

**TOWNSHIP OF MEDFORD
COUNTY OF BURLINGTON**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2010**

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Medford
Medford, NJ 08055

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Medford, in the County of Burlington, State of New Jersey as of December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, and statement of expenditures-- regulatory basis for the year ended December 31, 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because the testing of the fixed asset inventory yielded several exceptions where assets could not be located and/or properly identified. The projected error is material to the financial statements and the correct amount that should be reported as general fixed assets is not known.

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

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

Furthermore, in our opinion, except for the effect on the financial statements of the omission described in the third paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Medford, in the County of Burlington, State of New Jersey, as of December 31, 2010 and 2009, and the results of its operations and changes in fund balance of such funds-- regulatory basis for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 7, 2011 on our consideration of the Township of Medford, in the County of Medford, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Medford's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



Robert P. Nehila, Jr.,
 Certified Public Accountant
 Registered Municipal Accountant

Voorhees, New Jersey
 September 7, 2011

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Township Council
Township of Medford
Medford, New Jersey 08055

We have audited the financial statements (regulatory basis) of the Township of Medford, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated September 7, 2011, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the financial statements do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because the testing of the fixed asset inventory yielded several exceptions where assets could not be located and/or properly identified. The projected error is material to the financial statements and the correct amount that should be reported as general fixed assets is not known. Except as described above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2010-1 and 2010-2.

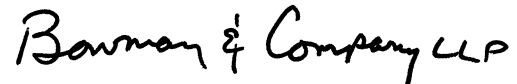
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Medford's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs as findings no.: 2010-1 and 2010-2

The Township of Medford's response to the findings identified in our report are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Township of Medford's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila Jr.,
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 7, 2011

TOWNSHIP OF MEDFORD
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

ASSETS:	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Cash	SA-1	\$ 5,565,097.56	\$ 10,815,392.95
Cash -- Birchwood Lake Dam	SA-1	208,193.93	183,496.54
Cash -- Change Fund	SA-2	400.00	400.00
		<u>5,773,691.49</u>	<u>10,999,289.49</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	1,377,591.00	1,327,770.06
Tax Title Liens	SA-4	222,917.82	197,805.83
Property Acquired for Taxes -- Assessed Valuation	A	371,400.00	371,400.00
Revenue Accounts Receivable	SA-5	22,855.65	30,045.24
Due from Federal and State Grant Fund	SA-17	1,019.81	1,744.83
Due from Trust -- Animal Control Fund	SB-3	2,292.80	2,295.94
Due from Utility Capital Fund	SA-1		1,823,035.99
Due from Trust -- Other Funds	SB-5	392,740.46	105,784.22
Due from Municipal Open Space Trust Fund	SB-8	71,688.67	
Due from General Capital Fund	SC-8		20,116.78
		<u>2,462,506.21</u>	<u>3,879,998.89</u>
Deferred Charges:			
Special Emergency Authorizations (5 Year - N.J.S. 40A:4-53)	SA-20	80,000.00	100,000.00
		<u>80,000.00</u>	<u>100,000.00</u>
		<u>8,316,197.70</u>	<u>14,979,288.38</u>
Federal and State Grant Fund:			
Cash	SA-1	160,306.44	437,931.34
State Grant Funds Receivable	SA-16	365,853.79	415,587.74
		<u>526,160.23</u>	<u>853,519.08</u>
		<u>\$ 8,842,357.93</u>	<u>\$ 15,832,807.46</u>

(Continued)

TOWNSHIP OF MEDFORD
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-6	\$ 1,323,603.13	\$ 1,076,304.99
Reserve for Encumbrances	SA-21	572,863.92	769,193.56
Accounts Payable	SA-1,SA-6	42,688.90	44,845.15
Tax Overpayments	SA-7	11,812.77	4,305.63
Prepaid Taxes	SA-8	562,364.36	633,912.41
Due to State of New Jersey-Senior Citizens/Veterans Deductions	SA-9	90,556.59	86,078.88
Due County for Added and Omitted Taxes	SA-10	43,431.21	44,047.84
Due to State of New Jersey -- Marriage Licenses	SA-1	400.00	375.00
Due to State of New Jersey -- Burial Permit Fees	SA-1		180.00
Due to State of New Jersey -- Construction Code Fees	SA-1	6,799.00	8,557.00
Due to Municipal Open Space Trust Fund	SB-8		141,762.08
Due to Sewer Connection Trust Fund	D	30,390.21	30,390.21
Due to General Capital Fund	SC-8	173,177.11	
Local District School Taxes Payable	SA-12		115,498.88
Regional High School Taxes Payable	SA-13		227,601.00
Reserve for:			
Library State Aid	A	3,300.00	3,300.00
Garden State Trust	A-2		14,763.70
Insurance Claims	SA-1	34,685.89	30,683.33
Election Workers	SA-1	762.12	930.07
New Jersey Saver Rebates	A	1,200.00	1,200.00
Payment of Debt Service	A-2,SA-1	491,531.94	816,531.94
Municipal Court -- POAA	SA-14	714.00	674.00
Purchase of Public Safety Equipment	SA-15	5,775.00	6,775.00
Tax Map	A	9.44	9.44
Homeowners Dam Restoration	SA-1	208,193.93	183,496.54
		3,604,259.52	4,241,416.65
Reserves for Receivables and Other Assets	A	2,462,506.21	3,879,998.89
Fund Balance	A-1	2,249,431.97	6,857,872.84
		8,316,197.70	14,979,288.38
Federal and State Grant Fund:			
Due to Current Fund	SA-17	1,019.81	1,744.83
Reserve for Encumbrances	SA-19	13,934.34	342,909.20
Unappropriated Reserves	SA-18	125,423.13	123,245.97
Appropriated Reserves	SA-19	385,782.95	385,619.08
		526,160.23	853,519.08
		\$ 8,842,357.93	\$ 15,832,807.46

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

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

	<u>2010</u>	<u>2009</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 6,757,825.00	\$ 6,881,500.00
Miscellaneous Revenues Anticipated	7,191,623.01	6,736,722.15
Receipts from Delinquent Taxes and Tax Title Liens	1,266,103.97	991,726.81
Receipts from Current Taxes	77,173,952.91	75,618,616.65
Non-Budget Revenue	400,611.96	1,070,316.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	697,681.16	944,628.94
Liquidation of Interfunds	143,550.42	20,691.10
Tax Overpayments Canceled	39,845.15	12,221.44
	<u>93,671,193.58</u>	<u>92,276,423.66</u>
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	8,071,586.00	7,660,888.00
Other Expenses	7,744,748.00	7,890,925.00
Deferred Charges and Statutory Expenditures	1,841,422.67	1,684,397.22
Excluded from "CAPS":		
Operations:		
Salaries and Wages	482,351.37	520,148.19
Other Expenses	400,062.35	589,253.48
Capital Improvements	190,000.00	190,000.00
Deferred Charges and Statutory Expenditures	20,000.00	70,000.00
Municipal Debt Service	3,673,968.04	3,454,385.96
Regional High School Tax	16,439,074.97	10,919,499.74
Local District School Tax	38,640,836.58	37,339,544.08
County Taxes	12,954,318.75	12,717,381.86
Due County for Added and Omitted Taxes	43,431.21	44,047.84
Municipal Open Space Trust Fund Tax	536,159.12	536,408.73
Creation of Interfund and Other Assets	481,350.39	1,971,420.72
Refund of PY Revenue	1,750.00	
Prior Year Senior Citizens and Veterans' Deductions Disallowed	750.00	250.00
	<u>91,521,809.45</u>	<u>85,588,550.82</u>
Excess in Revenue	2,149,384.13	6,687,872.84
FUND BALANCE:		
Balance January 1,	<u>6,857,872.84</u>	<u>7,051,500.00</u>
	9,007,256.97	13,739,372.84
Decreased by:		
Utilized as Revenue	<u>6,757,825.00</u>	<u>6,881,500.00</u>
Balance December 31,	<u>\$ 2,249,431.97</u>	<u>\$ 6,857,872.84</u>

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

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>		
Fund Balance Anticipated	\$ 6,757,825.00		\$ 6,757,825.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	28,000.00		25,188.00	\$ (2,812.00)
Fees and Permits:				
Other	69,000.00		82,903.19	13,903.19
Fines and Costs:				
Municipal Court	403,129.00		446,581.90	43,452.90
Interest and Costs on Taxes	208,000.00		288,990.88	80,990.88
Interest on Investments and Deposits	342,000.00		153,428.00	(188,572.00)
Recreation Fees	110,000.00		100,171.19	(9,828.81)
Alarm Fees	15,990.00		18,870.00	2,880.00
Tower Rental	128,000.00		133,504.60	5,504.60
Cable Television Fees	220,000.00		265,362.52	45,362.52
Emergency Medical Service Billing Income	580,000.00		609,449.42	29,449.42
Consolidated Municipal Property Tax Relief Aid	158,092.00		158,092.00	
Energy Receipts Tax	1,823,201.00		1,823,201.00	
Reserve for Payment in Lieu of Taxes - Garden State Trust	14,763.00		14,763.70	0.70
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	272,000.00		349,743.00	77,743.00
Interlocal Services Agreement - Police Salaries:				
Lenape Regional High School	207,009.00		293,234.00	86,225.00
Uniform Fire Safety Act	51,800.00		51,096.90	(703.10)
Reserve for Payment of Debt Service - Current Fund	325,000.00		325,000.00	
Reserve for Purchase of Public Safety Equipment	6,775.00		6,775.00	
Liquidation of Reserve for Due from Trust Other Fund	115,000.00			(115,000.00)
Liquidation of Reserve for Due from Utility Capital Fund	1,823,035.99		1,823,035.99	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
State and Federal Revenue Off-Set with Appropriations:				
Clean Communities Program	50,550.00		50,550.00	
Municipal Alliance on Alcohol and Drug Abuse	20,000.00		20,000.00	
Handicapped Recreation Opportunities Grant	9,000.00		9,000.00	
COPS-in-Shops	6,500.00		6,500.00	
Body Armor Grant	1,720.00	\$ 4,442.35	6,162.35	
New Jersey Motor Vehicle Security and Customer Service Act	83,300.00		83,300.00	
Emergency Management Assistant Fund	5,000.00		5,000.00	
Bulletproof Vest Partnership Grant	4,352.00		4,352.00	
Clickit or Ticket	4,000.00		4,000.00	
Pedestrian Decoy Mobilization Grant	8,000.00		8,000.00	
Walmart Foundation Grant		1,600.00	1,600.00	
Nixle Grant		10,000.00	10,000.00	
Drunk Driving Enforcement Fund		8,767.37	8,767.37	
Over the Limit Under Arrest		5,000.00	5,000.00	
	<u>7,093,216.99</u>	<u>29,809.72</u>	<u>7,191,623.01</u>	<u>68,596.30</u>
Receipts from Delinquent Taxes	<u>1,252,000.00</u>		<u>1,266,103.97</u>	<u>14,103.97</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>8,824,220.41</u>		<u>8,974,695.39</u>	<u>150,474.98</u>
Budget Totals	<u>23,927,262.40</u>	<u>29,809.72</u>	<u>24,190,247.37</u>	<u>233,175.25</u>
Non-Budget Revenue			<u>400,611.96</u>	<u>400,611.96</u>
	<u>\$ 23,927,262.40</u>	<u>\$ 29,809.72</u>	<u>\$ 24,590,859.33</u>	<u>\$ 633,787.21</u>

(Continued)

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 77,173,952.91
Allocated to:	
County, School and Municipal Open Space Taxes	69,697,863.25

Amount for Support of Municipal Budget Appropriations	7,476,089.66
Add: Appropriation "Reserve for Uncollected Taxes"	1,498,605.73

Amount for Support of Municipal Budget Appropriations	\$ 8,974,695.39
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,262,483.01
Tax Title Lien Collections	3,620.96

\$ 1,266,103.97

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Copy Costs	\$ 2,583.33
Prior Year Refunds and Reimbursements	359,045.19
Driveway Cut Fees	150.00
Payment in Lieu of Taxes	2,700.00
Miscellaneous	37.10
Bid/Auction Sales	36,096.34

\$ 400,611.96

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

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

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS -- WITHIN "CAPS:"</u>						
<u>General Government Functions</u>						
<u>Department of Administration:</u>						
<u>Office of the Manager:</u>						
Salaries and Wages	98,211.00	\$ 102,501.00	\$ 89,659.26		\$ 12,841.74	
Other Expenses	22,950.00	22,950.00	4,737.77		17,286.66	
Human Resources:						
Salaries and Wages	20,105.00	21,174.00	20,875.09		298.91	
Other Expenses	2,350.00	2,350.00	2,091.39	53.50	205.11	
Mayor and Council:						
Salaries and Wages	16,465.00	17,192.00	16,783.66		408.34	
Other Expenses	2,250.00	2,250.00	1,692.76	175.00	382.24	
Office of the Clerk:						
Salaries and Wages	63,690.00	65,673.00	48,734.75		16,938.25	
Other Expenses	57,650.00	57,812.00	40,577.55	5,633.00	11,601.45	
Other Expenses -- Elections	12,000.00	12,000.00	12,000.00			
<u>Department of Finance:</u>						
<u>Office of the Treasurer:</u>						
Salaries and Wages	81,584.00	88,182.00	81,075.07		7,106.93	
Other Expenses	20,580.00	21,050.00	17,530.94	162.71	3,356.35	
Audit Services	39,000.00	44,500.00	14,875.00		29,625.00	
Revenue Administration:						
Salaries and Wages	61,494.00	67,494.00	65,494.60		1,999.40	
Other Expenses	10,290.00	10,290.00	7,362.04	98.38	2,829.58	
Division of Assessments:						
Salaries and Wages	133,579.00	133,579.00	128,206.62		5,372.38	
Other Expenses	26,450.00	38,450.00	22,316.67	4,740.00	11,393.33	
Legal Services and Costs:						
Other Expenses	163,000.00	263,000.00	240,773.59	5,406.10	16,820.31	
Engineering Services and Costs:						
Other Expenses	45,000.00	65,000.00	36,846.15		28,153.85	
Historic Advisory Board:						
Other Expenses	500.00	500.00			500.00	
Division of Planning:						
Salaries and Wages	73,323.00	73,323.00	53,469.08		19,853.92	
Other Expenses	453,450.00	423,450.00	377,827.27	29,917.32	15,705.41	
Division of Zoning:						
Other Expenses	59,000.00	50,400.00	18,320.46	1,213.75	30,865.79	
<u>Department of Public Safety:</u>						
<u>Police:</u>						
Salaries and Wages	4,903,960.00	4,727,735.00	4,445,206.11		282,528.89	
Other Expenses	319,013.00	284,013.00	185,145.95	72,435.37	26,431.68	
Public Safety Director						
Salaries and Wages	117,635.00	117,635.00	104,088.44		13,546.56	
Other Expenses	2,400.00	2,400.00	1,322.83	445.00	632.17	
<u>Fire:</u>						
Other Expenses	164,914.00	164,914.00	138,699.81	21,669.45	4,544.74	
First Aid Organizations:						
Salaries and Wages	122,178.00	112,178.00	100,192.62		11,985.38	
Other Expenses	141,804.00	141,804.00	72,921.10	41,655.52	27,227.38	

(Continued)

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

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Department of Public Safety (Cont'd):</u>						
Emergency Management Services:						
Other Expenses						
Uniform Fire Safety Act: (PL 1983 C. 383)	\$ 2,750.00	\$ 2,750.00	\$ 1,740.66	\$ 1,009.34		
Salaries and Wages	535,954.00	535,954.00	515,257.37		\$ 20,696.63	
Other Expenses	21,974.00	21,974.00	20,398.37	1,545.67	29.96	
Prosecutor						
Other Expenses -- Professional Services	31,000.00	31,000.00	23,064.00		7,936.00	
<u>Department of Public Works:</u>						
Road Repairs and Maintenance:						
Salaries and Wages	309,462.00	309,462.00	286,986.15		22,475.85	
Other Expenses	139,450.00	139,450.00	102,628.71	20,995.94	15,825.35	
Snow Removal:						
Salaries and Wages	85,000.00	85,000.00	53,554.31		31,445.69	
Other Expenses	357,000.00	357,000.00	283,494.05	72,150.00	1,355.95	
Sanitation:						
Salaries and Wages	643,888.00	543,888.00	425,296.80		118,591.20	
Other Expenses	210,191.00	210,191.00	183,540.13	2,503.25	24,147.62	
Buildings and Grounds:						
Salaries and Wages	116,142.00	116,142.00	103,338.13		12,803.87	
Other Expenses	152,400.00	152,787.00	99,447.16	41,950.43	11,389.41	
Shade Tree Program:						
Salaries and Wages	42,497.00	42,497.00	37,297.60		5,199.40	
Other Expenses	1,800.00	1,800.00	115.00		1,685.00	
Vehicle Maintenance:						
Salaries and Wages	147,707.00	147,707.00	125,656.58		22,050.42	
Other Expenses	464,050.00	465,145.00	351,688.25	97,685.44	15,771.31	
<u>Health and Human Services</u>						
Environmental Commission (NJS 40:56A-1):						
Other Expenses	420.00	420.00	280.00		140.00	
<u>Department of Parks, Recreation and Education:</u>						
Recreation Programs:						
Salaries and Wages	225,005.00	230,905.00	224,805.82		6,099.18	
Other Expenses	75,970.00	69,970.00	44,556.35	3,900.28	21,513.37	
Parks and Playgrounds:						
Salaries and Wages	190,654.00	200,254.00	193,359.07		6,894.93	
Other Expenses	66,450.00	66,450.00	48,841.89	10,333.42	7,274.69	
Landfill/Solid Waste Disposal	887,880.00	857,880.00	702,411.97		155,468.03	
Economic Development Committee						
Other Expenses	1,500.00	1,500.00	803.37	650.00	46.63	
Community Services						
Other Expenses	30,320.00	30,320.00	30,318.88		1.12	
Municipal Court						
Salaries and Wages	123,374.00	123,374.00	109,644.08		13,729.92	
Other Expenses	56,529.00	40,625.00	37,480.61	1,780.00	1,364.39	
<u>Insurance:</u>						
Group Insurance Plan for Employees	1,387,907.00	1,649,537.00	1,637,731.79		11,805.21	
Liability	349,300.00	267,963.00	259,885.00		8,078.00	
Workman's Compensation	276,000.00	276,000.00	276,000.00			
Retirement Health Benefits	477,000.00	477,000.00	477,000.00			
Hepatitis Vaccination:						
Other Expenses	2,000.00	2,000.00			2,000.00	

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

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<u>Uniform Construction Code Appropriations Offset</u>					
<u>By Dedicated Revenues (NJAC 5:23-4.17):</u>					
Construction Code Official:					
Salaries and Wages	\$ 201,737.00	\$ 204,737.00	\$ 195,533.68	\$ 9,203.32	
Other Expenses:					
Direct Costs	137,600.00	115,100.00	112,761.33	\$ 774.40	1,564.27
Indirect Costs	21,854.00				
<u>Unclassified</u>					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	10,300.00	10,300.00	5,459.99	100.00	4,740.01
Utilities:					
Electric	155,000.00	164,631.00	131,086.07		33,544.93
Street Lighting	190,294.00	190,294.00	180,405.86	460.35	9,427.79
Telephone and Telegraph	50,000.00	51,633.00	51,633.00		
Water and Sewer	11,000.00	11,936.00	11,523.05		412.95
Heating Gas / Oil	66,400.00	66,884.00	44,718.69	547.77	21,617.54
Gasoline / Diesel Fuel	380,000.00	380,000.00	277,968.08	50,604.22	51,827.70
Safety Supplies	6,775.00	6,775.00	3,432.26	3,342.74	
Catastrophic Illness Fund (R.S. 26:2-48)	500.00	500.00	341.00		159.00
Accumulated Compensated Leave					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Cultural Arts Commission:					
Other Expenses	17,800.00	17,800.00	17,550.00	250.00	
Total Operations -- Within "CAPS"	15,899,659.00	15,816,334.00	14,042,461.69	494,863.92	1,279,008.39
<u>Detail:</u>					
Salaries and Wages	8,318,644.00	8,071,586.00	7,429,514.89		642,071.11
Other Expenses (Including Contingent)	7,581,015.00	7,744,748.00	6,612,946.80	494,863.92	636,937.28
<u>Deferred Charges:</u>					
Deficit in Animal Control Fund	1,315.67	1,315.67	1,315.67		
Deficit in Trust Other Funds:					
Net Payroll Trust Fund	76,740.00	76,740.00	76,739.39		0.61
<u>Statutory Expenditures:</u>					
Contribution to:					
Public Employees Retirement Service	209,382.00	209,382.00	209,382.00		
Social Security System (O.A.S.I.)	685,000.00	647,500.00	619,204.28		28,295.72
Police and Fireman's Retirement System of N.J.	871,485.00	871,485.00	871,485.00		
Unemployment	35,000.00	35,000.00	35,000.00		
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	1,878,922.67	1,841,422.67	1,813,126.34	-	28,296.33
Total General Appropriations for Municipal Purposes Within -- "CAPS"	17,778,581.67	17,657,756.67	15,855,588.03	494,863.92	1,307,304.72
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>					
Public Employees Retirement Service	16,497.00	16,497.00	16,497.00		1.00
Police and Fireman's Retirement System of N.J.	85,008.00	85,008.00	85,007.00		1.00
Landfill Fees - Recycling Tax	40,500.00	40,500.00	24,202.59		16,297.41
Employee Group Health	140,143.00	140,143.00	140,143.00		0.00
LOSAP	78,000.00	78,000.00		78,000.00	
Interlocal Service Agreement					
Police Salaries - Lenape Regional High School District	207,009.00	293,234.00	293,234.00		

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

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS" (CONTD)					
State and Federal Programs Offset by Revenue:					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
Township Share	5,000.00	5,000.00	5,000.00		
Drunk Driving Enforcement Grant (NJS 40A:4-87 \$8,767.37)	50,550.00	50,550.00	8,767.37		
Clean Communities Grant	83,300.00	83,300.00	50,550.00		
NJ DEP National Recreation Trails Program	6,500.00	6,500.00	83,300.00		
NJ Motor Vehicles Security and Customer Service Grant	1,720.00	6,500.00	6,500.00		
COPS in Shops	10,800.00	6,162.35	6,162.35		
Body Armor Grant (NJS 40A:4-87 \$4,442.35)	8,000.00	10,800.00	10,800.00		
Handicapped Recreation Opportunities Grant	8,000.00	8,000.00	8,000.00		
Pedestrian Decoy Mobilization Grant	4,352.00	4,352.00	4,352.00		
Bulletproof vest Partnership Grant	4,000.00	4,000.00	4,000.00		
Click It or Ticket	1,600.00	1,600.00	1,600.00		
Firefighters Grant (NJS 40A:4-87 \$1,600.00)	10,000.00	10,000.00	10,000.00		
Nixie Grant (NJS 40A:4-87 \$10,000)	5,000.00	5,000.00	5,000.00		
Over the Limit Under Arrest (NJS 40A: 4-87 \$5,000.00)	5,000.00	5,000.00	5,000.00		
Emergency Management					
Total Operations -- Excluded from "CAPS"	766,379.00	882,413.72	788,115.31	\$ 78,000.00	\$ 16,298.41
Detail:					
Salaries and Wages	372,359.00	482,351.37	482,351.37		
Other Expenses	292,515.00	400,062.35	204,259.94	78,000.00	16,297.41
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"					
Capital Improvement Fund	190,000.00	190,000.00	190,000.00		
Total Capital Improvements -- Excluded from "CAPS"	190,000.00	190,000.00	190,000.00	-	-
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,565,389.00	2,599,989.00	2,566,165.68		\$ 33,823.32
Interest on Bonds	926,837.00	926,837.00	926,836.45		0.55
Interest on Notes	181,470.00	181,470.00	180,965.91		504.09
Total Municipal Debt Service -- Excluded from "CAPS"	3,673,696.00	3,708,296.00	3,673,968.04	-	34,327.96

(Continued)

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

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<u>DEFERRED CHARGES -- EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
Total Deferred Charges - Municipal - Excluded from CAPS	20,000.00	20,000.00		-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,650,075.00	4,800,709.72	4,672,083.35	\$ 78,000.00	\$ 16,298.41
Subtotal General Appropriations	22,428,656.67	22,458,466.39	20,527,671.38	572,863.92	1,323,603.13
Reserve for Uncollected Taxes	1,498,605.73	1,498,605.73	1,498,605.73		
Total	\$ 23,927,262.40	\$ 23,957,072.12	\$ 22,026,277.11	\$ 572,863.92	\$ 1,323,603.13
Budget Appropriation by 40A:4-87		\$ 23,927,262.40			
		29,809.72			
		\$ 23,957,072.12			
Reserve for Federal and State Grant Fund--Appropriated Disbursed			\$ 222,231.72		
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)			20,104,473.75		
Due General Capital Fund - Note Interest			20,000.00		
Reserve for Uncollected Taxes			180,965.91		
			1,498,605.73		
			\$ 22,026,277.11		

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

TOWNSHIP OF MEDFORD
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 6,566.15	\$ 909.37
Deferred Charges - Deficit in Animal Control Fund	SB-2		1,315.67
Due From State of New Jersey	SB-4	42.10	70.90
		<u>6,608.25</u>	<u>2,295.94</u>
Other Funds:			
Cash	SB-1	2,573,330.30	1,921,609.16
Deferred Charges:			
Deficit - Health Benefits Trust	SB-6	122,612.03	76,739.38
Deficit - Net Payroll	SB-6		0.01
		<u>2,695,942.33</u>	<u>1,998,348.55</u>
Municipal Open Space Fund:			
Cash	SB-1	987,275.09	403,044.40
Due Current Fund	SB-8		141,762.08
		<u>987,275.09</u>	<u>544,806.48</u>
		<u>\$ 3,689,825.67</u>	<u>\$ 2,545,450.97</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 2,292.80	\$ 2,295.94
Reserve for Animal Control Expenditures	SB-2	4,315.45	
		<u>6,608.25</u>	<u>2,295.94</u>
Other Funds:			
Due to Current Fund	SB-5	392,740.46	105,784.22
Due to General Capital Fund	C	25,000.00	25,000.00
Miscellaneous Trust Other Reserves	SB-6	2,278,201.87	1,867,564.33
		<u>2,695,942.33</u>	<u>1,998,348.55</u>
Municipal Open Space Fund:			
Encumbrances	B-3,SB-9	8,047.25	25,183.24
Appropriation Reserves	B-3,SB-9	55,053.34	63,917.43
Due Current Fund	SB-8	71,688.67	
Reserve for Future Use	B-1,SB-7	852,485.83	455,705.81
		<u>987,275.09</u>	<u>544,806.48</u>
		<u>\$ 3,689,825.67</u>	<u>\$ 2,545,450.97</u>

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

TOWNSHIP OF MEDFORD
TRUST -- MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 536,159.12	\$ 536,408.73
Reserve Funds Anticipated		396,577.30
Interest Income	1,262.97	1,793.38
Miscellaneous	902,240.00	537,951.39
Unexpended Balance of Appropriation Reserves	<u>71,569.43</u>	<u>54,414.51</u>
 Total Income	 <u>1,511,231.52</u>	 <u>1,527,145.31</u>
EXPENDITURES:		
Budget Appropriations:		
Salary and Wages	174,999.00	168,818.00
Other Expenses	127,500.00	127,000.00
Acquisition of Farmland	55,000.00	65,000.00
Debt Service	755,248.00	816,951.00
Acquisition of Open Space Paid Directly from Reserve	<u>1,704.50</u>	<u>22,057.18</u>
 Total Expenditures	 <u>1,114,451.50</u>	 <u>1,199,826.18</u>
 Statutory Excess to Reserve	 396,780.02	 327,319.13
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>455,705.81</u>	<u>524,963.98</u>
	852,485.83	852,283.11
Decreased by:		
Reserve Funds Utilized as Revenue	<u>-</u>	<u>396,577.30</u>
 Balance December 31,	 <u><u>\$ 852,485.83</u></u>	 <u><u>\$ 455,705.81</u></u>

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

TOWNSHIP OF MEDFORD
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Maintenance of Lands for Recreation and Conservation:					
Salary and Wages	\$ 174,999.00	\$ 174,999.00	\$ 174,998.89		\$ 0.11
Other Expenses	<u>127,500.00</u>	<u>127,500.00</u>	<u>99,858.45</u>	\$ 8,047.25	<u>19,594.30</u>
	<u>302,499.00</u>	<u>302,499.00</u>	<u>274,857.34</u>	<u>8,047.25</u>	<u>19,594.41</u>
Capital Improvements:					
Acquisition of Farmland	<u>55,000.00</u>	<u>55,000.00</u>	<u>19,541.07</u>		<u>35,458.93</u>
Debt Service:					
Payment of Bond Principal	553,706.00	553,706.00	553,706.00		
Interest on Bonds	<u>201,542.00</u>	<u>201,542.00</u>	<u>201,542.00</u>		
	<u>755,248.00</u>	<u>755,248.00</u>	<u>755,248.00</u>		-
	<u>\$ 1,112,747.00</u>	<u>\$ 1,112,747.00</u>	<u>\$ 1,049,646.41</u>	<u>\$ 8,047.25</u>	<u>\$ 55,053.34</u>
Disbursed			\$ 834,407.32		
Due Current Fund:					
Disbursements made on-behalf of Open Space Trust Fund:					
Payment of Bond Principal			135,391.82		
Interest on Bonds			<u>79,847.27</u>		
			<u>\$ 1,049,646.41</u>		

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

TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

ASSETS:	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Cash	SC-1	\$ 5,572,922.47	\$ 8,482,187.27
Due from State of New Jersey Transportation Trust	SC-1	806,445.51	991,400.25
Due from County of Burlington	SC-6	285,000.00	85,000.00
Due from Community Development Block Grant	SC-1	37,700.00	93,000.00
Due from Trust Other Fund - Recreation Trust Fund	C	25,000.00	25,000.00
Due from Current Fund	SC-8	173,177.11	
Due Utility Capital Fund	D	15,415.73	15,415.73
Deferred Charges to Future Taxation:			
Funded	SC-3	26,144,886.61	29,263,981.00
Unfunded	SC-4	16,401,216.00	12,814,805.00
		<u>\$ 49,461,763.43</u>	<u>\$ 51,770,789.25</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
General Serial Bonds	SC-10	\$ 24,763,991.50	\$ 27,644,609.00
Loans Payable	SC-9	1,380,895.11	1,619,372.00
Bond Anticipation Notes	SC-11	12,098,000.00	12,098,000.00
Improvement Authorizations:			
Funded	SC-6	4,225,712.98	6,425,697.54
Unfunded	SC-6	4,809,308.09	2,201,152.45
Due to Current Fund	SC-8		20,116.78
Reserve for Encumbrances	SC-7	1,925,782.48	1,505,010.21
Reserve for Payment of Debt Service	C	22,735.05	22,735.05
Capital Improvement Fund	SC-5	32,285.00	31,043.00
Fund Balance	C	203,053.22	203,053.22
		<u>\$ 49,461,763.43</u>	<u>\$ 51,770,789.25</u>

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

ASSETS:	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Cash	SD-1	\$ 987,697.61	\$ 1,188,553.39
Insurance Claims	D	11,077.47	11,077.47
Due from Water and Sewer Connection Trust	SD-13	2,393,801.13	254,746.41
		<u>3,392,576.21</u>	<u>1,454,377.27</u>
Receivables with Full Reserves:			
Water and Sewer Rents Receivable	SD-3	1,907,873.35	1,380,288.49
		<u>5,300,449.56</u>	<u>2,834,665.76</u>
Assessment Trust Fund:			
Cash	SD-1	666.00	666.00
Sewer Connection Trust Fund:			
Cash	SD-1	2,682,860.92	2,685,046.20
Due Current Fund	A	30,390.21	30,390.21
		<u>2,713,251.13</u>	<u>2,715,436.41</u>
Capital Fund:			
Cash	SD-1	358,701.37	269,575.04
Fixed Capital	SD-6	28,770,436.93	28,742,732.07
Fixed Capital Authorized and Uncompleted	SD-5	52,122,476.03	47,602,476.03
Due from Water and Sewer Operating Fund	SD-15	93,596.27	94,689.15
Due New Jersey Infrastructure Loan	SD-1;SD-12	9,582,632.27	10,012,842.09
		<u>90,927,842.87</u>	<u>86,722,314.38</u>
		<u>\$ 98,942,209.56</u>	<u>\$ 92,273,082.55</u>

(Continued)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Liabilities:			
Reserves for Encumbrances	SD-4;D-3	\$ 302,006.38	\$ 213,356.84
Appropriation Reserves	SD-4;D-3	486,614.74	253,003.61
Accounts Payable	SD-4	2,483.61	
Accrued Interest on Bonds and Notes	SD-7	422,191.89	389,498.60
Reserve for Payment of Debt Service	D-2	0.36	342,286.36
Due to Water and Sewer Capital Fund	SD-15	93,596.27	94,689.15
		<u>1,306,893.25</u>	<u>1,292,834.56</u>
Reserve for Receivables	D	1,907,873.35	1,380,288.49
Fund Balance	D-1	2,085,682.96	161,542.71
		<u>5,300,449.56</u>	<u>2,834,665.76</u>
Assessment Trust Fund:			
Fund Balance	D	666.00	666.00
Sewer Connection Trust Fund:			
Due to Water and Sewer Operating Fund	SD-13	2,393,801.13	254,746.41
Accounts Payable - Due to Developers	D	73,450.00	73,450.00
Reserve for Sewer Connection Fees	SD-14	246,000.00	2,387,240.00
		<u>2,713,251.13</u>	<u>2,715,436.41</u>
Capital Fund:			
Serial Bonds	SD-11	14,724,007.50	15,846,390.00
Loans Payable	SD-12	20,684,518.18	14,092,374.17
Bond Anticipation Notes Payable	SD-16	1,305,000.00	
Due Current Fund	SD-1		1,823,035.99
Due General Capital Fund	D	15,415.73	15,415.73
Improvement Authorizations:			
Funded	SD-8	5,163,821.45	1,594,891.54
Unfunded	SD-8	2,473,512.57	7,487,335.00
Capital Improvement Fund	D	211,399.00	211,399.00
Reserve for Encumbrances	SD-9	3,713,139.65	7,115,697.51
Reserve for Amortization	SD-10	40,413,948.62	36,312,695.27
Deferred Reserve for Amortization	D	2,223,080.17	2,223,080.17
		<u>90,927,842.87</u>	<u>86,722,314.38</u>
		<u>\$ 98,942,209.56</u>	<u>\$ 92,273,082.55</u>

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUE AND OTHER INCOME REALIZED:		
Operating Surplus Anticipated	\$ 161,000.00	\$ 93,000.00
Water and Sewer Rents	5,043,146.96	4,014,127.85
Reserve for Payment of Debt Service	342,286.00	90,000.00
Miscellaneous	2,752,772.83	1,542,897.03
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	266,146.59	133,298.11
Total Income	8,565,352.38	5,873,322.99
EXPENDITURES:		
Operating	3,424,423.00	3,123,177.00
Capital Improvements	127,450.00	31,240.00
Debt Service	2,744,199.13	2,370,613.95
Deferred Charges and Statutory Expenditures	184,140.00	257,140.00
Total Expenditures	6,480,212.13	5,782,170.95
Excess in Revenues	2,085,140.25	91,152.04
FUND BALANCE:		
Balance January 1	161,542.71	163,390.67
	2,246,682.96	254,542.71
Decreased by:		
Utilized as Revenue	161,000.00	93,000.00
Balance December 31	\$ 2,085,682.96	\$ 161,542.71

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2010

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 161,000.00	\$ 161,000.00	
Water and Sewer Rents	5,395,147.00	5,043,146.96	\$ (352,000.04)
Reserve for Payment of Debt Service	342,286.00	342,286.00	
Miscellaneous	581,897.00	2,752,772.83	2,170,875.83
	<u>\$ 6,480,330.00</u>	<u>\$ 8,299,205.79</u>	<u>\$ 1,818,875.79</u>

Analysis of Realized Revenues

Miscellaneous:

Receipts:

Interest on Deposits	\$ 42,782.10	
Connection Fees	519,525.43	
Penalties	35,803.80	
Refunds and Reimbursements	3,768.53	
Copy Costs	5,620.81	
	<u>607,500.67</u>	\$ 607,500.67
Due from Water and Sewer Utility Capital Fund:		
Interest on Deposits		1,092.88
Due from Sewer Connection Fee Trust Fund:		
Interest on Deposits		2,939.28
Sewer Permit Revenue Realized		<u>2,141,240.00</u>
		<u>\$ 2,752,772.83</u>

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification		Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 896,121.00	\$ 896,121.00	\$ 749,289.99	\$ 146,831.01		
Other Expenses	2,583,802.00	2,528,302.00	2,004,177.24	256,017.90	268,106.86	
Total Operating	3,479,923.00	3,424,423.00	2,753,467.23	256,017.90	414,937.87	-
Capital Improvements:						
Capital Outlay	127,450.00	127,450.00	26,267.38	45,988.48	55,194.14	
Debt Service:						
Payment of Bond and Loan Principal	1,692,376.00	1,716,476.00	1,716,447.31			\$ 28.69
Interest on Bonds and Loans	995,441.00	1,022,041.00	1,021,999.45			41.55
Interest on Notes	1,000.00	5,800.00	5,752.37			47.63
Total Debt Service	2,688,817.00	2,744,317.00	2,744,199.13	-	-	117.87
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Public Employees Retirement System	99,640.00	99,640.00	99,640.00			
Retiree Health Benefits	8,500.00	8,500.00	8,500.00			
Contributions to Social Security System (O.A.S.I.)	76,000.00	76,000.00	59,517.27	16,482.73		
Total Deferred Charges and Statutory Expenditures	184,140.00	184,140.00	167,657.27	-	16,482.73	-
Total	\$ 6,480,330.00	\$ 6,480,330.00	\$ 5,691,591.01	\$ 302,006.38	\$ 486,614.74	\$ 117.87
Accrued Interest on Bonds and Loans			\$ 1,021,999.45			
Accrued Interest on Notes			5,752.37			
Disbursed			4,663,839.19			
			<u>\$ 5,691,591.01</u>			

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

TOWNSHIP OF MEDFORD
Notes to Financial Statements
For the Year Ended December 31, 2010

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

Description of Financial Reporting Entity - The Township of Medford was incorporated in January, 1929 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2009 census is 22,726.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan E under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are five Council Members each elected to four-year terms. The Mayor is elected annually by the five Council Members. Administrative responsibility falls under the Township.

Component Units - The Township of Medford had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

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

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

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

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

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

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

Water and Sewer Assessment Trust Fund - The Water and Sewer Assessment Trust Fund accounts for the receipt and disbursement of funds for special assessments levied on specific property owners.

Sewer Connection Fee Trust Fund - The Sewer Connection Fee Trust Fund accounts for the receipt and disbursement of funds for the issuance of sewer connection permits.

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

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

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

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$1,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Medford School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate for both the local school district and the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2009 and decreased by the amount deferred at December 31, 2010.

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

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

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

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

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

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

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

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

Sewer Connection Fee Trust Fund – Sewer connection permits that have been issued and paid to the Township prior to the issuance of a certificate of occupancy are deposited into a Sewer Connection Fee Trust Fund. Upon the issuance of a certificate of occupancy, the sewer connection permit fees are transferred to the Water and Sewer Utility Operating Fund and realized as revenue. During 2010 the Township did identify several permits that were issued in 2005 and prior and made an accounting entry to realize those permits totaling \$2,153,240.

Note 2: **CASH AND CASH EQUIVALENTS**

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

As of December 31, 2010, the Township's bank balances of \$18,488,774.62 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured under GUDPA	17,649,260.66
Uninsured	<u>89,513.96</u>
Total	<u><u>\$ 18,488,774.62</u></u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2010 the Township's deposits with the New Jersey Cash Management Fund are \$1,013,703.78.

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$ 4.407</u>	<u>\$ 4.308</u>	<u>\$ 4.277</u>	<u>\$ 4.310</u>	<u>\$ 4.161</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.495	\$ 0.495	\$ 0.495	\$ 0.498	\$ 0.499
County	0.729	0.715	0.743	0.763	0.726
Local School	2.197	2.154	2.104	2.096	2.016
Regional High School	0.956	0.914	0.905	0.923	0.890
Municipal Open Space	0.030	0.030	0.030	0.030	0.030

Assessed Valuation

2010	\$ 1,781,135,937.00
2009	1,781,972,319.00
2008	1,778,342,279.00
2007	1,774,726,658.00
2006	1,765,291,576.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010	\$ 78,810,289.05	\$ 77,173,952.91	97.92%
2009	77,056,840.92	75,618,616.65	98.13%
2008	76,461,594.45	75,250,433.00	98.42%
2007	77,076,039.21	75,998,044.72	98.60%
2006	74,161,362.65	72,971,693.18	98.40%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 222,917.82	\$ 1,377,591.00	\$ 1,600,508.82	2.03%
2009	197,805.83	1,327,770.06	1,525,575.89	1.98%
2008	188,415.97	1,028,587.92	1,217,003.89	1.59%
2007	164,932.64	1,062,915.69	1,227,848.33	1.59%
2006	151,547.57	1,132,785.18	1,284,332.75	1.73%

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

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

<u>Year</u>	<u>Number</u>
2010	49
2009	43
2008	44
2007	41
2006	40

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2010	\$ 371,400.00
2009	371,400.00
2008	371,400.00
2007	371,400.00
2006	371,400.00

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

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2010	\$ 1,380,288.49	\$ -	\$ 5,570,731.82	\$ 6,951,020.31	\$ 5,043,146.96
2009	1,096,924.63	-	4,297,491.71	5,394,416.34	4,014,127.85
2008	1,018,536.64	-	4,191,353.43	5,209,890.07	4,269,741.42
2007	895,057.51	-	4,318,650.49	5,213,708.00	4,195,171.36
2006	1,047,560.45	-	3,865,229.25	4,912,789.70	4,017,732.19

Note 6: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2010	\$ 2,249,431.97	\$ 2,099,431.00 (1)	93.33%
2009	6,857,872.84	6,757,825.00	98.54%
2008	7,051,500.00	6,881,500.00	97.59%
2007	4,507,171.28	4,367,000.00	96.89%
2006	5,312,893.80	4,844,000.00	91.17%
<u>Water and Sewer Utility Operating Fund</u>			
2010	\$ 2,085,682.96	\$ - (1)	
2009	161,542.71	161,000.00	99.66%
2008	163,390.67	93,000.00	56.92%
2007	426,940.39	286,500.00	67.11%
2006	1,045,870.53	835,870.00	79.92%

(1) Budget as Introduced on April 8, 2010. It is anticipated that material budget amendments will be made to the final Adopted Budget.

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 467,741.74	\$ 203,567.32
Grant Fund		1,019.81
Animal Control Fund		2,292.80
Trust Other Fund		417,740.46
Municipal Open Space Trust Fund		71,688.67
General Capital Fund	213,592.84	
Water and Sewer Utility Operating Fund	2,393,801.13	93,596.27
Water and Sewer Utility Capital Fund	93,596.27	15,415.73
Sewer Connection Trust	30,390.21	2,393,801.13
	<u>\$ 3,199,122.19</u>	<u>\$ 3,199,122.19</u>

Note 8: **PENSION PLANS**

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

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

	2010		2009		2008	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	\$ 125,116.00	\$ 531,534.00	\$ 124,527.00	\$ 478,013.00	\$ 158,363.00	\$ 501,507.00
Accrued Liability	160,759.00	378,682.00	144,032.00	330,745.00	122,041.00	296,355.00
Total Regular Pension Contributions	285,875.00	910,216.00	268,559.00	808,758.00	280,404.00	797,862.00
Chapter 108, P.L. 2003 Phase-in Credit (1)			-	-	(56,080.80)	-
Adjusted Balance	285,875.00	910,216.00	268,559.00	808,758.00	224,323.20	797,862.00
Non-Contributory Group Life Insurance	39,644.00	46,276.00	33,382.00	33,256.00	-	-
Total Due	325,519.00	956,492.00	301,941.00	842,014.00	224,323.20	797,862.00

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The Township's contributions were \$354.82 for 2010, \$491.28 for 2009, and \$0 for 2008.

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

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

Note 9: **OTHER POST EMPLOYMENT BENEFITS**

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of Medford. Post-retirement benefits included Medicare reimbursement.

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

Note 9: **OTHER POST EMPLOYMENT BENEFITS (CONT'D)**

Funding Policy

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

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

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. The Township's contributions for related health care premiums for the years ended December 31, 2010, 2009, and 2008 were \$685,957.76 for 36 individuals, \$618,044.49 for 35 individuals, and \$375,671.68 for 31 individuals, respectively.

Note 10: **COMPENSATED ABSENCES**

Township employees are entitled to paid vacation and comp-time depending upon their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward to the next succeeding year. Vacation days carried forward must be used in the next succeeding year or be forfeited. Vacation time unused is reimbursed to the employee at their current rate of pay upon termination. Comp-time may be carried forward to succeeding years up to a maximum of 480 hours for police employees and 240 hours for all other employees. Comp-time unused is reimbursed to the employee at their current rate of pay upon termination. Sick time is accumulated and carried forward to succeeding years but is not reimbursed to employees upon termination.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2010:

Vacation	\$	466,564.78
Comp		127,993.85
Employer Share of Payroll Taxes		<u>45,483.74</u>
	\$	<u>640,042.37</u>

Note 11: **DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

Note 12: **LENGTH OF SERVICE AWARDS PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 27, 2002 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Medford approved the adoption of the LOSAP at the general election held on November 5, 2002, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2003. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

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

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 13: **SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township of Medford operates a municipal landfill located in the southern part of the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

At December 31, 2010, it is estimated that the landfill has reached 100% of its holding capacity. However, the escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

Note 14: **LEASE OBLIGATIONS**

At December 31, 2010, the Township had lease agreements in effect for the following:

Capital Leases:

- One (1) Canon Copier
- Two (2) Xerox Copiers

The following is an analysis of capital leases.

	Balance Dec. 31, 2009	Increases	Decreases	Balance Dec. 31, 2010
2 Xerox Copiers		\$ 20,280.00	\$ 2,028.00	\$ 18,252.00
1 Canon Copier	\$ 3,959.60		2,500.80	1,458.80
5 Police Vehicles	45,379.37		45,379.37	
	<u>\$ 49,338.97</u>	<u>\$ 20,280.00</u>	<u>\$ 49,908.17</u>	<u>\$ 19,710.80</u>

Note 14: **LEASE OBLIGATIONS (CONT'D)**

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

<u>Year</u>	<u>Amount</u>
2011	\$ 5,514.80
2012	4,056.00
2013	4,056.00
2014	4,056.00
2015	2,028.00

Rental payments under operating leases for the year 2010 were \$49,908.17.

Note 15: **PRIOR YEAR DEFEASANCE OF DEBT**

In prior years, the Township defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Township's financial statements. On December 31, 2010, \$8,523,000 of bonds outstanding are considered defeased.

Note 16: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 38,242,886.61	\$ 41,361,981.00	\$ 40,696,421.44
Water and Sewer Utility:			
Bonds and Notes	<u>36,713,525.68</u>	<u>29,938,764.17</u>	<u>27,536,926.20</u>
Total Issued	<u>74,956,412.29</u>	<u>71,300,745.17</u>	<u>68,233,347.64</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	4,303,216.00	716,805.00	51,618.00
Water and Sewer Utility:			
Bonds and Notes	<u>1,542,358.49</u>	<u>7,870,668.49</u>	<u>218,699.49</u>
Total Authorized but not Issued	<u>5,845,574.49</u>	<u>8,587,473.49</u>	<u>270,317.49</u>
Total Issued and Authorized but not Issued	<u>80,801,986.78</u>	<u>79,888,218.66</u>	<u>68,503,665.13</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Notes:			
General	514,266.99	839,266.99	939,266.99
Self-Liquidating	<u>38,255,884.17</u>	<u>37,809,432.66</u>	<u>27,755,625.69</u>
Total Deductions	<u>38,770,151.16</u>	<u>38,648,699.65</u>	<u>28,694,892.68</u>
Net Debt	<u>\$ 42,031,835.62</u>	<u>\$ 41,239,519.01</u>	<u>\$ 39,808,772.45</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 indicated a statutory net debt of 1.24%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 17,007,737.25	\$ 17,007,737.25	
Local School District	33,230,000.00	33,230,000.00	
Water and Sewer Utility	38,255,884.17	38,255,884.17	
General	<u>42,546,102.61</u>	<u>514,266.99</u>	<u>\$ 42,031,835.62</u>
	<u>\$ 131,039,724.03</u>	<u>\$ 89,007,888.41</u>	<u>\$ 42,031,835.62</u>

Net Debt \$42,031,835.62 divided by the Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,386,343,823.33 equals 1.24%.

Note 16: **CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A 40A:26 as Amended**

3 % of Equalized Valuation Basis (Municipal)	\$ 101,590,314.70
Net Debt	<u>42,031,835.62</u>
Remaining Borrowing Power	<u><u>\$ 59,558,479.08</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income and Other Charges for the Year	\$ 8,299,205.79
Deductions:	
Operating and Maintenance Costs	\$ 3,608,563.00
Debt Service per Water and Sewer Utility Operating Fund	<u>2,744,119.13</u>
Total Deductions	<u>6,352,682.13</u>
Excess Revenue	<u><u>\$ 1,946,523.66</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

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

<u>Calendar Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>General Debt - Bonds</u>			
2011	\$ 976,748.84	\$ 3,099,625.00	\$ 4,076,373.84
2012	844,260.16	3,287,132.50	4,131,392.66
2013	704,770.64	3,406,632.50	4,111,403.14
2014	560,053.38	3,525,601.50	4,085,654.88
2015	439,531.26	3,165,000.00	3,604,531.26
2016-2020	<u>734,250.00</u>	<u>8,280,000.00</u>	<u>9,014,250.00</u>
	<u><u>\$ 4,259,614.28</u></u>	<u><u>\$ 24,763,991.50</u></u>	<u><u>\$ 29,023,605.78</u></u>
<u>Green Acre Loans</u>			
2011	\$ 26,407.60	\$ 243,270.26	\$ 269,677.86
2012	21,517.87	248,159.99	269,677.86
2013	16,529.85	253,146.01	269,675.86
2014	11,441.61	185,920.34	197,361.95
2015	8,427.79	116,618.24	125,046.03
2016-2019	<u>11,652.20</u>	<u>333,780.27</u>	<u>345,432.47</u>
	<u><u>\$ 95,976.91</u></u>	<u><u>\$ 1,380,895.11</u></u>	<u><u>\$ 1,476,872.02</u></u>

Note 16: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Calendar Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>Water and Sewer Utility - Bonds</u>			
2011	\$ 597,925.70	\$ 1,118,375.00	\$ 1,716,300.70
2012	551,459.38	1,101,867.50	1,653,326.88
2013	505,486.40	1,158,367.50	1,663,853.90
2014	456,728.90	1,040,397.50	1,497,126.40
2015	417,361.02	990,000.00	1,407,361.02
2016-2020	1,512,571.05	4,754,000.00	6,266,571.05
2021-2025	643,609.65	3,551,000.00	4,194,609.65
2026-2028	83,337.50	1,010,000.00	1,093,337.50
	<u>\$ 4,768,479.60</u>	<u>\$ 14,724,007.50</u>	<u>\$ 19,492,487.10</u>
<u>Water Loans Payable</u>			
2011	\$ 466,319.18	\$ 859,317.17	\$ 1,325,636.35
2012	481,780.23	978,712.08	1,460,492.31
2013	463,993.00	972,356.90	1,436,349.90
2014	444,070.00	994,760.37	1,438,830.37
2015	423,087.50	1,014,139.87	1,437,227.37
2016-2020	1,757,662.50	5,454,906.14	7,212,568.64
2021-2025	1,063,200.00	5,811,373.26	6,874,573.26
2026-2030	305,875.00	4,598,952.39	4,904,827.39
	<u>\$ 5,405,987.41</u>	<u>\$ 20,684,518.18</u>	<u>\$ 26,090,505.59</u>

Note 17: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Appropriation</u>
Current Fund:		
Special Emergency Appropriation	\$ 80,000.00	\$ 20,000.00
Trust Other Fund:		
Deficit - Health Benefits Trust	122,612.03	122,612.03

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

Note 18: **SCHOOL TAXES**

The Medford Township School District and the Lenape Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2010</u>	<u>2009</u>
Local School Taxes:		
Balance of Tax	\$ 19,507,879.44	\$ 19,134,217.90
Deferred	<u>19,507,879.44</u>	<u>19,018,719.02</u>
School Tax Payable	<u>\$ -</u>	<u>\$ 115,498.88</u>
Regional School Taxes:		
Balance of Tax	\$ 8,516,977.28	\$ 8,149,696.08
Deferred	<u>8,516,977.28</u>	<u>7,922,095.08</u>
School Tax Payable	<u>\$ -</u>	<u>\$ 227,601.00</u>

Note 19: **RESERVE FOR INTEREST REBATE**

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement

The Township of Medford has the following bond issues outstanding that require a rebate calculation:

<u>Issue Date</u>	<u>Settlement Date</u>	<u>Amount</u>
July 1, 2005	July 26, 2005	\$ 6,983,000.00
December 28, 2006	December 28, 2006	6,336,750.00
July 23, 2008	July 23, 2008	16,750,000.00

Note 20: **JOINT INSURANCE POOL**

The Township of Medford is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

Note 20: **JOINT INSURANCE POOL (CONT'D)**

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 325
Hammonton, New Jersey 08037

Note 21: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	\$ 35,000.00	\$ 26,885.38	\$ 44,272.29
2009	35,000.00	29,325.45	22,891.93
2008	8,421.38	18,912.35	4,489.89

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2010 are \$4,238.41.

Note 22: **GUARANTOR OF DEBT**

In 2006, the Township became co-borrower of various loans for the reconstruction of several dams located within the Township. All of the loans were made from the New Jersey Department of Environmental Protection, Dam Restoration Loan Program. In the event the original borrower defaults on a loan the Township will be required to make the remaining payments. The terms of the loans are as follows:

<u>Borrowers Name</u>	<u>Agreement Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term</u>
Old Tauton Colony Club	01/10/06	\$ 433,440.00	2.00%	20 Years
YMCA Camp Ockanickon, Inc.	01/10/06	1,809,000.00	2.00%	20 Years
Birchwood Lake Colony Club	01/24/06	2,340,000.00	2.00%	20 Years
Jewish Federation of Southern NJ	01/24/06	227,500.00	2.00%	20 Years

In addition, the Township acts as a fiduciary for the Birchwood Lakes Colony Club with regards to collecting the annual billings of their association for the repayment of their loan and then pays their debt service payments with the collections.

Note 23: **LITIGATION**

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

Note 24: **SUBSEQUENT EVENTS**

Subsequent to December 31, 2010, the Township requested the voters to pass a 2011 Levy CAP Referendum in the amount of \$2,377,015. The referendum question was defeated on April 27, 2011 and the Township is required to amend the 2011 Budget. As of the date of the audit report, the amended Township budget has not been adopted.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2010

	<u>Regular</u>	<u>Birchwood Lake Dam</u>	<u>Federal and State Grant Fund</u>	
Balance December 31, 2009	\$ 10,815,392.95	\$ 183,496.54	\$ 437,931.34	
Increased by Receipts:				
Taxes Receivable	\$ 77,519,483.70			
Tax Overpayments	227,331.56			
Prepaid Taxes	562,364.36			
Tax Title Liens	3,620.96			
Due State of New Jersey:				
Marriage License Fees	1,775.00			
Burial Permit Fees	60.00			
Senior Citizens and Veterans' Deductions	206,530.44			
Construction Code Fees	24,902.00			
Miscellaneous Revenue Anticipated	4,792,174.59			
Miscellaneous Revenue Not Anticipated	400,611.96			
Petty Cash Funds	475.00			
Due General Capital Fund	20,116.78			
Due Utility Capital	1,823,035.99			
Due Animal Control Fund	47.80			
Due Grant Fund	1,744.83			
Due Trust Other Fund	6,713.27			
Reserve for:				
Insurance Claims	31,269.14			
Election Funds	1,392.41			
Municipal Court POAA	40.00			
Public Safety Equipment	5,775.00			
Homeowners Dam Restoration		\$ 193,786.71		
Contra	23,750,063.36			
Federal and State Grants Receivable			\$ 271,965.67	
Federal and State Grants Unappropriated			2,177.16	
Due Current Fund			7,819.81	
	109,379,528.15	193,786.71	281,962.64	
	120,194,921.10	377,283.25	719,893.98	
Decreased by Disbursements:				
2010 Appropriations	20,104,473.75			
2009 Appropriation Reserves	1,147,412.39			
Due County -- Added and Omitted Taxes	44,047.84			
County Taxes Payable	12,954,318.75			
Local School Taxes Payable	38,756,335.46			
Regional High School Taxes Payable	16,666,675.97			
Due State of New Jersey:				
Marriage License Fees	1,750.00			
Burial Permit Fees	240.00			
Construction Code Fees	26,660.00			
Petty Cash Funds	475.00			
Reserve for:				
Election Funds	1,560.36			
Insurance Claims	27,266.58			
Homeowners Dam Restoration		169,089.32		
Refund of Current Year:				
Miscellaneous Revenue Anticipated	4,880.77			
Due Trust Other Fund	290,000.00			
Due Municipal Open Space Trust Fund:				
Current Year Levy	534,370.78			
Bond Principal Disbursed on-behalf of	135,391.82			
Bond Interest Disbursed on-behalf of	79,847.27			
Refund of Tax Overpayments	99,742.19			
Contra	23,750,063.36			
Accounts Payable	2,561.25			
Refund of PY Revenue	1,750.00			
Due Current Fund			1,744.83	
Federal and State Grants Appropriated			557,842.71	
	114,629,823.54	169,089.32	559,587.54	
Balance December 31, 2010	\$ 5,565,097.56	\$ 208,193.93	\$ 160,306.44	

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

<u>Office</u>	<u>Amount</u>
Tax Office	\$ 200.00
Municipal Court	<u>200.00</u>
	<u>\$ 400.00</u>

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

	Balance Dec. 31, 2009	2010 Levy	Added Taxes	2009 Collected	2010 Collected	Due from State of New Jersey	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2010
2006	\$ 7,154.89									\$ 7,154.89
2007	9,444.78									9,444.78
2008	16,833.17				\$ 1,919.32		\$ 5,427.47			9,486.38
2009	1,294,337.22		\$ 5,342.29		1,196,011.60		11,299.09	\$ 5,236.22		22,580.51
	1,327,770.06	-	5,342.29	-	1,197,930.92	-	16,726.56	5,236.22		48,666.56
2010		\$ 78,810,289.05		\$ 633,912.41	76,321,552.78	\$ 202,802.73	\$ 15,684.99	285,195.98	22,215.72	1,328,924.44
	\$ 1,327,770.06	\$ 78,810,289.05	\$ 5,342.29	\$ 633,912.41	\$ 77,519,483.70	\$ 202,802.73	\$ 80,237.08	\$ 301,922.54	\$ 27,451.94	\$ 1,377,591.00

Analysis of 2010 Property Tax Levy

Tax Yield:	
General Purpose	\$ 78,476,864.11
Added / Omitted Taxes	333,424.94
	<u>\$ 78,810,289.05</u>

Tax Levy:

Local District School Tax	\$ 39,129,997.00
Regional High School Tax	17,033,957.17
County Taxes:	
County Tax	\$ 10,581,459.62
County Library Tax	1,003,379.22
County Open Space Preservation	1,369,479.91
Due County for Added and Omitted Taxes	43,431.21
	<u>12,997,749.96</u>
Local Open Space Tax	534,370.78
Due Open Space Trust Fund for Added and Omitted Taxes	1,788.34
Local Tax for Municipal Purposes	8,824,220.41
Add: Additional Tax Levied	288,205.39
	<u>9,648,584.92</u>
	<u>\$ 78,810,289.05</u>

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 197,805.83
Increased by:		
Transfers from Taxes Receivable	\$ 27,451.94	
Interest and Costs on Tax Sale	<u>1,281.01</u>	
		<u>28,732.95</u>
		226,538.78
Decreased by:		
Collections		<u>3,620.96</u>
Balance December 31, 2010		<u><u>\$ 222,917.82</u></u>

TOWNSHIP OF MEDFORD
CURRENT FUND

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued in 2010	Collected	Due from Federal and State Grant Fund	Due from Animal Control Fund	Due from Trust Other Fund	Due from General Capital Fund	Balance Dec. 31, 2010
Miscellaneous Revenues:								
Licenses:								
Alcoholic Beverages		\$ 25,188.00	\$ 25,188.00					
Fees and Permits:								
Other		82,903.19	82,903.19					
Fines and Costs:								
Municipal Court	\$ 30,045.24	439,392.31	446,581.90					\$ 22,855.65
Interest and Costs on Taxes		288,990.88	288,990.88					
Interest on Investments and Deposits		153,428.00	140,905.22	\$ 1,019.81	\$ 44.66	\$ 3,669.51	\$ 7,788.80	
Recreation Fees		100,171.19	100,171.19					
Alarm Fees		18,870.00	18,870.00					
Tower Rental		133,504.60	133,504.60					
Cable Television Fees		265,362.52	265,362.52					
Emergency Medical Service Billing Income		609,449.42	609,449.42					
Consolidated Municipal Property Tax Relief Aid		158,092.00	158,092.00					
Energy Receipts Tax		1,823,201.00	1,823,201.00					
Reserve for Payment in Lieu of Taxes - Garden State Trust		14,763.70	14,763.70					
Dedicated Uniform Construction Code Fees Offset								
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):								
Uniform Construction Code Fees		349,743.00	349,743.00					
Interlocal Services Agreement - Police Salaries:								
Lenape Regional High School		293,234.00	293,234.00					
Uniform Fire Safety Act		51,096.90	51,096.90					
Reserve for Payment of Debt Service - Current Fund		325,000.00	325,000.00					
Reserve for Purchase of Public Safety Equipment		6,775.00	6,775.00					
Liquidation of Reserve for Due from Utility Capital Fund		1,823,035.99	1,823,035.99					
	\$ 30,045.24	\$ 6,962,201.70	\$ 6,956,868.51	\$ 1,019.81	\$ 44.66	\$ 3,669.51	\$ 7,788.80	\$ 22,855.65
Cash Receipts								
Reserve Purchase of Safety Equipment			\$ 4,792,174.59					
Reserve for Garden State Trust			6,775.00					
Reserve for Payment of Debt Service - Current Fund			14,763.70					
Due from Utility Capital Fund			325,000.00					
Refunds of Revenue			1,823,035.99					
			(4,880.77)					
			\$ 6,956,868.51					

TOWNSHIP OF MEDFORD
CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES
 For the Year Ended December 31, 2010

	Balance December 31, 2009					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transfer to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
<u>OPERATIONS -- WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
<u>Department of Administration:</u>						
Office of the Manager:						
Salaries and Wages		3,511.16	\$ 5,601.16	\$ 3,772.28	\$ 405.00	\$ 1,828.88
Other Expenses	2,823.35	13,142.67	15,966.02	2,826.92		12,734.10
Human Resources:						
Salaries and Wages		1,097.74	2,507.74	1,404.91		1,102.83
Other Expenses	70.00	418.56	488.56	90.71		397.85
Mayor and Council:						
Other Expenses		20.13	20.13			20.13
Office of the Clerk:						
Salaries and Wages		27,622.58	27,622.58	169.36		27,453.22
Other Expenses	5,717.14	7,376.16	13,093.30	7,284.51		5,808.79
Other Expenses -- Elections		2,926.44	2,926.44			2,926.44
<u>Department of Finance:</u>						
Office of the Treasurer:						
Salaries and Wages		5,480.27	5,480.27	3,776.95		1,703.32
Other Expenses	388.90	6,164.73	6,553.63	6,553.63		
Audit Services	15,000.00	37,500.00	52,500.00	37,500.00		15,000.00
Revenue Administration:						
Salaries and Wages		15,328.05	15,328.05	4,016.27		11,311.78
Other Expenses	380.81	3,805.77	4,186.58	389.74		3,796.84
Division of Assessments:						
Salaries and Wages		4,351.38	5,251.38	4,936.41		314.97
Other Expenses	2,253.34	7,601.62	9,854.96	3,568.30		6,286.66
Legal Services and Costs:						
Other Expenses	7,075.25	28,272.60	35,347.85	30,024.38		5,323.47
Engineering Services and Costs:						
Other Expenses	428.00	2,523.80	2,951.80	2,523.80		428.00
Historic Advisory Board:						
Other Expenses	500.00		500.00			500.00
Division of Planning:						
Salaries and Wages		41,224.73	11,224.73	1,813.91		9,410.82
Other Expenses	46,332.19	99,223.83	121,056.02	38,723.41		82,332.61
Division of Zoning:						
Other Expenses	2,943.65	32,823.59	35,767.24	791.25		34,975.99

(Continued)

TOWNSHIP OF MEDFORD
CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES
 For the Year Ended December 31, 2010

	Balance December 31, 2009					
	Encumbered	Reserved	Balance After Modification	Disbursed	Transfer to Accounts Payable	Lapsed to Fund Balance
<u>Department of Public Safety:</u>						
Police:						
Salaries and Wages	\$	43,663.72	\$ 49,663.72	\$ 46,897.47		\$ 2,766.25
Other Expenses		269.12	156,527.05	151,158.30		5,368.75
Public Safety Director						
Salaries and Wages		3,564.85	4,664.85	4,473.69		191.16
Other Expenses	99.00	3.61	102.61	99.00		3.61
Fire:						
Other Expenses	25,654.08	15,363.08	41,017.16	14,748.96		26,268.20
First Aid Organizations:						
Salaries and Wages		7,973.43	7,973.43	3,606.22		4,367.21
Other Expenses	27,752.59	3,818.60	31,571.19	28,192.39		3,378.80
Emergency Management Services:						
Other Expenses		309.93	309.93			309.93
Uniform Fire Safety Act: (PL 1983 C. 383)						
Salaries and Wages		25,223.06	25,223.06	16,190.67		9,032.39
Other Expenses	4,468.37	5,503.21	9,971.58	3,681.62		6,289.96
Prosecutor						
Other Expenses -- Contractual Services		10,040.63	10,040.63	5,273.57		4,767.06
<u>Department of Public Works:</u>						
Road Repairs and Maintenance:						
Salaries and Wages		6,989.38	12,089.38	11,571.13		518.25
Other Expenses	13,269.18	9,919.48	23,188.66	13,329.12		9,859.54
Snow Removal:						
Salaries and Wages		442.57	26,442.57	8,442.57		18,000.00
Other Expenses	3,075.00	502.85	58,077.85	58,077.85		
Sanitation:						
Salaries and Wages		17,836.47	17,836.47	14,310.27		3,526.20
Other Expenses		308.49	136,187.65	132,308.88		3,878.77
Buildings and Grounds:						
Salaries and Wages		7,974.46	7,974.46	4,731.95		3,242.51
Other Expenses	72,098.82	4,682.37	76,781.19	65,791.76		10,989.43
Shade Tree Program:						
Salaries and Wages		2,397.79	2,397.79	1,522.09		875.70
Vehicle Maintenance:						
Salaries and Wages		3,236.01	3,976.01	3,796.16		179.85
Other Expenses	107,955.02	27,613.68	120,768.70	95,581.35		25,187.35
<u>Health and Human Services</u>						
Environmental Commission (NJS 40:56A-1):						
Other Expenses		80.00	80.00			80.00

(Continued)

TOWNSHIP OF MEDFORD
CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES
For the Year Ended December 31, 2010

	<u>Balance December 31, 2009</u>					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transfer to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
<u>Department of Parks, Recreation and Education:</u>						
<u>Recreation Programs:</u>						
Salaries and Wages	\$ 7,207.95	\$ 8,345.18	\$ 8,345.18	\$ 5,912.46		\$ 2,432.72
Other Expenses		13,561.72	15,769.67	4,146.84		11,622.83
<u>Parks and Playgrounds:</u>						
Salaries and Wages	2,100.00	7,539.30	13,539.30	13,022.29		517.01
Other Expenses		1,141.35	3,241.35	679.85		2,561.50
Landfill/Solid Waste Disposal		188,234.46	176,694.46	61,187.41		115,507.05
Community Services						
Other Expenses		0.12	0.12			0.12
<u>Municipal Court</u>						
Salaries and Wages	1,538.24	12,942.34	12,942.34	4,281.61		8,660.73
Other Expenses		500.00	2,038.24	1,299.94		738.30
<u>Insurance:</u>						
Group Insurance Plan for Employees		493.70	493.70			493.70
Liability		4,534.00	4,534.00			4,534.00
<u>Hepatitis Vaccination</u>						
Other Expenses		2,500.00	2,500.00			2,500.00
<u>Uniform Construction Code Appropriations Offset</u>						
<u>By Dedicated Revenues (NJAC 5:23-4.17):</u>						
Construction Code Official:						
Salaries and Wages		15,128.62	15,128.62	7,659.52		7,469.10
Other Expenses:						
Direct Costs	585.59	1,677.56	2,263.15	1,536.77		726.38
<u>Unclassified</u>						
Celebration of Public Events, Anniversary or Holiday:						
Other Expenses		2,909.50	2,909.50			2,909.50
Utilities:						
Electric		33,281.97	33,281.97	11,371.38		21,910.59
Street Lighting		22,082.04	22,082.04	17,602.63		4,479.41
Telephone and Telegraph		6,902.06	6,902.06	1,584.83		5,317.23
Water and Sewer		1,345.96	1,345.96			1,345.96
Heating Gas / Oil		13,814.85	14,814.85	8,584.83		6,230.02
Gasoline / Diesel Fuel	1,000.00	82,718.94	122,718.94	34,504.95		88,213.99
Safety Supplies		77.39	77.39			77.39
Cultural Arts Commission:						
Other Expenses	340.00		340.00	340.00		

(Continued)

TOWNSHIP OF MEDFORD
CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES
 For the Year Ended December 31, 2010

	<u>Balance December 31, 2009</u>					
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transfer to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
<u>Statutory Expenditures:</u>						
Contribution to:						
Social Security System (O.A.S.I.)	\$	26,526.93	\$ 8,526.93			\$ 8,526.93
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
Landfill Fees - Recycling Tax		18,011.09	18,011.09	2,745.06		15,266.03
LOSAP	\$ 86,000.00		86,000.00	65,650.00		20,350.00
Interlocal Service Agreement:						
Police Salaries - Lenape Regional High School District		73,903.31	73,903.31	71,350.26		2,553.05
Total	<u>\$ 769,193.56</u>	<u>\$ 1,076,304.99</u>	<u>\$ 1,845,498.55</u>	<u>\$ 1,147,412.39</u>	<u>\$ 405.00</u>	<u>\$ 697,681.16</u>

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

Balance December 31, 2009		\$ 4,305.63
Increased by:		
Overpayments Created in 2010:		
2010 Taxes	\$ 151,354.91	
Prior Year Taxes	75,976.65	
	227,331.56	227,331.56
		231,637.19
Decreased by:		
Applied to Taxes - 2010 Taxes	15,684.99	
Applied to Taxes - 2009 Taxes	64,552.09	
Cancelled	39,845.15	
Refunded	99,742.19	
	219,824.42	219,824.42
Balance December 31, 2010		\$ 11,812.77

A detailed permanent list is available in the Collector's office.

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

Balance December 31, 2009 (2010 Taxes)		\$ 633,912.41
Increased by:		
Collections -- 2011 Taxes		562,364.36
		1,196,276.77
Decreased by:		
Application to 2010 Taxes Receivable		633,912.41
Balance December 31, 2010 (2011 Taxes)		\$ 562,364.36

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Due to State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 86,078.88
Increased by:		
Cash Received	\$ 206,530.44	
Prior Year Veterans and Senior Citizens' Disallowed by Tax Collector	<u>750.00</u>	
		<u>207,280.44</u>
		293,359.32
Decreased by:		
2010 Levy -- Deductions per Tax Billing	200,750.00	
2010 Veterans and Senior Citizens' Granted by Tax Collector	<u>3,500.00</u>	
		204,250.00
2010 Veterans and Senior Citizens' Disallowed by Tax Collector	<u>(1,447.27)</u>	
		<u>202,802.73</u>
Balance December 31, 2010		<u><u>\$ 90,556.59</u></u>

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

Balance December 31, 2009		\$ 44,047.84
Increased by County Share of 2010 Levy		<u>43,431.21</u>
		87,479.05
Decreased by:		
Payments		<u>44,047.84</u>
Balance December 31, 2010		
Rollback Taxes (2008)	\$ 4,587.43	
Rollback Taxes (2009)	4,283.96	
Rollback Taxes (2010)	4,466.69	
Added Taxes (2009)	544.36	
Added Taxes (2010)	28,676.11	
Omitted/Added Taxes (2009)	<u>872.66</u>	
		<u>\$ 43,431.21</u>

Exhibit SA-11

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

Balance December 31, 2009		\$ -
Increased by:		
County Share of 2010 Levy		<u>12,954,318.75</u>
		12,954,318.75
Decreased by:		
Payments		<u>12,954,318.75</u>
Balance December 31, 2010		<u>\$ -</u>

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

<hr/>		
Balance December 31, 2009		
School Tax Payable	\$ 115,498.88	
School Tax Deferred	<u>19,018,719.02</u>	
		\$ 19,134,217.90
Increased by:		
Levy -- School Year July 1, 2009 to June 30, 2010		<u>39,129,997.00</u>
		58,264,214.90
Decreased by:		
Payments		<u>38,756,335.46</u>
Balance December 31, 2010		
School Tax Payable	-	
School Tax Deferred	<u>19,507,879.44</u>	
		<u>\$ 19,507,879.44</u>
2010 Liability for Local District School Tax:		
Tax Paid		\$ 38,756,335.46
Tax Payable December 31, 2010		<u>-</u>
		38,756,335.46
Less: Tax Payable December 31, 2009		<u>115,498.88</u>
Amount Charged to 2010 Operations		<u>\$ 38,640,836.58</u>

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2010

Balance December 31, 2009		
School Tax Payable	\$ 227,601.00	
School Tax Deferred	<u>7,922,095.08</u>	
		\$ 8,149,696.08
Increased by:		
Levy -- School Year July 1, 2009 to June 30, 2010		<u>17,033,957.17</u>
		25,183,653.25
Decreased by:		
Payments		<u>16,666,675.97</u>
Balance December 31, 2010		
School Tax Payable	-	
School Tax Deferred	<u>8,516,977.28</u>	
		<u>\$ 8,516,977.28</u>
2010 Liability for Regional High School Tax:		
Tax Paid		\$ 16,666,675.97
Tax Payable December 31, 2010		<u>-</u>
		16,666,675.97
Less: Tax Payable December 31, 2009		<u>227,601.00</u>
Amount Charged to 2010 Operations		<u>\$ 16,439,074.97</u>

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Reserve for Municipal Court -- POAA
For the Year Ended December 31, 2010

Balance December 31, 2009	\$	674.00
Increased by:		
Receipts		40.00
Balance December 31, 2010	\$	714.00

CURRENT FUND
Statement of Reserve for Purchase of Public Safety Equipment
For the Year Ended December 31, 2010

Balance December 31, 2009	\$	6,775.00
Increased by:		
Receipts		5,775.00
		12,550.00
Decreased by:		
Miscellaneous Revenue Anticipated		6,775.00
Balance December 31, 2010	\$	5,775.00

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Grants:				
Emergency Management	\$ 4,543.00	\$ 5,000.00	\$ 5,000.00	\$ 4,878.00
Bulletproof Vest Partnership Grant	858.76	4,352.00	4,017.00	858.76
Obey the Signs or Pay the Fines	5,000.00	5,000.00	4,186.84	5,813.16
Over the Limit Under Arrest	37,883.00	37,883.00	37,883.00	0.80
Assistance to Firefighters Grant	0.80	6,429.73	6,429.73	12,577.50
COPS More Grant	6,429.73	6,500.00	6,429.73	24,128.22
COPS in Shops	6,077.50	20,852.00	57,516.57	48,559.34
COPS in School	60,792.79	8,767.37	8,767.37	42,976.43
	48,559.47	50,550.00	50,550.13	1,460.84
	41,058.84	20,000.00	18,082.41	0.02
	1,461.74	6,162.35	6,163.25	5,000.00
State Grants:	0.02	4,000.00	3,272.50	7,056.00
Drunk Driving Enforcement Fund	5,000.00	4,000.00	3,272.50	6,229.21
Clean Communities Program	7,056.00	4,000.00	3,272.50	386.76
Municipal Alliance on Alcohol and Drug Abuse	5,501.71	4,000.00	3,272.50	1,627.46
Body Armor Grant	386.76	4,000.00	3,272.50	9,850.00
Recycle Tonnage Grant	1,627.46	4,000.00	3,272.50	5,000.00
Tourism Cooperative Marketing	9,850.00	9,000.00	9,000.00	2,500.00
Tourism Cooperative Marketing	5,000.00	9,000.00	9,000.00	69,416.61
Stormwater Regulation	5,501.71	9,000.00	9,000.00	7,426.34
Click-it or Ticket	386.76	83,300.00	111,066.66	8.00
Buckle Up South Jersey	1,627.46	83,300.00	111,066.66	149,942.00
Explosives Detection K-9 Unit Grant	9,850.00	1,600.00	1,600.00	8.00
Traffic Records Grant	5,000.00	10,000.00	10,000.00	149,942.00
Recreational Opportunities for Individuals with Disabilities	5,000.00	10,000.00	10,000.00	8.00
Health Community Development Grant	2,500.00	8,000.00	4,946.78	3,053.22
NJ Motor Vehicles Security and Customer Service Grant	69,416.61	83,300.00	111,066.66	354,794.95
Aggressive Driver Grant	7,426.34	83,300.00	111,066.66	415,587.74
Laser Mapping Grant	8.00	1,600.00	1,600.00	201,379.72
Garden State Historic Preservation Trust Fund Grant	149,942.00	1,600.00	1,600.00	214,449.10
Wal-Mart Foundation Grant	8.00	10,000.00	10,000.00	341,725.57
Nixle Grant	8.00	10,000.00	10,000.00	222,231.72
Pedestrian Decoy Mobilization Grant	149,942.00	8,000.00	4,946.78	\$ 271,965.67
	354,794.95	201,379.72	214,449.10	341,725.57
	\$ 415,587.74	\$ 222,231.72	\$ 271,965.67	\$ 365,853.79
	\$ 192,422.00	\$ 192,422.00	\$ 192,422.00	\$ 192,422.00
	29,809.72	29,809.72	29,809.72	29,809.72
	\$ 271,965.67	\$ 271,965.67	\$ 271,965.67	\$ 271,965.67
	\$ 222,231.72	\$ 222,231.72	\$ 222,231.72	\$ 222,231.72
	\$ 271,965.67	\$ 271,965.67	\$ 271,965.67	\$ 271,965.67

Original Budget
 Chapter 159 - 40A-4-87
 Receipts

TOWNSHIP OF MEDFORD
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 1,744.83
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 1,019.81	
Interfund Loan Advanced:		
Matching Share of Grants	<u>6,800.00</u>	<u>7,819.81</u>
		9,564.64
Decreased by:		
Disbursements - Interfund Liquidated	1,744.83	
Matching Share of Grants	<u>6,800.00</u>	<u>8,544.83</u>
Balance December 31, 2010		<u><u>\$ 1,019.81</u></u>

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

	<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Dec. 31, 2009</u>	<u>Received</u>	<u>Dec. 31, 2010</u>
Federal Grants:			
COPS Universal Hiring Grant	\$ 2.40		\$ 2.40
COPS in School	16,164.00		16,164.00
COPS in Shops	44,056.12	\$ 166.24	44,222.36
Municipal Court Alcohol Education and Rehabilitation Grant	15,491.34	2,010.92	17,502.26
Firefighter's Grant	<u>19,775.00</u>		<u>19,775.00</u>
	<u>95,488.86</u>	<u>2,177.16</u>	<u>97,666.02</u>
State Grants:			
Drunk Driving Enforcement Fund	0.11		0.11
Clean Communities Program	3,564.39		3,564.39
Body Armor Grant	4,351.28		4,351.28
Recycle Tonnage	3,196.80		3,196.80
Stormwater Regulation	7,056.00		7,056.00
Community Wildfire Hazard Mitigation	593.00		593.00
Gypsy Moth Grant	4,995.53		4,995.53
Recreational Opportunities for Individuals with Disabilities	4,000.00		4,000.00
	<u>27,757.11</u>	<u>-</u>	<u>27,757.11</u>
	<u>\$ 123,245.97</u>	<u>\$ 2,177.16</u>	<u>\$ 125,423.13</u>

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

Program	Balance Dec. 31, 2009	Transferred from 2010 Budget Appropriation	Prior Year Encumbrances Reclassified	Expended	Balance Dec. 31, 2010
Federal Grants:					
Emergency Management Assistance	\$ 3,041.87	\$ 5,000.00		\$ 2,210.97	\$ 5,830.90
Bulletproof Vest Partnership Grant	929.50	4,352.00		1,066.00	4,215.50
Municipal Court Alcohol Education and Rehabilitation Grant	6,128.25				6,128.25
NJ DEP National Recreation Trails Program	218.55				218.55
Obey the Signs or Pay the Fines	858.76				858.76
Over the Limit Under Arrest	3,481.30	5,000.00		3,586.84	4,894.46
Assistance to Firefighters Grant	4.81		\$ 187,130.19	187,135.00	
COPS in Shops	4,589.40	6,500.00		6,115.16	4,974.24
COPS In School	66.75				66.75
	<u>19,319.19</u>	<u>20,852.00</u>	<u>187,130.19</u>	<u>200,113.97</u>	<u>27,187.41</u>
State Grants:					
Drunk Driving Enforcement Fund	7,761.38	8,767.37	135.00	4,975.64	11,688.11
Clean Communities Program	38,673.58	50,550.00	3,680.00	27,971.95	64,931.63
Municipal Alliance on Alcohol and Drug Abuse	15,401.61	25,000.00	3,987.01	29,056.05	15,332.57
Body Armor Grant	5,428.78	6,162.35		4,754.00	6,837.13
Recycling Tonnage Grant	81,690.03			49,160.42	32,529.61
AHEOP	2,406.00				2,406.00
Tourism Cooperative Marketing	10,000.37				10,000.37
Stormwater Regulation	3,222.06				3,222.06
Click-It or Ticket	447.92	4,000.00		3,272.50	1,175.42
Explosives Detection K-9 Unit Grant	31.49				31.49
Buckle Up South Jersey	386.76				386.76
Traffic Records Grant	9,850.00				9,850.00
Gypsy Moth Grant	529.24				529.24
Community Wildfire Hazard Mitigation Grant	5,024.07				5,024.07
Health Community Development Grant	2,500.00				2,500.00
NJ Motor Vehicles Security and Customer Service Grant	165,435.06	83,300.00		82,850.89	165,884.17
Aggressive Driver Grant	7,426.34				7,426.34
Exercise Improvement Grant	10,000.00			6,602.85	3,397.15
Laser Mapping Grant	8.00				8.00
Wal-Mart Foundation Grant	77.20	1,600.00		1,095.00	582.20
Nixle Grant		10,000.00			10,000.00
Handicapped Recreation Opportunities Grant		10,800.00		9,000.00	1,800.00
Pedestrian Decoy Mobilization Grant		8,000.00		4,946.78	3,053.22
Fort Medford Playground Project Grant			20,000.00	20,000.00	
NJ Historic Trust			127,977.00	127,977.00	
	<u>366,299.89</u>	<u>208,179.72</u>	<u>155,779.01</u>	<u>371,663.08</u>	<u>358,595.54</u>
	<u>\$ 385,619.08</u>	<u>\$ 229,031.72</u>	<u>\$ 342,909.20</u>	<u>\$ 571,777.05</u>	<u>\$ 385,782.95</u>
Original Budget		\$ 199,222.00			
Appropriation by 40A:4-87		<u>29,809.72</u>			
		<u>\$ 229,031.72</u>			
Budget Appropriation		\$ 222,231.72			
Township Share of Grant Disbursed Directly Against Appropriation Line Item		6,800.00			
Disbursed				\$ 557,842.71	
Reserve for Encumbrances				<u>13,934.34</u>	
		<u>\$ 229,031.72</u>		<u>\$ 571,777.05</u>	

TOWNSHIP OF MEDFORD
CURRENT FUND

Statement of Special Emergency Appropriations (5 Year - N.J.S. 40A:4-53)
 For the Year Ended December 31, 2010

<u>Description</u>	<u>Original Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Date</u>	<u>Balance Dec. 31, 2009</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>
Tax Map	\$ 100,000.00	\$ 20,000.00	02/26/08	\$ 100,000.00	\$ 20,000.00	\$ 80,000.00

TOWNSHIP OF MEDFORD
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 769,193.56
Increased by:	
Receipts:	
Charged to Current Year Appropriations	<u>572,863.92</u>
	1,342,057.48
Decreased by:	
Transferred to Appropriation Reserves	<u>769,193.56</u>
Balance December 31, 2010	<u><u>\$ 572,863.92</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF MEDFORD

TRUST FUND

Statement of Trust Cash - Treasurer

For the Year Ended December 31, 2010

	<u>Animal Control</u>	<u>Other</u>	<u>Municipal Open Space</u>
Balance December 31, 2009	\$ 909.37	\$ 1,921,609.16	\$ 403,044.40
Increased by Receipts:			
Dog License Fees Collected	\$ 21,323.75		
Due to State Department of Health	2,481.00		
Prior Year Deficit Appropriated	1,315.67	76,739.38	
Due Current Fund	44.66	333,669.51	534,370.78
Reserve for Future Use			903,502.97
Reserve for Miscellaneous Trust Other Reserves:			
Interest Earnings		3,773.57	
Other Receipts	25,165.08	18,874,060.38	1,437,873.75
	26,074.45	21,209,852.00	1,840,918.15
Decreased by Disbursements:			
Due State Department of Health	2,452.20		
Expenditures Under R.S. 4:19-15.11	17,008.30		
Current Year Appropriations			834,407.32
Other Expenditures			1,704.50
Appropriation Reserves		6,713.27	17,531.24
Due Current Fund	47.80	18,629,808.43	
Reserve for Miscellaneous Trust Other Reserves			853,643.06
	19,508.30	18,636,521.70	853,643.06
Balance December 31, 2010	\$ 6,566.15	\$ 2,573,330.30	\$ 987,275.09

TOWNSHIP OF MEDFORD
TRUST -- ANIMAL CONTROL FUND
Statement of Reserve (Deficit) for Animal Control Expenditures
For the Year Ended December 31, 2010

Balance (Deficit) December 31, 2009		\$ (1,315.67)
Increased by:		
Prior Year Deficit Raised in Budget:		
Collected	\$ 1,315.67	
Dog License Fees Collected	<u>21,323.75</u>	
		<u>22,639.42</u>
		21,323.75
Decreased by:		
Expenditures Under R.S.4:19- 15.11:		
Disbursed		<u>17,008.30</u>
Balance (Deficit) December 31, 2010		<u><u>\$ 4,315.45</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2008	\$ 20,054.50
2009	<u>18,377.05</u>
	<u><u>\$ 38,431.55</u></u>

Exhibit SB-3

TRUST -- ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 2,295.94
Increased by:		
Receipts - Interest on Deposits		<u>44.66</u>
		2,340.60
Decreased by:		
Disbursed - PY Interest on Deposits		<u>47.80</u>
Balance December 31, 2010		<u><u>\$ 2,292.80</u></u>

TOWNSHIP OF MEDFORD
TRUST -- ANIMAL CONTROL FUND
Statement of Due From State of New Jersey
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 70.90
Increased by:		
Payments		2,452.20
		2,523.10
Decreased by:		
Collections		2,481.00
		2,481.00
Balance December 31, 2010		\$ 42.10

Exhibit SB-5

TRUST--OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 105,784.22
Increased by:		
Interest Earned on Deposits	\$ 3,669.51	
Other Receipts	330,000.00	
		333,669.51
		439,453.73
Decreased by:		
Disbursed - PY Interest Earnings	6,713.27	
Budget Appropriation	40,000.00	
		46,713.27
Balance December 31, 2010		\$ 392,740.46

Analysis of Balance Dec. 31, 2010

Unclaimed Bail		\$ 52.32
Trust Other		(13,923.42)
Planning Board Escrow		1,296.78
Community Development Block Grant		0.31
Special Police		(274.22)
Net Payroll		164.91
Payroll Agency		423.78
Health Benefits		405,000.00
		405,000.00
		\$ 392,740.46

TOWNSHIP OF MEDFORD
TRUST - OTHER FUNDS
Statement of Changes in Miscellaneous Trust Other Reserves
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Increased by		Decreased by		Balance Dec. 31, 2010
		Interest Earnings	Other Receipts	Disbursements		
Reserve for:						
Outside Employment of Off-Duty Municipal Policemen	\$ 19,218.62		\$ 154,147.81	\$ 139,732.07		\$ 33,634.36
Payroll Deductions Payable	19,935.53	\$ 17.49	5,407,872.19	5,348,713.96		79,111.25
Net Payroll	(0.01)		9,275,512.52	9,275,418.89		93.62
Special Law Enforcement	27,079.81	110.47	2,290.00			29,480.28
Miscellaneous Deposits:						
Recreation Improvements	11,000.00					11,000.00
Reserve for Street Opening Escrow's	9,942.00					9,942.00
Village Parking Improvements	3,840.00		100.00			3,940.00
Sidewalk Construction	48,581.37		7,055.20			55,636.57
Park Pump Station	0.31					0.31
Off-Site Fire Hydrant	6,100.00					6,100.00
Bond Street Apron	1,000.00					1,000.00
Pedestrian Barrier - Jennings Road	5,000.00					5,000.00
Planning Board Subdivision Escrow	560,244.35	264.20	335,286.94	273,294.60		622,500.89
Road Improvement Escrow's:						
Tuckerton Road	11,536.60					11,536.60
Marlton Pike	1,905.00					1,905.00
Route 70 and Eayerstown Road	6,195.55					6,195.55
Eayrestown/New Freedom Intersection	488.00					488.00
Wilkins Station and Route 541 Traffic Light	7,864.00					7,864.00
Stokes/Branin/Schoolhouse Roads	27,160.00					27,160.00
Road Improvement Cowpath	7,630.00					7,630.00
General Road Trust	2,241.75					2,241.75
Hartford Road & Route 70 Intersection	34,049.65					34,049.65
Route 70 and Jones	574.20					574.20
Facility Use	4,830.00		3,500.00	3,500.00		4,830.00
Admin Agent Fees			5,500.00	3,944.40		1,555.60
Tax Title Lien Redemption	1,427.42		591,672.79	320,265.42		272,834.79
Tax Sale Premium	342,102.00		138,700.00	160,902.00		319,900.00
New Jersey Unemployment Compensation Insurance	22,891.93	45.15	48,220.59	26,885.38		44,272.29
Sanitary Landfill Facility Closure and Contingency Fund	13,527.64	52.41				13,580.05
Public Defender	3,329.00	8.58	4,567.50	7,038.02		867.06
Housing	515,321.05	1,972.92	28,616.40	35,316.50		510,593.87
Unclaimed Bail - Disposal of Forfeited Property	13,432.88					13,432.88
Fire Safety Penalties	1,346.49	5.21				1,351.70
Resale of Snow Removal Chemicals - Commodity Resale	1,143.69	4.45				1,148.14
Fair Share Traffic Construction	9,536.00					9,536.00
Snow Removal Trust Fund	2,281.53	8.96	4,105.56			6,396.05
Federal Forfeiture Trust	5,798.64	22.45				5,821.09
Recreation Programs Trust	42,757.50	232.69	98,878.90	107,029.47		34,839.62
Street Opening Trust	25,993.61	69.66	8,000.00	19,047.50		15,015.77
Accumulated Absences	38,839.27	150.83	5,000.00			43,990.10
Miscellaneous	3,377.71					3,377.71
Older American's	11.05	0.04				11.09
Self Insurance Programs:						
Health Benefits	(76,739.38)	744.91	2,734,851.11	2,781,468.67		(122,612.03)
Dental Benefits	8,030.18	63.15	136,922.25	127,251.55		17,764.03
	<u>\$ 1,790,824.94</u>	<u>\$ 3,773.57</u>	<u>\$ 18,990,799.76</u>	<u>\$ 18,629,808.43</u>		<u>\$ 2,155,589.84</u>
Reserve for Miscellaneous Trust Reserves	\$ 1,867,564.33					\$ 2,278,201.87
Deficit - Health Benefits Trust Fund	(76,739.38)					(122,612.03)
Deficit - Net Payroll	(0.01)					
	<u>\$ 1,790,824.94</u>					<u>\$ 2,155,589.84</u>
Current Fund Appropriations:						
New Jersey Unemployment Compensation Insurance			\$ 35,000.00			
Accumulated Absences			5,000.00			
Deficit Health Benefits			76,739.38			
Other Receipts			18,874,060.38			
			<u>\$ 18,990,799.76</u>			

TOWNSHIP OF MEDFORD
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 455,705.81
Increased by:		
Receipts:		
County of Burlington	\$ 398,240.00	
State of New Jersey	500,000.00	
Interest on Deposits	1,262.97	
Other	<u>4,000.00</u>	
		\$ 903,502.97
Due from Current Fund:		
Current Year Levy	534,370.78	
Added and Omitted Taxes - Current Year	1,788.34	
Cancel Prior Year Appropriation Reserves	<u>71,569.43</u>	
		<u>1,511,231.52</u>
		1,966,937.33
Decreased by:		
Current Year Appropriations	1,112,747.00	
Expenses Paid Directly from Reserve Funds	<u>1,704.50</u>	
		<u>1,114,451.50</u>
Balance December 31, 2010		<u><u>\$ 852,485.83</u></u>

Exhibit SB-8

TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Due From (To) Current Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 141,762.08
Increased by:		
Current Year Levy	\$ 534,370.78	
Added and Omitted Taxes - Current Year	<u>1,788.34</u>	
		<u>536,159.12</u>
		677,921.20
Decreased by:		
Received from Current Fund	534,370.78	
Disbursement made on-behalf of Open Space Fund:		
Bond Principal	135,391.82	
Bond Interest	<u>79,847.27</u>	
		<u>749,609.87</u>
Balance December 31, 2010		<u><u>\$ (71,688.67)</u></u>

TOWNSHIP OF MEDFORD
TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2010

	<u>Balance Dec. 31, 2009</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Lapsed to Fund Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Other Expenses	\$ 47,390.35	\$ 8,183.24	\$ 55,573.59	\$ 8,183.24	\$ 47,390.35
Acquisition of Farmland	16,527.08	17,000.00	33,527.08	9,348.00	24,179.08
	<u>\$ 63,917.43</u>	<u>\$ 25,183.24</u>	<u>\$ 89,100.67</u>	<u>\$ 17,531.24</u>	<u>\$ 71,569.43</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

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

Balance December 31, 2009		\$ 8,482,187.27
Increased by Receipts:		
Due Current Fund	\$ 7,788.80	
Capital Improvement Fund	190,000.00	
Bond Anticipation Notes	12,098,000.00	
Due from Community Development Block Grant	55,300.00	
Due from State of NJ Transport Trust	184,954.74	
Contra	<u>5,000,000.00</u>	
		<u>17,536,043.54</u>
		26,018,230.81
Decreased by Disbursements:		
Due Current Fund	201,082.69	
Bond Anticipation Notes	12,098,000.00	
Improvement Authorizations	3,146,225.65	
Contra	<u>5,000,000.00</u>	
		<u>20,445,308.34</u>
Balance December 31, 2010		<u><u>\$ 5,572,922.47</u></u>

TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
 Statement of General Capital Cash and Investments
 For the Year Ended December 31, 2010

	Receipts			Disbursements			Transfers		
	Balance (Deficit) Dec. 31, 2009	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	Balance (Deficit) Dec. 31, 2010
Fund Balance	\$ 203,063.22								\$ 203,063.22
Capital Improvement Fund	31,043.00		\$ 190,000.00					\$ 188,756.00	32,285.00
Reserve for Encumbrances	1,505,010.21		7,788.80			\$ 201,082.89		1,505,010.21	1,925,762.48
Due Current Fund	20,116.78		184,954.74						(173,177.11)
Due from State of New Jersey Transportation Trust Fund	(891,400.25)								(806,445.51)
Due from County of Burlington	(85,000.00)								(285,000.00)
Due to Utility Capital Fund	(15,415.73)								(15,415.73)
Due Community Development Block Grant	(93,000.00)		55,300.00						(37,700.00)
Due Trust Other Fund	(25,000.00)								(25,000.00)
Reserve for Payment of Debt Service	22,735.05		5,000,000.00						22,735.05
Contra									
Improvement Authorizations:									
Ordinance									
Number									
1989-01	2.00								2.00
1989-10	246.85								246.85
1989-15	0.22								0.22
1989-24	1.00								1.00
1990-08	24,689.17								24,689.17
1991-12	262,872.11						2,956.83	2,956.83	262,872.11
1992-05	0.48								0.48
1993-13	3,553.14						102.77	102.77	3,553.14
1994-19	0.02								0.02
1994-31	2.33								2.33
1995-05	5,844.50								5,844.50
1995-21	0.28								0.28
1996-14	53,989.94								53,989.94
1997-05									
1998-19	130,663.89						19.00	19.00	130,663.89
1999-15	29,710.35						4,173.36	4,173.36	29,710.35
1999-36	40,178.41						2.12	2.12	40,178.41
2000-10	15,204.46								15,204.46
2000-14	0.10								0.10
2001-10	14,719.80						629.32	629.32	14,719.80
2002-15	1,724.53						10,702.94	10,702.94	1,724.53
2002-16	16,287.69								16,287.69
2002-29	153,422.83						210.11	210.11	153,422.83
2003-12	42,529.00								42,529.00
2003-13	232.50								232.50
2003-14	386,004.58						38.92	38.92	386,004.58
2003-16	4,382.78						1,583.48	1,770.54	4,382.78
2003-24	40,000.00								40,000.00
2004-14	307,751.87								307,751.87
2004-20	588.68						38,563.04	35,201.79	588.68
2004-25	73,324.70						10,572.91	1,886.66	73,324.70
2005-13	246,132.81								246,132.81
2006-09	941,483.22						57,535.56	50,349.60	941,483.22
2007-10	284,355.84						7,650.00	5,805.31	284,355.84
2007-15	216,374.48						75,858.42	83,910.53	216,374.48
2007-21	3,360.00								3,360.00
2007-28	39,173.26						1,412.90	177,841.55	39,173.26
2008-06	22,069.34								22,069.34
2008-11	256,971.80								256,971.80
2008-18	2,750,644.27								2,750,644.27
2008-28	22,194.31								22,194.31
2009-19	1,484,347.45								1,484,347.45
2009-28	35,000.00								35,000.00
2010-15									
	\$ 8,482,187.27	\$ 12,098,000.00	\$ 5,438,043.54	\$ 3,146,225.65	\$ 12,098,000.00	\$ 5,201,082.89	\$ 3,819,550.69	\$ 3,819,550.69	\$ 5,572,922.47

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

Balance December 31, 2009		\$ 29,263,981.00
Decreased by:		
2010 Budget Appropriations:		
Serial Bonds	\$ 2,880,617.50	
Green Acres Loans	<u>238,476.89</u>	
		<u>3,119,094.39</u>
Balance December 31, 2010		<u><u>\$ 26,144,886.61</u></u>

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

Ordinance Number	Improvement Description	Increased by		Analysis of Balance Dec. 31, 2010		Unexpended Improvement Authorizations
		Balance Dec. 31, 2009	2010 Authorizations	Balance Dec. 31, 2010	Expended	
2005-13	Various Capital Improvements	\$ 338.00		338.00		\$ 338.00
2007-10	Various Capital Improvements	329.00		329.00		329.00
2008-11	Acquisition of Real Property - Cow Pointe	8,671,925.00		8,671,925.00		50,925.00
2008-18	Various Capital Improvements	26.00		26.00		26.00
2009-19	Various Capital Improvements	3,477,187.00		3,477,187.00		187.00
2009-19	Various Capital Improvements	665,000.00		665,000.00	\$ 517,975.75	147,024.25
2009-28	Improvements to Public Safety Facilities and Related Expenses			3,586,411.00	172,352.05	3,414,058.95
2010-15	Various Capital Improvements		\$ 3,586,411.00	3,586,411.00		
		\$ 12,814,805.00	\$ 3,586,411.00	\$ 16,401,216.00	\$ 690,327.80	\$ 3,612,888.20
	Improvement Authorizations Unfunded					\$ 4,809,308.09
	Less - Unexpended Proceeds of Bond Anticipation Notes Issued:					1,196,419.89
	Ordinance 2009-19					\$ 3,612,888.20

TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 31,043.00
Increased by:	
Budget Appropriation - Receipts	<u>190,000.00</u>
	221,043.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>188,758.00</u>
Balance December 31, 2010	<u><u>\$ 32,285.00</u></u>

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

Ordinance Number	Improvement Description	Date	Ordinance Amount		Balance Dec. 31, 2009		2010 Authorizations	Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2010			
			Funded	Unfunded	Funded	Unfunded				Funded	Unfunded		
General Improvements:													
1989-01	Open Space Preservation Feasibility Studies	02/10/89	\$ 150,000.00	\$ 2.00						\$ 2.00			
1989-10	Dam Inspection Program	05/02/89	62,000.00	246.85						246.85			
1989-15	Construction of Various Roads	08/15/89	881,875.00	0.22						0.22			
1989-24	Purchase of Computer Equipment	10/17/89	70,000.00	1.00						1.00			
1990-08	Construction of Bike Paths	05/21/90	71,000.00	24,689.17						24,689.17			
1991-12	Various Capital Improvements	07/15/91	7,392,050.00	262,872.11						262,872.11			
1992-05	Construction of Parks and Recreation Facilities	03/16/92	485,000.00	0.48						0.48			
1993-13	Various Capital Improvements	05/17/93	501,500.00	3,553.14						3,553.14			
1994-19	Various Capital Improvements	05/16/94	479,000.00	0.02						0.02			
1994-31	Acquisition of Real Property	10/03/94	1,500,000.00	2.33						2.33			
1995-05	Purchase of Various Equipment	05/01/95	1,116,000.00	5,844.50						5,844.50			
1995-21	Improvements to Recreation Facilities	12/18/95	1,248,375.00	0.28						0.28			
1996-14	Various Road Improvements	07/15/96	74,000.00	53,999.94						53,999.94			
1997-05	Acquisition of Various Equipment and Construction of Various Capital Improvements	04/21/97	2,174,639.00	130,663.89						130,663.89			
1998-19	Various Capital Improvements	08/19/98	2,042,790.00	29,710.35						29,710.35			
1999-15	Various Capital Improvements	06/02/99	1,255,258.00	40,178.41						40,178.41			
1999-36	Installation of Handicapped Accessible Tot Lot	10/06/99	25,000.00	15,204.46						15,204.46			
2000-10	Acquisition of Office Equipment and Funding for Construction of Library Branch	03/17/00	28,060.00	0.10						0.10			
2000-14	Various General Capital Improvements	05/17/00	2,956,905.00	14,719.80						14,719.80			
2001-10	Various General Capital Improvements	05/22/01	2,038,950.00	1,724.53						1,724.53			
2001-15	Purchase of Office Equipment	04/09/02	2,000.00	56.41						56.41			
2002-16	Various General Capital Improvements	04/09/02	1,462,725.00	169,654.11						169,654.11			
2002-29	Construction of Improvements to Various Municipal Buildings	07/23/02	42,529.00	232.50						232.50			
2003-12	Improvements to Bob Meyer Park	05/13/03	24,000.00										
2003-13	Lake Cotoxan Engineering Study	06/10/03	25,000.00										
2003-14	Various Capital Improvements	06/10/03	1,880,401.00	386,004.58						386,004.58			
2003-16	Reconstruction and Resurfacing of Hopewell Road	06/10/03	61,427.91	4,382.78						4,382.78			
2003-24	Various Capital Improvements	09/23/03	40,000.00	40,000.00						40,000.00			
2004-14	Various Capital Improvements	04/13/04	1,926,359.00	307,751.87						307,751.87			
2004-20	Various Capital Improvements	08/24/04	1,400,000.00	588.68						588.68			
2004-25	Various Capital Improvements	10/26/04	73,324.70	73,324.70						73,324.70			
2005-13	Various Capital Improvements	05/24/05	1,496,250.00	\$ 338.00						\$ 338.00			
2006-09	Various Capital Improvements	05/23/06	4,876,336.00	941,483.22						941,483.22			
2007-10	Various Capital Improvements	05/08/07	2,592,715.00	284,355.84						284,355.84			
2007-15	Repair, Reconstruction, and/or Restoration of Public Property Damaged by the Floods	06/26/07	4,200,000.00	216,374.48						216,374.48			
2007-21	Purchase of Village Parking Signs	09/25/07	3,360.00	3,360.00						3,360.00			
2007-28	Repair, Reconstruction, and/or Restoration of Public Property Damaged by the Floods	11/27/07	1,200,000.00	39,173.26						39,173.26			
2008-06	Acquisition of Public Works and Fire Division Vehicles and Equipment	03/11/08	135,424.34	22,069.34						22,069.34			
2008-11	Acquisition of Real Property - Cow Pointe	04/22/08	10,300,000.00	256,971.80						256,971.80			
2008-18	Various Capital Improvements	05/27/08	4,890,026.00	2,750,644.27						2,750,644.27			
2008-28	Engineering and Construction of Improvements for the Public Works Facility	09/23/08	50,000.00	22,194.31						22,194.31			
2009-19	Various Capital Improvements	06/09/09	3,739,144.00	1,484,534.45						1,484,534.45			
2009-28	Improvements to Public Safety Facilities and Related Expenses	11/24/09	700,000.00	35,000.00						35,000.00			
2010-15	Various Capital Improvements		3,975,169.00				\$ 3,975,169.00						
										\$ 6,425,697.54	\$ 2,201,152.45	\$ 4,225,712.98	\$ 4,809,308.09
										\$ 188,758.00	\$ 3,146,225.65	\$ 1,925,782.48	\$ 3,414,068.95
										\$ 3,586,411.00	\$ 5,072,008.13	\$ 4,225,712.98	\$ 4,809,308.09
										\$ 3,975,169.00	\$ 5,072,008.13	\$ 4,225,712.98	\$ 4,809,308.09

Capital Improvements Fund
 Grant from Burlington County
 Deferred Charges to Future Taxation - Unfunded
 Disbursed
 Reserve for Encumbrances

TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 1,505,010.21
Increased by:		
Charges to Improvement Authorizations		1,925,782.48
		3,430,792.69
Decreased by:		
Prior Year Balance Reappropriated		1,505,010.21
Balance December 31, 2010		\$ 1,925,782.48

Exhibit SC-8

GENERAL CAPITAL FUND
Statement of Due (To) From Current Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ (20,116.78)
Increased by Receipts:		
Interest Earnings		(7,788.80)
		(27,905.58)
Decreased by Disbursements:		
Note Interest Disbursed on-behalf of Current Fund	\$ 180,965.91	
Liquidation of Prior Year Interfund	20,116.78	
		201,082.69
Balance December 31, 2010		\$ 173,177.11

TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
 Statement of Green Acres Trust Loans Payable
 For the Year Ended December 31, 2010

Date of Issue	Purpose	Maturities of Loans		Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
		Outstanding Dec. 31, 2010 Date	Amount			
11/01/94	Distefano Tract	2011	\$ 135,575.27	2.00%	\$ 619,459.62	\$ 486,555.72
		2012	138,300.34			
		2013	141,080.17			
		2014	71,599.94			
11/10/97	Distefano Tract	2011	53,758.32	2.00%	452,472.89	399,773.82
		2012	54,838.85			
		2013	55,939.12			
		2014	57,065.53			
		2015	58,212.55			
		2016	59,382.63			
		2017	60,576.82			
		2018	60,576.82			
10/23/99	Distefano Tract	2011	26,384.31	2.00%	267,792.04	241,927.60
		2012	26,914.63			
		2013	27,455.62			
		2014	28,007.48			
		2015	28,570.42			
		2016	29,144.69			
		2017	29,730.50			
		2018	30,328.08			
		2019	30,328.08			
		2019	15,391.87			
09/06/00	Distefano Tract Phase II	2011	27,552.36	2.00%	279,647.45	252,637.97
		2012	28,106.17			
		2013	28,671.10			
		2014	29,247.39			
		2015	29,835.27			
		2016	30,434.96			
		2017	31,046.70			
		2018	31,670.73			
		2019	31,670.73			
		2019	16,073.29			
				<u>279,647.45</u>	<u>27,009.48</u>	<u>252,637.97</u>
				<u>\$ 1,619,372.00</u>	<u>\$ 238,476.89</u>	<u>\$ 1,380,895.11</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2010		Interest Rate	Balance Dec. 31, 2009	Paid By Budget Appropriation	Balance Dec. 31, 2010
			Date	Amount				
General Improvement Bonds	11/01/91	\$ 3,905,000.00	11/01/11	\$ 250,000.00	6.300%	\$ 500,000.00	\$ 250,000.00	\$ 250,000.00
Refunding Bonds	09/01/98	1,936,362.00	09/01/11	199,625.00	4.350%			
			09/01/12-13	195,632.50	4.350%			
			09/01/14	211,601.50	4.500%	1,006,109.00	203,617.50	802,491.50
General Improvement Bonds	09/01/98	2,701,500.00	09/01/11	250,000.00	4.250%			
			09/01/12	251,500.00	4.300%	751,500.00	250,000.00	501,500.00
General Improvement Bonds	07/01/02	2,415,000.00	07/01/11	200,000.00	3.750%			
			07/01/12	200,000.00	3.800%			
			07/01/13	200,000.00	3.900%			
			07/01/14	200,000.00	4.000%			
			07/01/15	200,000.00	4.125%	1,200,000.00	200,000.00	1,000,000.00
General Improvement Bonds	07/01/04	2,693,000.00	07/01/11	350,000.00	3.500%			
			07/01/12	400,000.00	3.600%			
			07/01/13	393,000.00	3.700%	1,493,000.00	350,000.00	1,143,000.00
Refunding Bond Issue	03/15/04	6,470,000.00	08/01/11	495,000.00	4.000%			
			08/01/12	585,000.00	5.000%			
			08/01/13	625,000.00	5.000%			
			08/01/14	625,000.00	3.200%			
			08/01/15	615,000.00	3.375%			
			08/01/16	600,000.00	3.500%			
			08/01/17	380,000.00	3.750%			
			08/01/18	385,000.00	4.000%			
			08/01/19	455,000.00	4.000%			
			08/01/20	450,000.00	4.000%	5,750,000.00	505,000.00	5,225,000.00
General Obligation Bonds	07/01/05	2,620,000.00	07/01/11	280,000.00	3.800%			
			07/01/12	280,000.00	3.800%			
			07/01/13	300,000.00	3.800%			
			07/01/14	300,000.00	3.800%			
			07/01/15	350,000.00	3.800%	1,740,000.00	250,000.00	1,490,000.00
General Obligation Bonds	12/28/06	4,755,000.00	05/15/11	595,000.00	5.000%			
			05/15/12	625,000.00	5.000%			
			05/15/13	656,000.00	5.000%			
			05/15/14	689,000.00	5.000%	3,137,000.00	572,000.00	2,565,000.00
General Obligation Bonds	07/15/08	12,187,000.00	07/15/11	500,000.00	3.500%			
			07/15/12	750,000.00	3.500%			
			07/15/13	1,037,000.00	3.625%			
			07/15/14	1,500,000.00	3.625%			
			07/15/15	2,000,000.00	3.750%			
			07/15/16	2,000,000.00	3.750%			
			07/15/17	2,000,000.00	4.000%			
		07/15/18	2,000,000.00	4.000%	12,087,000.00	300,000.00	11,787,000.00	
								\$ 27,644,609.00
								\$ 24,763,991.50

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
2008-11	Acquisition of Real Property - Cow Pointe	07/15/08	07/14/09	07/13/10	1.50%	\$ 8,621,000.00	\$ 8,621,000.00	\$ 8,621,000.00	\$ 8,621,000.00
2008-11	Acquisition of Real Property - Cow Pointe	07/15/08	07/12/10	07/11/11	0.93%				
2009-19	Various Capital Improvements	07/14/09	07/14/09	07/13/10	1.50%	3,477,000.00	3,477,000.00		3,477,000.00
2009-19	Various Capital Improvements	07/14/09	07/12/10	07/11/11	0.93%				
						<u>\$ 12,098,000.00</u>	<u>\$ 12,098,000.00</u>	<u>\$ 12,098,000.00</u>	<u>\$ 12,098,000.00</u>
					Renewals		<u>\$ 12,098,000.00</u>	<u>\$ 12,098,000.00</u>	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Increased by		Balance Dec. 31, 2010
			2010 Authorizations		
2005-13	Various Capital Improvements	\$ 338.00			\$ 338.00
2007-10	Various Capital Improvements	329.00			329.00
2008-11	Acquisition of Real Property - Cow Pointe	50,925.00			50,925.00
2008-18	Various Capital Improvements	26.00			26.00
2009-19	Various Capital Improvements	187.00			187.00
2009-28	Improvements to Public Safety Facilities	665,000.00			665,000.00
2010-15	Various Capital Improvements		\$ 3,586,411.00		3,586,411.00
		<u>\$ 716,805.00</u>	<u>\$ 3,586,411.00</u>		<u>\$ 4,303,216.00</u>

SUPPLEMENTAL EXHIBITS
WATER AND SEWER UTILITY FUND

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY FUND
 Statement of Water and Sewer Utility Cash -- Treasurer
 For the Year Ended December 31, 2010

	<u>Operating</u>	<u>Sewer Connection Trust</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2009	\$ 1,188,553.39	\$ 2,685,046.20	\$ 666.00	\$ 269,575.04
Increased by Receipts:				
Rents Receivable	\$ 5,043,146.96			
Rent Overpayments	540.82			
Petty Cash	100.00			
Miscellaneous Revenue	607,500.67			
Due Utility Operating Fund	5,124.56	\$ 2,939.28		\$ 2,843.42
Due Sewer Connection Trust Fund				1,305,000.00
BANS				9,973,519.82
Due New Jersey Infrastructure Loan				200,000.00
Contra	<u>450,000.00</u>	<u>2,939.28</u>	<u>-</u>	<u>11,481,363.24</u>
	6,106,413.01	2,939.28		
Decreased by Disbursements:				
2010 Budget Appropriations	4,663,839.19			
2009 Appropriation Reserves	197,730.25	2,687,985.48	666.00	
Rent Overpayments	540.82			
Accrued Interest on Bonds and Notes	995,058.53			
Petty Cash	100.00			
Due Utility Operating Improvement Authorizations		5,124.56		1,750.54
Due Current Fund				9,367,450.38
Contra	<u>450,000.00</u>	<u>5,124.56</u>	<u>-</u>	<u>200,000.00</u>
	6,307,268.79	5,124.56		
Balance December 31, 2010	<u>\$ 987,697.61</u>	<u>\$ 2,682,860.92</u>	<u>\$ 666.00</u>	<u>\$ 358,701.37</u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Rents Receivable
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 1,380,288.49
Increased by:	
Water and Sewer Rents Levied	<u>5,570,731.82</u>
	6,951,020.31
Decreased by:	
Collections	<u>5,043,146.96</u>
Balance December 31, 2010	<u>\$ 1,907,873.35</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		2010 Authorizations	Balance Dec. 31, 2010
				Dec. 31, 2009	\$		
1987-16	Construction of Water Storage Tank	08/04/87	\$ 1,440,000.00	\$ 3,349.00		\$	3,349.00
1989-08	Rehabilitation and Upgrade of Elm Drive Pumping Station	04/18/89	220,000.00	16,247.00			16,247.00
1990-09	Acquisition of Seven Yard Dump Truck	06/04/90	57,000.00	538.00			538.00
1992-12	Various Utility Capital Improvements and Rehabilitation of Water Storage Tank and Pump Stations	07/20/92	325,000.00	246,258.00			246,258.00
1993-12	Rehabilitation of Various Water Supply Mains	05/17/93	835,208.00	835,208.00			835,208.00
1993-28	Rehabilitation of Water Treatment and Distribution System	12/06/93	489,585.00	489,585.00			489,585.00
1994-13	Rehabilitation of Various Water Supply Mains	03/07/94	475,000.00	478,844.00			478,844.00
1995-06	Rehabilitation of Water Mains; Various Improvements; Control System for Water Treatment Plant and Construction of Southside Water Tank	04/17/95	327,500.00	327,750.00			327,750.00
1995-11	Replacement of Pump Station Force Main; Reconstruction of Sewer Lines and Rehabilitation of Sewer Treatment System	07/17/95	466,184.00	466,184.00			466,184.00
1996-11	Construction of Various Utility Capital Improvements	06/17/96	1,349,000.00	1,264,127.00			1,264,127.00
1997-06	Construction of Various Utility Capital Improvements	03/17/97	1,357,000.00	607,000.00			607,000.00
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000.00	1,750,000.00			1,750,000.00
1999-16	Construction of Various Utility Capital Improvements	06/02/99	840,000.00				
2000-15	Various Utility Capital Improvements	05/17/00	1,209,000.00	1,209,000.00			1,209,000.00
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000.00	1,635,000.00			1,635,000.00
2002-10	Various Utility Capital Improvements	03/12/02	303,604.14				
2002-17	Various Utility Capital Improvements	04/09/02	1,635,000.00				
2002-19	Improvements to the Wastewater Treatment Fund	04/23/02	1,766,000.00	1,766,000.00			1,766,000.00
2003-15	Various Utility Capital Improvements	06/10/03	370,000.00	370,000.00			370,000.00
2003-17	Improvements to the Water Treatment Plant, and Rehabilitation of Wells 9, 10 and 15 and the Englishtown Well and to Improve Related Water Mains at Deerbrook	06/10/03	188,794.03	188,794.03			188,794.03
2004-01	Refunding Bonds	02/10/04	3,530,000.00	3,530,000.00			3,530,000.00
2004-15	Various Utility Capital Improvements	05/11/04	995,000.00	995,000.00			995,000.00
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000.00	2,900,000.00			2,900,000.00
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000.00	1,540,000.00			1,540,000.00
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000.00	1,665,000.00			1,665,000.00
2007-09	Various Utility Capital Improvements	05/08/07	3,478,658.00	3,478,658.00			3,478,658.00
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	05/08/07	2,245,000.00	2,245,000.00			2,245,000.00
2007-14	Repair, Reconstruction and/or Restoration of the Sewer System Damaged by the Floods	06/26/07	500,000.00	500,000.00			500,000.00
2008-19	Various Utility Capital Improvements	05/27/08	569,000.00	569,000.00			569,000.00
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172.00	7,051,172.00			7,051,172.00
2009-11	Improvements for Phase II of the Sewer Plant Upgrade Project	04/28/09	3,939,262.00	3,939,262.00			3,939,262.00
2009-12	Improvements for Wastewater Treatment Plant	04/28/09	2,730,000.00	2,730,000.00			2,730,000.00
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500.00	1,305,500.00			1,305,500.00
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000.00	3,500,000.00			3,500,000.00
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000.00		\$ 1,050,000.00		1,050,000.00
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000.00		3,470,000.00		3,470,000.00
				\$ 47,602,476.03	\$ 4,520,000.00	\$ 52,122,476.03	
	Deferred Charges to Future Revenue				\$ 4,520,000.00		\$ 4,520,000.00

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

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased by</u> <u>Capital</u> <u>Outlay</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Enlargement of Plant and Extension of Stokes Road Sewer Line	\$ 413,390.00		\$ 413,390.00
Sanitary Sewer System	12,954,162.00		12,954,162.00
Extension of Sewer Line on Christopher Mill Road	1,375.00		1,375.00
Extension of Sewer Line on Tuckerton Road	3,517.00		3,517.00
Extension of Sewer Line on Taunton Road	3,963.00		3,963.00
Site Work for Addition to Sewer Plant	6,111.00		6,111.00
Reconstruction of Oakwood Wastewater System and Installation of Southside Water Supply Wells	1,720,000.00		1,720,000.00
Rodding Machine	1,231.00		1,231.00
High Water Alarm System	1,815.00		1,815.00
Road and Drainage System	30,000.00		30,000.00
Manhole Covers	4,848.00		4,848.00
Extension of Sewer Line on Hoot Owl Section	207,450.00		207,450.00
Sludge De-Watering System	171,657.00		171,657.00
General System	328,668.00		328,668.00
Pick-up Truck	61,123.00		61,123.00
Meters and Hydrants	1,792,573.40	\$ 1,837.49	1,794,410.89
Lab Equipment and Furniture	9,165.00		9,165.00
Communications Equipment	2,558.00		2,558.00
Reconditioning of Wells	8,466.00		8,466.00
Fencing	1,565.00		1,565.00
Office Equipment and Furniture	47,773.28		47,773.28
Interim Upgrade of Sewer Plant	324,279.00		324,279.00
Feasibility Study of Waste Water Treatment Facility	26,287.00		26,287.00
Gate Valve Installation	10,898.00		10,898.00
Computer	28,149.00		28,149.00
Flow Control System	3,335.00		3,335.00
Gasoline Storage Tank	2,596.00		2,596.00
Safety Equipment	103,946.20	3,296.98	107,243.18
Manhole Inserts	22,974.00		22,974.00
Rehabilitation of Waste Water Treatment Tanks	100,000.00		100,000.00
Wastewater Jetter/Vector	130,000.00		130,000.00
Construction of Water Line in Vicinity of Jackson Road	46,000.00		46,000.00
Discount on Repayment of Loan from Farmers Home Administration	3,120,000.00		3,120,000.00
Installation of Water Line at Laurel Knoll Subdivision	53,000.00		53,000.00
Rehabilitation of Sewerage Treatment Tank #1	84,200.00		84,200.00
Trucks	407,389.22		407,389.22
Sewerage Treatment Plant and Extension of Sewer Line on Stokes Road	1,240,105.00		1,240,105.00
Rehabilitation and Upgrading of Elm Drive Pumping Station	139,128.00		139,128.00
Charles Street Water Main	33,234.00		33,234.00
Acquisition of Seven Yard Pickup Truck	50,462.00		50,462.00
Cost to Refinance Serial Bonds	432,497.00		432,497.00
Utility Equipment	462,501.81	22,570.39	485,072.20
Water Diversion Rights	1,107,422.33		1,107,422.33
Rehabilitation of Wells and Other Improvements to the Water and Sewer Utility System	1,250,930.00		1,250,930.00
Various Water and Sewer Capital Improvements and Upgrading and Rehabilitation of Utility System	872,100.00		872,100.00
Construction of Southside Water Supply Wells	474,050.00		474,050.00
Furniture and Equipment	7,233.69		7,233.69
Water and Sewer Improvements on Various Municipal Roadways	438,604.14		438,604.14
	<u>\$ 28,742,732.07</u>	<u>\$ 27,704.86</u>	<u>\$ 28,770,436.93</u>
Current Year Budget		\$ 26,267.38	
Appropriation Reserve		<u>1,437.48</u>	
		<u>\$ 27,704.86</u>	

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds, Loans and Notes
For the Year Ended December 31, 2010

Balance December 31, 2009		\$	389,498.60
Increased by:			
Charged to Budget Appropriation - Interest on Bonds and Loans	\$	1,021,999.45	
Charged to Budget Appropriation - Interest on Notes		<u>5,752.37</u>	
			<u>1,027,751.82</u>
			1,417,250.42
Decreased by:			
Disbursed			<u>995,058.53</u>
Balance December 31, 2010		\$	<u><u>422,191.89</u></u>

Analysis of Accrued Interest December 31, 2010

	<u>Principal Outstanding Dec. 31, 2010</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 100,000.00	Various		11/01/10	12/31/10	2.0 months	\$ 1,050.00
202,507.50	Various		09/01/10	12/31/10	4.0 months	2,963.06
498,500.00	Various		09/01/10	12/31/10	4.0 months	7,118.50
1,796,000.00	Various		07/01/10	12/31/10	6.0 months	36,885.00
1,915,000.00	Various		08/01/10	12/31/10	5.0 months	31,878.65
996,000.00	Various		07/01/10	12/31/10	6.0 months	20,248.50
3,613,000.00	Various		07/01/10	12/31/10	6.0 months	68,647.00
1,340,000.00	Various		11/15/10	12/31/10	1.5 months	7,546.10
4,623,000.00	Various		07/15/10	12/31/10	5.5 months	79,929.90
Loans:						
610,000.00	Various		08/01/10	12/31/10	5.0 months	12,729.16
68,278.75	Various		08/05/10	12/31/10	5.0 months	995.73
1,020,000.00	Various		08/01/10	12/31/10	5.0 months	18,942.71
3,660,000.00	Various		08/01/10	12/31/10	5.0 months	80,864.58
1,965,000.00	Various		08/01/10	12/31/10	5.0 months	33,598.96
735,000.00	Various		08/01/10	12/31/10	5.0 months	13,041.67
Bond Anticipation Notes:						
1,305,000.00	0.93%		07/12/10	12/31/10	173 Days	<u>5,752.37</u>
						<u><u>\$ 422,191.89</u></u>

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

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations	Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2010	
				Funded	Unfunded				Funded	Unfunded
1994-33	Replacement of Roof and Purchase and Installation of Wastewater Treatment Equipment	11/07/94	\$ 119,409.00	\$ 242.59				\$ 242.59		
1995-11	Replacement of Pump Station Force Main; Reconstruction of Sewer Lines and Rehabilitation of Sewer Treatment System	07/17/95	490,720.00	12.87				1,181.39		
1996-11	Construction of Various Utility Capital Improvements	06/17/96	1,349,000.00	15,466.66				1,127.23		
1997-06	Construction of Various Utility Capital Improvements	04/21/97	1,357,000.00	2,446.01				31,782.13		\$ 1,248.66
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000.00				\$ 33,030.79			
1999-16	Construction of Various Utility Capital Improvements	06/02/99	840,000.00				3,130.25			
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000.00	34,802.73			6,938.15			
2002-10	Various Utility Capital Improvements	03/12/02	303,604.14				23.31			
2002-17	Various Utility Capital Improvements	04/09/02	1,635,000.00				1,473.81			
2002-19	Improvements to the Wastewater Treatment Plant	04/23/02	1,766,000.00				24,739.00			
2003-15	Various Utility Capital Improvements	06/10/03	370,000.00				39.63			
2003-17	Improvements to the Water Treatment Plant, and Rehabilitation of Wells 9, 10 and 15 and the Englishtown Well and to Improve Related Water Mains at Deerbrook	06/10/03	188,794.03	1,042.56						
2004-15	Various Utility Capital Improvements	05/11/04	995,000.00				2,996.70			
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000.00	7,691.37			10,319.40			
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000.00	492,399.97			740.00			
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000.00	16,170.00			4,697.13			
2007-09	Various Utility Capital Improvements	05/08/07	3,478,658.00	327,200.74	\$ 267.00		3,641.63			
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	05/08/07	2,245,000.00	15,287.09	800.00		27,000.30			267.00
2007-14	Repair, Reconstruction and/or Restoration of the Sewer System Damaged by the Floods	06/26/07	500,000.00	1,929.77			20,378.03			800.00
2007-27	Paving of the Driveway at the Township Sewer Treatment Plant & Acquisition of All Materials & Equipment Necessary for Completion	11/27/07	29,528.85	160,927.49						
2008-19	Various Utility Capital Improvements	05/27/08	569,000.00	365,260.62			56,930.95			
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172.00	44,504.54	125,027.00					
2009-11	Improvements for Phase II of the Sewer Plant Upgrade Project	04/28/09	3,939,262.00	90,428.09	116,499.00					
2009-12	Improvements for Wastewater Treatment Plant	04/28/09	2,730,000.00	2,522,592.00						
2009-14	Various Utility Capital Improvements	05/12/09	438,611.09	19,078.44						
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500.00							
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000.00	1,222,150.00						
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000.00	3,500,000.00						
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000.00			\$ 1,050,000.00				
				\$ 1,594,891.54	\$ 7,487,335.00	\$ 4,520,000.00	\$ 7,115,697.51	\$ 13,080,590.03	\$ 5,163,821.45	\$ 2,473,512.57
						\$ 4,520,000.00		\$ 9,367,450.38		
								\$ 3,713,139.65		
										\$ 13,080,590.03

Bonds and Notes Authorized
 Disbursed
 Reserve for Encumbrances

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 7,115,697.51
Increased by:		
Charges to Improvement Authorizations		<u>3,713,139.65</u>
		10,828,837.16
Decreased by:		
Prior Year Balance Reappropriated		<u>7,115,697.51</u>
Balance December 31, 2010		<u><u>\$ 3,713,139.65</u></u>

Exhibit SD-10

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

Balance December 31, 2009		\$ 36,312,695.27
Increased by:		
Paid by Utility Operating Fund:		
Serial Bonds	\$ 1,122,382.50	
Loans Payable	2,951,165.99	
Capital Outlay:		
2010 Budget Charges	<u>27,704.86</u>	
		<u>4,101,253.35</u>
Balance December 31, 2010		<u><u>\$ 40,413,948.62</u></u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Water and Sewer Serial Bonds
 For the Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding Dec. 31, 2010 Date	Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
Sewer Bonds	11/01/91	\$ 1,555,000.00	11/01/11	6.300%	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00
Refunding Bonds	09/01/98	488,638.00	09/01/11	4.350%	50,375.00		
			09/01/12-13	4.350%	49,367.50		
			09/01/14	4.500%	53,397.50	51,382.50	202,507.50
General Obligation Bonds	09/01/98	2,038,500.00	09/01/11	4.250%	160,000.00		
			09/01/12	4.300%	168,500.00		
			09/01/13	4.300%	170,000.00	160,000.00	498,500.00
			07/01/11	3.750%	200,000.00		
General Obligation Bonds		3,106,000.00	07/01/12	3.800%	200,000.00		
			07/01/13	3.900%	200,000.00		
			07/01/14	4.000%	200,000.00		
			07/01/15	4.125%	200,000.00		
			07/01/16	4.200%	200,000.00		
			07/01/17	4.300%	200,000.00		
			07/01/18	4.400%	200,000.00		
			07/01/19	4.500%	196,000.00	200,000.00	1,796,000.00
			07/01/11	3.500%	50,000.00		
			07/01/12	3.600%	75,000.00		
General Obligation Bonds		1,296,000.00	07/01/13	3.700%	75,000.00		
			07/01/14	3.800%	75,000.00		
			07/01/15	3.800%	75,000.00		
			07/01/16	3.900%	75,000.00		
			07/01/17	4.000%	75,000.00		
			07/01/18	4.100%	75,000.00		
			07/01/19	4.200%	100,000.00		
			07/01/20	4.250%	100,000.00		
			07/01/21	4.300%	100,000.00		
			07/01/22	4.400%	96,000.00		
			07/01/11	4.450%	200,000.00		
			07/01/12	4.000%	235,000.00		
Refunding Bond Issue		3,530,000.00	07/01/13	5.000%	250,000.00		
			07/01/14	5.000%	245,000.00		
			07/01/15	3.375%	245,000.00		
			07/01/16	3.500%	230,000.00		
			07/01/17	3.750%	120,000.00		
			07/01/18	4.000%	115,000.00		
			07/01/19	4.000%	140,000.00		
			07/01/20	4.000%	135,000.00		
			03/15/04	4.000%	200,000.00		
				5.000%	235,000.00	50,000.00	996,000.00
						205,000.00	1,915,000.00

(Continued)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Water and Sewer Serial Bonds
 For the Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding Dec. 31, 2010	Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
General Obligation Bonds	07/01/05	\$ 4,363,000.00	\$ 150,000.00	3.800%			
			200,000.00	3.800%			
			250,000.00	3.800%			
			263,000.00	3.800%	\$ 3,763,000.00	\$ 150,000.00	\$ 3,613,000.00
General Obligation Bonds	12/28/06	1,581,750.00	58,000.00	5.000%			
			61,000.00	5.000%			
			64,000.00	5.000%			
			67,000.00	5.000%			
			70,000.00	5.000%			
			74,000.00	5.000%			
			78,000.00	4.000%			
			81,000.00	4.250%			
			84,000.00	5.000%			
			88,000.00	5.000%			
			93,000.00	4.125%			
			97,000.00	4.125%			
			101,000.00	4.125%			
			105,000.00	4.125%			
			109,000.00	4.125%			
		110,000.00	4.250%	1,396,000.00	56,000.00	1,340,000.00	
General Obligation Bonds	07/23/08	4,563,000.00	150,000.00	3.500%			
			163,000.00	3.500%			
			200,000.00	3.625%			
			200,000.00	3.750%			
			200,000.00	4.000%			
			250,000.00	4.000%			
			250,000.00	4.125%			
			250,000.00	4.250%			
			300,000.00	4.250%			
			300,000.00	4.375%			
		300,000.00	4.500%	4,413,000.00	150,000.00	4,263,000.00	
					<u>\$ 15,846,390.00</u>	<u>\$ 1,122,382.50</u>	<u>\$ 14,724,007.50</u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Loans Payable
 For the Year Ended December 31, 2010

Purpose	Loan Amount	Date of Loan	Maturity of Notes Outstanding Dec. 31, 2010	Interest Rate	Balance Dec. 31, 2009	Issued	Principal Forgiveness ARRA	Paid by Budget Appropriation	Balance Dec. 31, 2010
N.J. Environmental Protection Loan	\$ 378,057.51	08/05/02	02/05/11 08/05/11 02/05/12	3.50% 3.50% 3.50%	\$ 111,863.14			\$ 43,584.39	\$ 68,278.75
N.J. Environmental Infrastructure Loan	835,000.00	10/30/02	08/01/11-12 08/01/13 08/01/14 08/01/15 08/01/16-17 08/01/18-19 08/01/20 08/01/21 08/01/22	5.00% 5.25% 5.25% 5.00% 5.00% 5.00% 5.00% 5.00% 4.75%				35,000.00	610,000.00
N.J. Environmental Infrastructure Loan	880,709.00	10/30/02	(1)	NIL	585,788.81			44,179.49	541,609.32
N.J. Environmental Infrastructure Loan	1,100,000.00	11/08/07	08/01/11 08/01/12 08/01/13 08/01/14 08/01/15-16 08/01/17-18 08/01/19-20 08/01/21-22 08/01/23 08/01/24-25 08/01/26 08/01/27	5.00% 3.40% 3.50% 3.60% 5.00% 5.00% 4.00% 5.00% 4.25% 4.50% 4.50% 4.25%				40,000.00	1,020,000.00
N.J. Environmental Infrastructure Loan	1,106,200.00	11/08/07	(1)	NIL	1,021,696.82			56,975.71	964,721.11
N.J. Environmental Infrastructure Loan	3,141,145.00	11/06/08	(1)	NIL	3,060,262.40			162,277.67	2,897,984.73
N.J. Environmental Infrastructure Loan	3,785,000.00	11/06/08	08/01/11 08/01/12 08/01/13 08/01/14 08/01/15 08/01/16 08/01/17 08/01/18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23 08/01/24 08/01/25 08/01/26 08/01/27 08/01/28	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00%				125,000.00	3,660,000.00

(Continued)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Loans Payable
 For the Year Ended December 31, 2010

Purpose	Loan Amount	Date of Loan	Maturity of Notes		Interest Rate	Balance Dec. 31, 2009	Issued	Principal Forgiveness ARRA	Paid by Budget Appropriation	Balance Dec. 31, 2010
			Outstanding Dec. 31, 2010 Date	Amount						
N.J. Environmental Infrastructure Loan	\$ 1,857,763.00	11/19/09	(1)	(1)	NIL	\$ 1,857,763.00			\$ 62,975.01	\$ 1,794,787.99
N.J. Environmental Infrastructure Loan	1,965,000.00	11/19/09	08/01/11	\$ 70,000.00	2.00%					
			08/01/12	70,000.00	3.00%					
			08/01/13	75,000.00	5.00%					
			08/01/14	75,000.00	5.00%					
			08/01/15	80,000.00	5.00%					
			08/01/16	85,000.00	5.00%					
			08/01/17	90,000.00	5.00%					
			08/01/18	95,000.00	5.00%					
			08/01/19	100,000.00	4.00%					
			08/01/20	100,000.00	4.00%					
			08/01/21	105,000.00	4.00%					
			08/01/22	110,000.00	3.50%					
			08/01/23	115,000.00	4.00%					
			08/01/24	120,000.00	4.00%					
			08/01/25	125,000.00	3.75%					
			08/01/26	130,000.00	4.00%					
			08/01/27	135,000.00	4.00%					
			08/01/28	140,000.00	4.00%					
			08/01/29	145,000.00	4.00%	1,965,000.00				1,965,000.00
N.J. Environmental Infrastructure Loan	2,252,000.00	3/10/2010	(1)	(1)	NIL		\$ 2,252,000.00	\$ 1,502,000.00	25,423.72	724,576.28
N.J. Environmental Infrastructure Loan	735,000.00	3/10/2010	08/01/11	25,000.00	4.00%					
			08/01/12	25,000.00	5.00%					
			08/01/13	30,000.00	5.00%					
			08/01/14	30,000.00	5.00%					
			08/01/15	30,000.00	5.00%					
			08/01/16	30,000.00	5.00%					
			08/01/17	35,000.00	5.00%					
			08/01/18	35,000.00	5.00%					
			08/01/19	35,000.00	4.00%					
			08/01/20	40,000.00	5.00%					
			08/01/21	40,000.00	3.00%					
			08/01/22	40,000.00	4.00%					
			08/01/23	45,000.00	4.00%					
			08/01/24	45,000.00	4.00%					
			08/01/25	45,000.00	4.00%					
			08/01/26	50,000.00	3.50%					
			08/01/27	50,000.00	4.00%					
			08/01/28	50,000.00	4.00%					
			08/01/29	55,000.00	4.00%		735,000.00			735,000.00
N.J. Environmental Infrastructure Loan	2,478,810.00	12/02/2010	(1)	(1)	NIL		2,478,810.00			2,478,810.00
N.J. Environmental Infrastructure Loan	785,000.00	12/02/2010	8/1/2012-13	25,000.00	5.00%					
			8/1/2014-16	30,000.00	5.00%					
			8/1/2017-19	35,000.00	5.00%					
			8/1/2020-22	40,000.00	5.00%					
			8/1/2023-24	45,000.00	5.00%					
			8/1/2025-26	50,000.00	5.00%					
			8/1/2027-28	55,000.00	5.00%					
			8/1/2029-30	60,000.00	5.00%		785,000.00			785,000.00

(Continued)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Loans Payable
 For the Year Ended December 31, 2010

Purpose	Loan Amount	Date of Loan	Maturity of Notes		Interest Rate	Balance Dec. 31, 2009	Issued	Principal Forgiveness ARRA	Paid by Budget Appropriation	Balance Dec. 31, 2010
			Outstanding Date	Dec. 31, 2010 Amount						
N.J. Environmental Infrastructure Loan	\$ 1,707,500.00	12/02/2010	(1)	(1)	NIL	\$ 1,707,500.00	\$ 853,750.00		\$ 853,750.00	
N.J. Environmental Infrastructure Loan	1,585,000.00	12/02/2010	08/01/12	\$ 50,000.00	5.00%					
			8/1/2013-14	55,000.00	5.00%					
			08/01/15	60,000.00	5.00%					
			8/1/2016-17	65,000.00	5.00%					
			08/01/18	70,000.00	5.00%					
			8/1/2019-20	75,000.00	5.00%					
			08/01/21	80,000.00	5.00%					
			08/01/22	85,000.00	5.00%					
			08/01/23	90,000.00	5.00%					
			08/01/24	95,000.00	5.00%					
			8/1/2025-26	100,000.00	5.00%					
			08/01/27	105,000.00	5.00%					
			08/01/28	115,000.00	5.00%					
			08/01/29	120,000.00	5.00%					
			08/01/30	125,000.00	5.00%					
						\$ 14,092,374.17	\$ 9,543,310.00	\$ 2,355,750.00	\$ 595,415.99	\$ 20,684,518.18
							1,585,000.00			1,585,000.00

(1) Semiannual Principal Payments due February 1 and August 1.

TOWNSHIP OF MEDFORD
SEWER CONNECTION TRUST FUND
Statement of Due To Water and Sewer Utility Operating Fund
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 254,746.41
Increased by:		
Receipts - Interest Earned on Deposits	\$ 2,939.28	
Sewer Connection Permits Realized	<u>2,141,240.00</u>	
		<u>2,144,179.28</u>
		2,398,925.69
Decreased by:		
Disbursements		<u>5,124.56</u>
Balance December 31, 2010		<u><u>\$ 2,393,801.13</u></u>

Exhibit SD-14

SEWER CONNECTION TRUST FUND
Statement of Reserve for Sewer Connection Fees
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 2,387,240.00
Decreased by:		
Sewer Connection Permits Realized as Revenue in Water and Sewer Utility Operating Fund	<u>2,141,240.00</u>	
Balance December 31, 2010		<u><u>\$ 246,000.00</u></u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
Statement of Due To Water and Sewer Utility Capital Fund
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 94,689.15
Increased by:	
Receipts - Current Year Interest Turned Over	<u>1,750.54</u>
	96,439.69
Decreased by:	
Interest on Investments in Water and Sewer Utility Capital Fund	<u>2,843.42</u>
Balance December 31, 2010	<u><u>\$ 93,596.27</u></u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance Dec. 31, 2010</u>
2009-20	Various Utility Capital Improvements	07/12/10	07/12/10	07/11/2011	0.93%	\$ 1,305,000.00	\$ 1,305,000.00

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

Ordinance Number	Improvement Description	Increased by		Decreased by		Balance Dec. 31, 2010
		Balance Dec. 31, 2009	2010 Authorizations	Notes Issued	Loans Issued	
1998-14	Construction of Various Utility Capital Improvements	\$ 42,284.49				\$ 42,284.49
2002-19	Improvements to the Wastewater Treatment Fund	50,291.00				50,291.00
2007-09	Various Utility Capital Improvements	267.00				267.00
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	800.00				800.00
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	125,027.00				125,027.00
2009-11	Improvements for Phase II of the Sewer Plant Upgrade Project	116,499.00		\$	116,499.00	
2009-12	Improvements for Wastewater Treatment Plant	2,730,000.00			2,634,311.00	95,689.00
2009-20	Various Utility Capital Improvements	1,305,500.00		\$ 1,305,000.00		500.00
2009-27	Improvements for Wastewater Treatment Plant	3,500,000.00			3,500,000.00	
2010-16	Various Utility Capital Improvements		\$ 1,050,000.00			1,050,000.00
2010-21	Various Utility Capital Improvements		3,470,000.00		3,292,500.00	177,500.00
		<u>\$ 7,870,668.49</u>	<u>\$ 4,520,000.00</u>	<u>\$ 1,305,000.00</u>	<u>\$ 9,543,310.00</u>	<u>\$ 1,542,358.49</u>

TOWNSHIP OF MEDFORD
PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Honorable Mayor and
Members of the Township Council
Township of Medford
Medford, New Jersey 08055

Compliance

We have audited the compliance of the Township of Medford, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2010. The Township's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Medford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township of Medford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Township of Medford is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila Jr.,
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 7, 2011

TOWNSHIP OF MEDFORD
 Schedule of Expenditures of Federal Awards
 For The Fiscal Year Ended December 31, 2010

Federal Grantor/ Pass-Through grantor/ Program title	Federal CFDA Number	Grant Number	Program or Award Amount	Matching Share	Grant Period	
					From	To
DIRECT FUNDING:						
DEPARTMENT OF CRIMINAL JUSTICE						
COPS In Shops	16.710	100-066-1400-014	\$ 7,000.00		06/01/09	05/31/10
COPS In Shops	16.710	100-066-1400-014	6,500.00		06/01/10	05/31/11
COPS in School	16.710	Unavailable	146,475.00		09/01/00	08/31/03
DEPARTMENT OF EMERGENCY MANAGEMENT						
Assistance to Firefighters Grant	83.554	EMW-2002-FG-19390	188,258.00		01/01/09	12/31/09
INDIRECT FUNDING						
DEPARTMENT OF HOMELAND SECURITY						
Pass through New Jersey Department of Law and Public Safety:						
Disaster Grants - Public Assistance (FEMA Grant)	97.036	066-1200-100-901-10	1,446,892.54		01/01/09	12/31/09
Bulletproof Vest Partnership Grant	16.607	Unavailable	4,543.00		01/01/08	12/31/08
Bulletproof Vest Partnership Grant	16.607	Unavailable	4,352.00		01/01/10	12/31/10
Municipal Court Alcohol Education and Rehabilitation Program	16.727	066-1400-100-014-08	1,760.00		01/01/07	12/31/07
Municipal Court Alcohol Education and Rehabilitation Program	16.727	066-1400-100-014-09	3,319.82		01/01/08	12/31/08
Municipal Court Alcohol Education and Rehabilitation Program	16.727	066-1400-100-014-10	2,088.43		01/01/09	12/31/09
Emergency Management Assistance	97.xxx	1200-100-066-726-YEMR-6120	5,000.00		01/01/09	12/31/09
Emergency Management Assistance	97.xxx	1200-100-066-726-YEMR-6120	5,000.00		01/01/10	12/31/10
Obey the Signs or Pay the Fines Grant	20.600	066-1160-100-036-10	4,000.00		01/01/09	12/31/09
Over the Limit Under Arrest	20.601	066-1160-100-057-10	11,000.00		01/01/09	12/31/09
Over the Limit Under Arrest	20.601	066-1160-100-057-10	5,000.00		01/01/10	12/31/10
DEPARTMENT OF TRANSPORTATION						
FEDERAL HIGHWAY ADMINISTRATION						
Pass through New Jersey Environmental State Parks Service:						
Recreation Trails Program	20.219	042-4875-100-205-10	19,000.00	\$ 3,045.00	01/01/09	12/31/09
Pass through New Jersey Department of Transportation:						
Highway Planning and Construction Grants - Fairview Road	20.205	6320-480-078-6320-AJP-TCAP-6010	55,400.25		Project Completion	
Highway Planning and Construction Grants - Hartford Road	20.205	6320-480-078-630-618-TCAP-6010	129,554.49		Project Completion	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Pass through County of Burlington:						
Community Development Block Grant: Cranberry Hall	14.218	N/A	55,300.00		Project Completion	
DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY						
Pass through New Jersey Environmental Public Waste Water Facilities:						
Capitalization Grants for Clean Water State Revolving Funds:						
Project Number - S340346-05						
ARRA Principal Forgiveness	66.458	042-4860-510-009	1,502,000.00		Project Completion	
ARRA Fund Portion	66.458	042-4860-510-009	566,497.00		Project Completion	

Total Federal Financial Awards

Current Fund
 Grant Fund
 General Capital Fund
 Utility Capital Fund

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

Balance Jan. 1, 2010	Receipts or Revenues Recognized	Adjustments	Disbursements/ Expenditures	Encumbrances	Balance Dec. 31, 2010	(Memo Only)	
						Cash Receipts	Accumulated Expenditures
\$ 4,589.40					\$ 4,589.40	\$ 6,429.73	\$ 2,410.60
66.75	\$ 6,500.00		\$ 6,115.16		384.84		6,115.16
4,656.15	6,500.00	-	6,115.16	-	5,040.99	6,429.73	154,934.01
4.81		\$ 187,130.19	187,130.19	\$ 4.81		37,883.00	188,258.00
	177,045.98		177,045.98			177,045.98	1,446,892.54
929.50	4,352.00			929.50	-	4,017.00	4,543.00
720.00				136.50	4,215.50		136.50
3,319.82					720.00		
2,088.43					3,319.82		
3,041.87			2,089.49	\$ 121.48	2,088.43		
858.76	5,000.00				830.90		4,169.10
3,481.30					5,000.00	5,000.00	
	5,000.00				858.76		3,141.24
			3,586.84		3,481.30	4,186.84	7,518.70
14,439.68	191,397.98	-	182,722.31	1,187.48	1,413.16		3,586.84
						190,249.82	1,469,987.92
218.55					21,927.87		
	55,400.25		55,400.25				21,826.45
	129,554.49		129,554.49		218.55	55,400.25	55,400.25
						129,554.49	129,554.49
218.55	184,954.74	-	184,954.74	-	218.55	184,954.74	206,781.19
	55,300.00		55,300.00			55,300.00	55,300.00
	1,502,000.00		1,502,000.00			1,502,000.00	1,502,000.00
	566,500.00		566,500.00			566,500.00	566,500.00
-	2,068,500.00	-	2,068,500.00	-	-	2,068,500.00	2,068,500.00
\$ 19,319.19	\$ 2,506,652.72	\$ 187,130.19	\$ 2,684,722.40	\$ 1,192.29	\$ 27,187.41	\$ 2,543,317.29	\$ 4,143,761.12
\$ 19,319.19	\$ 177,045.98	\$ 187,130.19	\$ 177,045.98	\$ 1,192.29	\$ 27,187.41	\$ 177,045.98	
	20,852.00		198,921.68			57,516.57	
	240,254.74		240,254.74			240,254.74	
	2,068,500.00		2,068,500.00			2,068,500.00	
\$ 19,319.19	\$ 2,506,652.72	\$ 187,130.19	\$ 2,684,722.40	\$ 1,192.29	\$ 27,187.41	\$ 2,543,317.29	

TOWNSHIP OF MEDFORD
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended December 31, 2010

State Funding Department Program Title	State G.M.I.S. No.	Program or Award Amount	Matching Contributions	Grant Period	
				From	To
DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Clean Communities Program	4900-765-1789000-60	\$ 48,559.47		01/01/09	12/31/09
Clean Communities Program	4900-765-1789000-60	50,550.00		01/01/10	12/31/10
Recycling Tonnage Grant	4900-752-042-4900-004	20,793.82		01/01/08	12/31/08
Recycling Tonnage Grant	4900-752-042-4900-004	70,057.05		01/01/09	12/31/09
Stormwater Regulation	Unknown	14,110.00		01/01/06	12/31/06
Green Acres - Administrative Operations Grant: Cow Pointe	4800-555-042-4800-003-V22G-6020	500,000.00		01/01/10	12/31/10
New Jersey Environmental Infrastructure Trust Program:					
Project Number - S340463-04-1/S340346-03/S340346-04-1	042-4860-510-009	3,822,763.00		Project Completion	
Project Number - S340346-03	042-4860-510-009	2,206,200.00		Project Completion	
Project Number - S340346-04	042-4860-510-009	6,926,145.00		Project Completion	
DEPARTMENT OF COMMUNITY AFFAIRS					
Tourism Marketing Grant	Unknown	4,774.00	\$ 4,774.00	01/01/05	12/31/05
Tourism Marketing Grant	Unknown	2,500.00	2,500.00	01/01/06	12/31/06
Tourism Marketing Grant	Unknown	2,500.00	2,500.00	01/01/07	12/31/07
Gypsy Moth Grant	3320-100-010-3320-035-CCCC-5810	41,791.00		01/01/08	12/31/08
Community Wildfire Hazard Mitigation Grant	Unknown	5,000.00		01/01/06	12/31/06
Community Wildfire Hazard Mitigation Grant	Unknown	5,000.00		01/01/07	12/31/07
Health Community Development Grant	Unknown	2,500.00		01/01/07	12/31/07
Garden State Historic Preservation Trust Grant	2008-0034/2008-0035	149,942.00	149,942.00	Project Completion	
Handicapped Persons Recreational Opportunities Grant	8050-150-051570-60	9,000.00	1,800.00	01/01/10	12/31/10
DEPARTMENT OF TREASURY					
Municipal Alliance on Alcoholism and Drug Abuse Program	200000-475-995120-40	20,000.00	5,000.00	01/01/09	12/31/09
	200000-475-995120-40	20,000.00	5,000.00	01/01/10	12/31/10
DEPARTMENT OF LAW AND PUBLIC SAFETY					
Drunk Driving Enforcement Grant	1110-448-31020200-40	10,995.72		01/01/09	12/31/09
Drunk Driving Enforcement Grant	1110-448-31020200-40	8,767.37		01/01/10	12/31/10
AHEOP	1200-100-066-845-YEMR-6120	2,406.00		01/01/04	12/31/04
Click-It or Ticket	1160-100-066-113-YHTS-6120	4,000.00		01/01/05	12/31/05
Click-It or Ticket	1160-100-066-113-YHTS-6120	4,000.00		01/01/10	12/31/10
Buckle-up South Jersey	1160-100-066-1160-113-YHTS-6120	2,000.00		01/01/05	12/31/05
NJ Motor Vehicle Security & Customer Service Grant	078-6400-100-255-08	119,000.00		01/01/07	12/31/07
NJ Motor Vehicle Security & Customer Service Grant	078-6400-100-255-09	119,000.00		01/01/08	12/31/08
NJ Motor Vehicle Security & Customer Service Grant	078-6400-100-255-10	119,000.00		01/01/09	12/31/09
NJ Motor Vehicle Security & Customer Service Grant	078-6400-100-255-11	83,300.00		01/01/10	12/31/10
Aggressive Driver Grant	1160-100-066-1160-142-YHTS-6010	10,400.00		01/01/06	12/31/06
Aggressive Driver Grant	1160-100-066-1160-142-YHTS-6010	28,164.00		01/01/08	12/31/08
Explosives Detection K-9 Unit Grant	Unknown	50,000.00		01/01/05	12/31/05
Traffic Records Grant	Unknown	9,850.00		01/01/05	12/31/05
Body Armor Replacement Fund	718-66-1020-1	7,035.00		01/01/07	12/31/07
Body Armor Replacement Fund	718-66-1020-1	4,852.00		01/01/08	12/31/08
Body Armor Replacement Fund	718-66-1020-1	4,363.00		01/01/09	12/31/09
Body Armor Replacement Fund	718-66-1020-1	6,162.35		01/01/10	12/31/10

Balance Jan. 1, 2010	Receipts or Revenue Recognized	Adjustments +/-	Disbursed/ Expended	Reserve for Encumbrances	Balance Dec. 31, 2009	(Memo Only)	
						Cash Receipts	Accumulated Expenditures
\$ 38,673.58	\$ 50,550.00	\$ 3,680.00	\$ 22,700.90	\$ 5,271.05	\$ 14,381.63 50,550.00	\$ 50,550.13	\$ 34,177.84
11,632.98			11,632.98				20,793.82
70,057.05			37,527.44		32,529.61		37,527.44
3,222.06					3,222.06		10,887.94
	500,000.00		500,000.00			500,000.00	500,000.00
	2,466,812.00		2,466,812.00			2,466,812.00	2,466,812.00
	136,242.82		136,242.82			136,242.82	136,242.82
	5,301,965.00		5,301,965.00			5,301,965.00	5,301,965.00
<u>123,585.67</u>	<u>8,455,569.82</u>	<u>3,680.00</u>	<u>8,476,881.14</u>	<u>5,271.05</u>	<u>100,683.30</u>	<u>8,455,569.95</u>	<u>8,508,406.86</u>
0.37					0.37		9,547.63
5,000.00					5,000.00		
5,000.00					5,000.00		
529.24					529.24		41,261.76
24.07					24.07		4,975.93
5,000.00					5,000.00		
2,500.00					2,500.00		
		127,977.00	127,977.00				149,942.00
	10,800.00		9,000.00		1,800.00		9,000.00
<u>18,053.68</u>	<u>10,800.00</u>	<u>127,977.00</u>	<u>136,977.00</u>		<u>19,853.68</u>		<u>214,727.32</u>
15,401.61		3,987.01	19,388.62			18,082.41	25,000.00
	25,000.00		4,250.43	5,417.00	15,332.57		9,667.43
<u>15,401.61</u>	<u>25,000.00</u>	<u>3,987.01</u>	<u>23,639.05</u>	<u>5,417.00</u>	<u>15,332.57</u>	<u>18,082.41</u>	<u>34,667.43</u>
7,761.38		135.00	4,975.64		2,920.74		8,074.98
	8,767.37				8,767.37	8,767.37	
2,406.00					2,406.00		
447.92					447.92		3,552.08
	4,000.00		3,272.50		727.50	3,272.50	3,272.50
386.76					386.76		1,613.24
14,781.67					14,781.67		104,218.33
31,653.39					31,653.39		87,346.61
119,000.00					119,000.00	27,766.66	
	83,300.00		82,850.89		449.11	83,300.00	82,850.89
897.36					897.36		9,502.64
6,528.98					6,528.98		21,635.02
31.49					31.49		49,968.51
9,850.00					9,850.00		
0.50					0.50		7,034.50
1,065.28				1,065.28			4,852.00
4,363.00			2,700.00	988.72	674.28	0.90	3,688.72
	6,162.35				6,162.35	6,162.35	
<u>199,173.73</u>	<u>102,229.72</u>	<u>135.00</u>	<u>93,799.03</u>	<u>2,054.00</u>	<u>205,685.42</u>	<u>129,269.78</u>	<u>387,610.02</u>

(Continued)

TOWNSHIP OF MEDFORD
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended December 31, 2010

State Funding Department Program Title	State G.M.I.S. No.	Program or Award Amount	Matching Contributions	Grant Period	
				From	To
OTHER					
Exercise Improvement Grant	Unknown	\$ 10,000.00		01/01/08	12/31/08
Nixle Grant	Unknown	10,000.00		01/01/10	12/31/10
Pedestrian Decoy Mobilization Grant	Unknown	8,000.00		01/01/10	12/31/10
Laser Mapping Grant	1160-100-066-1160-019-YHTS-6120	10,362.00		01/01/08	12/31/08
Fort Medford Playground Project Grant	Unknown	20,000.00		01/01/09	12/31/09
Wal-Mart Foundation Grant	Unknown	1,500.00		01/01/08	12/31/08
Wal-Mart Foundation Grant	Unknown	1,600.00		01/01/10	12/31/10

Total State Financial Assistance

(1) Prior Year Encumbrance Reclassified

Grant Fund
 Open Space Trust Fund
 Utility Capital Fund

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance Jan. 1, 2010	Receipts or Revenue Recognized	Adjustments +/-	Disbursed/ Expended	Reserve for Encumbrances	Balance Dec. 31, 2009	(Memo Only)	
						Cash Receipts	Accumulated Expenditures
\$ 10,000.00			\$ 6,602.85		\$ 3,397.15		\$ 6,602.85
	\$ 10,000.00				10,000.00	\$ 10,000.00	
	8,000.00		4,946.78		3,053.22	4,946.78	4,946.78
8.00					8.00		10,354.00
		\$ 20,000.00	20,000.00				20,000.00
77.20					77.20		1,422.80
	1,600.00		1,095.00		505.00	1,600.00	1,095.00
<u>10,085.20</u>	<u>19,600.00</u>	<u>20,000.00</u>	<u>32,644.63</u>	<u>-</u>	<u>17,040.57</u>	<u>16,546.78</u>	<u>44,421.43</u>
<u>\$ 366,299.89</u>	<u>\$ 8,613,199.54</u>	<u>\$ 155,779.01</u>	<u>\$ 8,763,940.85</u>	<u>\$ 12,742.05</u>	<u>\$ 358,595.54</u>	<u>\$ 8,619,468.92</u>	<u>\$ 9,189,833.06</u>
\$ 366,299.89	\$ 208,179.72	\$ 155,779.01	\$ 358,921.03	\$ 12,742.05	\$ 358,595.54	\$ 214,449.10	
	500,000.00		500,000.00			500,000.00	
	7,905,019.82		7,905,019.82			7,905,019.82	
<u>\$ 366,299.89</u>	<u>\$ 8,613,199.54</u>	<u>\$ 155,779.01</u>	<u>\$ 8,763,940.85</u>	<u>\$ 12,742.05</u>	<u>\$ 358,595.54</u>	<u>\$ 8,619,468.92</u>	

TOWNSHIP OF MEDFORD

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2010

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Medford, County of Burlington, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 177,045.98		\$ 177,045.98
Grant Fund	200,113.97	\$ 371,663.08	571,777.05
Open Space Trust Fund		500,000.00	500,000.00
General Capital Fund	240,254.74		240,254.74
Utility Capital Fund	2,068,500.00	7,905,019.82	9,973,519.82
	<u>\$ 2,685,914.69</u>	<u>\$ 8,776,682.90</u>	<u>\$ 11,462,597.59</u>
Disbursed	\$ 2,684,722.40	\$ 8,763,940.85	\$ 11,448,663.25
Encumbered	<u>1,192.29</u>	<u>12,742.05</u>	<u>13,934.34</u>
	<u>\$ 2,685,914.69</u>	<u>\$ 8,776,682.90</u>	<u>\$ 11,462,597.59</u>

Note 4: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF MEDFORD

PART 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2010

TOWNSHIP OF MEDFORD
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended December 31, 2010

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Qualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u> X </u> yes <u> </u> no
Were significant deficiencies identified that were not considered to be a material weakness?	<u> </u> yes <u> X </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes <u> </u> no

Federal Awards

Internal control over compliance:	
Material weaknesses identified?	<u> </u> yes <u> X </u> no
Were significant deficiencies identified that were considered to be material weaknesses?	<u> </u> yes <u> X </u> none reported
Type of auditor's report on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	<u> </u> yes <u> X </u> no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Department of Environmental Protection:
	Pass Through NJ Environmental Public Waste
	Water Facilities:
	Capitalization Grants for Clean Water State Revolving Funds
66.458	ARRA Principal Forgiveness
66.458	ARRA Fund Portion

Dollar threshold used to determine Type A programs	<u>\$300,000.00</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no

TOWNSHIP OF MEDFORD
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended December 31, 2010

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes X no

Were significant deficiencies identified that were considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
_____	<u>Department of Environmental Protection:</u>
_____	<u>New Jersey Environmental Infrastructure Trust Program:</u>
042-4860-510-009	<u>Project # - S340463-04-1/S340346-03/S340346-04-1</u>
042-4860-510-009	<u>Project # - S340346-03</u>
042-4860-510-009	<u>Project # - S340346-04</u>
4800-555-042-4800-003-V22G-6020	<u>Green Acres - Administrative Operations Grant</u>

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? _____ yes X no

TOWNSHIP OF MEDFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2010-1

Criteria or Specific Requirement

Good internal control practices, as well as Division of Local Government Services Technical Accounting Directive 86-3 and N.J.A.C. 5:30-5.7, dictate that a complete and accurate general ledger should be maintained for each fund to ensure adequate control over the preparation of financial statements including the related footnotes.

Condition

Although the subsidiary accounting records were balanced, the general ledger for all funds was not properly maintained and as a result material audit adjustments were needed in order to achieve proper presentation in the financial statements.

Context

The Township did reconcile their bank accounts on a monthly basis. This reconciliation included agreeing all receipts through the bank with all postings to the revenue account status reports and agreeing all disbursements through the bank with all postings to the budget account status reports. The receipts per the tax and utility subsidiary records were also reconciled on a monthly basis. The general ledger, however, was not properly maintained with regard to non-cash entries. In addition, cash balances per the bank reconciliations did not agree to the cash balances per the general ledger. As a result, material audit adjustments were needed in order to achieve proper presentation in the financial statements.

Effect

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures and fund balance cannot be achieved. The following specific effects were noted during the year:

- 1) The overall condition of the general ledger and the materiality of the adjusting journal entries that were required to balance the general ledger result in ineffective controls over the preparation of financial statements. Therefore, there is a significant likelihood that the Township's controls are not effective in detecting material misstatements in the preparation of the financial statements including the related footnotes.

Cause

Unknown.

Recommendation

That the general ledger for all funds be accurately and completely maintained to ensure adequate control over the preparation of the financial statements and related footnotes.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MEDFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2010-2

Criteria or Specific Requirement

Good internal control practices, as well as Division of Local Government Services Technical Accounting Directive 86-2 and N.J.A.C. 5:30-5.6, dictate that all local units have and maintain a fixed assets accounting and reporting system that accurately tracks fixed asset acquisitions and disposals and properly reports the units fixed assets at year end.

Condition

The Township did not properly maintain its fixed asset inventory with regards to disposal of fixed assets and proper identification of fixed assets.

Context

In a sample of 40 fixed assets, the auditor was unable to locate or properly identify eight assets totaling \$15,186.75. The error, when projected through the entire population of assets sampled, totaled \$657,764.00.

Effect

This projected error is material to the General Fixed Asset Account Group.

Cause

Failure of the Township to properly account for fixed asset dispositions.

Recommendation

That the Township obtains a complete inventory of its fixed assets and establish controls to properly account for dispositions.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MEDFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

No Current Year Findings.

TOWNSHIP OF MEDFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings.

TOWNSHIP OF MEDFORD
 Summary Schedule of Prior Year Audit Findings
 And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2009-1, 2008-1

Condition

The general ledger for all funds was not properly maintained and as a result material audit adjustments were needed in order to achieve proper presentation in the financial statements.

Current Status

The finding has not been resolved, see finding 2010-1.

Planned Corrective Action

This matter will be addressed as part of their corrective action plan.

Finding No. 2009-2, 2008-2

Condition

The Township could not produce records which balanced the December 31, 2009 ending fixed asset listing to the prior year ending fixed assets listing along with the 2009 additions and 2009 deletions. A material discrepancy existed which could not be explained and as a result the amount of fixed assets that were in existence at December 31, 2009 could not be determined.

Current Status

This finding has not been resolved. A similar finding exists, see finding 2010-2.

Planned Corrective Action

This matter will be addressed as part of their corrective action plan.

Finding No. 2009-3

Condition

In testing the Township's compliance with the Local Public Contract Law, the auditor noted that out of a total twenty three (23) contracts examined, five (5) contracts were awarded without competitive bidding and were deemed to be in violation with such law.

These five contracts were construction related and are as follows:

1. Road Improvement Project - \$89,988.95
2. Road Paving Project - \$172,739.32
3. Roadway Repairs and Drainage Improvements - \$168,209.95
4. Supply and Installation of Dense Grade Aggregate and Drainage Improvements - \$181,751.89
5. EMT Parking Lot Paving - \$40,000

Current Status

This condition has been resolved.

TOWNSHIP OF MEDFORD
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2009-4

Condition

The Township did not obtain an actuarial valuation for its Other Post Employment Benefits (OPEB) required for footnote disclosure.

Current Status

This condition has been resolved.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.

TOWNSHIP OF MEDFORD
 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</u> <u>Surety Bond</u>
Robert Martin	Mayor	
Christopher Myers	Deputy Mayor	
David J. Brown Jr.	Councilperson	
Victoria Fay	Councilperson	
Joseph Lynn, Jr.	Councilperson (Jan 2010 - Oct 2010)	
Mark Sander	Councilperson (Nov 2010 – Dec 2010)	
Steve Addezio	Acting Township Manager	
Katherine Burger	Chief Financial Officer / Township Clerk	\$1,000,000.00 (A)
Mary Lou Bergh	Deputy Township Clerk / Registrar	1,000,000.00 (A)
Joan M. Schifferdecker	Tax Collector	1,000,000.00 (A)
Gilbert Goble	Tax Assessor	
Alfred A. Faxon III	Magistrate	1,000,000.00 (A)
Theodora Palmer	Court Administrator	1,000,000.00 (A)
Stacy McBride	Deputy Court Administrator	1,000,000.00 (A)
Richard W. Hunt	Solicitor	
Environmental Resolutions	Engineer	
Frank P. Cavallo	Prosecutor	
James Fattorini	Public Defender	

(A) Covered under the Blanket Bond Coverage through the Burlington County Municipal Joint Insurance Fund for \$1,000,000.00.

17700

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "R. P. Z.", written in a cursive style.

Robert P. Nehila Jr.
Certified Public Accountant
Registered Municipal Accountant

