

Report of Audit

on the

Financial Statements

of the

Borough of Metuchen

in the

County of Middlesex
New Jersey

for the

Year Ended
December 31, 2011

BOROUGH OF METUCHEN

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BOROUGH OF METUCHEN

PART I

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YEAR ENDED DECEMBER 31, 2011 AND 2010



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Metuchen
County of Middlesex
Metuchen, New Jersey 08840

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Borough of Metuchen, County of Middlesex, New Jersey as of and for the years ended December 31, 2011 and 2010, and for the year ended December 31, 2011 as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Borough of Metuchen, County of Middlesex. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1, the Borough of Metuchen, County of Middlesex, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the Borough of Metuchen prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Borough of Metuchen as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account groups of the Borough of Metuchen, County of Middlesex, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 13, 2012 on our consideration of the Borough of Metuchen's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This 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 taken as a whole.

This report is intended for the information of the Borough of Metuchen, County of Middlesex, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 13, 2012

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CURRENT FUND

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BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash	A-4	\$ 3,007,120.74	\$ 2,451,037.37
Petty Cash	A-5	1,200.00	1,200.00
Due State of NJ - Senior Citizens and Veterans	A-7	38,010.82	37,714.24
Grants Receivable	A-18	117,859.84	632,414.04
		<u>\$ 3,164,191.40</u>	<u>\$ 3,122,365.65</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	\$ 794,392.45	\$ 748,264.80
Tax Title Liens	A-11	92,604.05	80,782.12
Foreclosed Property	A-14	350,300.00	350,300.00
Revenue Accounts Receivable	A-8	32,106.32	25,423.99
	A	<u>\$ 1,269,402.82</u>	<u>\$ 1,204,770.91</u>
		<u>\$ 4,433,594.22</u>	<u>\$ 4,327,136.56</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$ 298,296.12	\$ 249,985.28
Tax Overpayments	A-15	163,698.90	108,724.99
Grants Appropriated	A-17	760,229.93	1,048,354.94
Prepaid Taxes	A-10	238,863.46	212,051.79
Grants Unappropriated	A-16	17,697.41	5,179.61
Accounts Payable	A-19	349,718.58	313,878.46
County Taxes Payable	A-12	25,320.57	23,794.58
		<u>\$ 1,853,824.97</u>	<u>\$ 1,961,969.65</u>
Reserve for Receivables	A	1,269,402.82	1,204,770.91
Fund Balance	A-1	<u>1,310,366.43</u>	<u>1,160,396.00</u>
		<u>\$ 4,433,594.22</u>	<u>\$ 4,327,136.56</u>

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

"A-1"

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 500,000.00	\$ 375,000.00
Miscellaneous Revenue Anticipated	A-2	3,531,762.69	4,146,108.45
Receipts From Delinquent Taxes	A-2	741,253.06	720,983.28
Receipts From Current Taxes	A-2	49,462,260.83	47,573,112.66
Non-Budget Revenues	A-2	229,003.57	190,062.49
Other Credits to Income:			
Other Reserves Canceled			50.00
Tax Overpayments Canceled			27,105.36
Unexpended Balance of Appropriation Reserves	A-12	86,001.90	239,041.69
<u>TOTAL INCOME</u>		<u>\$ 54,550,282.05</u>	<u>\$ 53,271,463.93</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within CAPS	A-3	\$ 9,297,275.00	\$ 9,145,806.00
Deferred Charges and Statutory Expenditures Within CAPS	A-3	1,250,378.00	1,044,967.00
Operations Excluded From CAPS	A-3	2,115,255.59	2,454,161.39
Capital Improvements	A-3	47,250.00	32,000.00
Debt Service	A-3	1,368,282.86	1,325,480.00
Local District School Tax	A-13	31,998,104.00	31,162,165.00
County Taxes	A-12	7,724,725.24	6,958,753.64
Budget Operations	A-4	99,040.93	262,125.90
<u>TOTAL EXPENDITURES</u>		<u>\$ 53,900,311.62</u>	<u>\$ 52,385,458.93</u>
Excess in Revenue		\$ 649,970.43	\$ 886,005.00
Fund Balance, January 1	A:A-1	1,160,396.00	649,391.00
		<u>\$ 1,810,366.43</u>	<u>\$ 1,535,396.00</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>500,000.00</u>	<u>375,000.00</u>
Fund Balance, December 31	A:A-1	<u>\$ 1,310,366.43</u>	<u>\$ 1,160,396.00</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJSA 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 500,000.00		\$ 500,000.00	
Miscellaneous Revenues:					
ABC Licenses	A-8	\$ 11,600.00	\$	\$ 18,960.10	\$ 7,360.10
Other Licenses	A-2	5,900.00		7,912.00	2,012.00
Fees & Permits	A-2	100,000.00		95,437.15	(4,562.85)
Municipal Court	A-8	360,000.00		366,952.46	6,952.46
Interest and Costs on Taxes	A-8	110,000.00		157,258.55	47,258.55
Parking Meters	A-8	85,000.00		92,583.07	7,583.07
Interest on Investments and Deposits	A-8	18,000.00		7,719.25	(10,280.75)
Sale of Recycled Materials	A-8	100,000.00		143,048.23	43,048.23
Cable TV Franchise Fee	A-8	47,000.00		49,111.00	2,111.00
Alarm System Fee	A-8	12,000.00		13,200.00	1,200.00
Consolidated Municipal Property Tax Relief Aid	A-8	171,600.00		171,600.00	
Energy Receipts Taxes	A-8	1,277,355.00		1,277,355.00	
Uniform Construction Code	A-8	255,000.00		308,860.00	53,860.00
Uniform Fire Safety Act	A-8	22,548.00		26,646.75	4,098.75
Metuchen Parking Authority	A-8	660,000.00		660,000.00	
Sewer Service Charge	A-8	34,000.00		24,600.54	(9,399.46)
Clean Communities	A-18	5,179.61	20,535.58	25,715.19	
Municipal Alliance	A-18	13,257.00	5,000.00	18,257.00	
Middlesex County Cultural Arts	A-18	3,900.00		3,900.00	
Body Armor	A-18		2,800.60	2,800.60	
Drunk Driving Enforcement	A-18	7,730.80		7,730.80	
Click It Or Ticket	A-18		4,000.00	4,000.00	
Middlesex County Pedestrian Safety	A-18		5,000.00	5,000.00	
Recycling Enhancement	A-18	14,569.00		14,569.00	
Recycling Tonnage	A-18	19,271.00		19,271.00	
Middlesex County History	A-18	2,275.00		2,275.00	
COPS in Shops	A-18		7,000.00	7,000.00	
	A-1	\$ 3,336,185.41	\$ 44,336.18	\$ 3,531,762.69	\$ 151,241.10
Receipts From Delinquent Taxes	A-1:A-6	\$ 625,000.00		\$ 741,253.06	\$ 116,253.06
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	\$ 9,700,982.55		\$ 9,867,214.14	\$ 166,231.59
Municipal Library Tax	A-2	760,270.00		760,270.00	
Budget Totals		\$ 14,922,437.96	\$ 44,336.18	\$ 15,400,499.89	\$ 478,061.93
Non-Budget Revenue	A-2			\$ 229,003.57	\$ 229,003.57
		\$ 14,922,437.96	\$ 44,336.18	\$ 15,629,503.46	\$ 707,065.50
	REF.	A-3	A-3		

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-6	\$ 49,462,260.83
Allocated To:		
Local District School Tax		\$ 31,998,104.00
County Taxes		7,724,725.24
Municipal Library Tax		<u>760,270.00</u>
		40,483,099.24
Balance for Support of Municipal Budget Appropriations		\$ <u>8,979,161.59</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>888,052.55</u>
Amount of Support for Municipal Budget Appropriations	A-2	\$ <u><u>9,867,214.14</u></u>
 <u>OTHER LICENSES</u> 		
Board of Health		\$ 6,181.00
Clerk		<u>1,731.00</u>
	A-2	\$ <u><u>7,912.00</u></u>
 <u>FEES & PERMITS</u> 		
Police		\$ 4,314.40
Engineering		296.50
Planning/Zoning		23,293.25
Sidewalk Inspections		3,750.00
Clerk/Other		<u>63,783.00</u>
	A-2	\$ <u><u>95,437.15</u></u>
 <u>ANALYSIS OF NON-BUDGET REVENUE</u> 		
Miscellaneous Revenue Not Anticipated:		
Police Outside Overtime Admin Fee		\$ 34,901.75
Verizon Tower Rent		24,000.00
F.E.M.A.		77,848.04
Library/Pool PERS		67,125.00
DMV Inspection Fines		19,754.00
Senior Citizen & Veterans' Admin Fee		2,614.07
Other		<u>2,760.71</u>
	A-1:A-2:A-4	\$ <u><u>229,003.57</u></u>

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		PAID OR <u>CHARGED</u>	EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>		<u>RESERVED</u>	<u>CANCELED</u>
<u>OPERATIONS WITHIN "CAPS":</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 157,800.00	\$ 157,800.00	\$ 157,799.30	\$ 0.70	\$
Other Expenses	124,950.00	137,950.00	136,629.81	1,320.19	
Mayor & Committee					
Salaries and Wages	9,200.00	9,200.00	9,037.79	162.21	
Other Expenses	3,200.00	3,200.00	2,610.24	589.76	
Municipal Clerk:					
Salaries and Wages	51,500.00	51,500.00	51,500.00		
Other Expenses	1,400.00	1,400.00	1,212.57	187.43	
Election:					
Other Expenses	7,500.00	7,500.00	6,642.83	857.17	
<u>DEPARTMENT OF FINANCE</u>					
Financial Administration:					
Salaries and Wages	169,729.00	169,729.00	162,597.73	7,131.27	
Audit Services	33,850.00	33,850.00	(2,000.00)	35,850.00	
Payroll Processing	15,400.00	15,400.00	1,507.55	13,892.45	
Collection of Taxes:					
Other Expenses	14,100.00	14,100.00	13,740.78	359.22	
Assessment of Taxes:					
Salaries and Wages	58,109.00	58,109.00	58,076.53	32.47	
Other Expenses	5,100.00	5,100.00	5,099.78	0.22	
<u>LEGAL SERVICES AND COSTS</u>					
Legal Services					
Other Expenses	75,000.00	75,000.00	74,501.27	498.73	
Municipal Prosecutor:					
Salaries and Wages	13,000.00	13,000.00	13,000.00		
Public Works Administration					
Salaries and Wages	217,210.00	219,610.00	219,562.53	47.47	
Other Expenses	6,150.00	6,150.00	5,071.31	1,078.69	

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION		RESERVED	CANCELED
<u>LEGAL SERVICES AND COSTS (CONTINUED)</u>					
Forestry					
Salaries and Wages	\$ 122,290.00	\$ 123,290.00	\$ 121,716.05	\$ 1,573.95	\$
Other Expenses	7,800.00	6,800.00	6,728.40	71.60	
Public Buildings and Grounds					
Salaries and Wages	112,289.00	112,289.00	109,833.33	2,455.67	
Other Expenses	80,900.00	80,900.00	78,723.05	2,176.95	
Planning Board					
Salaries and Wages	6,083.00	6,083.00	4,506.03	1,576.97	
Other Expenses	8,750.00	10,750.00	9,513.13	1,236.87	
Zoning Board of Adjustment:					
Salaries and Wages	53,185.00	53,185.00	50,138.87	3,046.13	
Other Expenses	5,000.00	4,000.00	3,602.00	398.00	
Shade Tree Commission					
Other Expenses	14,400.00	14,400.00	14,400.00		
<u>DEPARTMENT OF PUBLIC SAFETY</u>					
Fire Department					
Salaries and Wages	10,391.00	8,391.00	7,196.64	1,194.36	
Fire Hydrant Service	284,807.00	284,807.00	284,806.68	0.32	
Miscellaneous - Other Expenses	131,130.00	131,130.00	130,216.95	913.05	
Police					
Salaries and Wages	3,008,214.00	2,928,414.00	2,856,515.14	71,898.86	
Other Expenses	87,530.00	95,030.00	94,996.98	33.02	
Auxiliary Police Department					
Salaries and Wages	3,150.00	2,450.00	2,450.00	15.00	
Other Expenses	1,875.00	1,375.00	1,360.00		
Emergency Management					
Salaries & Wages	5,723.00	5,723.00	5,722.59	0.41	
Emergency Management					
Other Expenses	6,976.00	3,976.00	2,377.33	1,598.67	
First Aid Contribution	14,000.00	14,000.00	14,000.00		

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION		RESERVED	CANCELED
DEPARTMENT OF PUBLIC SAFETY (CONTINUED)					
Uniform Fire Safety Act	\$ 22,548.00	\$ 22,548.00	\$ 22,533.18	\$ 14.82	\$
Salaries and Wages					
Municipal Court	123,528.00	127,528.00	126,854.58	673.42	
Salaries and Wages	9,300.00	9,300.00	9,226.98	73.02	
Other Expenses					
DEPARTMENT OF PUBLIC WORKS					
Streets and Roads					
Salaries and Wages	354,366.00	354,366.00	346,914.40	7,451.60	
Other Expenses	141,600.00	147,900.00	145,732.87	2,167.13	
Sewer System					
Salaries and Wages	135,287.00	137,287.00	135,881.39	1,405.61	
Other Expenses	45,760.00	55,260.00	54,843.61	416.39	
Garbage and Trash Removal					
Salaries and Wages	453,814.00	453,814.00	446,440.62	7,373.38	
Other Expenses	40,500.00	40,500.00	38,609.84	1,890.16	
Recycling					
Salaries and Wages	10,493.00	8,993.00	8,356.69	636.31	
Other Expenses	43,800.00	38,800.00	38,402.54	397.46	
Landfill/Solid Waste Disposal Costs					
Other Expenses	276,450.00	276,450.00	275,083.12	1,366.88	
HEALTH AND HUMAN SERVICES					
Board of Health:					
Salaries and Wages	15,375.00	15,375.00	14,375.12	999.88	
Other Expenses	830.00	830.00	581.49	248.51	
PARKS AND RECREATION					
Recreation Services and Programs					
Salaries and Wages	86,491.00	86,491.00	85,762.27	728.73	
Other Expenses	12,350.00	12,350.00	11,848.60	501.40	

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>PARKS AND RECREATION (CONTINUED)</u>				
Parks and Playgrounds				
Salaries and Wages	\$ 113,888.00	\$ 111,888.00	\$ 110,073.45	\$ 1,814.55
Other Expenses	14,300.00	14,300.00	14,152.22	147.78
Senior Citizen Bus Transportation				
Salaries and Wages	10,789.00	8,789.00	8,075.10	713.90
Senior Citizens Center				
Salaries and Wages	39,383.00	39,383.00	38,686.95	696.05
Other Expenses	2,800.00	2,800.00	1,851.75	948.25
METV Cable				
Salaries and Wages	66,627.00	66,627.00	65,787.08	839.92
Other Expenses	17,675.00	23,775.00	23,468.46	306.54
Insurance				
Group Insurance for Employees	1,161,626.00	1,161,626.00	1,161,626.00	
Other Insurance Premiums	6,000.00	3,500.00	3,073.00	427.00
Joint Insurance Fund	302,098.00	302,098.00	302,098.00	
Uniform Construction Code Enforcement Functions				
Salaries and Wages	142,955.00	142,955.00	137,874.48	5,080.52
Other Expenses	61,151.00	61,151.00	57,530.93	3,620.07
Unclassified				
Gasoline and Fuel	150,000.00	192,000.00	165,496.03	26,503.97
Telephone	63,000.00	54,000.00	51,671.66	2,328.34
Street Lighting	173,000.00	178,500.00	178,307.01	192.99
Utilities	273,000.00	280,500.00	279,941.43	558.57
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 9,298,475.00</u>	<u>\$ 9,297,275.00</u>	<u>\$ 9,076,554.04</u>	<u>\$ 220,720.96</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION		RESERVED	CANCELED
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>					
Detail:					
Salaries and Wages	\$ 5,573,417.00	\$ 5,494,817.00	\$ 5,377,267.84	\$ 117,549.16	\$
Other Expenses	3,725,058.00	3,802,458.00	3,699,286.20	103,171.80	
	\$				
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures					
Contribution to Public Employee's Retirement System	\$ 307,349.00	\$ 307,349.00	\$ 307,349.00	\$	\$
Contribution to Police & Firemen's Retirement System	683,129.00	683,129.00	683,129.00		
State Unemployment Insurance	8,000.00	8,000.00	8,000.00		
Municipal Portion Defined Contribution Plan	700.00	1,900.00	1,663.88	236.12	
Social Security System (O.A.S.I.)	250,000.00	250,000.00	215,774.20	34,225.80	
	\$				
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	1,249,178.00	1,250,378.00	1,215,916.08	34,461.92	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	10,547,653.00	10,547,653.00	10,292,470.12	255,182.88	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 760,270.00	\$ 760,270.00	\$ 744,804.74	\$ 15,465.26	\$
Authority - Service Charges - Contractual (MCUA)	950,198.00	950,198.00	950,197.41	0.59	
Recycling Tax	14,550.00	14,550.00	14,550.00		
Tax Appeals	75,000.00	75,000.00	75,000.00		
Group Insurance for Employees	81,070.00	81,070.00	81,070.00		
	\$				
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	1,881,088.00	1,881,088.00	1,865,622.15	15,465.85	\$
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENT</u>					
Township of Edison - Animal Control	\$ 19,000.00	\$ 19,000.00	\$ 18,999.37	\$ 0.63	\$
Township of Edison - First Aid Contract	27,000.00	27,000.00		27,000.00	

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	
	BUDGET				RESERVED	CANCELED
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENT (CONTINUED)</u>						
County of Middlesex						
Health Service Contract	\$ 47,084.00	\$	47,084.00	\$ 47,084.00	\$	\$
Library Consortium	26,000.00		26,000.00	25,353.24	646.76	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENT</u>	<u>\$ 119,084.00</u>	<u>\$</u>	<u>119,084.00</u>	<u>\$ 91,436.61</u>	<u>\$ 27,647.39</u>	<u>\$</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
NJ Clean Communities	\$ 5,179.61	\$	25,715.19	\$ 25,715.19	\$	\$
Municipal Alliance						
Youth Service Board	13,257.00		18,257.00	18,257.00		
Municipal Match	3,315.00		3,315.00	3,315.00		
Middlesex County Cultural Arts Program	3,900.00		3,900.00	3,900.00		
Body Armor Grant (40A:4-47+\$2,800.60)			2,800.60	2,800.60		
Drunk Driving Enforcement Fund	7,730.80		7,730.80	7,730.80		
Click it or Ticket (40A:4-47+\$4,000.00)			4,000.00	4,000.00		
Middlesex County Pedestrian Safety Enforcement(40A:4-47+\$5,000.00)			5,000.00	5,000.00		
Recycling Enhancement Grant	14,569.00		14,569.00	14,569.00		
Recycling Tonnage Grant	19,271.00		19,271.00	19,271.00		
Middlesex County History Grant	2,275.00		2,275.00	2,275.00		
Middlesex County History Grant - Match	1,250.00		1,250.00	1,250.00		
Cops in Shops (40A:4-47+\$7,000.00)			7,000.00	7,000.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>\$ 70,747.41</u>	<u>\$</u>	<u>115,083.59</u>	<u>\$ 115,083.59</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 2,070,919.41</u>	<u>\$</u>	<u>2,115,255.59</u>	<u>\$ 2,072,142.35</u>	<u>\$ 43,113.24</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>						
Capital Improvement Fund	\$ 47,250.00	\$	47,250.00	\$ 47,250.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 47,250.00</u>	<u>\$</u>	<u>47,250.00</u>	<u>\$ 47,250.00</u>	<u>\$</u>	<u>\$</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>				
Payment of Bond Principal	\$ 455,000.00	\$ 455,000.00	\$ 455,000.00	\$
Payment of Bond Anticipation Notes and Capital Notes	246,500.00	246,500.00	246,500.00	
Interest on Bonds	573,813.00	573,813.00	573,812.50	0.50
Interest on Notes	93,250.00	93,250.00	92,970.36	279.64
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	<u>\$ 1,368,563.00</u>	<u>\$ 1,368,563.00</u>	<u>\$ 1,368,282.86</u>	<u>\$ 280.14</u>
<u>TOTAL DEF. CHARGES- MUNI - EXCLUD. FROM "CAPS" PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 3,486,732.41</u>	<u>\$ 3,531,068.59</u>	<u>\$ 3,487,675.21</u>	<u>\$ 43,113.24</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	<u>\$ 888,052.55</u>	<u>\$ 888,052.55</u>	<u>\$ 888,052.55</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 14,922,437.96</u>	<u>\$ 14,966,774.14</u>	<u>\$ 14,668,197.88</u>	<u>\$ 298,296.12</u>
	A-2:A-3		A-1	A.A-1
REF.				
Budget		\$ 14,922,437.96		
Amendment - NJSA 40A: 4-87		44,336.18		
		<u>\$ 14,966,774.14</u>		
Reserve for Uncollected Taxes		\$	888,052.55	
Accounts Payable			235,637.43	
Reserve for Grants Appropriated			110,518.59	
Disbursements			13,803,297.32	
Refunds			(369,308.01)	
			<u>\$ 14,668,197.88</u>	

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

TRUST FUND

"B"

BOROUGH OF METUCHEN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Assessment Fund:			
Cash		\$ 949.60	\$ 949.60
	B:B-2	\$ 949.60	\$ 949.60
Animal Control Fund:			
Cash		\$ 4,477.00	\$ 1,195.80
	B:B-2	\$ 4,477.00	\$ 1,195.80
Other Funds:			
Cash	B-2	\$ 2,296,399.60	\$ 2,172,285.36
Community Development Block Grants Receivable	B-10	41,797.26	43,094.44
	B	\$ 2,338,196.86	\$ 2,215,379.80
<u>TOTAL ASSETS</u>	B	\$ 2,343,623.46	\$ 2,217,525.20
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Fund Balance		\$ 949.60	\$ 949.60
	B:B-1:B-3	\$ 949.60	\$ 949.60
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-5	\$ 4,470.40	\$ 508.20
Accounts Payable	B-6		675.00
Due State of New Jersey	B-8	6.60	12.60
	B	\$ 4,477.00	\$ 1,195.80
Other Funds:			
Reserve For:			
Trust Other	B-7	\$ 791,579.63	\$ 788,824.95
Payroll Deductions Payable	B-14	66,301.54	48,062.54
COAH	B-11	172,823.05	166,192.16
Recreation	B-15	65,503.68	48,091.28
Unemployment	B-9	10,801.44	41,141.54
Police Outside Overtime	B-13	38,752.79	9,312.44
Law Enforcement	B-16	1,762.49	1,723.64
Developers Escrow	B-12	1,166,050.66	1,088,855.52
Forfeiture	B-17	12,529.00	12,513.17
Election	B-18	1,538.36	
Accounts Payable	B-4	10,554.22	10,662.56
	B	\$ 2,338,196.86	\$ 2,215,379.80
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	B	\$ 2,343,623.46	\$ 2,217,525.20

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

BOROUGH OF METUCHEN

TRUST FUND

STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS - ASSESSMENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Balance, January 1	B	\$ 949.60	\$ 156,949.60
Decreased by:			
Anticipated in Current Fund Budget		\$ _____	\$ 156,000.00
Balance, December 31	B:B3	\$ <u>949.60</u>	\$ <u>949.60</u>

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

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GENERAL CAPITAL FUND

BOROUGH OF METUCHENGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,027,812.08	\$ 659,073.23
Deferred Charges to Future Taxation:			
Funded	C-4	13,725,000.00	14,180,000.00
Unfunded	C-5	7,654,685.00	6,956,425.00
Accounts Receivable	C-9	1,263,612.82	442,593.54
		<u>\$ 23,671,109.90</u>	<u>\$ 22,238,091.77</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-12	\$ 6,914,385.00	\$ 6,216,125.00
General Serial Bonds Payable	C-11	13,725,000.00	14,180,000.00
Contracts Payable	C-7	1,269,375.97	782,584.80
Capital Improvement Fund	C-8	124.00	114.00
Reserve for Debt Service	C-6	4,548.00	4,548.00
Improvement Authorizations:			
Funded	C-10	43,803.22	45,403.22
Unfunded	C-10	1,616,292.85	934,833.89
Fund Balance	C-1	97,580.86	74,482.86
		<u>\$ 23,671,109.90</u>	<u>\$ 22,238,091.77</u>

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

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 74,482.86
Premium on Sale of Notes	C-2	<u>23,098.00</u>
Balance, December 31, 2011	C	<u><u>\$ 97,580.86</u></u>

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

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SWIMMING POOL UTILITY FUND

"D"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2011	BALANCE DECEMBER 31, 2010
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ <u>140,794.27</u>	\$ <u>127,292.21</u>
		\$ <u>140,794.27</u>	\$ <u>127,292.21</u>
Capital Fund:			
Cash	D-5	\$ 48,134.07	\$ 55,013.50
Fixed Capital	D-13	1,095,731.00	1,095,731.00
Fixed Capital Authorized and Uncompleted	D-6	<u>289,600.00</u>	<u>300,000.00</u>
		<u>1,433,465.07</u>	<u>1,450,744.50</u>
		\$ <u>1,574,259.34</u>	\$ <u>1,578,036.71</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-7	\$ 31,707.41	\$ 12,252.69
Accounts Payable	D-10	29,439.69	3,082.69
Accrued Interest Payable	D-11	3,534.49	2,234.49
Fund Balance	D-2	<u>76,112.68</u>	<u>109,722.34</u>
		\$ <u>140,794.27</u>	\$ <u>127,292.21</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-8	\$ 39,559.61	\$ 46,439.04
Bond Anticipation Notes	D-14	289,600.00	300,000.00
Reserve for Amortization	D-12	1,095,531.00	1,095,531.00
Capital Improvement Fund	D-9	8,338.46	8,338.46
Fund Balance	D-1	<u>436.00</u>	<u>436.00</u>
		\$ <u>1,433,465.07</u>	\$ <u>1,450,744.50</u>
		\$ <u>1,574,259.34</u>	\$ <u>1,578,036.71</u>

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

BOROUGH OF METUCHEN

SWIMMING POOL CAPITAL UTILITY FUND

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Balance, January 1,	D	\$ <u>436.00</u>	\$ <u>436.00</u>
Balance, December 31,	D	\$ <u><u>436.00</u></u>	\$ <u><u>436.00</u></u>

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

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31 2011 AND 2010

	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-2: D-3	\$ 55,176.00	\$ 40,000.00
Membership and Guest Fees	D-3	299,227.00	305,490.75
Miscellaneous	D-3	325.17	541.04
Non-budget Revenue	D-3	23,393.35	19,762.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>4,120.82</u>	<u>16,097.42</u>
<u>TOTAL INCOME</u>		<u>\$ 382,242.34</u>	<u>\$ 381,891.91</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 328,088.00	\$ 279,993.00
Debt Service	D-4	16,200.00	6,500.00
Deferred Charges and Statutory Expenditures	D-4	16,388.00	12,240.00
Refund of Prior Year Revenue			<u>346.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 360,676.00</u>	<u>\$ 299,079.00</u>
Excess in Revenue		\$ 21,566.34	\$ 82,812.91
<u>Fund Balance</u>			
Balance, January 1	D	<u>109,722.34</u>	<u>66,909.43</u>
		\$ 131,288.68	\$ 149,722.34
Less:			
Fund Balance Utilized	D-2	<u>55,176.00</u>	<u>40,000.00</u>
Balance, December 31	D	<u>\$ 76,112.68</u>	<u>\$ 109,722.34</u>

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

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Utilized	D-2	\$ 55,176.00	\$ 55,176.00	\$
Membership and Guest Fees	D-2:D-5	305,000.00	299,227.00	(5,773.00)
Interest on Investments	D-2:D-5	<u>500.00</u>	<u>325.17</u>	<u>(174.83)</u>
		\$ <u>360,676.00</u>	\$ <u>354,728.17</u>	\$ <u>(5,947.83)</u>
	<u>REF.</u>	D-4		
Non-Budget Revenue	D-5		\$ <u>23,393.35</u>	
			\$ <u>378,121.52</u>	

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

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 175,000.00	\$ 175,000.00	\$ 155,240.94	\$ 19,759.06
Other Expenses	153,088.00	153,088.00	146,441.00	6,647.00
<u>Total Operating</u>	<u>\$ 328,088.00</u>	<u>\$ 328,088.00</u>	<u>\$ 301,681.94</u>	<u>\$ 26,406.06</u>
Debt Service:				
Principal on Notes	\$ 10,400.00	\$ 10,400.00	\$ 10,400.00	\$
Interest on Notes	5,800.00	5,800.00	5,800.00	
<u>Total Debt Service</u>	<u>\$ 16,200.00</u>	<u>\$ 16,200.00</u>	<u>\$ 16,200.00</u>	<u>\$</u>
Statutory Expenditures:				
Contribution To:				
Public Employee Retirement System	\$ 2,000.00	\$ 2,000.00	\$	\$ 2,000.00
Social Security	13,388.00	13,388.00	11,086.65	2,301.35
Unemployment Compensation Insurance	1,000.00	1,000.00		1,000.00
<u>Total Statutory Expenditures</u>	<u>\$ 16,388.00</u>	<u>\$ 16,388.00</u>	<u>\$ 11,086.65</u>	<u>\$ 5,301.35</u>
	\$ 360,676.00	\$ 360,676.00	\$ 328,968.59	\$ 31,707.41
			D-2	D:D-2
Disbursements			\$ 293,728.90	
Accrued Interest			5,800.00	
Accounts Payable			29,439.69	
			\$ 328,968.59	

REF. D-3
D-5
D-11
D-10

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

PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF METUCHEN
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>ASSETS</u>			
Cash:			
Public Assistance Trust Fund I	E-1:E-2	\$ <u>562.15</u>	\$ <u>561.43</u>
		\$ <u><u>562.15</u></u>	\$ <u><u>561.43</u></u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I		\$ <u>562.15</u>	\$ <u>561.43</u>
		\$ <u><u>562.15</u></u>	\$ <u><u>561.43</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF METUCHEN
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
Fixed Assets:		
Land, Buildings and Improvements	\$ 14,524,200.00	\$ 14,524,200.00
Machinery and Equipment	<u>7,821,376.66</u>	<u>8,061,505.09</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 22,345,576.66</u>	<u>\$ 22,585,705.09</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 22,345,576.66</u>	<u>\$ 22,585,705.09</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF METUCHEN

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Metuchen is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Metuchen include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Metuchen, as required by N.J.S.A.40A:5-5. Accordingly, the financial statements of the Borough of Metuchen do not include the operations of the municipal library or regional and local boards of education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Metuchen conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Metuchen are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Swimming Pool Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned swimming pool.

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and State grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st 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. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

General Fixed Assets – N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of the purchase and are not capitalized in their own respective funds. The Borough has valued its land and buildings at assessed values. GAAP requires capital assets to be recorded at their historical cost or estimated historical cost. Additionally, GAAP requires depreciation to be calculated on capital assets, with the exception of land.

General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

Fixed Capital – Swim Pool Utility

Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization account in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, and cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Metuchen had the following cash and cash equivalents at December 31, 2011:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 5,472,429.05	\$ (2,465,308.31)	\$ 3,007,120.74
Assessment Trust Fund	949.39	0.21	949.60
Animal Control Trust Fund	4,550.20	(73.20)	4,477.00
Trust Other Fund	2,528,785.31	(232,385.71)	2,296,399.60
General Capital Fund	1,034,243.12	(6,431.04)	1,027,812.08
Swim Pool Utility Operating Fund	141,501.52	(707.25)	140,794.27
Swim Pool Utility Capital Fund	48,138.98	(4.91)	48,134.07
Public Assistance Trust Fund	562.15		562.15
<u>Total</u>	<u>\$ 9,231,159.72</u>	<u>\$ (2,704,910.21)</u>	<u>\$ 6,526,249.51</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance in the bank was exposed to custodial credit risk. Of the cash balance in the bank, \$452,872.32 was covered by Federal Depository Insurance and \$6,073,377.19 was covered by NJGUDPA. The New Jersey Cash Management Fund is investment pool and is not insured by either FDIC or GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - 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 section 1 of P.L. 1970, c. 236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Metuchen's investment activities during the year were in accordance with the above New Jersey Statute.

As of December 31, 2011 the Borough has \$35.88 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds and Notes	\$ 20,639,385.00	\$ 20,396,125.00	\$ 20,427,425.00
Swim Pool:			
Bonds and Notes	<u>289,600.00</u>	<u>300,000.00</u>	<u>300,000.00</u>
Debt Issued	<u>\$ 20,928,985.00</u>	<u>\$ 20,696,125.00</u>	<u>\$ 20,727,425.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 740,300.00	\$ 740,300.00	\$ 740,300.00
Swim Pool			
Bonds and Notes	<u>200.00</u>	<u>200.00</u>	<u>200.00</u>
Total Authorized but not Issued	<u>\$ 740,500.00</u>	<u>\$ 740,500.00</u>	<u>\$ 740,500.00</u>
TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	<u>\$ 21,669,485.00</u>	<u>\$ 21,436,625.00</u>	<u>\$ 21,467,925.00</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 0.93%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 29,082,000.00	\$ 29,082,000.00	\$ - 0 -
Swim Pool Utility Debt	289,800.00	289,800.00	- 0 -
General Debt	<u>21,379,685.00</u>	<u>175,000.00</u>	<u>21,204,685.00</u>
	<u>\$ 50,751,485.00</u>	<u>\$ 29,546,800.00</u>	<u>\$ 21,204,685.00</u>

Net debt \$21,204,685 divided by equalized valuation basis per N.J.S. 40A:2-2, \$2,271,482,337 equals 0.93%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis - December 31, 2011	\$ <u>2,271,482,337.00</u>
3 1/2% of Equalized Valuation Basis	\$ 79,501,881.80
Net Debt	<u>21,204,685.00</u>
Remaining Borrowing Power	\$ <u>58,297,196.80</u>

Equalized Valuation Basis is the average of the equalized Valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Harding for the last three (3) preceeding years.

LONG-TERM DEBT

General Serial Bonds:

\$870,000.00 Pension ERI Refunding Bonds of 2003 due in annual installments of \$30,000 to \$145,000 with interest from 4.47% to 5.25%	\$ 175,000.00
\$13,842,000.00 General Improvement Bonds of 2001 due in annual installments of \$50,000,000 to \$2,6000,000 with interest from 3.50% to 4.75%	<u>13,550,000.00</u>
	<u>\$ 13,725,000.00</u>

BOND ANTICIPATION NOTES

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	1.25%	5/24/12	\$ 5,969,625.00
Pool Capital	1.25%	5/24/12	289,600.00
General Capital	1.10%	6/28/12	<u>944,760.00</u>
			<u>\$ 1,234,360.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2011, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 740,300.00
Swim Pool Capital Fund	<u>200.00</u>
Total	<u>\$ 740,500.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SWIMMING POOL UTILITY PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus		\$	378,121.52
<u>Deductions:</u>			
Operation and Maintenance	\$	301,681.94	
Debt Services		16,200.00	
Total Deductions			<u>317,881.94</u>
Excess in Revenue - Self-Liquidating		\$	<u>60,239.58</u>

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 495,000.00	\$ 560,950.00	\$ 1,055,950.00
2013	480,000.00	544,287.50	1,024,287.50
2014	700,000.00	527,750.00	1,227,750.00
2015	1,100,000.00	501,500.00	1,601,500.00
2016	1,600,000.00	457,500.00	2,057,500.00
2017	1,950,000.00	393,500.00	2,343,500.00
2018	2,300,000.00	315,500.00	2,615,500.00
2019	2,500,000.00	223,500.00	2,723,500.00
2020	2,600,000.00	123,500.00	2,723,500.00
	<u>\$ 13,725,000.00</u>	<u>\$ 3,647,987.50</u>	<u>\$ 17,372,987.50</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2011 which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2012 was \$650,000 for the Current Fund and \$72,619 for the Swim Pool Utility Operating Fund.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local High School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	<u>December 31, 2010</u>	<u>December 31, 2011</u>
Prepaid Taxes	\$ <u>212,051.79</u>	\$ <u>238,863.46</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension, which is based upon the annual billings received from the State, amounted to \$990,478.00 for 2011, \$781,267.00 for 2010, and \$338,162.00 for 2009.

Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Borough to be approximately \$353,879.20. The Borough appropriates annually the amount required to be paid in that year's budget, if applicable, and no liability is accrued at December 31, 2011.

NOTE 8: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "Equitable").

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan is fully contributory and the Borough has no liabilities in conjunction with the plan.

NOTE 9: LITIGATION

The Borough's Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Borough.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2011. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Borough participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Report Section of the 2011 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains insurance coverage through the Middlesex County Joint Insurance Fund (JIF) covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State. Below is a summary of Borough’s contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough’s expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest on Deposits</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 53.20	\$ 22,250.18	\$ 52,643.48	\$ 10,801.44
2010		24,471.33	43,126.45	41,141.54
2009		15,986.04	18,573.94	59,796.66

NOTE 13: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or required to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2008 fiscal year.

Plan Description

The Borough of Metuchen provides Post-Retirement Benefits to eligible employees. Members of the PBA that retire from active service with at least 25 years of service receive free of charge medical and prescription drug benefits plan for life, as do spouses. Dependent children are covered free of charge under the same terms for active employees.

In addition, certain employees that fall into department head and supervisory capacities may be granted on a discretionary basis medical and prescription drug benefits for themselves but not their dependents. For valuation purposes, 16 active employees were identified that fall into this category and all are assumed to receive retirement benefits. Those that are granted this retiree benefit are required to pay one half of the COBRA rate (currently \$395.79). For valuation conservatism we assumed that after age 65 a reduced COBRA rate will be charged, thus decreasing the retiree cost and thereby increasing the employer obligation.

NOTE 13: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45. The valuation has been conducted as of December 31, 2008 based upon census, plan design and claims information provided by Insurance Design Administrators. Census includes 30 retired participants and 124 active participants as of the valuation date.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2008 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2008 report from Aon Consultants.

The actuarial cost method used to determine the plan's costs is the Per Capita Cost Method. The valuation reflects per capital net premium costs of \$776.06 per member per month for valuation purposes. The age specific cost was derived based on per person costs at the average age of the active population (44) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of the cost.

Actuary OPEB Cost

The Present Value of Future Benefits ("PVFB") as of December 31, 2009 is \$7,407,740 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2009.

The Actuarial Accrued Liability ("AAL") as of December 31, 2009 is \$5,820,515 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2009.

BOROUGH OF METUCHEN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 2,451,037.37
Increased by Receipts:			
Taxes Receivable	A-6	\$ 49,860,462.10	
Petty Cash	A-5	1,200.00	
Tax Overpayments	A-15	69,714.25	
Prepaid Taxes	A-10	238,863.46	
State of New Jersey-Senior Citizens Deductions	A-7	130,703.42	
Appropriation Refunds	A-3	369,308.01	
Miscellaneous Revenue Not Anticipated	A-2	229,003.57	
Grants Unappropriated	A-16	17,697.41	
Grants Appropriated Match	A-17	4,565.00	
Grants Receivable	A-18	619,893.18	
Revenue Accounts Receivable	A-8	<u>3,421,244.10</u>	
			<u>54,962,654.50</u>
			\$ <u>57,413,691.87</u>
Decreased by Disbursements:			
Appropriations	A-3	\$ 13,803,297.32	
Appropriation Reserves	A-9	321,633.10	
Local District School Taxes	A-13	31,998,104.00	
County Taxes	A-12	7,723,199.25	
Budget Operations	A-1	99,040.93	
Tax Overpayments	A-15	14,740.34	
Accounts Payable	A-19	42,147.59	
Petty Cash	A-5	1,200.00	
Grants Appropriated	A-17	<u>403,208.60</u>	
			<u>54,406,571.13</u>
Balance, December 31, 2011	A		\$ <u><u>3,007,120.74</u></u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 1,200.00
Increased by:		
Receipts	A-4	<u>1,200.00</u>
		\$ <u>2,400.00</u>
Decreased by:		
Disbursements	A-4	<u>1,200.00</u>
Balance, December 31, 2011	A	\$ <u><u>1,200.00</u></u>

ANALYSIS OF BALANCE:

Finance	\$ 300.00
Police	450.00
Public Works	300.00
Library	<u>150.00</u>
	\$ <u><u>1,200.00</u></u>

BOROUGH OF METUCHEN
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND
ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>2011 LEVY</u>	<u>ADDED TAXES</u>	<u>COLLECTIONS</u>	<u>TRANSFERRED TO LIENS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
				<u>2010</u>			
Prior	\$ 748,264.80	\$	\$	\$ 741,253.06	\$ 722.97	\$ 6,288.77	\$
2011		50,158,761.22	165,893.94	212,051.79	10,985.45	57,016.43	794,392.45
	\$ 748,264.80	\$ 50,158,761.22	\$ 165,893.94	\$ 212,051.79	\$ 11,708.42	\$ 63,305.20	\$ 794,392.45
	<u>REF. A</u>			<u>A-2-A-10</u>	<u>A-6</u>		<u>A</u>

Cash
State Share of Senior Citizens and Veterans Deductions

REF.
A-4
A-7

\$ 49,860,462.10
131,000.00
\$ 49,991,462.10

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD:
General Purpose Tax

\$ 50,324,655.16

TAX LEVY:
Local District School Tax
County Taxes:
County Tax
County Open Space Preservation Tax

A-13
A-12

\$ 7,035,757.44
688,967.80

\$ 31,998,104.00

Local Tax for Municipal & Library Purposes
Add: Additional Tax Levied
Local Tax for Municipal Purposes Levied

A-2

\$ 10,461,252.55
140,573.37

7,724,725.24

10,601,825.92
\$ 50,324,655.16

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
CHAPTER 73, P.L. 1976

	<u>REF.</u>		
Balance, December 31, 2010 (Due From)	A		\$ 37,714.24
Increased by:			
Senior Citizens Deductions Per Tax Billings	A-7	\$ 20,500.00	
Veterans Deductions Per Tax Billings	A-7	111,500.00	
Deductions Allowed By Collector	A-7	<u>3,500.00</u>	
			135,500.00
			<u>\$ 173,214.24</u>
Decreased by:			
Received in Cash From State	A-4	\$ 130,703.42	
Senior Citizens Deductions Disallowed	A-7	<u>4,500.00</u>	
			<u>135,203.42</u>
Balance, December 31, 2011 (Due From)	A		<u>\$ 38,010.82</u>

ANALYSIS OF STATE SHARE OF 2011 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$ 20,500.00	
Veterans Deductions Per Tax Billing	A-7	111,500.00	
Deductions Allowed By Collector	A-7	<u>3,500.00</u>	
			\$ 135,500.00
Less:			
Senior Citizens Deductions Disallowed	A-7		<u>4,500.00</u>
	A-6		<u>\$ 131,000.00</u>

BOROUGH OF METUCHENCURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2010</u>	<u>ACCRUED</u> <u>IN 2011</u>	<u>COLLECTED BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2011</u>
Clerk:					
Licenses:		\$	\$	\$	\$
Alcoholic Beverages	A-2		18,960.10	18,960.10	
Other	A-2		1,731.00	1,731.00	
Fees and Permits	A-2		63,783.00	63,783.00	
Interest and Costs on Taxes	A-2		157,258.55	157,258.55	
Interest on Investments and Deposits	A-2		7,719.25	7,719.25	
Construction Code Official	A-2		308,860.00	308,860.00	
Planning & Zoning:					
Fees and Permits	A-2		23,293.25	23,293.25	
Sidewalk Inspections:					
Fees and Permits	A-2		3,750.00	3,750.00	
Engineering:					
Fees and Permits	A-2		296.50	296.50	
Board of Health:					
Other Licenses	A-2		6,181.00	6,181.00	
Municipal Court:					
Fines and Costs	A-2	25,423.99	373,634.79	366,952.46	32,106.32
Police:					
Fees and Permits	A-2		4,314.40	4,314.40	
Parking Meters	A-2		92,583.07	92,583.07	
Sale of Recycled Materials	A-2		143,048.23	143,048.23	
Cable TV Franchise Fees	A-2		49,111.00	49,111.00	
Alarm System Fees	A-2		13,200.00	13,200.00	
Consolidated Municipal Property Tax Relief Aid	A-2		171,600.00	171,600.00	
Energy Receipts Tax	A-2		1,277,355.00	1,277,355.00	
Uniform Fire Safety	A-2		26,646.75	26,646.75	
Parking Authority	A-2		660,000.00	660,000.00	
Sewer Service Charge	A-2		24,600.54	24,600.54	
		<u>\$ 25,423.99</u>	<u>\$ 3,427,926.43</u>	<u>\$ 3,421,244.10</u>	<u>\$ 32,106.32</u>
	<u>REF.</u>	A		A-4	A

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	TRANSFERRED FROM ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative & Executive	\$ 4,043.50	\$	\$ 4,043.50	\$	\$ 4,043.50
Mayor & Council	25.55		25.55		25.55
Municipal Clerk	2,600.84	(2,600.00)	0.84		0.84
Financial Administration	400.77		400.77	400.00	0.77
Legal Service and Costs	750.00		750.00		750.00
Municipal Prosecutor	150.00		150.00		150.00
Public Works Administration	377.53		377.53	125.50	252.03
Sewer System		3,700.00	3,700.00	3,683.12	16.88
Forestry	3,026.65		3,026.65	2,860.38	166.27
Public Buildings and Grounds	3,237.67		3,237.67	1,719.38	1,518.29
Planning Board	28.40		28.40		28.40
Zoning Board of Adjustments	1,211.80	(600.00)	611.80	603.78	8.02
Fire Department	1,811.10		1,811.10	350.25	1,460.85
Police	13,378.32		13,378.32	4,339.63	9,038.69
Auxiliary Police Department	700.00	(700.00)			
Emergency Management Service	1.57		1.57		1.57
Uniform Fire Safety Act	1,823.41		1,823.41	1,823.41	
Municipal Court	3,398.20	(2,000.00)	1,398.20	408.80	989.40
Street and Road Maintenance	3,917.76	8,050.00	11,967.76	11,925.31	42.45
Garbage and Trash Removal	11,822.83	900.00	12,722.83	12,690.56	32.27
Recycling	303.96		303.96	106.32	197.64
Board of Health	2,115.31	(2,000.00)	115.31		115.31
Recreation	65.67		65.67		65.67
Park and Playgrounds	3,076.91	400.00	3,476.91	3,436.20	40.71
Senior Citizen Bus Transportation	1,239.07		1,239.07	179.40	1,059.67
Senior Citizen Center	1,369.76		1,369.76	742.50	627.26
METV Cable	1,056.54	(200.00)	856.54	810.60	45.94
Construction Code Enforcement	5,604.61	(5,000.00)	604.61	262.68	341.93
<u>OTHER EXPENSES:</u>					
Administrative & Executive	965.25	28,818.95	29,784.20	27,307.93	2,476.27
Mayor & Council	1,896.00	40.00	1,936.00	100.00	1,836.00
Municipal Clerk	11.53	378.95	390.48	338.95	51.53
Election	255.33	(250.00)	5.33		5.33
Collection of Taxes	29.80	188.60	218.40	188.60	29.80
Assessment of Taxes	3.81	220.00	223.81	220.00	3.81
Public Work Administration		835.84	835.84	795.84	40.00
Legal Services and Costs	3,536.02	3,166.07	6,702.09	5,390.81	1,311.28
Forestry	336.33	24.68	361.01	40.00	321.01
Public Buildings and Grounds	1,139.69	8,525.99	9,665.68	8,881.71	783.97
Planning Board	3,499.00	(2,500.00)	999.00	800.00	199.00
Zoning Board of Adjustment	800.00	80.00	880.00	480.00	400.00
Shade Tree Commission	400.00		400.00		400.00
Fire Hydrant Service	70.97	23,680.00	23,750.97	23,680.00	70.97
Fire Department - Miscellaneous	4,137.82	22,399.21	26,537.03	26,126.42	410.61
Police	892.56	12,481.38	13,373.94	10,874.21	2,499.73
Auxiliary Police Department	137.04	1,650.00	1,787.04	1,550.00	237.04
Emergency Management Services	0.33	2,197.00	2,197.33	1,281.09	916.24
Edison First Aid Contract	26,000.00		26,000.00	26,000.00	
Municipal Court	1,900.34	1,513.24	3,413.58	3,050.05	363.53
Streets and Road Maintenance	13,410.89	1,147.55	14,558.44	5,633.76	8,924.68
Sewer System	1,524.55	1,149.59	2,674.14	2,494.23	179.91
Garbage and Trash Removal	3,872.06	5,987.82	9,859.88	2,184.82	7,675.06
Recycling	1,108.94	17,524.19	18,633.13	18,624.90	8.23
Solid Waste Collection	29,623.36	24,969.06	54,592.42	45,511.44	9,080.98
Board of Health	265.58		265.58		265.58
Recreation Services and Programs	2,213.75	718.92	2,932.67	853.90	2,078.77
Parks and Playgrounds	92.77	4,709.69	4,802.46	4,227.00	575.46
Senior Citizen Center	4,308.70	897.90	5,206.60	924.98	4,281.62
METV Cable	13.73	1,680.00	1,693.73	850.00	843.73

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	TRANSFERRED FROM ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>					
Other Insurance Premiums	\$ 606.00	\$	\$ 606.00	\$	\$ 606.00
Construction Code Enforcement	1,623.18		1,623.18	143.06	1,480.12
Gasoline and Fuel	12,081.50	4,742.69	16,824.19	14,652.32	2,171.87
Telephone	54.01	5,500.00	5,554.01	5,464.51	89.50
Street Lighting	30.84		30.84		30.84
Utilities	14,235.27		14,235.27	14,235.27	
Contribution to Social Security System	7,509.23	36,147.51	43,656.74	36,147.51	7,509.23
Contribution to Defined Cont. Retirement Plan	54.83		54.83		54.83
Maintenance of Free Public Library	40,858.30	11,300.53	52,158.83	52,158.83	
MCUA- Contractual Sewer Charges	0.07		0.07		0.07
Township of Edison - Animal Control	1,804.51	5,731.83	7,536.34	1,910.61	5,625.73
County of Middlesex - Library Consortium	1,143.66		1,143.66		1,143.66
<u>TOTAL</u>	<u>\$ 249,985.28</u>	<u>\$ 225,607.19</u>	<u>\$ 475,592.47</u>	<u>\$ 389,590.57</u>	<u>\$ 86,001.90</u>
	<u>REF.</u>	<u>A</u>	<u>A-19</u>		<u>A-1</u>
Disbursements	A-4			\$ 321,633.10	
Accounts Payable	A-19			<u>67,957.47</u>	
				<u>\$ 389,590.57</u>	

"A-10"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2010	A	\$	212,051.79
Increased by:			
Receipts	A-4		<u>238,863.46</u>
		\$	450,915.25
Decreased by:			
Application to 2011 Taxes	A-6		<u>212,051.79</u>
Balance, December 31, 2011	A	\$	<u><u>238,863.46</u></u>

"A-11"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2010	A	\$	80,782.12
Increased by:			
Transferred From 2011 Taxes	A-6	\$	10,985.45
Transferred From Prior Taxes	A-6		722.97
Interest & Costs on Sale			<u>113.51</u>
			<u>11,821.93</u>
Balance, December 31, 2011	A	\$	<u><u>92,604.05</u></u>

"A-12"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 23,794.58
Increased by:		
2011 Tax Levy	A-1:A-6	<u>7,724,725.24</u>
		\$ <u>7,748,519.82</u>
Decreased by:		
Payments	A-4	<u>7,723,199.25</u>
Balance, December 31, 2011	A	\$ <u><u>25,320.57</u></u>

"A-13"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy-Calendar Year 2011	A-1:A-6	\$ 31,998,104.00
Decreased by:		
Payments	A-4	\$ <u><u>31,998,104.00</u></u>

"A-14"

BOROUGH OF METUCHEN
CURRENT FUND
SCHEDULE OF FORECLOSED PROPERTY

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	A	\$ <u>350,300.00</u>

"A-15"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Balance, December 31, 2010	A	\$ 108,724.99
Increased by:		
Receipts	A-4	<u>69,714.25</u>
		\$ <u>178,439.24</u>
Decreased by:		
Refunds	A-4	<u>14,740.34</u>
Balance, December 31, 2011	A	\$ <u>163,698.90</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	BALANCE DECEMBER <u>31, 2010</u>	RECEIPTS	APPLIED TO REVENUE	BALANCE DECEMBER <u>31, 2011</u>
2010 Clean Communities	\$ 5,179.61	\$	\$ 5,179.61	\$
2011 Recycling Tonnage		17,697.41		17,697.41
	<u>\$ 5,179.61</u>	<u>\$ 17,697.41</u>	<u>\$ 5,179.61</u>	<u>\$ 17,697.41</u>
<u>REF.</u>	A	A-4	A-18	A

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2010	APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2011
Federal Bullet Proof Vest Program	\$ 3,634.50	\$	\$ 1,650.00	\$ 1,984.50
Seat Belt 2004	3,000.00			3,000.00
Statewide Livable Communities- Library 2004	2,805.00			2,805.00
ABC Grant 2008	450.00		450.00	
Pedestrian Safety Enhancement 2008	600.00			600.00
Drunk Driving Enforcement Grant 2008	962.23		962.23	
County Downtown Improvements	500.00			500.00
County Pedestrian Bicycles Safety 2008	0.44			0.44
County Myrtle/ Charles Park 2008	460,863.57		327,183.82	133,679.75
Municipal Alliance 2008	605.14			605.14
Body Armor 2009	1,270.40		1,270.40	
Cultural Arts	105.00			105.00
Clean Communities 2009	1,220.23		1,220.23	
Recycling Enhancement	6,244.00			6,244.00
You Drink, You Drive, You Lose	600.00			600.00
ABC Grant	210.00		150.00	60.00
Click It or Ticket	400.00			400.00
Recycling Tonnage	20,161.34		1,462.40	18,698.94
Municipal Alliance	13,257.00		1,922.60	11,334.40
Municipal Alliance- Match	3,315.00		3,315.00	
NJ Dept Law Over Limit, Under Arrest	400.00			400.00
Body Armor 2010	1,141.42		929.60	211.82
County Cultural Arts	30.00			30.00
County Cultural Heritage - History & Match	621.70		621.70	
County Mug Shot Camera	3,640.00			3,640.00
County Bias Prevention & Education	1,550.00		1,550.00	
County Open Space Myrtle/ Charles	500,000.00			500,000.00
Clean Communities 2010	15,767.97		15,767.97	
ANJEC Metuchen Greenway- Developer	5,000.00		5,000.00	
Clean Communities 2011		25,715.19	5,206.35	20,508.84
Municipal Alliance Youth Services 2011		18,257.00	8,268.73	9,988.27
Municipal Alliance Youth Services Match 2011		3,315.00	3,315.00	
Middlesex County Cultural Arts 2011		3,900.00	3,537.55	362.45
Drunk Driving Enforcement Fund 2011		7,730.80	746.72	6,984.08
Recycling Enhancement 2011		14,569.00		14,569.00
Recycling Tonnage 2011		19,271.00		19,271.00
Middlesex County Cultural History 2011		2,275.00	1,628.30	646.70
Middlesex County Cultural History Match 2011		1,250.00	1,250.00	
Body Armor 2011		2,800.60		2,800.60
Click It or Ticket 2011		4,000.00	4,000.00	
Cops and Shops 2011		7,000.00	7,000.00	
Middlesex County Pedestrian Safety 2011		5,000.00	4,800.00	200.00
	<u>\$ 1,048,354.94</u>	<u>\$ 115,083.59</u>	<u>\$ 403,208.60</u>	<u>\$ 760,229.93</u>

REF. A A-4 A

Budget	A-3:A-18	\$ 110,518.59
Match	A-4	<u>4,565.00</u>
		<u>\$ 115,083.59</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2010	ACCRUED 2011	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2011
2004 Statewide Livable Communities	\$ 4,793.21	\$	\$		4,793.21
2006 Child Passenger Safety	95.15				95.15
2007 DCA Smart Future	22,500.00				22,500.00
2007 Federal Bullet Proof Vests	4,494.12				4,494.12
2007 Homeland Security- Fire Match	8,788.00				8,788.00
2008 ABC Grant	500.00		400.00		100.00
2008 DCA Smart Future	60,000.00				60,000.00
2009 Community Stewardship Incentive Grant	3,750.00		3,750.00		600.00
2009 You Drink, You Drive, You Lose	600.00				600.00
2009 ABC Grant	800.00		800.00		400.00
2009 Click It or Ticket	400.00				400.00
2010 Municipal Alliance	6,541.00		6,541.00		400.00
2010 Over the Limit, Under Arrest	400.00				400.00
2010 Body Armor	3,002.56				3,002.56
2010 County Cultural Arts	2,750.00		2,750.00		400.00
2010 County Bias Prevention & Education	5,000.00		5,000.00		3,002.56
2010 County Open Space Myrtle/Charles	500,000.00		500,000.00		
2010 Clean Communities		5,179.61		5,179.61	
2010 ANJEC Metuchen Greenway	8,000.00		8,000.00		
2011 Middlesex County Cultural Heritage- History		2,275.00	2,275.00		
2011 Recycling Tonnage		19,271.00	19,271.00		
2011 Drunk Driving Enforcement Fund		7,730.80	7,730.80		
2011 Clean Communities		20,535.58	20,535.58		
2011 Municipal Alliance		18,257.00	11,870.20		
2011 Middlesex County Cultural Arts		3,900.00	2,800.00		6,386.80
2011 Recycling Enhancement		14,569.00	14,569.00		1,100.00
2011 Body Armor		2,800.60	2,800.60		
2011 Click It or Ticket		4,000.00	4,000.00		
2011 Cops in Shops		7,000.00	6,800.00		200.00
2011 Middlesex County Pedestrian Safety		5,000.00			5,000.00
	\$ 632,414.04	\$ 110,518.59	\$ 619,893.18	\$ 5,179.61	\$ 117,859.84

REF.

A

A-2:A-17

A-4

A-16

A

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 313,878.46
Increased by:			
2011 Appropriations	A-3	\$ 235,637.43	
2010 Appropriation Reserves	A-9	<u>67,957.47</u>	
			<u>303,594.90</u>
			\$ <u>617,473.36</u>
Decreased by:			
Disbursements	A-4	\$ 42,147.59	
Transferred To 2010 Appropriation Reserves	A-9	<u>225,607.19</u>	
			<u>267,754.78</u>
Balance, December 31, 2011	A		\$ <u><u>349,718.58</u></u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF TRUST CASH

REF.	ASSESSMENT FUND	ANIMAL CONTROL	OTHER
B	\$ 949.60	\$ 1,195.80	\$ 2,172,285.36
Balance, December 31, 2010			
Increased by Receipts:			
B-8	\$	\$ 591.00	\$
Due State of New Jersey			
Reserve for:			
B-5			
Animal Control Expenditures			
B-7			750,730.11
Trust Other			
B-14			3,369,871.34
Payroll Deductions Payable			
B-11			12,475.85
COAH			
B-15			129,949.78
Recreation			
B-9			22,303.38
Unemployment			
B-13			193,398.60
Police Outside Overtime			
B-16			38.85
Law Enforcement			
B-12			346,034.94
Developers Escrow			
B-17			15.83
Forfeiture			
B-18			27,757.52
Election			
B-10			35,297.18
CDBG Receivable			
	\$ 949.60	\$ 5,376.80	\$ 4,887,873.38
		\$ 6,572.60	\$ 7,060,158.74
Decreased by Disbursements:			
B-8	\$	\$ 597.00	\$
Due State of New Jersey			
B-6			
Accounts Payable			
B-5			
Reserve for:			
B-7			
Animal Control Expenditures			
B-14			781,336.65
Trust Other			
B-11			3,351,632.34
Payroll Deductions Payable			
B-15			5,844.96
COAH			
B-9			113,284.50
Recreation			
B-13			52,643.48
Unemployment			
B-12			163,958.25
Police Outside Overtime			
B-18			268,839.80
Developers Escrow			
			26,219.16
		2,095.60	
B	\$ 949.60	\$ 4,477.00	\$ 4,763,759.14
			\$ 2,296,399.60
			\$ 2,296,399.60

"B-3"

BOROUGH OF METUCHEN

TRUST FUND

ANALYSIS OF ASSESSMENT CASH

BALANCE
DECEMBER 31,
2011

REF.

Fund Balance

B:B-1

\$ 949.60

BOROUGH OF METUCHEN

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	10,662.56
Increased by:			
Trust Other	B-7	\$	5,875.14
Recreation	B-15		<u>4,559.08</u>
			10,434.22
		\$	<u>21,096.78</u>
Decreased by:			
Trust Other	B-7	\$	5,236.36
Recreation	B-15		<u>5,306.20</u>
			<u>10,542.56</u>
Balance, December 31, 2011	B	\$	<u><u>10,554.22</u></u>

ANALYSIS OF BALANCE

Trust Other	\$	5,875.14
Recreation		4,559.08
Law Enforcement		<u>120.00</u>
	\$	<u><u>10,554.22</u></u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	508.20
Increased by:			
Dog and Cat License Fees	B-2		<u>4,785.80</u>
		\$	<u>5,294.00</u>
Decreased by:			
Disbursements	B-2		<u>823.60</u>
Balance, December 31, 2011	B	\$	<u><u>4,470.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2010	\$	5,947.40
2009		<u>6,117.00</u>
	\$	<u><u>12,064.40</u></u>

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

Balance, December 31, 2010	B	\$	675.00
Decreased by:			
Transfer to Reserve for Expenditure	B-2	\$	<u>675.00</u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2010	INCREASES	DECREASES	BALANCE DECEMBER 31, 2011
Senior Citizens	\$ 6,342.47	\$ 12,370.50	\$ 10,987.50	\$ 7,725.47
POAA	7,945.26	867.00		8,812.26
Recycling Tonnage	810.06			810.06
Tax Sale Premiums	176,500.00	246,500.00	87,900.00	335,100.00
Public Defender	8,572.00	10,121.50	7,799.96	10,893.54
Fire Inspector	10,166.81	28,767.09	37,314.63	1,619.27
Insurance Reserves	510,106.56	222,898.96	373,368.03	359,637.49
Redemption	38,593.21	218,727.75	229,803.15	27,517.81
CDBG Senior Center	166.76	14,000.00	14,000.00	166.76
CDBG Senior Programs	9,807.00	22,460.50	18,970.00	13,297.50
Donations	16,689.88	7,794.00	7,053.10	17,430.78
Other	77.55		15.42	62.13
Copier Lease	197.39	559.17		756.56
Replacement Tree Planting	2,850.00	4,900.00		7,750.00
	<u>\$ 788,824.95</u>	<u>\$ 789,966.47</u>	<u>\$ 787,211.79</u>	<u>\$ 791,579.63</u>
	B			B
Receipts		750,730.11		
CDBG		34,000.00		
Prior Year Accounts Receivable		5,236.36		
		<u>\$ 789,966.47</u>		
Disbursements			781,336.65	
Accounts Payable			5,875.14	
			<u>\$ 787,211.79</u>	

REF.

B-2

B-10

B-4

B-2

B-4

"B-8"

BOROUGH OF METUCHEN

ANIMAL CONTROL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	12.60
Increased by:			
License Fees Due to the State	B-2		591.00
		\$	<u>603.60</u>
Decreased by:			
Payments	B-2		<u>597.00</u>
Balance, December 31, 2011	B	\$	<u><u>6.60</u></u>

"B-9"

SCHEDULE OF RESERVE FOR
UNEMPLOYMENT COMPENSATION INSURANCE

Balance, December 31, 2010	B	\$	41,141.54
Increased by:			
Deposits		\$	22,250.18
Interest			<u>53.20</u>
	B-2		<u>22,303.38</u>
		\$	<u>63,444.92</u>
Decreased by:			
Disbursement	B-2		<u>52,643.48</u>
Balance, December 31, 2011	B	\$	<u><u>10,801.44</u></u>

"B-10"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	43,094.44
Increased by:			
CDBG	B-7		34,000.00
		\$	<u>77,094.44</u>
Decreased by:			
Receipts	B-2		<u>35,297.18</u>
Balance, December 31, 2011	B	\$	<u><u>41,797.26</u></u>

"B-11"

SCHEDULE OF RESERVE FOR COAH

Balance, December 31, 2010	B	\$	166,192.16
Increased by:			
Deposits		\$	11,625.00
Interest			<u>850.85</u>
	B-2		<u>12,475.85</u>
		\$	<u>178,668.01</u>
Decreased by:			
Payments	B-2		<u>5,844.96</u>
Balance, December 31, 2011	B	\$	<u><u>172,823.05</u></u>

"B-12"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF ESCROW DEPOSITS

REF.

Balance, December 31, 2010	B		\$	1,088,855.52
Increased by:				
Deposits		\$	343,521.76	
Interest			2,513.18	
	B-2			<u>346,034.94</u>
			\$	<u>1,434,890.46</u>
Decreased by:				
Payments	B-2			<u>268,839.80</u>
Balance, December 31, 2011	B		\$	<u><u>1,166,050.66</u></u>

"B-13"

SCHEDULE OF RESERVE FOR
POLICE OUTSIDE OVERTIME

Balance, December 31, 2010	B		\$	9,312.44
Increased by:				
Receipts	B-2			<u>193,398.60</u>
			\$	<u>202,711.04</u>
Decreased by:				
Disbursements	B-2			<u>163,958.25</u>
Balance, December 31, 2011	B		\$	<u><u>38,752.79</u></u>

"B-14"

SCHEDULE OF RESERVE FOR
PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2010	B		\$	48,062.54
Increased by:				
Deposits-Payroll Deductions	B-2			<u>3,369,871.34</u>
			\$	<u>3,417,933.88</u>
Decreased by:				
Payments	B-2			<u>3,351,632.34</u>
Balance, December 31, 2011	B		\$	<u><u>66,301.54</u></u>

"B-15"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 48,091.28
Increased by:			
Receipts	B-2	\$ 129,949.78	
Prior Year Accounts Payable	B-4	<u>5,306.20</u>	
			<u>135,255.98</u>
			\$ <u>183,347.26</u>
Decreased by:			
Disbursements	B-2	\$ 113,284.50	
Accounts Payable	B-4	<u>4,559.08</u>	
			<u>117,843.58</u>
Balance, December 31, 2011	B		\$ <u><u>65,503.68</u></u>

"B-16"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

Balance, December 31, 2010	B		\$ 1,723.64
Increased by:			
Deposits		\$ 36.50	
Interest		<u>2.35</u>	
	B-2		<u>38.85</u>
Balance, December 31, 2011	B		\$ <u><u>1,762.49</u></u>

"B-17"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR FORFEITURE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	12,513.17
Increased by:			
Interest	B-2		<u>15.83</u>
Balance, December 31, 2011	B	\$	<u><u>12,529.00</u></u>

"B-18"

SCHEDULE OF RESERVE FOR ELECTION

Increased by:			
Deposits		\$	27,754.00
Interest			<u>3.52</u>
	B-2	\$	27,757.52
Decreased by:			
Disbursements	B-2		<u>26,219.16</u>
Balance, December 31, 2011	B	\$	<u><u>1,538.36</u></u>

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 659,073.23
Increased by Receipts:			
Deferred Charges To Future Taxation - Unfunded	C-5	\$ 246,500.00	
Premium on Sale of Notes	C-1	23,098.00	
Accounts Receivable	C-9	157,080.72	
Bond Anticipation Notes Payable	C-12	6,914,385.00	
Capital Improvement Fund	C-8	<u>47,250.00</u>	
			<u>7,388,313.72</u>
			\$ <u>8,047,386.95</u>
Decreased by Disbursements:			
Contracts Payable	C-7	\$ 246,014.22	
Improvement Authorizations	C-10	557,435.65	
Bond Anticipation Notes Payable	C-12	<u>6,216,125.00</u>	
			<u>7,019,574.87</u>
Balance, December 31, 2011	C		\$ <u><u>1,027,812.08</u></u>

"C-3"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>REF.</u>	BALANCE DECEMBER 31, 2011
Fund Balance		\$ 97,580.86
Capital Improvement Fund		124.00
Improvement Authorizations-Funded		43,803.22
Unfunded Improvements Expended - Listed on "C-5"		(563,462.25)
Contracts Payable		1,269,375.97
Unexpended Proceeds of Bond Anticipation Notes - Listed on "C-5"		1,439,455.10
Accounts Receivable		(1,263,612.82)
Reserve for Debt Service		<u>4,548.00</u>
	C	<u>\$ 1,027,812.08</u>

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

Balance, December 31, 2010	C	\$ 14,180,000.00
Decreased by:		
Appropriation to Pay Bonds	C-11	<u>455,000.00</u>
Balance, December 31, 2011	C	<u>\$ 13,725,000.00</u>

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	2011 AUTHORIZATIONS	PAID BY BUDGET	BALANCE DECEMBER 31, 2011	BOND ANTICIPATION NOTES	ANALYSIS OF BALANCE DECEMBER 31, 2011	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
00-07	Various Improvements	\$ 137,900.00	\$	6,500.00	131,400.00	\$ 81,100.00	\$ 40,735.00	\$ 9,565.00
01-05	Various Improvements	300,200.00		3,400.00	296,800.00	86,800.00	210,000.00	
02-05	Various Improvements	265,800.00		4,700.00	261,100.00	86,100.00	152,335.02	22,664.98
03-05	Various Improvements	100,000.00			100,000.00		84,526.57	15,473.43
04-11	Construction of Municipal Building	527,200.00		14,700.00	512,500.00	512,500.00		
05-04	Various Improvements	1,027,700.00		70,000.00	957,700.00	957,700.00		
06-05	Various Improvements	1,228,350.00		57,100.00	1,171,250.00	1,171,250.00		
07-03	Various Improvements	1,328,200.00		49,300.00	1,278,900.00	1,073,900.00	75,865.66	129,134.34
08-07	Various Improvements	1,014,125.00		40,800.00	973,325.00	973,325.00		
09-05	Various Improvements	418,950.00			418,950.00	418,950.00		
10-03	Various Improvements	608,000.00			608,000.00	608,000.00		
11-07	Various Improvements		944,760.00		944,760.00	944,760.00		
		\$ 6,956,425.00	\$ 944,760.00	\$ 246,500.00	\$ 7,654,685.00	\$ 6,914,385.00	\$ 563,462.25	\$ 176,837.75

REF.

Improvement Authorizations Unfunded C-10
Unexpected Proceeds of Bond Anticipation Notes C-3

C-3

C-12

C

C-2

C-10

C

\$ 1,616,292.85
(1,439,455.10)

\$ 176,837.75

"C-6"

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	C	\$ <u>4,548.00</u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2010	C	\$ 782,584.80
Increased by:		
Improvement Authorizations	C-10	<u>732,911.39</u>
		\$ 1,515,496.19
Decreased by:		
Disbursements	C-2	\$ 246,014.22
Canceled	C-10	<u>106.00</u>
		<u>246,120.22</u>
Balance, December 31, 2011	C	\$ <u>1,269,375.97</u>

"C-8"

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 114.00
Increased by:		
2011 Appropriations	C-2	47,250.00
		\$ <u>47,364.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	47,240.00
Balance, December 31, 2011	C	\$ <u><u>124.00</u></u>

"C-9"

SCHEDULE OF ACCOUNTS RECEIVABLE

Balance, December 31, 2010	C	\$ 442,593.54
Increased by:		
Improvement Authorizations	C-10	978,100.00
		\$ <u>1,420,693.54</u>
Decreased by:		
Receipts	C-2	157,080.72
Balance, December 31, 2011	C	\$ <u><u>1,263,612.82</u></u>

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2010		NEW AUTHORIZATIONS	CONTRACTS PAYABLE CANCELLED	DISBURSEMENTS	CONTRACTS PAYABLE	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
92-26	Senior Citizen Center Project	8/3/92	\$ 587,945.00	\$ 16,983.00	\$	\$	\$	\$	\$ 16,983.00	\$	\$
92-34	Removal of Underground Tanks	10/05/92	210,000.00	1,796.00					1,600.00		196.00
96-03	Various Improvements	4/1/96	657,000.00	81.00							81.00
96-09	Various Improvements	6/17/96	432,000.00	209.00							209.00
97-09	Various Improvements	6/17/97	792,000.00	78.61							78.61
98-01	Various Improvements	5/4/98	883,000.00	1,846.33							1,846.33
00-07	Various Improvements	4/3/00	1,220,000.00		9,565.00						9,565.00
02-01/04-11	Construction of Municipal Building	2/19/02	7,220,000.00		108,034.77						108,034.77
02-05	Various Improvements	4/15/02	1,085,000.00		22,664.98						22,664.98
03-05	Various Improvements	3/18/03	2,052,000.00		15,473.43						15,473.43
03-09	Various Improvements	6/17/03	472,000.00	17,660.00						17,660.00	
03-10	Refunding Bond Ordinance	9/2/03	2,510,000.00	71.46						71.46	
04-05	Various Improvements	4/19/04	1,212,000.00	6,677.82						6,677.82	
05-04	Various Improvements	4/4/05	1,819,100.00		129,559.51						129,559.51
06-05	Various Improvements	5/2/06	1,611,000.00		54,775.18						54,775.18
07-03	Various Improvements	4/16/07	1,677,100.00		131,503.34			2,369.00	1,444.65		129,134.34
08-07	Various Improvements	7/22/08	1,312,500.00		183,602.57						182,245.92
09-05	Various Improvements	4/13/09	705,420.00		15,836.77			4,345.00			11,509.77
10-03	Various Improvements	02/16/10	1,093,100.00		263,818.34			128,183.96	2,153.57		133,480.81
11-07	Various Improvements	06/20/11	1,970,100.00		1,970,100.00			422,537.69	727,713.17		819,849.14
				\$ 45,403.22	\$ 934,833.89	\$ 1,970,100.00	\$ 106.00	\$ 557,435.65	\$ 732,911.39	\$ 43,803.22	\$ 1,616,292.85

REF.

Bonds & Notes
Capital Improvement Fund
Accounts Receivable

C-5
C-8
C-9

C

C

\$ 944,760.00
47,240.00
978,100.00
\$ 1,970,100.00

C-7

C-2

C-7

C

C:C-5

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>PAID IN 2011</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvements	1/1/03	\$ 2,310,000.00		\$	3.20%	\$ 275,000.00	\$ 275,000.00	\$
Pension ERI	11/01/03	870,000.00	03/01/12	145,000.00	5.00%			
			03/01/13	30,000.00	5.25%	305,000.00	130,000.00	175,000.00
General Improvement	12/01/04	13,842,000.00	09/01/12	350,000.00	3.50%			
			09/01/13	450,000.00	3.50%			
			09/01/14	700,000.00	3.75%			
			09/01/15	1,100,000.00	4.00%			
			09/01/16	* 1,600,000.00	4.00%			
			09/01/17	* 1,950,000.00	4.00%			
			09/01/18	* 2,300,000.00	4.00%			
			09/01/19	* 2,500,000.00	4.00%			
			09/01/20	* 2,600,000.00	4.75%	13,600,000.00	50,000.00	13,550,000.00
						\$ 14,180,000.00	\$ 455,000.00	\$ 13,725,000.00

REF. C C-4 C

* Subject to Optional Redemption on or after September 1, 2015

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
05-4	Various Improvements	9/23/2005	5/28/2010	1.50%	\$ 1,027,700.00	\$	\$ 1,027,700.00	\$
05-4	Various Improvements	9/23/2005	5/16/2011	1.25%		957,700.00		957,700.00
01-5	Various Improvements	9/23/2005	5/28/2010	1.50%	90,200.00		90,200.00	
01-5	Various Improvements	9/23/2005	5/19/2011	1.25%		86,800.00		86,800.00
04-11	Construction of Municipal Bldg--Supplemental	9/23/2005	5/28/2010	1.50%	527,200.00		527,200.00	
04-11	Construction of Municipal Bldg--Supplemental	9/23/2005	5/19/2011	1.25%		512,500.00		512,500.00
00-7:02-5:06-5	Various Improvements	6/2/2006	5/28/2010	1.50%	1,228,350.00		1,228,350.00	
00-7:02-5:06-5	Various Improvements	6/2/2006	5/19/2011	1.25%		1,338,450.00		1,338,450.00
00-7	Various Improvements	6/2/2006	5/28/2010	1.50%	87,600.00		87,600.00	
02-5	Various Improvements	6/2/2006	5/28/2010	1.50%	90,800.00		90,800.00	
07-3	Various Improvements	6/1/2007	5/28/2010	1.50%	1,123,200.00		1,123,200.00	
07-3	Various Improvements	6/1/2007	5/19/2011	1.25%		1,073,900.00		1,073,900.00
08-7	Various Improvements	5/30/2008	5/28/2010	1.50%	1,014,125.00		1,014,125.00	
08-7	Various Improvements	5/30/2008	5/19/2011	1.25%		973,325.00		973,325.00
09-5	Various Improvements	5/29/2009	5/28/2010	1.50%	418,950.00		418,950.00	
09-5	Various Improvements	5/29/2009	5/19/2011	1.25%		418,950.00		418,950.00
10-3	Various Improvements	5/28/2010	5/28/2010	1.50%	608,000.00		608,000.00	
10-3	Various Improvements	5/28/2010	5/19/2011	1.25%		608,000.00		608,000.00
11-7	Various Improvements	6/29/2011	6/29/2011	1.10%		944,760.00		944,760.00
					<u>\$ 6,216,125.00</u>	<u>\$ 6,914,385.00</u>	<u>\$ 6,216,125.00</u>	<u>\$ 6,914,385.00</u>

REF.

C

C-2

C-2

C-C-5

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2011</u>
00-07	Various Improvements	\$	50,300.00
01-05	Various Improvements		210,000.00
02-05	Various Improvements		175,000.00
03-05	Various Improvements		100,000.00
07-03	Various Improvements		205,000.00
			<hr/>
		\$	<u>740,300.00</u>

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY FUND
SCHEDULE OF SWIMMING POOL UTILITY CASH

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2010	D	\$ 127,292.21	\$ 55,013.50
Increased by Receipts:			
Pool Memberships/Fees	D-3	\$ 299,227.00	\$
Interest on Deposits	D-3	325.17	
Non-Budget Revenue	D-3	23,393.35	
Refunds	D-8		720.57
		<u>322,945.52</u>	<u>720.57</u>
		\$ 450,237.73	\$ 55,734.07
Decreased by Disbursements:			
Appropriations	D-4	\$ 293,728.90	\$
Appropriation Reserves	D-7	11,214.56	
Accrued Interest on Bonds	D-11	4,500.00	
Improvement Authorizations	D-8		7,600.00
		<u>309,443.46</u>	<u>7,600.00</u>
Balance, December 31, 2011	D	\$ 140,794.27	\$ 48,134.07

BOROUGH OF METUCHEN

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>B.A.N. PAID</u>	<u>BALANCE DECEMBER 31, 2011</u>
08-08	Improvements to Swimming Pool	04/21/08	\$ 300,000.00	\$ 300,000.00	10,400.00	\$ 289,600.00
				\$ 300,000.00	10,400.00	\$ 289,600.00
					D	D
					D-14	D

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES

	<u>BALANCE</u> DECEMBER 31, 2010	<u>BALANCE</u> AFTER TRANSFERS	<u>EXPENDED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 1,201.49	\$ 501.49		\$ 501.49
Other Expenses	9,225.74	12,936.11	11,142.24	1,793.87
Statutory Expenditures: Contribution To: Social Security System	<u>1,825.46</u>	<u>1,897.78</u>	<u>72.32</u>	<u>1,825.46</u>
	<u>\$ 12,252.69</u>	<u>\$ 15,335.38</u>	<u>\$ 11,214.56</u>	<u>\$ 4,120.82</u>
REF.	D:D-7		D-5	D-2
Appropriation Reserves	\$	12,252.69		
Transferred from Encumbrances Payable		<u>3,082.69</u>		
	\$	<u>15,335.38</u>		

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE</u>		<u>DISBURSEMENTS</u>	<u>REFUNDS</u>	<u>BALANCE</u>	
				<u>DECEMBER 31, 2010 FUNDED</u>	<u>UNFUNDED</u>			<u>DECEMBER 31, 2011 FUNDED</u>	<u>UNFUNDED</u>
08-08	Improvements to Swimming Pool	4/21/2008	\$ 300,000.00	\$ - 0 -	\$ 46,439.04	\$ 7,600.00	\$ 720.57	\$ - 0 -	\$ 39,559.61
				\$ - 0 -	\$ 46,439.04	\$ 7,600.00	\$ 720.57	\$ - 0 -	\$ 39,559.61
	<u>REF.</u>				D	D-5	D-5		D

"D-9"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2010 and December 31, 2011	D	\$ <u>8,338.46</u>
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"D-10"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2010	D	\$ 3,082.69
Increased by: Appropriations	D-4	<u>29,439.69</u>
		\$ <u>32,522.38</u>
Decreased by: Transferred to Appropriation Reserve	D-7	<u>3,082.69</u>
Balance, December 31, 2011	D	\$ <u>29,439.69</u>

"D-11"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>	
Balance, December 31, 2010	D	\$ 2,234.49
Increased by:		
Budget Appropriation	D-4	5,800.00
		<u>\$ 8,034.49</u>
Decreased by:		
Disbursements	D-5	4,500.00
		<u>4,500.00</u>
Balance, December 31, 2011	D	<u>\$ 3,534.49</u>

"D-12"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2010 and December 31, 2011	D	<u>\$ 1,095,531.00</u>
---	---	------------------------

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

REF.

Balance, December 31, 2010 and December 31, 2011	D	\$ <u><u>1,095,731.00</u></u>
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ANALYSIS OF BALANCE:

Swimming Pool and Bathhouse	\$ 344,027.00
Cover for Swimming Pool	6,449.00
Landscape	2,598.00
Improvements to Swimming Pool	524,577.00
Improvements to Wading Pool	8,365.00
Improvements to Swimming Pool	200,000.00
Improvements to Swimming Pool	<u>9,715.00</u>
	\$ <u><u>1,095,731.00</u></u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>		<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED/ DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
08-08	Improvements to Swimming Pool	5/30/08	5/28/2010 5/19/2011	5/26/11 5/24/2012	1.50% 1.25%		\$ 300,000.00	\$ (300,000.00) 289,600.00	289,600.00
							<u>\$ 300,000.00</u>	<u>\$ 10,400.00</u>	<u>\$ 289,600.00</u>
						<u>REF.</u>	D	D-6	D

"D-15"

BOROUGH OF METUCHEN

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
93-14	Improvement to Swimming Pool	\$ <u>200.00</u>

BOROUGH OF METUCHEN
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH

	<u>REF.</u>		
Balance, December 31, 2010	E	\$	561.43
Increased by:			
Interest			<u>0.72</u>
Balance, December 31, 2011	E:E-2	\$	<u><u>562.15</u></u>

BOROUGH OF METUCHEN

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2011

REF.

Balance, December 31, 2011

E:E-1

\$ 562.15

RECONCILIATION - DECEMBER 31, 2011

P.A.T.F. I
ACCOUNT

Balance on Deposit Per Statement

\$ 562.15

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BOROUGH OF METUCHEN

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF
EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S 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 Borough Council
Borough of Metuchen
County of Middlesex
Metuchen, New Jersey 08840

We have audited the accompanying financial statements - regulatory basis of the Borough of Metuchen, County of Middlesex, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated September 13, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Metuchen prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Metuchen's internal control over financial reporting as a basis for designing our audit 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 Borough of Metuchen's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Metuchen's internal control over financial reporting.

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Metuchen's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations section of this report.

This report is intended solely for the information of the Borough of Metuchen, County of Middlesex, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 13, 2012

BOROUGH OF METUCHEN

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

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL C.F.D.A. NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>GRANT YEAR</u>	<u>RECEIVED 2011</u>	<u>EXPENDITURES 2011</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2011</u>
<u>Department of Justice</u> Federal Bulletproof Vest Program	16.607	\$ 9,800.00	2007	\$	\$ 1,650.00	\$ 7,815.50
<u>Division of Highway Traffic Safety / Division of Alcoholic Beverage Control</u> (Pass Through from State of NJ) Cops In Shops	16.727	7,000.00	2011	6,800.00	7,000.00	7,000.00
				\$ 6,800.00	\$ 8,650.00	\$ 14,815.50

BOROUGH OF METUCHEN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	RECEIVED 2011	EXPENDITURES 2011	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
<u>Pass Through From County of Middlesex:</u>					
Municipal Alliance - 2010		\$ 13,257.00	\$ 6,541.00	\$ 1,922.60	\$ 1,922.60
Municipal Alliance - 2011		18,257.00	11,870.20	8,268.73	8,268.73
			18,411.20	10,191.33	10,191.33
<u>Department of Environmental Protection:</u>					
Clean Communities Program - 2009	4900-765-042-4900	20,117.00		1,220.23	20,117.00
Clean Communities Program - 2010	4900-765-042-4900	15,767.97		15,767.97	15,767.97
Clean Communities Program - 2011	4900-765-042-4900	25,715.19	20,535.58	5,206.35	5,206.35
Recycling Tonnage Grant - 2010	4900-752-042-4900	20,161.34		1,462.40	1,462.40
Recycling Tonnage Grant - 2011	4900-752-042-4900	19,271.00	19,271.00		
			39,806.58	23,656.95	42,553.72
<u>Department of Law and Public Safety:</u>					
Drunk Driving Enforcement Fund - 2008	1110-100-066-1110	2,607.04		962.23	2,607.04
Drunk Driving Enforcement Fund - 2011	1110-100-066-1110	7,730.80	7,730.80	746.72	746.72
Click It Or Ticket - 2011	1160-100-066-1160	4,000.00	4,000.00	4,000.00	4,000.00
ABC Grant - 2008/2009		6,000.00	1,200.00	600.00	5,940.00
Body Armor Replacement Fund - 2009	1020-718-066-1020	2,721.35		1,270.40	2,721.35
Body Armor Replacement Fund - 2010	1020-718-066-1020	3,891.42		929.60	3,891.42
Body Armor Replacement Fund - 2011	1020-718-066-1020	2,800.60	2,800.60		2,800.60
			15,731.40	8,508.95	19,694.71
<u>Department of Transportation:</u>					
Various Road Improvements 2007-3		205,000.00		284.00	185,755.88
Various Road Improvements 2009-5		218,000.00	105,190.36	1,303.00	208,173.07
Various Road Improvements 2010-3		400,000.00		46,146.00	345,462.91
Various Road Improvements 2011-7		950,000.00	105,190.36	202,818.00	552,120.41
			105,190.36	250,551.00	1,291,512.27
			179,139.54	292,908.23	1,363,952.03

BOROUGH OF METUCHEN

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Metuchen, County of Middlesex, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current and General Capital Funds in 2011.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 6,800.00	\$ 73,949.18	\$ 539,144.00	\$ 619,893.18
General Capital Fund		<u>105,190.36</u>		<u>105,190.36</u>
	<u>\$ 6,800.00</u>	<u>\$ 179,139.54</u>	<u>\$ 539,144.00</u>	<u>\$ 725,083.54</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 8,650.00	\$ 42,357.23	\$ 352,201.37	\$ 403,208.60
General Capital Fund		<u>250,551.00</u>		<u>250,551.00</u>
	<u>\$ 8,650.00</u>	<u>\$ 292,908.23</u>	<u>\$ 352,201.37</u>	<u>\$ 653,759.60</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

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BOROUGH OF METUCHEN

PART III

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 500,000.00	0.92%	\$ 375,000.00	0.70%
Miscellaneous - From Other Than Local Property Tax Levies	3,846,768.16	7.05%	4,602,367.99	8.64%
Collection of Delinquent Taxes and Tax Title Liens	741,253.06	1.36%	720,983.28	1.35%
Collections of Current Tax Levy	<u>49,462,260.83</u>	<u>90.67%</u>	<u>47,573,112.66</u>	<u>89.31%</u>
<u>Total Revenue</u>	<u>\$ 54,550,282.05</u>	<u>100.00%</u>	<u>\$ 53,271,463.93</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 14,078,441.45	26.12%	\$ 14,002,414.39	26.73%
County Taxes	7,724,725.24	14.33%	6,958,753.64	13.28%
Local School District Taxes	31,998,104.00	59.37%	31,162,165.00	59.49%
Other Expenditures	<u>99,040.93</u>	<u>0.18%</u>	<u>262,125.90</u>	<u>0.50%</u>
<u>Total Expenditures</u>	<u>\$ 53,900,311.62</u>	<u>100.00%</u>	<u>\$ 52,385,458.93</u>	<u>100.00%</u>
Excess in Revenue	\$ 649,970.43		\$ 886,005.00	
Fund Balance - January 1	<u>1,160,396.00</u>		<u>649,391.00</u>	
	\$ 1,810,366.43		\$ 1,535,396.00	
Less: Utilization as Anticipated Revenue	<u>500,000.00</u>		<u>375,000.00</u>	
Fund Balance, December 31	<u>\$ 1,310,366.43</u>		<u>\$ 1,160,396.00</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SWIM POOL UTILITY OPERATING FUND

	<u>YEAR 2011</u>		<u>YEAR 2010</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 55,176.00	14.43%	\$ 40,000.00	10.48%
Collection of Pool Membership & Guest Fees	299,227.00	78.29%	305,490.75	79.99%
Miscellaneous	<u>27,839.34</u>	<u>7.28%</u>	<u>36,401.16</u>	<u>9.53%</u>
<u>Total Revenue</u>	<u>\$ 382,242.34</u>	<u>100.00%</u>	<u>\$ 381,891.91</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 328,088.00	90.97%	\$ 279,993.00	93.62%
Capital Improvements	16,200.00	4.49%	6,500.00	2.17%
Statutory Expenditures	16,388.00	4.54%	12,240.00	4.09%
Other Expenditures	<u> </u>	<u> </u>	<u>346.00</u>	<u>0.12%</u>
<u>Total Expenditures</u>	<u>\$ 360,676.00</u>	<u>100.00%</u>	<u>\$ 299,079.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 21,566.34		\$ 82,812.91	
Fund Balance - January 1	<u>109,722.34</u>		<u>66,909.43</u>	
	\$ 131,288.68		\$ 149,722.34	
Less: Utilization as Anticipated Revenue	<u>55,176.00</u>		<u>40,000.00</u>	
Fund Balance, December 31	<u>\$ 76,112.68</u>		<u>\$ 109,722.34</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ <u>5.143</u>	\$ <u>4.946</u>	\$ <u>4.772</u>
Municipal	\$ 0.994	\$ 1.034	\$ 0.959
Municipal Library	0.078		
County	0.719	0.665	0.654
County Open Space	0.071	0.048	0.075
Local School	<u>3.281</u>	<u>3.199</u>	<u>3.084</u>

Assessed Valuations:

2011	<u>\$975,372,560.00</u>
2010	<u>\$974,147,309.00</u>
2009	<u>\$976,007,097.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will 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>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 50,324,655.16	\$ 49,462,260.83	98.29%
2010	48,337,482.50	47,573,112.66	98.42%
2009	46,795,496.70	46,033,120.59	98.37%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$92,604.05	\$794,392.45	\$886,996.50	1.76%
2010	80,782.12	748,264.80	829,046.92	1.72%
2009	80,147.01	739,180.18	819,327.19	1.75%

PROPERTY ACQUIRED BY TAX LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2011	\$350,300.00
2010	350,300.00
2009	350,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance Current Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$1,313,366.43	\$650,000.00
2010	1,160,396.00	500,000.00
2009	649,391.00	375,000.00
2008	521,525.38	400,000.00
2007	382,453.00	412,000.00

<u>Year</u>	<u>Balance Swim Pool Utility Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$76,112.68	\$72,619.00
2010	109,722.34	55,176.00
2009	66,909.43	40,000.00
2008	49,134.15	40,000.00
2007	76,938.00	57,723.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Thomas Vahalla	Mayor	*
Peter Cammarano	Council President	*
Justin Manley	Councilmember 1/1/11 to 2/22/11	*
John Muldoon	Councilmember 1/1/11 to 11/8/11	*
Stanley Lease	Councilmember from 3/7/11	*
Ronald Grayzel	Councilmember from 11/9/11	*
Dorothy Rasmussen	Councilmember	*
Sheri-Rose Rubin	Councilmember	*
James Wallace	Councilmember	*
William E. Boerth	Borough Administrator	*
Kathryn Harris	Borough Clerk	*
Rebecca Cuthbert	Tax Collector/Chief Financial Officer	*
Gary Price	Magistrate	
Sandra Hehn	Court Administrator to 2/28/11	
Anne Tucker	Court Administrator from 4/4/11	
William Feingold	Prosecutor	
Denis G. Murphy	Borough Attorney	*
John Soltesz	Acting Construction Code Official to 3/21/11	*
John Soltesz	Construction Code Official from 6/6/11	*
Robert Sweeney	Tax Assessor	*
James Keane	Police Chief to 3/31/11	*
Robin Scott Rentenberg	Police Chief from 4/5/11	*
Rob Donnan	Fire Chief	*

* Officials and employees handling and collecting funds are covered by the Middlesex County JIF blanket coverage up to \$1,000,000.00.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A.40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. 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 indicate that bids were requested by public advertising for the following items in 2011:

Crosswalks and Signage Improvements	Repair of Fire Apparatus
Pool Maintenance	Ramp and Concrete Improvements
Sanitation Truck	Road Improvement Program
Wheel Loader Backhoe	Dump Body and Chassis Truck

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or 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.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6".

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

Borough Attorney	Bond Counsel
Borough Engineer	Labor Counsel
Borough Prosecutor	Borough Planner
Borough Auditor	Other Consulting Services

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2011 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

“WHEREAS, under N.J.S.A. 54:4-67 the Governing Body may fix the rate of interest to be charged for the nonpayment of taxes or assessments;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Metuchen that the interest rate to be charged by the Borough of Metuchen on delinquent taxes, assessment and other municipal liens, is hereby fixed at 8% per annum on the first \$1,500 on the delinquency and 18% on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment, effective immediately”

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 15, 2011 and was complete.

The following comparison is made up 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	Data Unavailable
2010	3
2009	3

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 tax paying 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, including the mailing of verification notices as follows:

<u>Type</u>	
Information Tax Positive Confirmation	25
Delinquent Tax Positive Confirmation	10

OTHER COMMENTS

Reference to the various balance sheets show interfund balances remaining at year end, if applicable. Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule all interfund balances should be closed out as of the end of year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis. The Borough did not have any interfund balances as of December 31, 2011.

PAYROLL

As a result of inadequate staffing in the payroll department during 2011, the Borough was unable to maintain an analysis of the balance in the payroll agency account.

DEPARTMENTS

Certain departments within the Borough are not consistently maintaining detailed and accurate receipts ledgers. Our audit also noted instances where the proper fees are not being charged.

RECOMMENDATIONS

That the Borough maintain a detailed and accurate analysis of the balance in the payroll agency account.

That all departments within the Borough maintain detailed and accurate receipts ledgers and charge the approved fees.

