Township's response and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Committee, and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
March 23, 2012


NISIVOCIA LLP



David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

TOWNSHIP OF WHITE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* for 2011 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2011-1

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the fund/account Treasurer disburses funds and reconciles the bank accounts for their respective funds or accounts. Also, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.

TOWNSHIP OF WHITE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

Status of Prior Year Findings:

The prior year finding regarding the segregation of duties was not resolved and is included in the current year findings.

TOWNSHIP OF WHITE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF WHITE
COMMENTS AND RECOMMENDATIONS

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

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

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

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

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 the bid threshold in accordance with the N.J.S.A.40A:11-3 and 40A:11-4 (as amended) is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

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

TOWNSHIP OF WHITE
COMMENTS AND RECOMMENDATIONS
(Continued)

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

In as much 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. None were noted.

Collection of Interest on Delinquent Taxes/Sewer Rents

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 1, 2011, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent taxes and 18% per annum for delinquent taxes in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

On March 1, 2011, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent sewer rents and 18% per annum for delinquent sewer rents in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. It allows for a grace period of 30 days for payment of the first quarter 2011 sewer bills.

From our testing of the Tax Collector's and Sewer Rent Collector's records, it appeared that interest was charged for delinquent tax/sewer rent payments in accordance with the above resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 13, 2011, and was complete. Inspection of tax sale certificates on a test basis revealed that tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2011	28
2010	26
2009	25

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

TOWNSHIP OF WHITE
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

<u>Type</u>	<u>Number Mailed</u>
Payments of 2012 Taxes	20
Payments of 2011 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payments of 2012 Sewer Rents	20
Payments of 2011 Sewer Rents	20
Unpaid Sewer Rents	15

Verification notices were mailed to confirm balances as of December 31, 2011. The items that were returned were checked and in agreement with the Township's records. For receivable items not returned, alternative procedures were performed.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township currently complies with these technical directives except as noted below.

During our review of the Township's internal controls, we noted that orders for goods or services can be placed without prior approval and certification of funding by the Chief Financial Officer. No formal requisition forms are required to be submitted to and approved by the Chief Financial Officer. Budget appropriation lines may be overexpended without the Chief Financial Officer's certification of available funds. While the Township has an encumbrance accounting system in place, it is not being followed in all instances. It is recommended that all requisitions be submitted to and formally approved by the Chief Financial Officer before goods or services are ordered or rendered.

Management's Response

Every effort will be made to ensure that requisitions are submitted to and approved by the Chief Financial Officer prior to purchases.

Animal Control Collector

During our review of the Animal Control Collector's records, it was noted that not all receipts were deposited in a timely manner. It is recommended that all Animal Control Collector's receipts be deposited within forty-eight hours of collection as per NJ state statute.

Management's Response

Every effort will be made to ensure that all receipts are deposited in a timely manner.

TOWNSHIP OF WHITE
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The Report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected on the following page is a summary of receipts and disbursements for the year ended December 31, 2011:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Agency</u>	<u>Balance Dec. 31, 2010</u>	<u>Cash Received</u>	<u>Cash Disbursed</u>	<u>Balance Dec. 31, 2011</u>
Municipal Treasurer:				
Fines and Costs	\$ 2,300.33	\$ 23,334.22	\$ 23,826.78	\$ 1,807.77
State Treasurer:				
Motor Vehicle Fines/Violations	9,885.67	97,568.09	101,982.95	5,470.81
Weights and Measures		9,350.00	8,650.00	700.00
Fish and Game	100.00	3,636.00	3,648.00	88.00
Miscellaneous	45.54	32.77	45.54	32.77
Bail	3,419.94	5,964.14	8,108.00	1,276.08
	<u>\$ 15,751.48</u>	<u>\$ 139,885.22</u>	<u>\$ 146,261.27</u>	<u>\$ 9,375.43</u>

During our review of the Court's records, it was noted that not all receipts are deposited in a timely manner. It is recommended that all Municipal Court receipts be deposited within forty-eight hours of collection as per NJ state statute.

Management's Response

Every effort will be made to ensure that all receipts are deposited in a timely manner.

Corrective Action Plan

All recommendations from the 2010 audit have not been resolved and are included in the 2011 audit report.

TOWNSHIP OF WHITE
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Township be aware of the lack of segregation of duties and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.
2. All requisitions be submitted to and formally approved by the Chief Financial Officer before goods or services are ordered or rendered.
3. All Animal Control Collector's receipts be deposited within forty-eight hours of collection as per NJ state statute.
4. All Municipal Court receipts be deposited within forty-eight hours of collection as per NJ state statute.

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