

TOWNSHIP OF PITTSBORO
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2009

INDEX

	<u>Page</u>
<u>PART I</u>	1
Independent Auditor's Report	2-3
<u>CURRENT FUND</u>	4
A Comparative Balance Sheet – Regulatory Basis	5-6
A-1 Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	7-8
A-2 Statement of Revenues - Regulatory Basis	9-10
A-3 Statement of Expenditures – Regulatory Basis	11-17
<u>TRUST FUND</u>	18
B Comparative Balance Sheet – Regulatory Basis	19-23
B-1 Statement of Fund Balance - Assessment Trust Fund - Regulatory Basis	24
B-2 Statement of Revenues – Assessment Trust Fund – Regulatory Basis	24
B-3 Statement of Expenditures – Assessment Trust Fund - Regulatory Basis	24
<u>GENERAL CAPITAL FUND</u>	25
C Comparative Balance Sheet – Regulatory Basis	26
C-1 Statement of Capital Fund Balance – Regulatory Basis	27
<u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>	28
D Comparative Balance Sheet – Regulatory Basis	29
<u>NOTES TO FINANCIAL STATEMENTS-REGULATORY BASIS</u>	30-46
<u>SUPPLEMENTARY DATA</u>	47
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	48-49
Schedule of Expenditures of Federal Financial Assistance – Schedule 1	50
Schedule of Expenditures of State Awards – Schedule 2	51
<u>CURRENT FUND</u>	52
A-4 Schedule of Current Fund Cash-Treasurer	53-54
A-5 Schedule of Current Fund Cash and Reconciliation per N.J.S.A. 40A:5-5-Treasurer	55
A-6 Schedule of Current Fund Cash - Collector	56
A-7 Schedule of Current Fund Cash and Reconciliation per N.J.S.A. 40A:5-5 – Collector	57
A-8 Schedule of Change Fund	57
A-9 Schedule of Taxes Receivable and Analysis of Property Tax Levy	58-59
A-10 Schedule of Tax Title Liens Receivable	60
A-11 Schedule of Property Acquired for Taxes	60

INDEX
(Continued)

	<u>Page</u>
A-12 Schedule of Grants Receivable	61
A-13 Schedule of Special Emergency Appropriation	62
A-14 Schedule of Revenue Accounts Receivable	63
A-15 Schedule of 2008 Appropriation Reserves	64
A-16 Schedule of Encumbrances Payable	65
A-17 Schedule of Due to State of New Jersey-Senior Citizen and Veterans Deductions	65
A-18 Schedule of Local District School Taxes Payable	66
A-19 Schedule of Special District Taxes Payable	67
A-20 Schedule of Reserve for Grants-Appropriated	68
A-21 Schedule of Reserve for Grants-Unappropriated	69
A-22 Schedule of Federal and State Grant Encumbrances Payable	69
 <u>TRUST FUND</u>	 70
B-4 Schedule of Trust Fund Cash-Treasurer	71
B-5 Schedule of Trust Fund Cash and Reconciliation per N.J.S.A. 40A:5-5-Treasurer	72
B-6 Schedule of Trust Fund Cash-Collector	73
B-7 Schedule of Trust Fund Cash and Reconciliation per N.J.S.A. 40A:5-5-Collector	74
B-8 Schedule of Assessments Receivable	75
B-9 Schedule of Reserve for Assessments Receivable and Liens	76
B-10 Schedule of Assessment Serial Bonds	77
B-11 Schedule of Reserve for Dog Fund Expenditures	78
B-12 Schedule of Deposits for Redemption of Tax Sale Certificates	79
B-13 Schedule of Deposits for Tax Sale Premiums	79
 <u>GENERAL CAPITAL FUND</u>	 80
C-2 Schedule of General Capital Cash-Treasurer	81
C-3 Schedule of General Capital Cash and Reconciliation per N.J.S.A. 40A:5-5-Treasurer	82
C-4 Analysis of General Capital Fund Cash	83
C-5 Schedule of Deferred Charges to Future Taxation-Funded	84
C-6 Schedule of Deferred Charges to Future Taxation-Unfunded	85
C-7 Schedule of Capital Improvement Fund	86
C-8 Schedule of Improvement Authorizations	87
C-9 Schedule of General Serial Bonds	88
C-10 Schedule of Bond Anticipation Notes Payable	89
C-11 Schedule of Bond and Notes Authorized But Not Issued	90

INDEX
(Continued)

	<u>Page</u>
<u>PART II</u>	91
General Comments	92-94
Other Comments	95
Status of Prior Recommendations	95
Findings and Recommendations	95-96

PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2009

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Pittsgrove
County of Salem, New Jersey

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Township of Pittsgrove as of December 31, 2009 and 2008, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds, as listed in the table of contents for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township of Pittsgrove's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township of Pittsgrove prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the prescribed basis of accounting and the accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Pittsgrove as of December 31, 2009 and 2008, or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Township of Pittsgrove as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the years ended December 31, 2009 and 2008 on the modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2010 on our consideration of the Township of Pittsgrove'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 read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of Pittsgrove taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Pittsgrove. 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 taken as a whole.

PETRONI & ASSOCIATES LLC

A handwritten signature in cursive script that reads "Petroni & Associates LLC".

May 10, 2010

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	1,786,253.36	2,040,633.39
Cash - Collector	A-6	330,420.61	449,602.46
Change Fund	A-8	900.00	900.00
		<u>2,117,573.97</u>	<u>2,491,135.85</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	350,885.36	371,683.18
Tax Title Liens Receivable	A-10	36,116.54	7,356.36
Property Acquired for Taxes - Assessed Valuation	A-11	1,386,000.00	1,390,900.00
Demolition Receivable		311.63	
Revenue Accounts Receivable	A-14	10,412.23	10,627.77
Due from Performance Bond Escrow		79.57	4.27
Due from Accumulated Absence Trust		108.02	112.40
Due from Environmental Commission Trust Fund		0.11	0.09
Due from Pittsgrove Day Trust		1.46	1.34
Due from Tax Sale Trust Fund			17.61
Due from Recreation Fees Trust		1.21	
Due from Trust Assessment Fund		256.48	220.37
Due From General Capital Fund		155.45	91.79
Due from Public Defender Trust		0.49	
Due from Animal Control Trust		0.21	0.24
Due from Federal and State Grant Fund	A	234,873.71	148,325.86
Due from Developer's Escrow Trust Fund		113.71	18.85
		<u>2,019,316.18</u>	<u>1,929,360.13</u>
Deferred Charges:			
Overexpenditure of Appropriation	A-3	698.39	
Special Emergency Appropriation	A-13	32,000.00	40,000.00
		<u>32,698.39</u>	<u>40,000.00</u>
		<u>4,169,588.54</u>	<u>4,460,495.98</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-12	546,902.75	772,309.33
Grant Expenditures Without Appropriation	A-21	1,582.49	
		<u>548,485.24</u>	<u>772,309.33</u>
		<u>4,718,073.78</u>	<u>5,232,805.31</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Regular Fund</u>			
Liabilities:			
Appropriation Reserves	A-3:A-15	228,244.99	233,933.71
Encumbrances Payable	A-16	215,421.43	287,830.02
Due County for Added & Omitted Taxes		48,545.62	36,166.77
Due From State of New Jersey - Senior Citizen and Veterans Deductions	A-17	9,295.18	10,539.78
Prepaid Taxes		133,730.13	120,177.30
Fire District Taxes Payable	A-19	149,884.37	
Prepaid Licenses	A-4	4,718.00	5,670.00
Payroll Taxes Payable		7,115.60	6,791.58
Tax Overpayments		1,807.48	250.00
Due State of New Jersey - Marriage License Fees		195.00	220.00
Due State of New Jersey - DCA Fees		1,244.00	930.00
Deferred Rent	A-4	1,099.00	
Due Open Space Trust Fund			5,554.27
Due Unemployment Trust Fund			25.66
Due Public Defender			1,499.66
Due Tax Sale Trust Fund		2,767.80	
Due Affordable Housing Trust Fund			2,851.34
Reserve for Garden State Pilot - Unappropriated	A-4	28,444.47	15,900.11
Reserve for Donations		1,078.00	1,078.00
		<u>833,591.07</u>	<u>729,418.20</u>
Reserve for Receivables		2,019,316.18	1,929,360.13
Fund Balance	A-1	1,316,681.29	1,801,717.65
		<u>4,169,588.54</u>	<u>4,460,495.98</u>
<u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-20	306,524.32	202,654.22
Encumbrances Payable	A-22	7,087.21	421,329.25
Due Current Fund	A	234,873.71	148,325.86
		<u>548,485.24</u>	<u>772,309.33</u>
		<u>4,718,073.78</u>	<u>5,232,805.31</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Fund Balance Utilized	A-2	804,880.86	784,355.98
Miscellaneous Revenue Anticipated	A-2	1,516,158.67	1,872,734.97
Receipts from Delinquent Taxes	A-2	332,694.58	410,268.68
Receipts from Current Taxes	A-2	17,248,076.55	17,684,478.81
Non-Budget Revenue	A-2	98,335.60	179,557.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	139,638.94	215,174.58
Encumbrances Lapsed	A-16		1,775.61
Grant Reserve Canceled			37,832.79
Interfund Loan Returned		2,254.30	87,764.04
Total Income		<u>20,142,039.50</u>	<u>21,273,943.22</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	1,050,588.66	1,041,917.00
Other Expenses	A-3	1,609,386.75	1,580,650.68
Deferred Charges and Statutory Expenditures	A-3	192,434.25	114,494.19
Budget Appropriations Excluded From "CAPS"			
Operations:			
Other Expenses	A-3	48,090.71	108,994.15
Public and Private Programs Offset by Revenues	A-3	160,339.45	630,879.74
Capital Improvements	A-3	155,000.00	135,000.00
Deferred Charges and Statutory Expenditures	A-3	8,000.00	49,100.00
Debt Service	A-3	312,923.35	288,210.54
County Taxes	A-9	6,281,038.56	6,764,345.71
County Open Space	A-9	145,013.27	149,164.40
Due County for Added Taxes	A-9	48,545.62	36,166.77
Local District School Tax	A-18	8,937,210.00	8,813,214.00
Special District Taxes	A-9	599,537.45	573,580.17
Municipal Open Space Tax	A-9	180,794.00	180,136.00

The accompanying notes to the financial statements are an integral part of this statement.

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

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Interfund Loan Advanced		86,572.82	8,431.27
Grant Receivable Canceled			22,237.75
Prior Year Refund			1,729.76
Prior Year Deduction Canceled	A-17	8,295.20	9,892.56
		<hr/>	<hr/>
Total Expenditures		19,823,770.09	20,508,144.69
Excess in Revenue		318,269.41	765,798.53
Adjustments to Income before Fund Balance			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	698.39	40,000.00
		<hr/>	<hr/>
Statutory Excess to Fund Balance		318,967.80	805,798.53
		<u>Fund Balance</u>	
Balance January 1	A	1,801,717.65	1,780,275.10
		<hr/>	<hr/>
		2,120,685.45	2,586,073.63
Decreased by:			
Utilization as Anticipated Revenue	A-1	804,880.86	784,355.98
		<hr/>	<hr/>
Balance December 31	A	1,315,804.59	1,801,717.65
		<hr/> <hr/>	<hr/> <hr/>
		876.70	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2009	Special N.J.S.A. 40A:4-87		
Fund Balance Anticipated	A-1	804,880.86		804,880.86	
Miscellaneous Revenues:					
Licenses - Alcohol	A-14	4,150.00		3,975.00	(175.00)
Fees and Permits	A-14	94,000.00		104,589.34	10,589.34
Fines and Costs:					
Municipal Court	A-14	43,000.00		39,119.52	(3,880.48)
Interest and Costs on Taxes	A-14	90,000.00		81,048.05	(8,951.95)
Tower Lease	A-14	20,550.00		19,500.00	(1,050.00)
Consolidated Municipal Property Tax Relief	A-14	152,964.00		152,964.00	
Energy Receipts Tax	A-14	706,698.00		706,698.00	
Garden State Trust Pilot	A	15,900.00		15,900.00	
Uniform Construction Code Fees	A-14	113,384.00		68,325.00	(45,059.00)
Recycling Grant	A-12		8,890.58	8,890.58	
Clean Communities Program	A-12	14,238.06	3,927.06	18,165.12	
Municipal Alliance Program	A-12	6,285.61		6,285.61	
Senior Citizens & Disabled Residents	A-12	123,463.74		123,463.74	
Uniform Fire Safety Act	A-12	14,390.71		14,390.71	
NJ Transportation Trust	A-12		150,000.00	150,000.00	
Bureau of Fire Safety	A-14	3,150.00		2,844.00	(306.00)
Total Miscellaneous Revenues		1,402,174.12	162,817.64	1,516,158.67	(48,833.09)
Receipts from Delinquent Taxes	A-2	316,000.00		332,694.58	16,694.58
Subtotal General Revenues		1,718,174.12	162,817.64	1,729,196.84	(32,138.51)
Amount to be Raised by Taxation	A-2	1,303,500.00		1,374,245.44	70,745.44
Budget Totals		3,826,554.98	162,817.64	3,908,323.14	38,606.93
Non-Budget Revenue	A-2			98,335.60	
		3,826,554.98	162,817.64	4,006,658.74	
Ref.		A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES

Analysis of Realized Revenue

	<u>Ref.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-9	17,248,076.55
Allocated to:		
School, County Taxes, Fire District and Municipal Open Space		<u>16,192,138.90</u>
Balance for Support of Municipal Appropriations		1,055,937.65
Increased by: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>318,307.79</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>1,374,245.44</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-9	329,532.38
Tax Title Liens	A-10	<u>3,162.20</u>
	A-2	<u><u>332,694.58</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Payments in Lieu of Taxes	A-15	9,865.55
Rent of Municipal Property	A-15	7,694.00
Interest	A-15	12,169.09
Licenses Other	A	5,670.00
Miscellaneous	A-15	25,027.40
Cable TV Franchise Fees	A-15	24,998.30
Recycling	A-15	<u>12,911.26</u>
	A-2	<u><u>98,335.60</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
GENERAL GOVERNMENT							
Administrative & Executive							
Salaries and Wages	81,564.38	81,564.38	78,128.91		3,435.47		
Salary Adjustment	2,000.00	2,000.00	1,787.02		212.98		
Other Expenses	28,825.00	28,825.00	13,706.28	8,104.77	7,013.95		
Consultant	95,000.00	95,000.00	55,003.12	11,914.39	28,082.49		
Mayor and Township Committee							
Salaries & Wages	26,658.97	23,658.97	22,508.64		1,150.33		
Other Expenses	5,000.00	5,000.00	4,640.00	75.00	285.00		
Township Clerk/Administration Office							
Salaries & Wages	165,981.93	155,981.93	132,002.17		23,979.76		
Other Expenses							
Miscellaneous Other Expenses	10,169.00	8,169.00	4,618.26	1,115.97	2,434.77		
Codification of Ordinances	5,000.00	5,000.00	4,249.40	438.20	312.40		
Elections							
Other Expenses	500.00	500.00			500.00		
Financial Administration							
Salaries & Wages	73,561.11	73,561.11	73,363.79		197.32		
Other Expenses	17,397.00	16,397.00	13,757.35	1,205.73	1,433.92		
Audit Services							
Other Expenses	36,000.00	38,506.25	38,506.25				
Revenue Administration (Tax Collection)							
Salaries & Wages	47,045.25	47,045.25	46,613.72		431.53		
Other Expenses	9,812.50	9,812.50	6,542.99	60.00	3,209.51		
Liquidation of Tax Title Liens & Foreclosed Property							
Other Expenses	100.00	100.00			100.00		
Assessment of Taxes							
Salaries & Wages	44,766.57	40,266.57	40,266.57				
Other Expenses							
Miscellaneous Other Expenses	9,375.00	10,375.00	6,430.50	3,701.31	243.19		
Revision of Tax Map	3,000.00	3,000.00	2,499.51		500.49		
Legal Services & Costs							
Other Expenses							
Solicitor	112,696.00	102,696.00	78,995.56	7,051.75	16,648.69		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Engineering Services							
Other Expenses	30,000.00	31,000.00	23,610.76	6,598.80	790.44		
Economic Development							
Salaries & Wages	3,136.35	3,136.35	2,101.41		1,034.94		
Other Expenses	22,700.00	17,920.00	925.74	5,840.00	3,154.26	8,000.00	
Agriculture Advisory Committee							
Other Expenses	3,000.00	3,000.00	108.78		891.22	2,000.00	
LAND USE ADMINISTRATION							
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries & Wages	50,062.84	43,062.84	41,806.70		1,256.14		
Other Expenses	64,692.00	54,692.00	29,052.93	1,526.45	24,112.62		
Zoning and Housing Officer							
Salaries & Wages	32,605.86	32,605.86	32,600.60		5.26		
Other Expenses	5,812.50	3,812.50	1,885.44	1,247.99	679.07		
Housing Rehabilitation							
Other Expenses	20,000.00	20,000.00				20,000.00	
CODE ENFORCEMENT AND ADMINISTRATION							
Rent Control Board							
Salaries & Wages	426.30	426.30	251.98		174.32		
Other Expenses	1,200.00	1,200.00	728.75	41.25	430.00		
INSURANCE							
Liability Insurance	57,603.00	57,603.00	57,602.50		0.50		
Surety Bond Premiums	500.00	500.00	500.00				
Workers Compensation Insurance	76,489.00	77,013.50	77,013.50				
Group Insurance Plan for Employees	259,000.00	259,000.00	244,810.11		14,189.89		
PUBLIC SAFETY							
House Numbering System							
Other Expenses	450.00	450.00			450.00		
Office of Emergency Management							
Salaries & Wages	5,824.07	5,849.07	5,824.82		24.25		
Other Expenses	4,000.00	4,000.00	3,508.87	222.44	268.69		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Aid to Volunteer Ambulance Corps (2)	7,000.00	7,000.00	7,000.00				
Fire							
Other Expenses	100.00	100.00	100.00				
Prosecutor							
Other Expenses	9,600.00	9,600.00	7,160.94		2,439.06		
PUBLIC WORKS							
Road Repairs & Maintenance							
Other Expenses	120,000.00	120,000.00	116,270.38	3,729.62			
Other Public Works Functions							
Salaries & Wages	319,938.15	360,831.51	359,971.21		860.30		
Other Expenses	18,562.50	18,562.50	18,320.60	108.88	133.02		
Recycling							
Other Expenses	9,000.00	9,000.00	7,298.16	1,670.59	31.25		
Recycling Coordinator							
Salaries & Wages	2,500.00	7,100.00	6,833.77		266.23		
Public Buildings & Grounds							
Other Expenses	92,675.00	108,675.00	68,419.41	38,202.17	2,053.42		
Shade Tree Advisory Committee							
Other Expenses	500.00	500.00	295.00		205.00		
Vehicle Maintenance							
Other Expenses	45,000.00	45,000.00	29,236.86	9,040.29	6,722.85		
HEALTH & HUMAN SERVICES							
Board of Health							
Other Expenses	100.00	100.00			100.00		
Environmental Commission							
Other Expenses	4,000.00	4,000.00	1,384.15		615.85	2,000.00	
Animal Control							
Other Expenses	23,200.00	23,200.00	10,669.76	2,689.00	9,841.24		
PARK AND RECREATION							
Recreation Services and Programs							
Salaries and Wages	2,336.53	2,336.53	1,080.49		1,256.04		
Other Expenses	15,165.00	15,165.00	4,582.35	4,138.19	3,444.46	3,000.00	
Senior Center							
Other Expenses	500.00	500.00	467.60	32.40			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
EDUCATION FUNCTIONS							
Expense of Participating in Free County Library							
Other Expenses	500.00	500.00	500.00				
Expense of Participating in Elmer Library							
Other Expenses	1,000.00	1,000.00	1,000.00				
OTHER COMMON OPERATING FUNCTIONS							
Accumulated Leave Compensation	500.00	500.00			500.00		
Celebration of Public Event, Anniversary or Holiday							
Other Expenses	2,000.00	2,000.00	238.30	1,761.70			
UTILITIES							
Electricity	47,000.00	49,000.00	48,719.52		280.48		
Street Lighting	21,000.00	21,000.00	17,055.64		3,944.36		
Telephone	10,000.00	12,000.00	11,738.53		261.47		
Fuel Oil	20,000.00	20,000.00	14,770.04	1,879.96	3,350.00		
Telecommunication Costs	5,580.00	5,580.00	4,062.52		1,517.48		
Postage and Express Mail	9,000.00	8,000.00	7,564.80		435.20		
Gasoline	30,000.00	26,000.00	19,648.21		6,351.79		
LANDFILL/SOLID WASTE DISPOSAL COSTS							
Landfill Fees	252,800.00	252,800.00	207,295.82	24,354.18	21,150.00		
Sanitary Landfill - Postclosure							
Other Expenses	8,500.00	8,500.00	4,896.85	1,000.00	2,603.15		
MUNICIPAL COURT FUNCTIONS							
Municipal Court							
Salaries and Wages	76,405.14	76,405.14	77,103.53				698.39
Other Expenses	7,200.00	7,200.00	6,915.22	259.25	25.53		
Public Defender							
Other Expenses	3,700.00	3,700.00	2,200.00	1,500.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
State Uniform Construction Code							
Construction Official							
Salaries and Wages	50,181.60	47,288.24	47,288.24				
Other Expenses	16,632.50	11,632.50	3,883.19	2,637.16	5,112.15		
Sub-Code Officials:							
Building Official/Inspector							
Salaries and Wages	21,154.63	21,154.63	21,097.99		56.64		
Plumbing Inspector							
Salaries and Wages	6,769.03	6,869.03	6,835.21		33.82		
Fire Protection Official							
Salaries and Wages	9,090.34	9,090.34	8,314.34		776.00		
Electrical Inspector							
Salaries and Wages	9,556.22	9,656.22	9,648.85		7.37		
Total Operations within "CAPS"	<u>2,690,701.27</u>	<u>2,694,277.02</u>	<u>2,305,820.41</u>	<u>142,147.44</u>	<u>212,007.56</u>	<u>35,000.00</u>	<u>698.39</u>
Salary and Wages	1,031,565.27	1,049,890.27	1,015,429.96		35,158.70		698.39
Other Expenses	1,659,136.00	1,644,386.75	1,290,390.45	142,147.44	176,848.86	35,000.00	
DEFERRED CHARGES & STATUTORY EXPENDITURES							
STATUTORY EXPENDITURES							
Contributions to:							
Public Employees' Retirement System	77,010.00	77,010.00	77,010.00				
Social Security System (O.A.S.I.)	105,000.00	100,175.00	85,734.15		14,440.85		
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00				
State Disability Program	4,000.00	5,249.25	5,152.67		96.58		
Total Deferred Charges and Statutory Expenditures	<u>196,010.00</u>	<u>192,434.25</u>	<u>177,896.82</u>		<u>14,537.43</u>		
Total Appropriations for Municipal Purposes Within "CAPS"	<u>2,886,711.27</u>	<u>2,886,711.27</u>	<u>2,483,717.23</u>	<u>142,147.44</u>	<u>226,544.99</u>	<u>35,000.00</u>	<u>698.39</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
OPERATIONS EXCLUDED FROM "CAPS"							
PUBLIC WORKS FUNCTIONS							
Gypsy Moth							
Other Expenses	20,500.00	20,500.00	11,712.22	8,787.78			
LANDFILL/SOLID WASTE DISPOSAL COSTS							
Recycling Tax	13,200.00	13,200.00	9,656.28	1,843.72	1,700.00		
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES							
Uniform Fire Safety Act (PL 1983, C 383)							
Fire Official							
Other Expenses	14,390.71	14,390.71	14,390.71				
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Clean Communities	14,238.06	18,165.12	18,165.12				
Municipal Alliance for Alcohol and Drug Abuse	7,857.01	7,857.01	7,857.01				
Senior Citizen and Disabled Resident Transportation	123,463.74	123,463.74	123,463.74				
NJ Recycling Tonnage Grant		8,890.58	8,890.58				
SFSP Fire District Payments	1,963.00	1,963.00	1,963.00				
Matching Funds for Grants	100,000.00	100,000.00				100,000.00	
Total Operations Excluded from "CAPS"	295,612.52	308,430.16	196,098.66	10,631.50	1,700.00	100,000.00	
Detail:							
Other Expenses	295,612.52	308,430.16	196,098.66	10,631.50	1,700.00	100,000.00	
CAPITAL IMPROVEMENTS							
Purchase of Ambulance	5,000.00	5,000.00	5,000.00				
Public and Private Programs Offset by Revenues:							
New Jersey Transportation Trust Fund Authority Act		150,000.00	150,000.00				
Total Capital Improvements	5,000.00	155,000.00	155,000.00				
MUNICIPAL DEBT SERVICE							
Payment of Bond Principal	230,000.00	230,000.00	230,000.00				
Interest on Bonds	67,857.55	67,857.55	67,857.50			0.05	
Interest on Notes	15,065.85	15,065.85	15,065.85				
Total Municipal Debt Service	312,923.40	312,923.40	312,923.35			0.05	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"							
Deferred Charges:							
Special Emergency Authorizations - 5 Years	8,000.00	8,000.00	8,000.00				
Total Deferred Charges - Municipal - Excluded from CAPS	<u>8,000.00</u>	<u>8,000.00</u>	<u>8,000.00</u>				
Total General Appropriations - Excluded from CAPS	<u>621,535.92</u>	<u>784,353.56</u>	<u>672,022.01</u>	<u>10,631.50</u>	<u>1,700.00</u>	<u>100,000.05</u>	
Subtotal General Appropriations	<u>3,508,247.19</u>	<u>3,671,064.83</u>	<u>3,155,739.24</u>	<u>152,778.94</u>	<u>228,244.99</u>	<u>135,000.05</u>	<u>698.39</u>
RESERVE FOR UNCOLLECTED TAXES	<u>318,307.79</u>	<u>318,307.79</u>	<u>318,307.79</u>				
TOTAL GENERAL APPROPRIATIONS	<u><u>3,826,554.98</u></u>	<u><u>3,989,372.62</u></u>	<u><u>3,474,047.03</u></u>	<u><u>152,778.94</u></u>	<u><u>228,244.99</u></u>	<u><u>135,000.05</u></u>	<u><u>698.39</u></u>
Ref.	A-2			A-17	A		
	<u>Ref.</u>						
Appropriation by 40A:4-87	A-2	162,817.64					
Budget	A-3	<u>3,826,554.98</u>					
		<u><u>3,989,372.62</u></u>					
	<u>Ref.</u>						
Reserve for Uncollected Taxes	A-2		318,307.79				
Reserve for Federal & State Grants-Appropriated	A-22		324,730.16				
Deferred Charges							
Special Emergency Authorizations - 5 Years	A-14		8,000.00				
Disbursed	A-4		<u>2,823,009.08</u>				
			<u><u>3,474,047.03</u></u>				

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
<u>Assessment Trust Fund</u>			
Cash - Treasurer	B-4	24,653.20	27,798.10
Assessments Receivable	B-8	17,187.20	24,006.19
		<u>41,840.40</u>	<u>51,804.29</u>
<u>Animal Control Trust Fund</u>			
Cash - Treasurer	B-4	679.49	1,495.81
<u>Open Space Trust Fund</u>			
Cash - Treasurer	B-4	774,815.53	574,497.69
Due from Current Fund			5,554.27
		<u>774,815.53</u>	<u>580,051.96</u>
<u>Tax Title Lien Redemption Trust Fund</u>			
Cash - Collector	B-6	134,832.20	94,017.61
Due from Current Fund		2,767.80	
		<u>137,600.00</u>	<u>94,017.61</u>
<u>Developer's Escrow Trust Fund</u>			
Cash - Treasurer	B-4	108,748.89	124,625.27
<u>Unemployment Trust Fund</u>			
Cash - Treasurer	B-4	10,279.10	5,368.53
Due from Current Fund			25.66
		<u>10,279.10</u>	<u>5,394.19</u>
<u>Public Defender Trust Fund</u>			
Cash - Treasurer	B-4	2,227.05	1,981.90
Due from Current Fund			1,499.66
		<u>2,227.05</u>	<u>3,481.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Affordable Housing Trust Fund</u>			
Cash - Treasurer	B-4	255,019.16	237,842.48
Due from Current Fund			2,851.34
		<u>255,019.16</u>	<u>240,693.82</u>
<u>Accumulated Absenses</u>			
Cash - Treasurer	B-4	25,402.20	32,831.31
<u>Landfill Closure Trust Fund</u>			
Cash - Treasurer	B-4	153,280.24	148,104.30
<u>Small Cities Trust Fund</u>			
Cash - Treasurer	B-4	38,963.91	44,627.67
Loans Receivable		3,498.27	3,709.17
		<u>42,462.18</u>	<u>48,336.84</u>
<u>Pittsgrove Day</u>			
Cash - Treasurer	B-4	6,573.49	7,752.51
<u>Environmental Commission</u>			
Cash - Treasurer	B-4	476.84	505.04
<u>Lake Centerton Park Homeowner Escrow</u>			
Cash - Treasurer	B-4	5,047.63	5,030.02
<u>Performance Bond Escrow</u>			
Cash - Treasurer	B-4	20,145.97	25,970.67
<u>Recreation Trust</u>			
Cash - Treasurer	B-4	5,496.48	
		<u>1,590,094.65</u>	<u>1,370,095.20</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Assessment Trust Fund</u>			
Assessment Serial Bonds Payable	B-10	38,000.00	48,000.00
Due Current Fund		256.48	220.37
Reserve for Assessments and Liens	B-9	2,227.08	2,227.08
Fund Balance	B-1	1,356.84	1,356.84
		<u>41,840.40</u>	<u>51,804.29</u>
<u>Animal Control Trust Fund</u>			
Due Current Fund		0.21	0.24
Due State of New Jersey			22.20
Reserve for Dog Fund Expenditures	B-11	679.28	1,473.37
		<u>679.49</u>	<u>1,495.81</u>
<u>Open Space Trust Fund</u>			
Encumbrances Payable		23,987.00	
Reserve for Open Space Expenditures		750,828.53	580,051.96
		<u>774,815.53</u>	<u>580,051.96</u>
<u>Tax Title Lien Redemption Trust Fund</u>			
Due Current Fund			17.61
Reserve for Tax Sale Premiums	B-13	137,600.00	94,000.00
		<u>137,600.00</u>	<u>94,017.61</u>
<u>Developer's Escrow Trust Fund</u>			
Due Current Fund		113.71	18.85
Encumbrances Payable		3,046.04	10,173.47
Reserve for Escrow Deposits		105,589.14	114,432.95
		<u>108,748.89</u>	<u>124,625.27</u>
<u>Unemployment Trust Fund</u>			
Reserve for Unemployment Compensation		10,279.10	5,394.19
<u>Landfill Closure Trust Fund</u>			
Reserve for Landfill Closure		153,280.24	148,104.30

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Public Defender Trust Fund</u>			
Due Current Fund		0.49	
Encumbrance Payable			1,500.00
Reserve for Public Defender Fees		2,226.56	1,981.56
		<u>2,227.05</u>	<u>3,481.56</u>
<u>Affordable Housing Trust Fund</u>			
Encumbrances Payable			513.50
Reserve for Affordable Housing		255,019.16	240,180.32
		<u>255,019.16</u>	<u>240,693.82</u>
<u>Small Cities Trust Fund</u>			
Encumbrances Payable		4,915.70	11,230.70
Reserve for Revolving Loan Fund		3,498.27	3,709.17
Reserve for Small Cities		34,048.21	33,396.97
		<u>42,462.18</u>	<u>48,336.84</u>
<u>Accumulated Absences Trust Fund</u>			
Due Current Fund		108.02	112.40
Reserve for Accumulated Absences		25,294.18	32,718.91
		<u>25,402.20</u>	<u>32,831.31</u>
<u>Pittsgrove Day</u>			
Due Current Fund		1.46	1.34
Encumbrances Payable		6.00	
Reserve for Pittsgrove Day		6,566.03	7,751.17
		<u>6,573.49</u>	<u>7,752.51</u>
<u>Environmental Commission</u>			
Due Current Fund		0.11	0.09
Reserve for Environmental Commission		476.73	504.95
		<u>476.84</u>	<u>505.04</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Lake Centerton Park Homeowner Escrow</u>			
Reserve for Lake Centerton Park Homeowner Escrow		5,047.63	5,030.02
<u>Recreation Fees</u>			
Due Current Fund		1.21	
Reserve for Recreation Fees		5,495.27	
		5,496.48	
<u>Performance Bond Escrow</u>			
Due Current Fund		79.57	4.27
Reserve for Performance Bond Escrow		20,066.40	25,966.40
		20,145.97	25,970.67
		1,590,094.65	1,370,095.20

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B-1

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST FUND - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2008	B	<u>1,356.84</u>
Balance December 31, 2009	B	<u><u>1,356.84</u></u>

EXHIBIT B-2

STATEMENT OF REVENUES - ASSESSMENT TRUST FUND - REGULATORY BASIS

	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	<u>10,000.00</u>	<u>10,000.00</u>

EXHIBIT B-3

STATEMENT OF EXPENDITURES - ASSESSMENT TRUST FUND - REGULATORY BASIS

	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	<u>10,000.00</u>	<u>10,000.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Cash - Treasurer	C-2	680,833.75	651,771.15
Deferred Charges - Funded	C-5	1,650,000.00	1,880,000.00
Deferred Charges - Unfunded	C-6	822,445.00	696,645.00
		<u>3,153,278.75</u>	<u>3,228,416.15</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-9	1,650,000.00	1,880,000.00
Bond Anticipation Notes Payable	C-10	678,500.00	502,195.00
Encumbrances Payable		128,860.81	88,000.20
Improvement Authorizations:			
Funded	C-8	109,444.63	167,816.14
Unfunded	C-8	525,873.69	520,285.27
Capital Improvement Fund	C-7	27,731.50	29,311.50
Accrued Interest		136.00	
Reserve for:			
Improvements to Bikeway		12,700.57	12,700.57
Improvements to Municipal Parks			5,024.00
Resurfacing of Roads		13,884.32	13,884.32
Senior Citizen Center		0.40	9,055.98
Due Current Fund		155.45	91.79
Fund Balance	C-1	5,991.38	51.38
		<u>3,153,278.75</u>	<u>3,228,416.15</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2008	C	51.38
Increased by:		
Improvement Authorizations Canceled	C-8	<u>5,940.00</u>
Balance December 31, 2009	C	<u><u>5,991.38</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT D

COMPARATIVE BALANCE SHEET - FIXED ASSETS - REGULATORY BASIS

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
General Fixed Assets:		
Land	1,092,118.36	1,088,418.36
Buildings and Grounds	4,106,427.47	3,517,999.38
Equipment	<u>2,475,504.67</u>	<u>2,372,503.96</u>
	<u>7,674,050.50</u>	<u>6,978,921.70</u>
Investment in General Fixed Assets	<u>7,674,050.50</u>	<u>6,978,921.70</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Pittsgrove was incorporated on December 6, 1769 and is located in Salem County, New Jersey.

The Township has a five-member committee form of government. The Mayor is separately appointed each year by the existing elected committee members.

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

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of the taxes. The Township has no component units.

B. Description of Funds and Account Groups

The accounting policies of the Township of Pittsgrove conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Pittsgrove accounts for its transactions through the following separate funds which differ from the funds required by G.A.A.P.

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

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

General Capital Fund – Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds and Account Groups (Continued)

Payroll Account – Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets – To account for fixed assets used in governmental operations.

C. Basis of Accounting

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

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

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts 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.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law.

Property Taxes – The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August and November. Any taxes that have not been paid by the 11th day of the 11th month in the year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Township’s annual budget protects the Township from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a “Reserve for Uncollected Taxes” would not be an appropriation.

Interest on Delinquent Taxes – It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America foreclosed property would be recorded at historical cost and no reserve would be provided.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America inter-funds are not reserved.

Insurance – Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

General Fixed Assets – In accordance with N.J.A.C. 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$5,000.

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

No depreciation has been provided for in the financial statements.

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

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Long Term Debt – General Long Term Debt is accounted for in the General Capital Fund. Accounting principles generally accepted in the United States of America require General Long Term Debt to be accounted for in the General Long Term Debt Account Group.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: BUDGETARY INFORMATION

The Township must adopt an annual budget in accordance with N.J.S.A. 40A:4 et. al. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per N.J.S.A. 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per N.J.S.A. 40A:4-87.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 2: BUDGETARY INFORMATION (CONTINUED)

The following budget amendments were approved as follows:

Current Fund:	
Special Item of Revenue:	
Recycling Tonnage Grant	8,890.58
NJ Transportation Trust	150,000.00
Clean Communities Program	3,927.06
	<u>162,817.64</u>

NOTE 3: CASH

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2009 and 2008, the carrying amount of the Township's deposits was \$4,365,049.10 and \$4,475,355.91, respectively. As of December 31, 2009 and 2008, \$0 of the municipality's bank balance of \$4,462,081.66 and \$4,561,824.77, respectively, was exposed to custodial credit risk.

NOTE 4: INVESTMENTS

As of December 31, 2009, the Township had no investments.

Interest rate risk: The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes N.J.S.A. 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit risk: New Jersey Statutes N.J.S.A. 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase,

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 4: INVESTMENTS (CONTINUED)

approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

NOTE 5: FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2009	1,316,681.29	1,046,974.00
	2008	1,801,717.65	804,880.86
	2007	1,780,275.10	784,355.98
	2006	1,623,124.12	469,620.53
	2005	1,185,983.92	585,889.30
Trust Assessment	2009	1,356.84	
	2008	1,356.84	
	2007	1,356.84	
	2006	10,976.47	10,000.00
	2005	18,369.74	10,000.00

NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance Dec. 31, 2009</u>	<u>Expended 2009</u>	<u>2010 Budget Appropriation</u>	<u>Budget of Succeeding Year</u>
Overexpenditure of Appropriation		698.39		698.39
Special Emergency Appropriation	32,000.00		8,000.00	24,000.00
	<u>32,000.00</u>	<u>698.39</u>	<u>8,000.00</u>	<u>24,698.39</u>

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 7: INTERFUND RECEIVABLES AND PAYABLES

The following schedule of reconciles interfund receivables and payables for the year ended December 31, 2009.

	<u>Due from</u>	<u>Due to</u>
Current Fund		
Animal Control Trust	0.21	
Assessment Trust Fund	256.48	
Recreation Fees Trust Fund	1.21	
Performance Bond Escrow	79.57	
Federal & State Grant Fund	234,873.71	
Public Defender Trust Fund	0.49	
General Capital Fund	155.45	
Pittsgrove Day Trust Fund	1.46	
Environmental Commission	0.11	
Developer's Escrow Trust Fund	113.71	
Accumulated Absence Trust Fund	108.02	
Tax Sale Trust		2,767.80
Federal & State Grant Fund		
Current Fund		234,873.71
General Capital Fund		
Current Fund		155.45
Animal Control Trust Fund		
Current Fund		0.21
Recreation Fees Trust Fund		
Current Fund		1.21
Accumulated Absence Trust		
Current Fund		108.02
Assessment Trust Fund		
Current Fund		256.48
Tax Sale Trust		
Current Fund	2,767.80	
Developer's Escrow Trust Fund		
Current Fund		113.71
Performance Bond Escrow		
Current Fund		79.57
Environmental Commission Trust Fund		
Current Fund		0.11
Pittsgrove Day		
Current Fund		1.46
Public Defender Trust Fund		
Current Fund		0.49
	<u>238,358.22</u>	<u>238,358.22</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 7: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The amount due from Federal and State Grant Fund to Current Fund is due to the fact that there is only one bank account maintained. All of the other interfunds are for interest earned in December but not transferred.

NOTE 8: ACCUMULATED ABSENCE BENEFITS

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

All employees are granted vacation benefits in varying amounts depending on their length of service with the Township. All employees are granted twelve sick days per year. The Township does not permit employees to accrue unused vacation pay.

The total value of compensated absences owed to employees as of December 31, 2009 was \$134,052.43. The Township has appropriated \$20,000 in the 2010 introduced budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance of \$25,294.18.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2009.

	Balance Dec. 31, 2008	Additions	Retirements	Balance Dec. 31, 2009
Land	1,088,418.36	3,700.00		1,092,118.36
Buildings & Grounds	3,517,999.38	588,428.09		4,106,427.47
Equipment	2,372,503.96	103,800.71	800.00	2,475,504.67
	<u>6,978,921.70</u>	<u>695,928.80</u>	<u>800.00</u>	<u>7,674,050.50</u>

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 10: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements: The following is a comparison of the liability for the previous two years:

	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
Prepaid Taxes - Cash liability	<u>133,730.13</u>	<u>120,177.30</u>

NOTE 11: ECONOMIC DEPENDENCY

The Township of Pittsgrove is not economically dependent on any one business or industry within the Township.

NOTE 12: LONG-TERM DEBT

Summary of Municipal Debt Service

Long-term debt as of December 31, 2009 consisted of the following:

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
Bonds, Notes and Loans Issued	2,366,500.00	2,430,195.00	2,148,000.00
Bonds and Notes Authorized but not Issued	<u>143,945.00</u>	<u>194,450.00</u>	<u>396,645.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>2,510,445.00</u>	<u>2,624,645.00</u>	<u>2,544,645.00</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Issued/</u> <u>Authorized</u>	<u>Retired/</u> <u>Reduction</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>ISSUED:</u>				
General:				
Serial Bonds Payable	1,880,000.00		230,000.00	1,650,000.00
Bond Anticipation Notes	502,195.00	678,500.00	502,195.00	678,500.00
Assessment:				
Serial Bonds Payable	48,000.00		10,000.00	38,000.00
<u>AUTHORIZED BUT NOT ISSUED:</u>				
General:				
Bond Anticipation Notes	194,450.00	125,800.00	176,305.00	143,945.00
Total Debt Issued and Authorized but Not Issued	<u>2,624,645.00</u>	<u>804,300.00</u>	<u>918,500.00</u>	<u>2,510,445.00</u>

\$2,380,000 General Improvement Bonds dated October 13, 2004 payable in annual installments through October 15, 2016. Interest is paid semi-annually at a rate of 3.375% - 3.70% per annum. The balance remaining as of December 31, 2009 was \$1,650,000.00.

\$198,000 Assessment Improvement Bonds dated September 1, 1993 payable in annual installments through September 1, 2013. Interest is paid semi-annually at a rate of 5.00% per annum. The balance remaining as of December 31, 2009 was \$38,000.

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

Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Serial Bonds:			
2010	240,000.00	59,595.00	299,595.00
2011	240,000.00	51,332.50	291,332.50
2012	240,000.00	43,070.00	283,070.00
2013	238,000.00	34,750.00	272,750.00
2014	230,000.00	26,300.00	256,300.00
2015-2016	500,000.00	27,500.00	527,500.00
	<u>1,688,000.00</u>	<u>242,547.50</u>	<u>1,930,547.50</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .34%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	12,541,753.70	12,541,753.70	
General	2,472,445.00		2,472,445.00
	<u>15,014,198.70</u>	<u>12,541,753.70</u>	<u>2,472,445.00</u>

Net Debt \$2,472,445/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$717,848,452 = .34%

Borrowing Power Under N.J.S.A. 40:A2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	25,124,695.82
Net Debt	2,472,445.00
Remaining Borrowing Power	<u>22,652,250.82</u>

NOTE 13: NOTES PAYABLE

The Township has outstanding at December 31, 2009, a General Capital bond anticipation note in the amount of \$678,500 payable to Oppenheimer and Co., Inc. This note will mature on August 27, 2010 at an interest rate per annum of 3.125%.

NOTE 14: PENSION FUNDS

Description of Plans - All eligible employees of the Township are covered by the Public Employees' Retirement System, (P.E.R.S.), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm.

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 14: PENSION FUNDS (CONTINUED)

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S. The P.E.R.S. rates in effect for 2009 are 8.05% of covered payroll, as reported on June 30, 2007. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Township's contributions to P.E.R.S for the years ending December 31, 2009, 2008 and 2007 were \$77,010, \$42,762 and \$28,585 respectively, equal to the required contributions for each year.

Defined Contribution Retirement Program (D.C.R.P.) – The Township established Defined Contribution Retirement Program by ordinance on December 9, 2008 as required by Chapter 92 of the Laws of 2007 and N.J.S.A. 43:15C-1 et. seq. D.C.R.P. provides for employee contributions of 5.5% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to D.C.R.P for the years ending December 31, 2009 and 2008 were \$0 and \$0 respectively, equal to the required contributions for each year.

NOTE 15: POST-RETIREMENT BENEFITS

Plan Description. The Township of Pittsgrove 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 policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit.

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/pdf/financial/gasb-43-aug2009.pdf

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 15: POST-RETIREMENT BENEFITS (CONTINUED)

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 of Pittsgrove on a monthly basis. Plan members receiving benefits are not required to make contributions.

The Township of Pittsgrove's contributions to SHBP for the years ended December 31, 2009, 2008, and 2007, were \$14,195.64, \$11,711.32, and \$11,460.95, respectively, which equaled the required contributions for each year. There were approximately two, two, and one retired participants eligible at December 31, 2009, 2008 and 2007, respectively.

NOTE 16: RISK MANAGEMENT

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds. The Township of Pittsgrove is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. There have not been any claims in excess of coverage and no reduction in coverage during the year 2009.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 17: PROPERTY TAX INFORMATION

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	2.796	2.889	2.822
<u>Apportionment of Tax Rate</u>			
Municipal	0.216	0.238	0.252
County	1.068	1.152	1.076
Local School	1.482	1.468	1.464
Open Space	0.030	0.031	0.030
<u>Special District Tax Rates:</u>			
Fire District No. 1	0.103	0.100	0.100
Fire District No. 2	0.076	0.074	0.070
Fire District No. 3	0.130	0.125	0.120
<u>Assessed Valuation</u>	602,646,634	600,450,594	594,170,863

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Levy	17,564,900.13	18,025,697.88	17,508,937.26
Cash Collections	17,248,076.55	17,684,478.81	17,077,693.42
Percentage of Collections	98.20%	98.11%	97.54%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Amount of Tax Title Liens	36,116.54	7,356.36	5,997.15
Delinquent Taxes	350,885.36	371,683.18	405,702.22
Total Delinquent	387,001.90	379,039.54	411,699.37
Percentage of Tax Levy	2.20%	2.10%	2.35%

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

NOTE 17: PROPERTY TAX INFORMATION (CONTINUED)

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Property Acquired for Taxes (Assessed Valuation)	1,386,000.00	1,390,900.00	1,390,900.00

NOTE 18: CONTINGENCIES

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Township of Pittsgrove Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Pittsgrove that would have an adverse effect on the financial position in the future.

SUPPLEMENTARY DATA

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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

Honorable Mayor and Members
of the Township Committee
Township of Pittsgrove
County of Salem, New Jersey

We have audited the financial statements of the Township of Pittsgrove as of and for the year ended December 31, 2009, and have issued our report thereon dated May 10, 2010. We conducted our audit on a comprehensive basis of accounting other than U.S. generally accepted accounting principles. 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 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 Pittsgrove'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 of Pittsgrove's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and recommendations as item 2009-2 to be a material weakness.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Pittsgrove's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and recommendations.

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

PETRONI & ASSOCIATES LLC

Petroni & Associates LLC

May 10, 2010

TOWNSHIP OF PITTSBURGH
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Funding Department/Program</u>	<u>Program Award Number</u>	<u>CFDA #</u>	<u>Program Amount</u>	<u>Funds Received</u>	<u>Cumulative Funds Received</u>	<u>Grant Period</u>		<u>Amount of Expenditures</u>	<u>Cumulative Expenditures</u>
						<u>From</u>	<u>To</u>		
US Department of Housing and Urban Development Community Development Block Grant Senior Citizen Center, Phase III	N/A	14.228	400,000.00	262,922.00	262,922.00	1/1/09	12/31/09	55,433.12	400,000.00
			<u>400,000.00</u>	<u>262,922.00</u>	<u>262,922.00</u>			<u>55,433.12</u>	<u>400,000.00</u>

TOWNSHIP OF PITTSBURGH
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

State Funding Department/Program	State Grant Number	Program Amount	Funds Received	Cumulative Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Law and Public Safety:								
Supplemental Fire Safety Program	N/A	1,963.00	1,963.00	1,963.00	1/1/09	12/31/09	1,962.99	1,962.99
Uniform Fire Safety	N/A	14,390.71	10,881.79	10,881.79	1/1/09	12/31/09	6,258.60	6,258.60
Uniform Fire Safety	N/A	14,132.30	14,132.30	14,132.30	1/1/08	12/31/08	3,591.22	3,591.22
Department of Community Affairs:								
Municipal Alliance on Alcohol and Drugs	N/A	7,857.01			1/1/09	12/31/09	7,035.96	7,035.96
Recycling Tonnage Grant	4900-752-042-4900-001-V424-6020	8,890.58	8,890.58	8,890.58	1/1/09	12/31/09	1,140.00	1,140.00
Recycling Tonnage Grant	4900-752-042-4900-001-V424-6020	3,342.27		3,342.27	1/1/08	12/31/08	1,200.27	3,342.27
Department of Environmental Protection								
Clean Communities	4900-765-042-4900-004-VCMB-6020	18,165.12	18,165.12	18,165.12	1/1/09	12/31/09	17,715.27	17,715.27
Department of Transportation:								
Senior Citizen and Disabled Residents Transportation Assistance	N/A	123,463.74	95,889.25	95,889.25	1/1/09	12/31/09	123,463.74	123,463.74
Senior Citizen and Disabled Residents Transportation Assistance	N/A	121,200.00	38,211.04	121,200.00	1/1/08	12/31/08	3,113.10	121,200.00
Department of Health:								
Municipal Court-Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1,694.92		1,694.92	1/1/00	12/31/00	797.83	797.83
		<u>315,099.65</u>	<u>188,133.08</u>	<u>276,159.23</u>			<u>166,278.98</u>	<u>286,507.88</u>

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Balance December 31, 2008	<u>Ref.</u> A		<u>2,040,633.39</u>
Increased by Receipts:			
Transfer from Collector	A-6	17,683,325.36	
Grants Receivable	A-12	546,602.34	
Revenue Accounts Receivable	A-14	1,187,842.47	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-17	129,750.00	
Due State of NJ - DCA Fees		5,778.00	
Due State of NJ - Marriage License Fees		1,250.00	
Garden State Trust - Unappropriated		28,444.36	
Deferred Rent	A	1,099.00	
Due from Accumulated Absence Trust		8,575.01	
Due from Environmental Commission Trust		0.18	
Due from Pittsgrove Day Trust		2.68	
Due from General Capital Fund		91.79	
Due from Public Defender Trust		11.14	
Due from Assessment Trust Fund		10,867.34	
Due from Tax Sale Trust Fund		2,743.33	
Due from Developer's Escrow Trust Fund		37.70	
Net Payroll		827,592.54	
Payroll Taxes Payable		382,758.09	
Prepaid Licenses	A	<u>4,718.00</u>	
			<u>20,821,489.33</u>
			<u>22,862,122.72</u>

SCHEDULE OF CASH - TREASURER

Decreased by Disbursements:

2009 Budget Appropriations	A-3	2,823,009.08	
2008 Appropriation Reserves	A-15	87,296.40	
Encumbrances Payable	A-16	236,953.32	
Grant Expenditures without Appropriation	A-21	1,582.49	
Reserve for Grants - Appropriated	A-20	214,624.89	
Federal and State Grant Encumbrances Payable	A-22	420,477.21	
Tax Overpayments		18,021.71	
County Taxes	A-9	6,426,051.83	
Municipal Open Space Tax	A-9	180,794.00	
Due County for Added & Omitted Taxes		36,166.77	
Local District School Tax	A-18	8,937,210.00	
Special District Taxes	A-19	449,653.08	
Due State of NJ - Marriage License Fees		1,275.00	
Due State of NJ - DCA Fees		5,464.00	
Due Assessment Trust Fund		10,000.00	
Due Open Space Trust		5,554.27	
Due Affordable Housing Trust Fund		2,851.34	
Due Accumulated Absence Trust		7,431.53	
Due Unemployment Trust Fund		25.66	
Due Public Defender		1,500.00	
Due Tax Sale Trust Fund		0.50	
Net Payroll		827,592.54	
Payroll Taxes Payable		382,333.74	
			<u>21,075,869.36</u>
Balance December 31, 2009	A		<u><u>1,786,253.36</u></u>

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Current</u>
Balance December 31, 2009	A-4	1,786,253.36
Increased by Receipts:		
Cash Receipts Record		5,594,199.38
		<u>7,380,452.74</u>
Decreased by Disbursements:		
Cash Disbursements Record		6,549,752.77
		<u>6,549,752.77</u>
Balance April 30, 2010	A-5	<u>830,699.97</u>
		<u>Cash Reconciliation - April 30, 2010</u>
Balance per Statement		
The Bank		890,327.85
Less: Outstanding Checks		59,627.88
		<u>59,627.88</u>
Balance April 30, 2010	A-5	<u>830,699.97</u>

SCHEDULE OF CURRENT FUND CASH - COLLECTOR

Balance December 31, 2008	<u>Ref.</u> A		449,602.46
Increased by Receipts:			
Taxes Receivable	A-9	17,317,087.55	
Revenue Accounts Receivable	A-14	83,886.04	
Prepaid Taxes	A	133,730.13	
Tax Title Liens	A-10	3,162.20	
Tax Overpayments		<u>26,277.59</u>	
			<u>17,564,143.51</u>
			18,013,745.97
Decreased by:			
Paid to Treasurer	A-4		<u>17,683,325.36</u>
Balance December 31, 2009	A		<u><u>330,420.61</u></u>

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2009		330,420.61
Increased by Receipts:		
Cash Receipts Record		5,655,782.11
		5,986,202.72
Decreased by Disbursements:		
Cash Disbursements Record		4,717,205.02
		4,717,205.02
Balance April 30, 2010		1,268,997.70
		1,268,997.70
<u>Cash Reconciliation - April 30, 2010</u>		
Balance per Statement		
The Bank		1,089,033.56
Add: Deposit in Transit		179,964.14
		179,964.14
Balance April 30, 2010		1,268,997.70
		1,268,997.70

SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance December 31, 2008	A	900.00
		900.00
Balance December 31, 2009	A	900.00
		900.00

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2009 Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2008			2008	2009				Dec. 31, 2009
2002	3,092.64								3,092.64
2003	3,484.32								3,484.32
2004	3,763.98				683.72				3,080.26
2005	3,414.57								3,414.57
2006	9,600.21		3,233.43		3,233.43			4,013.66	5,586.55
2007	12,869.02		5,155.84		8,328.19			4,112.92	5,583.75
2008	335,458.44		15,992.87		317,287.04		117.98	6,305.12	27,741.17
	<u>371,683.18</u>		<u>24,382.14</u>		<u>329,532.38</u>		<u>117.98</u>	<u>14,431.70</u>	<u>51,983.26</u>
2009		<u>17,564,900.13</u>		<u>120,177.30</u>	<u>17,126,844.97</u>	<u>1,054.28</u>	<u>1,768.77</u>	<u>16,152.71</u>	<u>298,902.10</u>
	<u>371,683.18</u>	<u>17,564,900.13</u>	<u>24,382.14</u>	<u>120,177.30</u>	<u>17,456,377.35</u>	<u>1,054.28</u>	<u>1,886.75</u>	<u>30,584.41</u>	<u>350,885.36</u>
Ref.	A			A				A-10	A
				<u>Ref.</u>					
		Cash - Collector		A-6	17,317,087.55				
		Due State of New Jersey		A-17	<u>139,289.80</u>				
					<u>17,456,377.35</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:		
Business Personalty Tax	50,709.21	
General Property Tax	16,799,290.80	
Special Assessment Taxes	<u>599,538.05</u>	
		17,449,538.06
Added Taxes (54:4-63.1 et seq.)		<u>115,362.07</u>
		<u><u>17,564,900.13</u></u>

Ref.

Tax Levied

Local District School Tax (Abstract)	A-18		8,937,210.00
County Taxes:			
County Tax (Abstract)		6,281,038.56	
County Open Space (Abstract)		145,013.27	
Due County for Added Taxes (54:4-63.1 et seq.)		<u>48,545.62</u>	
Total County Taxes			6,474,597.45
Fire District #1	A-19	164,059.42	
Fire District #2	A-19	198,299.93	
Fire District #3	A-19	<u>237,178.10</u>	
Total Special District Taxes			599,537.45
Municipal Open Space			180,794.00
Local Tax for Municipal Purposes	A-2	1,303,500.00	
Add: Additional Taxes Levied		<u>69,261.23</u>	
			<u>1,372,761.23</u>
			<u><u>17,564,900.13</u></u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2008	A		7,356.36
Increased by:			
Transfers from Taxes Receivable	A-9	30,584.41	
Interest and Costs		<u>1,337.97</u>	
			<u>31,922.38</u>
			39,278.74
Decreased by:			
Cash Receipts	A-6		<u>3,162.20</u>
Balance December 31, 2009	A		<u><u>36,116.54</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>		
Balance December 31, 2008	A		1,390,900.00
Decreased by:			
Prior Period Adjustment			<u>4,900.00</u>
Balance December 31, 2009	A		<u><u>1,386,000.00</u></u>

SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance	2009 Budget		Balance
	Dec. 31, 2008	Revenue Realized	Received	Dec. 31, 2009
<u>Federal Grants:</u>				
Small Cities - Senior Citizen Center Phase III	400,000.00		262,922.00	137,078.00
Small Cities Development Block Grant	83,993.00			83,993.00
	<u>483,993.00</u>		<u>262,922.00</u>	<u>221,071.00</u>
<u>State Grants:</u>				
Municipal Alliance	5,514.62	6,285.61	4,551.89	7,248.34
Senior Citizens Disabled Resident Transportation Act	38,211.04	123,463.74	134,100.29	27,574.49
Recycling Tonnage Grant		8,890.58	8,890.58	
Transportation Trust - Bikeway Path Program	100,000.00		100,000.00	
Transportation Trust		150,000.00		150,000.00
Clean Communities Program		18,165.12	18,165.12	
NJ Department of Transportation	125,000.00			125,000.00
Uniform Fire Safety	7,090.67	14,390.71	17,972.46	3,508.92
Hazardous Discharge Site Remediation	4,032.00			4,032.00
Municipal Stormwater Regulation Program	8,468.00			8,468.00
	<u>288,316.33</u>	<u>321,195.76</u>	<u>283,680.34</u>	<u>325,831.75</u>
Total Grants	<u>772,309.33</u>	<u>321,195.76</u>	<u>546,602.34</u>	<u>546,902.75</u>
Ref.	A	A-2	A-4	A

SCHEDULE OF SPECIAL EMERGENCY APPROPRIATION
PER N.J.S.A. 40A:4-53

<u>Date</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2008</u>	<u>Reduced in 2009</u>	<u>Balance Dec. 31, 2009</u>
4/08/08	Revision of Master Plan	40,000.00	8,000.00	40,000.00	8,000.00	32,000.00
		<u>40,000.00</u>	<u>8,000.00</u>	<u>40,000.00</u>	<u>8,000.00</u>	<u>32,000.00</u>
	Ref.			A	A-3	A

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2008	Accrued in 2009	Collected		Balance Dec. 31, 2009
			Treasurer	Collector	
<u>Miscellaneous Revenue Anticipated</u>					
Licenses:					
Alcoholic Beverages		3,975.00	3,975.00		
Fees and Permits	710.00	103,879.34	104,403.34	186.00	
Fines and Costs:					
Municipal Court	4,197.97	37,478.04	39,119.52		2,556.49
Interest and Costs on Taxes		81,048.05		81,048.05	
Tower Antenna Leases		19,500.00	19,500.00		
Energy Receipts Tax		706,698.00	706,698.00		
Consolidated Municipal Property Tax Relief		152,964.00	152,964.00		
Uniform Construction Code Fees	5,717.00	70,461.00	68,325.00		7,853.00
Bureau of Fire Safety		2,844.00	2,844.00		
<u>Miscellaneous Revenue Not Anticipated</u>					
Payments in Lieu of Taxes		9,865.55	9,865.55		
Rent of Municipal Property		7,694.00	7,694.00		
Interest	2.80	12,169.03	9,517.10	2,651.99	2.74
Miscellaneous		25,027.40	25,027.40		
Cable TV Franchise Fees		24,998.30	24,998.30		
Recycling		12,911.26	12,911.26		
	<u>10,627.77</u>	<u>1,271,512.97</u>	<u>1,187,842.47</u>	<u>83,886.04</u>	<u>10,412.23</u>
Ref.	A		A-4	A-6	A

SCHEDULE OF 2008 APPROPRIATION RESERVES

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses				
Administrative & Executive				
Consultant	33,796.82	53,581.82	46,586.25	6,995.57
Township Clerk/Administration Office	4,034.56	4,034.56	72.93	3,961.63
Financial Administration	3,056.53	3,056.53	59.16	2,997.37
Revenue Administration (Tax Collection)	5,211.76	211.76		211.76
Liquidation of Tax Title Liens	4,100.00	50.00		50.00
Legal Services	23,903.90	23,903.90	9,156.83	14,747.07
Engineering Service	1,168.38	1,918.38	1,823.30	95.08
Planning Board	6,779.55	6,779.55	6,170.97	608.58
Rent Control Board	461.23	767.41	537.50	229.91
Group Insurance	18,637.35	296.09	96.40	199.69
Road Repairs	866.86	966.86	957.30	9.56
Public Buildings & Grounds	494.20	22,494.20	14,026.44	8,467.76
Vehicle Maintenance	6,535.05	6,535.05	1,467.14	5,067.91
Environmental Commission	4,013.91	13.91		13.91
Animal Control	5,016.00			
Recreation Services and Programs	802.78	2,722.78	2,722.50	0.28
Electricity	3,402.10	5,402.10	5,281.11	120.99
Street Lighting	4,402.18	4,402.18	1,710.04	2,692.14
Telephone	4,364.82	4,364.82	901.40	3,463.42
Fuel Oil	5,314.48	5,314.48	1,062.15	4,252.33
Gasoline	2,773.56	2,773.56	1,297.41	1,476.15
Landfill Fees	11,427.17	11,427.17	180.00	11,247.17
Construction Official	364.53	364.53	85.34	279.19
The Daily Journal 2006	100.60	100.60	100.60	
Salaries and Wages				
Administrative & Executive	5,254.27			
Mayor and Township Committee	3,089.00			
Economic Development	1,669.12	869.12		869.12
Rent Control Board	226.18			
Recreation Services and Programs	1,084.47			
Other Accounts - No Change	71,582.35	71,582.35		71,582.35
	<u>233,933.71</u>	<u>233,933.71</u>	<u>94,294.77</u>	<u>139,638.94</u>
Ref. A				A-1
		<u>Ref.</u>		
Paid		A-4	87,296.40	
Encumbered		A-16	6,998.37	
			<u>94,294.77</u>	

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2008	A		287,830.02
Increased by:			
Charges to 2009 Appropriations	A-3	152,778.94	
Appropriation Reserves	A-15	6,998.37	
Tax Overpayments		<u>5,644.12</u>	
			<u>165,421.43</u>
			453,251.45
Decreased by:			
Payments	A-4	236,953.32	
Balance Lapsed	A-1	<u>876.70</u>	
			<u>237,830.02</u>
Balance December 31, 2009	A		<u><u>215,421.43</u></u>

SCHEDULE OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZEN AND VETERANS DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2008	A		10,539.78
Increased by:			
Receipts	A-4		<u>129,750.00</u>
			140,289.78
Decreased by:			
2009 Deductions Per Tax Duplicate		137,250.00	
2009 Deductions Allowed by Collector		4,211.72	
2009 Deductions Disallowed by Collector		<u>(2,171.92)</u>	
	A-9	139,289.80	
2008 Deductions Disallowed by Collector	A-1	<u>(8,295.20)</u>	
			<u>130,994.60</u>
Balance December 31, 2009	A		<u><u>9,295.18</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
2009 Calendar Year School Levy	A-9	8,937,210.00
Decreased by:		
Payments	A-4	<u>8,937,210.00</u>
2009 Tax Liability for Local District School Tax:		
Tax Paid	A-18	<u>8,937,210.00</u>
Amount Charged to 2009 Operations	A-1	<u><u>8,937,210.00</u></u>

SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

	2009 District Tax Levy	Payments	Balance Dec. 31, 2009
	<u> </u>	<u> </u>	<u> </u>
Fire District #1	164,059.42	123,044.58	41,014.84
Fire District #2	198,299.93	148,724.94	49,574.99
Fire District #3	237,178.10	177,883.56	59,294.54
	<u>599,537.45</u>	<u>449,653.08</u>	<u>149,884.37</u>
Ref.	A-9	A-4	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2008	Transferred from 2009 Budget Appropriation	Paid	Encumbrance	Encumbrance Canceled	Balance Dec. 31, 2009
<u>Federal Grants:</u>						
Small Cities - Senior Citizen Center Phase III	55,433.12		55,433.12			
Small Cities Development Block Grant	49,100.03					49,100.03
Total Federal Grants	<u>104,533.15</u>		<u>55,433.12</u>			<u>49,100.03</u>
<u>State Grants:</u>						
Recycling Tonnage Grant	1,200.27	8,890.58	1,881.00	459.27		7,750.58
Senior Citizen and Disabled Residents Transportation Program	2,634.31	123,463.74	126,576.84		478.79	
Clean Communities	1,134.29	18,165.12	17,065.54	649.73	128.00	1,712.14
Municipal Alliance Program	6,997.47	7,857.01	3,916.58	3,119.38	245.25	8,063.77
New Jersey Transportation Trust		150,000.00				150,000.00
Municipal Stormwater Regulation Program	8,468.00					8,468.00
Municipal Court Alcohol Education and Rehabilitation	1,694.92			797.83		897.09
Uniform Fire Safety Act	71,538.94	14,390.71	7,788.82	2,061.00		76,079.83
Hazardous Discharge Site Remediation	4,452.87					4,452.87
SFSP Fire District		1,963.00	1,962.99			0.01
Total State Grants	<u>98,121.07</u>	<u>324,730.16</u>	<u>159,191.77</u>	<u>7,087.21</u>	<u>852.04</u>	<u>257,424.29</u>
Total Grants	<u>202,654.22</u>	<u>324,730.16</u>	<u>214,624.89</u>	<u>7,087.21</u>	<u>852.04</u>	<u>306,524.32</u>
Ref.	A	A-3	A-4	A-22	A-22	A

SCHEDULE OF GRANT EXPENDITURES WITHOUT APPROPRIATION

		<u>Paid</u>	<u>Balance Dec. 31, 2009</u>
Senior Citizen and Disabled Residents Transportation Program		1,582.49	1,582.49
	Ref.	<u>A-4</u>	<u>A</u>

SCHEDULE OF FEDERAL AND STATE GRANT ENCUMBRANCES PAYABLE

Balance December 31, 2008	<u>Ref.</u> A		421,329.25
Increased by:			
Charges to Grants Appropriated	A-20		<u>7,087.21</u>
			428,416.46
Decreased by:			
Disbursements	A-4	420,477.21	
Encumbrance canceled	A-20	<u>852.04</u>	
			<u>421,329.25</u>
Balance December 31, 2009	A		<u><u>7,087.21</u></u>

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Assessment Trust	Animal Control Trust	Open Space Trust	Developer's Escrow Trust	Unemployment Trust	Public Defender Trust	Affordable Housing Trust	Landfill Closure Trust	Small Cities Trust	Performance Bond Escrow	Lake Centerton Park Homeowners Loan Escrow	Pittsgrove Day Trust	Recreation Fees	Environmental Commission Trust	Accumulated Absence Trust
Balance December 31, 2008	B	27,798.10	1,495.81	574,497.69	124,625.27	5,368.53	1,981.90	237,842.48	148,104.30	44,627.67	25,970.67	5,030.02	7,752.51		505.04	32,831.31
Increased by Receipts:																
Assessments Receivable	B-8	6,818.99														
Interest on Delinquent Assessments Due from Current Fund		800.39														
Dog License Fees:				5,554.27		25.66		2,851.34								1,253.58
Municipal Share	B-11		13,517.80													
State Share			3,448.20													
Public Defender Fees							2,745.00									
Escrow Deposits					68,693.70											
Unemployment						10,000.00										
Affordable Housing Fees								45,237.74								
Small Cities										405.03						
Municipal Open Space				190,980.00												
Recreation Fees														6,147.90		
Pittsgrove Day Donations													8,807.00			
Interest Earned		110.65	18.31	5,237.73	1,456.70	19.83	11.78	3,034.59	5,175.94	448.07	79.57	17.61	34.18	6.96	1.72	
		7,730.03	16,984.31	201,772.00	70,150.40	10,045.49	2,756.78	51,123.67	5,175.94	853.10	79.57	17.61	8,841.18	6,154.86	1.72	1,253.58
Decreased by Disbursements:																
Expenditures Under RS 4:19-15.11	B-11		14,311.89													
NJ State Department of Health			3,470.40													
Municipal Open Space				1,454.16												
Unemployment Claims						5,134.92										
Escrow Charges					85,026.88						5,900.00					
Public Defender							2,500.00									
Affordable Housing Fees								33,946.99								
Pittsgrove Day													9,986.14			
Recreation														652.63		
Loans Disbursed										6,516.86						
Accumulated Absence																8,570.29
Due Current Fund		10,874.93	18.34		999.90		11.63				4.27		34.06	5.75	29.92	112.40
		10,874.93	17,800.63	1,454.16	86,026.78	5,134.92	2,511.63	33,946.99		6,516.86	5,904.27		10,020.20	658.38	29.92	8,682.69
Balance December 31, 2009	B	24,653.20	679.49	774,815.53	108,748.89	10,279.10	2,227.05	255,019.16	153,280.24	38,963.91	20,145.97	5,047.63	6,573.49	5,496.48	476.84	25,402.20

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref</u>	<u>Assessment Trust</u>	<u>Animal Control Trust</u>	<u>Open Space Trust</u>	<u>Developer's Escrow Trust</u>	<u>Unemployment Trust</u>	<u>Public Defender Trust</u>	<u>Affordable Housing</u>	<u>Landfill Closure Trust</u>	<u>Small Cities</u>	<u>Performance Bond Escrow</u>	<u>Lake Centeron Park Homeowners Loan Escrow</u>	<u>Pittsgrove Day Trust</u>	<u>Recreation Fees</u>	<u>Environmental Commission</u>	<u>Accumulated Absence Trust</u>
Balance December 31, 2009	B-4	24,653.20	679.49	774,815.53	108,748.89	10,279.10	2,227.05	255,019.16	153,280.24	38,963.91	20,145.97	5,047.63	6,573.49	5,496.48	476.84	25,402.20
Increased by Receipts:																
Cash Receipts Record		398.87	14,780.88	2,222.09	18,446.95	9.99	727.45	1,193.95	1,019.61	14,276.47	19.58	4.91	5,108.51	325.38	0.47	314.92
		25,052.07	15,460.37	777,037.62	127,195.84	10,289.09	2,954.50	256,213.11	154,299.85	53,240.38	20,165.55	5,052.54	11,682.00	5,821.86	477.31	25,717.12
Decreased by Disbursements:																
Cash Disbursements Record			9,161.55	20,868.00	14,542.58		200.00									
Balance April 30, 2010	B-5	25,052.07	6,298.82	756,169.62	112,653.26	10,289.09	2,754.50	256,213.11	154,299.85	53,240.38	20,165.55	5,052.54	11,682.00	5,821.86	477.31	25,717.12
<u>Cash Reconciliation - April 30, 2010</u>																
Balance per Statement																
The Bank		25,052.07	6,509.32	759,984.37	113,675.30	10,289.09	2,754.50	256,213.11	154,299.85	53,240.38	20,165.55	5,052.54	11,682.00	5,821.86	477.31	25,717.12
Less: Outstanding Checks			210.50	3,814.75	1,022.04											
Balance April 30, 2010	B-5	25,052.07	6,298.82	756,169.62	112,653.26	10,289.09	2,754.50	256,213.11	154,299.85	53,240.38	20,165.55	5,052.54	11,682.00	5,821.86	477.31	25,717.12

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2008	<u>Ref.</u> B		94,017.61
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-12	237,797.29	
Interest Earned		845.53	
Deposits for Tax Sale Premiums	B-13	<u>279,300.00</u>	
			<u>517,942.82</u>
			611,960.43
Decreased by:			
Due Current Fund		3,630.94	
Tax Sale Premiums	B-13	235,700.00	
Tax Sale Certificates	B-12	<u>237,797.29</u>	
			<u>477,128.23</u>
Balance December 31, 2009	B		<u><u>134,832.20</u></u>

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2009	B-6	134,832.20
Increased by:		
Cash Receipts Record		<u>406,314.06</u>
		541,146.26
Decreased by:		
Cash Disbursements Record		<u>341,196.28</u>
		199,949.98
Balance April 30, 2010	B-7	<u><u>199,949.98</u></u>

Cash Reconciliation - April 30, 2010

Balance per Statement		
The Bank	B-7	188,445.50
Add: Deposit in Transit		<u>11,504.48</u>
Balance April 30, 2010		<u><u>199,949.98</u></u>

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Confirmation</u>	<u>Annual or Semi-Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2008</u>	<u>Collected</u>	<u>Balance Dec. 31, 2009</u>
Madison, Lincoln and Jefferson Roads	86-1	2/25/87	20	11/1/08-13	2,227.08		2,227.08
Lincoln and Cedar Ridge Park Roads	91-18	4/27/94	40	6/1/08-13	21,779.11	6,818.99	14,960.12
					<u>24,006.19</u>	<u>6,818.99</u>	<u>17,187.20</u>
				Ref.	B	B-4	B

SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE AND LIENS

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2009</u>
Madison, Lincoln and Jefferson Roads	86-1	<u>2,227.08</u> B	<u>2,227.08</u> B

SCHEDULE OF ASSESSMENT SERIAL BONDS

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2009</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Paid</u>	<u>Balance Dec. 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Lincoln and Cedar Ridge Park Roads	9/1/93	198,000.00	9/1/10-2012	10,000.00	5.00%	<u>48,000.00</u>	<u>10,000.00</u>	<u>38,000.00</u>
			9/1/13	8,000.00				
				Ref.		<u>B</u>	<u>10,000.00</u>	<u>B</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2008	B	1,473.37
Increased by:		
Municipal Share of Dog License Fees	B-4	13,517.80
Decreased by:		
Expenditures Under R.S.4:19-15.11: Cash	B-4	14,311.89
Balance December 31, 2009	B	679.28

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	14,307.00
2008	13,316.60
	27,623.60

EXHIBIT B-12

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

	<u>Ref.</u>	
Increased by:		
Deposits Received	B-6	<u>237,797.29</u>
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-6	<u>237,797.29</u>

EXHIBIT B-13

SCHEDULE OF DEPOSITS OF TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2008	B	94,000.00
Increased by:		
Premiums Received	B-6	<u>279,300.00</u>
		373,300.00
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-6	<u>235,700.00</u>
Balance December 31, 2009	B	<u><u>137,600.00</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2008	<u>Ref.</u> C		651,771.15
Increased by:			
Interest Earned		2,287.70	
Budget Appropriation			
Capital Improvement Fund	C-7	5,000.00	
Accrued Interest		136.00	
Bond Anticipation Notes	C-10	<u>176,305.00</u>	
			<u>183,728.70</u>
			835,499.85
Decreased by:			
Due Current Fund		2,224.04	
Encumbrances Payable		79,634.19	
Improvement Authorizations	C-8	<u>72,807.87</u>	
			<u>154,666.10</u>
Balance December 31, 2009	C		<u><u>680,833.75</u></u>

SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

Balance December 31, 2009	<u>Ref.</u> C-2	680,833.75
Increased by:		
Cash Receipts Record		630.83
		<u>681,464.58</u>
Decreased by:		
Cash Disbursements Record		72,919.31
		<u>608,545.27</u>
Balance April 30, 2010	C-3	<u><u>608,545.27</u></u>
<u>Cash Reconciliation - April 30, 2010</u>		
Balance per Statement The Bank		626,909.31
Less: Outstanding Checks		<u>(18,364.04)</u>
Balance April 30, 2010	C-3	<u><u>608,545.27</u></u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2008	Receipts			Disbursements			Balance Dec. 31, 2009
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Miscellaneous	Transfers	
Capital Improvement Fund	29,311.50	5,000.00					(6,580.00)	27,731.50
Fund Balance	51.38						5,940.00	5,991.38
Due Current Fund	91.79			2,287.70		2,224.04		155.45
Reserves for:								
Resurfacing of Road	13,884.32							13,884.32
Senior Citizen Center	9,055.98						(9,055.58)	0.40
Bikeway	12,700.57							12,700.57
Municipal Parks	5,024.00						(5,024.00)	
Accrued Interest				136.00				136.00
Encumbrances Payable	88,000.20					79,634.19	120,494.80	128,860.81
Improvement Authorizations:								
<u>Ordinance Number</u>								
3-01 Various Capital Improvements	19,132.03				2,740.08		(16,391.95)	
5-03 Various Capital Improvements	31,389.75				16,927.21		(14,462.54)	
7-04 Various Capital Improvements	628.67						(628.67)	
6-06 Various Capital Improvements	(113,955.10)				3,000.00		(150.00)	(117,105.10)
2-07 Various Capital Improvements	180,693.12		50,505.00		4,655.40		(1,262.72)	225,280.00
2-08 Purchase of Land Block 903 Lot 19	110,000.00						(110,000.00)	
5-08 Purchase of Land Block 903 Lot 19	6,665.69							6,665.69
7-08 Various Capital Improvements	259,097.25				3,211.58		(50,593.88)	205,291.79
8-09 Various Capital Improvements			125,800.00		34,799.00		(22,539.00)	68,462.00
11-09 Acquisition & Installation of Well and Water Tank					6,800.00		8,672.54	1,872.54
14-09 Various Capital Improvements					674.60		101,581.00	100,906.40
	<u>651,771.15</u>	<u>5,000.00</u>	<u>176,305.00</u>	<u>2,423.70</u>	<u>72,807.87</u>	<u>81,858.23</u>		<u>680,833.75</u>
Ref.	C	C-7	C-10	C-2	C-8	C-2		C

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED

	<u>Ref.</u>	
Balance December 31, 2008	C	1,880,000.00
Decreased by:		
Payment of Bonds Payable	C-9	<u>230,000.00</u>
Balance December 31, 2009	C	<u><u>1,650,000.00</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance		Financed by Bond Anticipation Notes	Analysis of Balance Dec. 31, 2009	
		Dec. 31, 2008	Authorization		Dec. 31, 2009	Expenditures
06-06	Various Capital Improvements	143,925.00		143,925.00	117,105.10	26,819.90
07-07	Various Capital Improvements	252,720.00		252,720.00		20.00
07-08	Various Capital Improvements	300,000.00		300,000.00		
08-09	Various Capital Improvements		125,800.00	125,800.00		
		<u>696,645.00</u>	<u>125,800.00</u>	<u>822,445.00</u>	<u>117,105.10</u>	<u>26,839.90</u>
Ref.		C	C-11	C	C-4	C-8
					<u>Ref.</u>	
	Improvement Authorizations - Unfunded				C-8	525,873.69
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:					
	Ordinance					
	<u>Number</u>					
	2-07	Various Capital Improvements			C-4	225,280.00
	7-08	Various Capital Improvements			C-4	205,291.79
	8-09	Various Capital Improvements			C-4	68,462.00
						<u>26,839.90</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	C	29,311.50
Increased by:		
Budget Appropriation	C-2	<u>5,000.00</u>
		34,311.50
Decreased by:		
Improvement Authorization	C-8	<u>6,580.00</u>
Balance December 31, 2009	C	<u><u>27,731.50</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2008		2009 Authorizations		Paid or Charged	Encumbered	Canceled	Transferred	Balance Dec. 31, 2009	
				Funded	Unfunded	Deferred Charges	Capital Improvement Fund					Funded	Unfunded
3-01	Various Capital Improvements	8/14/01	403,175.00	19,132.03				2,740.08	16,391.95				(0.00)
5-03	Various Capital Improvements	7/8/03	315,500.00	31,389.75				16,927.21		5,790.00	(8,672.54)		
7-04	Various Capital Improvements	9/14/08	480,000.00	628.67					628.67				
6-06	Various Capital Improvements	6/27/06	151,500.00		29,969.90			3,000.00		150.00			26,819.90
2-07	Various Capital Improvements	5/8/07	267,720.00		231,218.12			4,655.40	1,262.72				225,300.00
2-08	Purchase of Land Block 903 Lot 19	3/25/08	110,000.00	110,000.00							(110,000.00)		
5-08	Purchase of Land Block 903 Lot 19	5/27/08	113,503.59	6,665.69									6,665.69
7-08	Various Capital Improvements	7/22/08	315,000.00		259,097.25			3,211.58	50,593.88				205,291.79
8-09	Various Capital Improvements	6/23/09	132,380.00			125,800.00	6,580.00	34,799.00	29,119.00				68,462.00
11-09	Acquisition and Installation of Well and Water Tank	10/27/09	8,672.54					6,800.00			8,672.54		1,872.54
14-09	Various Capital Improvements	11/24/09	110,000.00					674.60	8,419.00		110,000.00		100,906.40
				<u>167,816.14</u>	<u>520,285.27</u>	<u>125,800.00</u>	<u>6,580.00</u>	<u>72,807.87</u>	<u>106,415.22</u>	<u>5,940.00</u>		<u>109,444.63</u>	<u>525,873.69</u>
	Ref.			C	C	C-6	C-7	C-2		C-1		C	C

SCHEDULE OF GENERAL SERIAL BONDS

<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2009</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
10/13/04	General Obligation Bonds 2004	2,380,000.00	10/15/10-11	230,000.00	3.375%			
			10/15/12	230,000.00	3.400%			
			10/15/2013-14	230,000.00	3.500%			
			10/15/15	250,000.00	3.600%			
			10/15/16	250,000.00	3.700%			
						<u>1,880,000.00</u>	<u>230,000.00</u>	<u>1,650,000.00</u>
						<u>1,880,000.00</u>	<u>230,000.00</u>	<u>1,650,000.00</u>
					Ref.	C	C-5	C

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Increased</u>	<u>Balance Dec. 31, 2009</u>
02-07	Various Capital Improvements	09/04/08	08/27/09	08/27/10	3.125%	202,195.00	50,505.00	252,700.00
07-08	Various Capital Improvements	09/04/08	08/27/09	08/27/10	3.125%	300,000.00		300,000.00
08-09	Various Capital Improvements	08/27/09	08/27/09	08/27/10	3.125%		125,800.00	125,800.00
						<u>502,195.00</u>	<u>176,305.00</u>	<u>678,500.00</u>
					Ref.	C	C-2:C-11	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2008	Authorization	Issued	Balance Dec. 31, 2009
6-06	Various Capital Improvements	143,925.00			143,925.00
2-07	Various Capital Improvements	50,525.00		50,505.00	20.00
8-09	Various Capital Improvements		125,800.00	125,800.00	
		<u>194,450.00</u>	<u>125,800.00</u>	<u>176,305.00</u>	<u>143,945.00</u>
	Ref.		C-6	C-10	

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

GENERAL COMMENTS

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

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

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

The minutes indicate that bids were requested by public advertisement for various items including:

- 2009 Solid Waste Disposal Program
- 2009 Road Maintenance Program
- Renovation to the Pittsgrove Township Senior Center Phase III

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S.A. 40A:11.5.

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

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

N.J.S.A. 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 2, 2009, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 provides that the governing body of the municipality may fix a rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment on an installment is made within the tenth calendar day following the date upon which same became payable; and

WHEREAS, the said statute provides that the rate so fixed by the governing body shall not exceed 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment; and

WHEREAS, the said statute further provides that the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 if he fails to pay that delinquency prior to the end of the calendar year and that said penalty shall not exceed 6% of the amount of the delinquency; and

WHEREAS, the Pittsgrove Township Committee deems it to be in the interest of the Township to impose the maximum rate of interest and penalty on payment of delinquent taxes and assessments;

WHEREAS, the statutes of the State of New Jersey, expressly N.J.S.A. 54:5 et seq., provide for the enforcement and collection of such delinquencies through a tax lien sale; and

WHEREAS, the Tax Collector is empowered by statute to conduct and preside over the sale of liens;

NOW THEREFORE, BE IT RESOLVED, that pursuant to N.J.S.A. 54:4-67 the Pittsgrove Township Committee hereby fixes a rate of interest to be charged for nonpayment of taxes and assessments on or before the date when they would become delinquent at 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 to be calculated from the date that the tax was payable until the date of actual payment. No interest shall be charged, however, on payment of any installment made within the tenth calendar day following the date upon which the same became payable. A penalty shall be charged to a taxpayer with delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year. The penalty so fixed shall be 6% of the amount of the delinquency as provided by N.J.S.A. 54:4-67; and

BE IT FURTHER RESOLVED that the tax collector is authorized and directed to enforce all municipal liens in accordance with New Jersey law, and as stated above.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on January 14, 2009 and was complete, excluding properties in bankruptcy.

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

<u>Year</u>	<u>Number of Liens</u>
2009	17
2008	5
2007	6

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. All notices returned were reviewed and no discrepancies were noted. A separate report will be rendered if any irregularities develop after the date of the audit.

OTHER COMMENTS

Chief Financial Officer/Treasurer

The records maintained by the Chief Financial Officer were not in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements as the general ledger is not maintained properly. General journal entries are not posted in a timely manner. Balances in the general ledger are not reviewed for accuracy.

There was an overexpenditure of an appropriation.

Tax Collector

The records maintained by the Tax Collector were found to be in good condition.

Corrective Action Plan

A corrective action plan for the year 2008 was filed.

STATUS OF PRIOR RECOMMENDATIONS

Corrective action has not been implemented for the following prior year finding:

A general ledger is not maintained properly as required by N.J.A.C. 5:30-5.7. General journal entries are not being made in a timely manner. The Township's general ledgers of the various funds are not being reviewed for accuracy.

FINDINGS AND RECOMMENDATIONS

Control Deficiency:

2009-1. Finding:

There was an overexpenditure of appropriation.

Recommendation:

Budget appropriations should be reviewed for accuracy and sufficient funds prior to approval of payment.

Material Weakness:

*2009-2. Finding:

A general ledger is not maintained properly as required by N.J.A.C. 5:30-5.7. General journal entries are not being made in a timely manner. The Township's general ledgers of the various funds are not being reviewed for accuracy.

Recommendation:

A general ledger should be properly maintained as required by N.J.A.C. 5:30-5.7. General journal entries should be made and general ledgers should be reviewed on a monthly basis.

* This recommendation appeared in prior reports and corrective action has not been taken.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

PETRONI & ASSOCIATES LLC

Petroni & Associates LLC