

**“REVISED”
TOWNSHIP OF SHAMONG
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2010**



TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON

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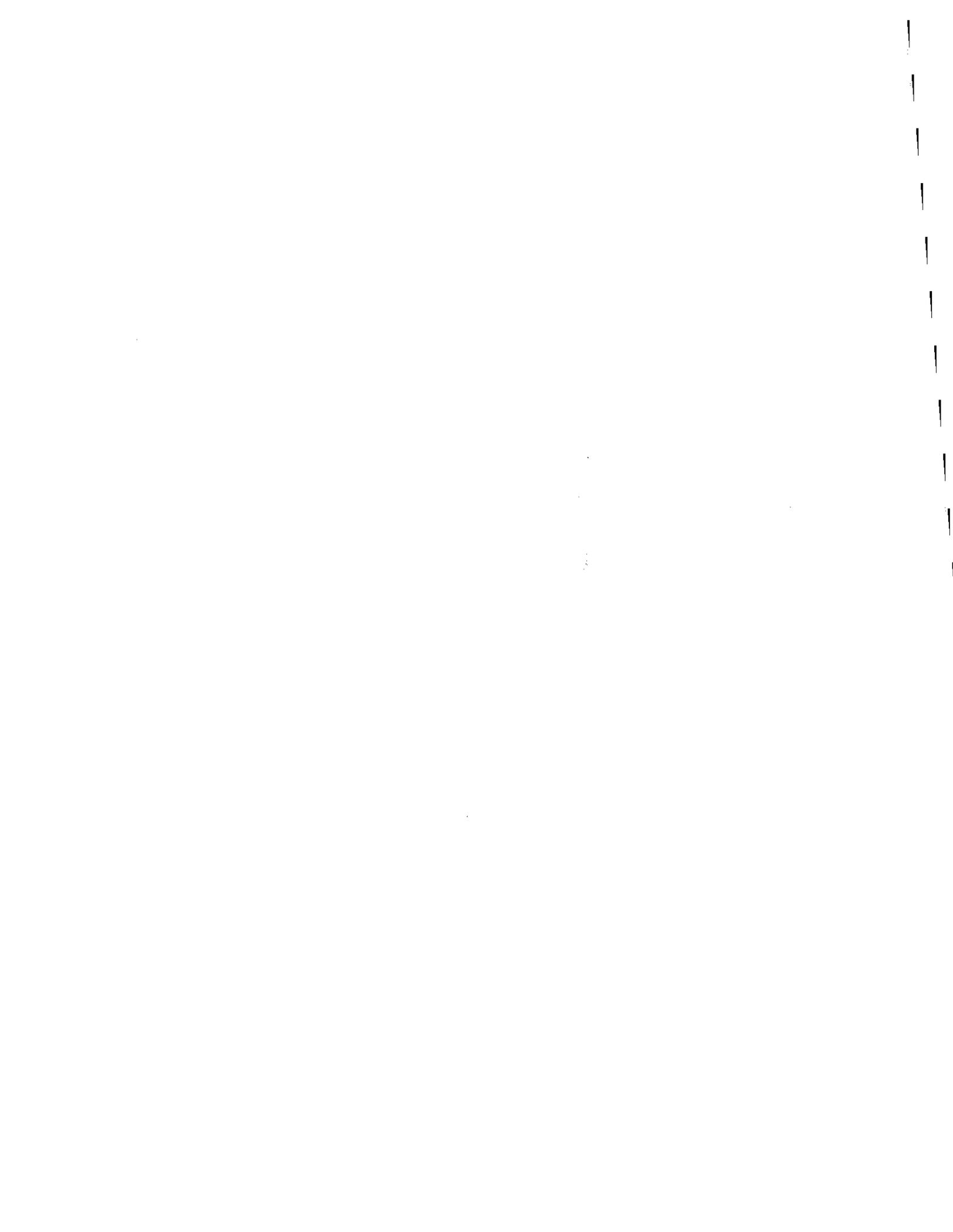
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**TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**





Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Shamong
County of Burlington
Shamong, New Jersey 08088

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

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements 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 financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters, as 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 Shamong, State of New Jersey, as of December 31 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the Township of Shamong, State of New Jersey has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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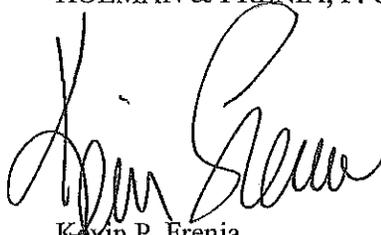
Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Shamong, State of New Jersey, as of December 31, 2010 and 2009, and the results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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2011, on our consideration of the Township of Shamong, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
March 11, 2011



Certified Public Accountants & Consultants

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

The Honorable Mayor and Members
of the Township Committee
Township of Shamong
County of Burlington
Shamong, New Jersey 08088

We have audited the financial statements of the Township of Shamong, County of Burlington, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated March 11, 2011. Our report rendered a qualified opinion and disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Shamong's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2010-1, 2010-2, 2010-3 and 2010-4.

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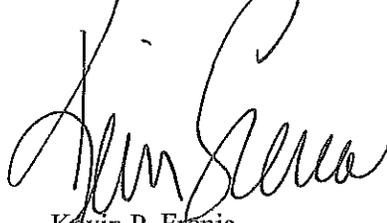
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Shamong's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the General Comments Section as Finding No. 2010-1, 2010-2, 2010-3 and 2010-4.

This report is intended solely for the information and use of the Township of Shamong's management, and Committee members, others within the organization, the Division of Local Government Services, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
March 11, 2011

FINANCIAL STATEMENTS



**TOWNSHIP OF SHAMONG
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Regular Fund:			
Cash	A-4	\$7,318,864	7,367,498
Change Fund	A-4	330	330
Due from State of New Jersey - Senior Citizen & Veteran Deductions		7,455	6,164
Deferred Charge - Special Emergency 5 Year		260,000	
		<hr/>	<hr/>
Total Regular Fund Cash & Investments		7,586,649	7,373,992
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	258,237	203,109
Tax Title Liens Receivable	A-6	82,040	66,637
Property Acquired for Taxes - Assessed Valuation	A-7	1,006,625	1,006,625
Revenue Accounts Receivable	A-8	1,609	3,262
Due From Payroll	E	4,591	4,577
Due From Dog License Fund	B	46	
Due From State & Federal Grants	A	606,489	329,753
		<hr/>	<hr/>
Total Receivables & Other Assets With Full Reserves		1,959,637	1,613,963
		<hr/>	<hr/>
Total Regular Fund		9,546,286	8,987,955
Federal & State Grants:			
Due From Trust - Other Grants Receivable	B A-13	1,171 837,127	1,171 655,836
		<hr/>	<hr/>
Total Federal & State Grants		838,298	657,007
		<hr/>	<hr/>
Total Assets		<u>\$10,384,584</u>	<u>9,644,962</u>

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

**TOWNSHIP OF SHAMONG
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2010	2009
Regular Fund:			
Appropriation Reserves	A-3,A-9	\$684,544	408,442
Encumbrances Payable	A-3,A-9	29,057	180,407
Tax Overpayments	A	54,270	19,313
Tax Title Lien Redemption Payable	A	35,983	
Prepaid Taxes	A-4,A-5	125,304	114,597
County Taxes Payable	A-11	17,078	13,026
Local District School Taxes Payable	A-10	2,835,482	3,182,352
Regional High School Taxes Payable	A-10	1,369,871	1,286,084
Reserve for Revaluation Program	A	261,920	1,920
Reserve for Garden State Preservation Trust		112,346	168,519
Reserve for Pinelands Aid			270
Reserve for Large Animal Rescue		100	100
Due To Trust - Municipal Open Space	B	10,455	10,232
Due To Trust - Other	B	57,246	86,756
Due To Dog License Fund	B		30
Due To Capital Fund	C	253,256	239,028
Due To Public Assistance Fund	D	12,665	12,665
		<hr/>	<hr/>
Total Regular Fund		5,859,577	5,723,741
		<hr/>	<hr/>
Reserves for Receivable & Other Assets	A	1,959,637	1,613,963
Fund Balance	A-1	1,727,072	1,650,251
		<hr/>	<hr/>
Total Reserves & Fund Balance		9,546,286	8,987,955
		<hr/>	<hr/>
State & Federal Grants:			
State Grant:			
Appropriated Reserves	A-14	226,484	317,252
Unappropriated Reserves	A-15	4,675	9,352
Encumbrances Payable	A-14	650	650
Due Current Fund	A	606,489	329,753
		<hr/>	<hr/>
Total State & Federal Grants		838,298	657,007
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		\$10,384,584	9,644,962
		<hr/> <hr/>	<hr/> <hr/>

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

TOWNSHIP OF SHAMONG
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenue & Other Income Realized:		
Fund Balance Utilized	\$1,305,482	1,175,665
Miscellaneous Revenue Anticipated	1,114,050	1,246,829
Receipts From Delinquent Taxes	197,603	274,981
Receipts From Current Taxes	15,987,103	15,677,860
Nonbudget Revenue	171,550	79,350
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	369,533	688,048
Cancellation of Prior Year Liability	34,462	
Intergovernmental Account Receivable Interfunds Liquidated:		
Due Capital	22	90,884
Due Animal Control Trust	30	10,786
Due Trust - Other	33,206	
	<hr/>	<hr/>
Total Revenue & Other Income Realized	19,213,041	19,244,403
Expenditures:		
Budget & Emergency Appropriations:		
Operations:		
Salaries and Wages	604,300	619,250
Other Expenses	1,654,255	1,089,167
Capital Improvements	210,000	210,000
Debt Service	18,655	18,655
Deferred Charges & Statutory Expenditures	110,250	106,114
Local District School Tax	8,265,917	8,459,660
Regional High School Tax	3,805,600	4,047,533
Municipal Open Space	82,596	82,162
County Taxes	3,041,014	3,140,506
Interfunds Created:		
Due State & Federal Grant Fund	276,736	26,267
Due Trust - Other	21,415	7,829
Due Public Assistance		12,665
	<hr/>	<hr/>
Total Budget & Emergency Appropriations	18,090,738	17,819,808
Statutory Excess to Fund Balance	1,122,303	1,424,595
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	260,000	
Fund Balance January 1	1,650,251	1,401,321
	<hr/>	<hr/>
Total	3,032,554	2,825,916
Decreased by: Utilization as Anticipated Revenue	1,305,482	1,175,665
	<hr/>	<hr/>
Fund Balance December 31	\$1,727,072	1,650,251

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

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$1,305,482	1,305,482	
Miscellaneous Revenue Anticipated:			
Alcoholic Beverage Licenses	1,050	1,050	
Construction Code Official:			
Fees & Permits	60,000	67,181	7,181
Fines & Costs - Municipal Court	40,000	43,274	3,274
Interest & Costs on Taxes	25,000	43,224	18,224
Energy Receipts Taxes	429,951	429,951	
Consolidated Municipal Property Tax	40,698	40,463	(235)
Garden State Preservation Trust	168,519	168,519	
Interest on Investments & Deposits	25,000	61,847	36,847
Mobile Home Fees	35,000	35,844	844
Pinelands Aid - Reserve	270	270	
Shared Services - Tax Assessor	9,100	8,682	(418)
Clean Communities Program	15,705	15,705	
Municipal Alliance	18,040	18,040	
New Jersey Department of Transportation Grant	180,000	180,000	
Total Miscellaneous Revenue	1,048,333	1,114,050	65,717
Receipts from Delinquent Taxes	180,000	197,603	17,603
Local Tax for Municipal Purposes	111,704	197,427	85,723
Budget Total	2,645,519	2,814,562	169,043
Nonbudget Revenues:			
Miscellaneous		171,550	171,550
Total	\$2,645,519	2,986,112	340,593

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

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$15,987,103
Allocated to School & County Taxes	<u>16,095,127</u>
Deficiency Supported by Municipal Revenue	(108,024)
Appropriation - Reserve for Uncollected Tax	<u>305,450</u>
Excess - Current Tax Collections	<u><u>\$197,426</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$197,603</u>
Total	<u><u>\$197,603</u></u>

ANALYSES OF NON BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Revenue Accounts Receivable:	
Senior Citizen & Veterans Administrative Charge	\$1,074
Other Licenses	708
Cable Franchise Fees	21,701
Copies	138
Joint Insurance Fund - Safety Award	2,800
Snow Plowing Fees - County	61,936
FEMA	51,024
Miscellaneous	<u>32,169</u>
Total Nonbudget Revenues	<u><u>\$171,550</u></u>

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

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
General Government Functions:					
General Administration:					
Salaries and Wages	\$83,500	83,500	82,035	1,465	
Other Expenses	28,500	28,500	7,955	20,545	
Mayor & Committee:					
Salaries and Wages	13,000	13,000	9,248	3,752	
Other Expenses	4,000	4,000	428	3,572	
Municipal Clerk:					
Salaries and Wages	76,500	76,500	65,652	10,848	
Other Expenses	26,500	26,500	11,153	15,347	
Financial Administration (Treasury):					
Salaries and Wages	29,000	29,000	28,218	782	
Other Expenses	10,000	10,000	6,830	3,170	
Audit Services:					
Other Expenses	20,000	20,000	19,775	225	
Revenue Administration (Tax Collection):					
Salaries and Wages	52,000	52,000	45,263	6,737	
Other Expenses	16,000	16,000	8,642	7,358	
Tax Assessment Administration:					
Salaries and Expenses	22,000	22,000	20,068	1,932	
Other Expenses	5,000	5,000	1,610	3,390	
Interest on Tax Appeals	100	100		100	
Reassessment of Real Property		260,000	260,000		
Legal Services & Costs:					
Other Expenses	75,000	75,000	73,764	1,236	
Engineering Services & Costs:					
Other Expenses	75,000	75,000	73,442	1,558	
Land Use Administration:					
Joint Land Use Board:					
Salaries and Wages	11,500	11,500	11,356	144	
Other Expenses	8,300	8,300	6,982	1,318	
Environmental Committee:					
Other Expenses	1,500	1,500		1,500	
Rent Control:					
Salaries and Wages	1,200	1,200	1,125	75	
Other Expenses	5,000	5,000	1,957	3,043	
Insurance:					
Liability Insurance	22,000	22,000	17,697	4,303	
Surety Bond Premium					
Workers Compensation Insurance	52,000	52,000	44,965	7,035	
Employee Group Insurance	120,000	120,000	98,243	21,757	
Other Insurance Premiums	19,000	19,000	10,236	8,764	
JIF Commissioner:					
Salaries and Wages	2,000	2,000	1,880	120	
Public Safety Functions:					
Office of Emergency Management:					
Salaries and Wages	4,500	4,500	3,689	811	
Other Expenses	26,000	26,000	390	25,610	

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Public Safety Functions (continued):					
Aid to Volunteer Fire Companies	99,000	99,000	99,000		
Aid to Volunteer Ambulance Companies	35,000	35,000	35,000		
Municipal Prosecutor:					
Salaries and Wages					
Other Expenses	8,000	8,000	4,488	3,512	
Discovery Clerk:					
Salaries and Wages	100	100		100	
Public Works Functions:					
Streets & Road Maintenance:					
Salaries and Wages	180,000	180,000	168,576	11,424	
Other Expenses	465,000	465,000	126,887	338,113	
Recycling:					
Other Expenses	6,000	6,000		6,000	
Buildings & Grounds:					
Salaries and Wages	2,000	2,000	1,227	773	
Other Expenses	16,000	16,000	8,912	7,088	
War Memorial:					
Other Expenses	1,000	1,000	50	950	
Health & Human Services:					
Public Health Services (Board of Health):					
Salaries and Wages	2,500	2,500	1,069	1,431	
Other Expenses	1,250	1,250	349	901	
Animal Control:					
Other Expenses	10,000	10,000	7,084	2,916	
Parks & Recreation Functions:					
Maintenance of Parks:					
Salaries and Wages	2,000	2,000		2,000	
Other Expenses	40,000	40,000	30,129	9,871	
Maintenance of Lake:					
Other Expenses	15,000	15,000		15,000	
Historical Commission:					
Other Expenses	1,000	1,000		1,000	
Utility Expenses & Bulk Purchases:					
Electricity	20,000	20,000	19,027	973	
Street Lighting	10,000	10,000	7,004	2,996	
Telephone	6,500	6,500	5,784	716	
Natural Gas	8,500	8,500	4,790	3,710	
Telecommunications	3,000	3,000		3,000	
Gasoline	20,000	20,000	12,944	7,056	
Uniform Construction Code Enforcement Functions:					
Construction Official:					
Salaries and Wages	59,000	59,000	53,979	5,021	
Other Expenses	10,000	10,000	4,223	5,777	
Other Common Operating Functions (Unclassified):					
Celebration of Public Events	1,000	1,000		1,000	
Municipal Court:					
Municipal Court:					
Salaries and Wages	60,000	60,000	52,189	7,811	
Other Expenses	12,250	12,250	8,210	4,040	

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"					
Municipal Court (continued):					
Public Defender:					
Salaries and Wages	3,500	3,500	2,398	1,102	
Other Expenses	500	500		500	
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent					
Within "CAPS"	1,912,200	2,172,200	1,565,922	606,278	
Detail:					
Salaries and Wages	604,300	604,300	552,460	56,328	
Other Expenses	1,307,900	1,567,900	1,013,462	549,950	
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures - Contributions:					
Contributions to Employees Retirement System	46,000	46,000	45,462	538	
Social Security System (O.A.S.I.)	50,000	50,000	41,916	8,084	
Total General Operations Within "CAPS"	2,008,200	2,268,200	1,653,300	614,900	
Other Operations Excluded from "CAPS"					
L.O.S.A.P.	39,000	39,000		39,000	
Total Other Operations Excluded from "CAPS"	39,000	39,000		39,000	
Public & Private Programs Offset by Revenues:					
Clean Communities Act:					
Other Expenses	15,705	15,705	15,705		
Municipal Alliance on Alcoholism & Drug Abuse	22,550	22,550	22,550		
Township of Southampton - Shared Services Agreement - Tax Assessor		9,100	8,456	644	
Total Public & Private Programs Offset by Revenues	38,255	47,355	46,711	644	
Total Operations Excluded from "CAPS"	77,255	86,355	46,711	39,644	
Capital Improvements:					
New Jersey Transportation Trust Fund Authority Act - State Share	180,000	180,000	180,000		
Building Renovations	30,000	30,000		30,000	
Total Capital Improvements	210,000	210,000	180,000	30,000	
Municipal Debt Service:					
Green Trust Loan Program:					
Loan Repayments for Principal & Interest	21,264	21,264	18,655		2,609

**TOWNSHIP OF SHAMONG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Excluded from "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Total Municipal Debt Service	21,264	21,264	18,655		2,609
Deferred Charges Excluded from "CAPS":					
Deferred Charges	14,250	14,250	14,250		
Total Deferred Charges & Statutory Expenditures Municipal	14,250	14,250	14,250		
Subtotal General Appropriations	2,330,969	2,600,069	1,912,916	684,544	2,609
Reserve for Uncollected Taxes	305,450	305,450	305,450		
Total General Appropriations	\$2,636,419	2,905,519	2,218,366	684,544	2,609
Original Budget		\$2,636,419			
Chapter 159		9,100			
Special Emergency		260,000			
Total		\$2,905,519			
			State & Federal Grants Appropriated:		
			State Share	\$218,255	
			Reserve for Uncollected Taxes	305,450	
			Disbursed	1,391,354	
			Deferred Charges	14,250	
			Special Emergency	260,000	
			Encumbrances	29,057	
				\$2,218,366	

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

**TOWNSHIP OF SHAMONG
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Dog License Fund - Cash	B-1	\$1,679	1,022
Due from Current Fund	B-2		30
		<hr/>	<hr/>
Subtotal Dog License Fund		1,679	1,052
Other Funds:			
Cash	B-1	262,430	321,135
Due from Current Fund	A,B-4	57,246	86,756
Due from Current Fund - Municipal Open Space	A	10,455	10,232
		<hr/>	<hr/>
Subtotal Other Funds		330,131	418,123
		<hr/>	<hr/>
Total Assets		\$331,810	419,175
LIABILITIES & RESERVES			
Dog License Fund:			
Due to State of New Jersey		\$16	
Due to Current Fund	A,B-2	46	
Prepaid License Fees		31	34
Reserve for Dog Fund Expenditures	B-3	1,586	1,018
		<hr/>	<hr/>
Subtotal Dog License Fund		1,679	1,052
Other Funds:			
Due Federal & State Grant Fund	A	1,171	1,171
Planning Board Subdivision:			
Escrow for Professional Fees	B-5	52,624	52,624
Reserve for Zoning Board Escrows	B-6	2,065	2,065
Reserve for Road Opening Escrow Deposits	B-7	833	833
Reserve for Unemployment Compensation			
Insurance	B-8	21,130	20,879
Reserve for Recreation Escrow	B-9	15,378	15,377
Reserve for S.T.A.S.A. - Municipal Alliance	B-10	7,816	6,222
Reserve for Public Defender Fees	B-11	5,411	4,311
Reserve for Open Space Trust	B-12	182,574	230,436
Reserve for Tax Sale Premiums	B-13	14,500	47,700
Reserve for Multi-Escrow	B-14	18,644	28,520
Escrow for Maintenance Guarantees		7,985	7,985
		<hr/>	<hr/>
Subtotal Other Funds		330,131	418,123
		<hr/>	<hr/>
Total Liabilities, Reserves & Other Funds		\$331,810	419,175

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

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE – REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Cash - Treasurer	C-1,C-2	\$36,752	36,730
Deferred Charges to Future Taxation:			
Funded		267,725	280,828
Unfunded	C-3	310,000	74,250
Due from Current Fund	A	253,256	239,028
		<hr/>	<hr/>
Total Assets		<u>\$867,733</u>	<u>630,836</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Funded	C-4	\$90,015	15
Unfunded	C-4	256,519	6,519
Green Trust Loan Payable	C-8	267,725	280,828
Down Payments to Capital Improvements	C	200	200
Capital Improvement Fund	C-5	252,897	342,897
Fund Balance	C-6	377	377
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		<u>\$867,733</u>	<u>630,836</u>

There were bonds and notes authorized but not issued of \$310,000 at December 31, 2010 and \$74,250 at December 31, 2009.

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

TOWNSHIP OF SHAMONG
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	REFERENCE	2010	2009
Due From Current Fund	A	<u>\$12,665</u>	<u>12,665</u>
Total Assets		<u><u>\$12,665</u></u>	<u><u>12,665</u></u>
 LIABILITIES & RESERVES 			
Reserve for Public Assistance	D	<u>\$12,665</u>	<u>12,665</u>
Total Liabilities & Reserves		<u><u>\$12,665</u></u>	<u><u>12,665</u></u>

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

TOWNSHIP OF SHAMONG
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	REFERENCE	2010	2009
Cash	E-1	<u>\$9,084</u>	<u>10,331</u>
Total Assets		<u><u>\$9,084</u></u>	<u><u>10,331</u></u>
LIABILITIES			
Payroll Deductions Payable	E-2	\$4,493	5,754
Due to Current Fund	A	<u>4,591</u>	<u>4,577</u>
Total Liabilities		<u><u>\$9,084</u></u>	<u><u>10,331</u></u>

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

TOWNSHIP OF SHAMONG
 GENERAL FIXED ASSETS ACCOUNT GROUP
 COMPARATIVE STATEMENT OF FIXED ASSETS AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Land & Improvements	\$1,471,451	1,471,451
Equipment	1,552,149	1,437,834
	<hr/>	<hr/>
Total Assets	<u>\$3,023,600</u>	<u>2,909,285</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$3,023,600</u>	<u>2,909,285</u>

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

**TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies

Fiscal Reporting Entity

The Township of Shamong was incorporated under the laws of the State of New Jersey. The financial statements of the reporting entity include those of the Township of Shamong only and no other component units.

Basis of Accounting

The accounting policies of the Township of Shamong 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operation 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, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

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

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

The modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the Federal Government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the Municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31st of each year and recorded as Liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Foreclosed Property

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

Interfunds

Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Insurance

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

Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capital has not been accounted for separately.

Compensated Absences

Township employees are entitled to sick leave based on 1.2 times scheduled hours each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Unused accumulated sick time benefits may only be paid upon retirement. Employees are entitled to receive 100% of its value accumulated to a maximum of \$10,000. Vacation days based on two weeks scheduled hours not used during the year may be accumulated and carried forward to the next succeeding year. Vacation days carried forward must be used in the next succeeding year or be forfeited.

TOWNSHIP OF SHAMONG

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 1. Summary of Significant Accounting Policies (continued):

The amount of accrual for compensated absences as of December 31, 2010 is as follows:

	Employees Accrual
Vacation and Sick Time	<u>\$53,066</u>

This liability has not been recorded on the financial statements. Actual payment and funding for compensated absences occurs through budget appropriation in the annual operating budget and only during the year the employee terminates employment (pay-as-you-go basis).

Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

Investments

Investments are stated at actual cost.

Budgets

The Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the Township introduces a budget which includes proposed expenditures and financing methods.
2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies (continued):

Subsequent Events

The Township of Shamong has evaluated subsequent events occurring after December 31, 2010 through the date of March 11, 2011, which is the date the financial statements were available to be issued.

Note 2. Bonds and Notes Authorized but not Issued

At December 31, 2010 there was \$310,000 in bonds and notes authorized but not issued.

Note 3. Current Fund Balance Appropriated

Of the \$1,693,866 Current Fund Balance at December 31, 2010, it was undetermined at the date of audit the amount that would need to be appropriated as anticipated revenue as the 2011 municipal budget has not been introduced.

Note 4. Cash and Cash Equivalents and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2010, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$7,631,167</u>
Total Deposits	<u>\$7,631,167</u>
Reconciliation of Statement of Comparative Balance Sheets:	
Current	\$7,318,864
Dog Trust	1,679
Other Trust	264,788
General Capital	36,752
Payroll Fund	<u>9,084</u>
Total Reconciliation of Comparative Balance Sheets	<u>\$7,631,167</u>

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2010

Note 4. Cash and Cash Equivalents and Investments (continued):

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$7,684,859 at December 31, 2010. Of the bank balance \$521,003 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$7,163,856 was secured by a collateral pool held by the bank, but not in the Township's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 5 of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2010, are provided in the above schedule.

Investment Credit Risk – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

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

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 5. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

TOWNSHIP OF SHAMONG

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2010

Note 5. Governmental Unit Deposit Protection Act (GUDPA) (continued):

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 6. Pension

A. Plan Description

The Township of Shamong contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. program was established as of January 1, 1955. The program was established under the provisions of *N.J.S.A.43:15A*, which assigns authority to establish and amend, benefit provisions to the plan's board of trustees. P.E.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

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 System terminate.

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S, and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately 4.6% for P.E.R.S. of annual covered payroll. The contribution requirements of

TOWNSHIP OF SHAMONG

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 6. Pension (continued):

plan members and the Township of Shamong are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$45,462, \$42,864 and \$31,262, respectively, equal to the required contributions for each year.

Note 7. Fixed Assets

The following schedule is a summarization of the General Fixed Assets by Source for the year ended December 31, 2010:

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
Land & Improvements	\$1,471,451		\$ -	\$1,471,451
Equipment & Vehicles	<u>1,437,834</u>	<u>\$114,315</u>		<u>1,552,149</u>
Totals	<u>\$2,909,285</u>	<u>\$114,315</u>	<u>\$ -</u>	<u>\$3,023,600</u>

Note 8. Joint Insurance Fund

The Township participates in the Burlington County Joint Insurance Fund (JIF) and the Municipal Excess Liability Joint Insurance Fund (MEL), public entity risk pools. Coverage under this joint plan offers worker's compensation and employer's liability, liability other than motor vehicles, property damage other than motor vehicle and motor vehicles. Excess insurance coverages and limits for these types of insurance are provided by third party insurance carriers. The Township is assessed for the contributions for these funds and is responsible for any reserve deficiencies. No contingency or provision has been made in these financial statements for possible deficiencies. No deficiencies occurred at the end of 2010 for the joint insurance pool or since the Township joined the JIF in 1990.

Limits of coverage, per occurrence, are as follows:

	JIF	MEL	Third Party Carrier
Workman's Compensation & Employer's Liability	\$150,000	\$400,000	Excess to \$5,000,000
Property Damage, Automobile Physical Damage & Contractors Equipment	25,000	-	Various
General Liability, Physical Damage, Automobile Liability	150,000	950,000	Excess to 4,850,000
Public Officials Liability			2,000,000

TOWNSHIP OF SHAMONG

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 9. Long-Term Debt

A summary of Municipal Debt is as follows:

Summary of Municipal Debt	Year 2010	Year 2009	Year 2008
Issued			
Green Trust Loan	\$267,725	\$280,828	\$293,673
Bond Anticipation Notes			72,000
Authorized But Not Issued			
General Bonds & Notes	<u>310,000</u>	<u>74,250</u>	<u>88,500</u>
 Total Bonds & Notes Issued & Authorized But Not Issued	 <u>\$577,725</u>	 <u>\$355,078</u>	 <u>\$454,173</u>

At December 31, 2010 the debt service requirements on the Green Trust Loan until maturity are as follows:

Year	Principal	Interest	Total
2011	\$ 13,367	\$ 5,288	\$ 18,655
2012	13,636	5,019	18,655
2013	13,910	4,745	18,655
2014	14,189	4,466	18,655
2015	14,475	4,180	18,655
2016-2020	76,856	16,419	93,275
2021-2025	84,896	8,379	93,275
2026-2027	<u>36,396</u>	<u>914</u>	<u>37,310</u>
 Total	 <u>\$267,725</u>	 <u>\$49,410</u>	 <u>\$317,135</u>

Note 10. Open Space Trust

On November 2, 2004 the Township voters passed a referendum to “raise revenue for acquisition and preservation of open space, recreation, farmland and historic properties.” The approved levy is .02 per \$100 of the assessed value of real property.

The intent of this annual levy, or dedicated tax, is to create a fund for the purchase, development and maintenance of appropriate land for permanent use or preservation. This tax is allowed for by State law, New Jersey Statute 40:12-15.7. This revenue will acquire, preserve and improve open space, recreational, farmland and historic properties for future generations to enjoy, and will also be used to

TOWNSHIP OF SHAMONG

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 10. Open Space Trust (continued):

either purchase or deed restrict property so that it remains open space or farmland. This preservation, which will stop the development of acquired properties, will lessen the burden on Shamong Township's infrastructure, lessen the impact on the Shamong schools and contribute to Shamong's quality of life. The revenue may also be used for the development and maintenance of acquired or current Township owned open space, recreational, farmland or historic properties, pursuant to said law. The tax would expire on December 31, 2014.

A summary of the Township's Municipal Open Space Trust is as follows:

Balance December 31, 2009	\$230,436
Additions:	
2010 Taxes	82,596
Interest Earnings	1,000
Disbursements	<u>(131,458)</u>
Balance December 31, 2010	<u>\$182,574</u>

Note 11. Interfund Receivables and Payables

The following interfunds remained as of December 31, 2010:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$611,126	\$333,622
Federal & State Grant Fund	1,171	606,489
Trust Other Funds	67,701	1,171
Dog Trust Fund		46
General Capital Fund	253,256	
Public Assistance	12,665	
Payroll Fund	<u> </u>	<u>4,591</u>
Total	<u>\$945,919</u>	<u>\$945,919</u>

SUPPLEMENTARY EXHIBITS

CURRENT FUND

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010**

	REGULAR	STATE AND FEDERAL GRANT FUND
Balance December 31, 2009	\$7,367,498	
Receipts:		
Taxes Receivable	\$16,066,196	
PL 1971- Senior Citizen & Veteran Deductions	53,709	
Revenue Accounts Receivable	894,385	
Taxes Prepaid	125,304	
Third Party Lien Redemptions	81,376	
Reserve for Garden State Preservation	112,346	
State Grants Receivable		32,454
Shared Services - Tax Assessor	8,682	
Due From Current		281,246
Subtotal	17,341,998	313,700
Disbursements:		
2010 Appropriations	1,391,354	
2009 Appropriation Reserves	38,909	
2009 Encumbrances Payable	145,945	
Local District School Tax	8,612,787	
Regional High School Tax	3,721,813	
County Taxes	3,036,962	
Open Space Tax	82,373	
Tax Overpayments	16,131	
Third Party Liens	45,393	
Due From Trust - Other	17,719	
Due From State & Federal Grants	281,246	
Reserve for Federal & State Grants		313,700
Total	17,390,632	313,700
Balance December 31, 2010	\$7,318,864	-

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2010**

YEAR	BALANCE	ADDED	2010 LEVY	COLLECTED		OVERPAYMENTS CREATED	DUE	CANCELED	TRANSFERRED	BALANCE
	DECEMBER 31, 2009			TAXES	2009		2010		STATE NEW JERSEY	TO TAX TITLE LIENS
2007	\$247									247
2008	292									292
2009	202,570				197,258	(345)			4,928	39
Total	203,109				197,258	(345)			4,928	578
2010		93,168	16,188,794	114,597	15,868,938	51,432	55,000	27,145	10,055	257,659
Total	\$203,109	93,168	16,188,794	114,597	16,066,196	51,087	55,000	27,145	14,983	258,237

ANALYSIS OF 2010 PROPERTY TAX LEVY

TAX YIELD:

General Purpose	\$16,135,044
Added Taxes (RS 54:4-61 e.g. seq.)	93,168
Senior Citizen & Veteran Deductions Allowed - Original Levy (Chap. 129 P.L.1976)	<u>53,750</u>
Total	<u>\$16,281,962</u>

TAX LEVY:

Local District School Taxes (Abstract)	\$8,765,917
Regional High School Tax (Abstract)	4,205,600
Municipal Open Space Tax	82,596
County Taxes:	
County Tax (Abstract)	\$2,469,637
County Library Tax (Abstract)	234,184
County Open Space (Abstract)	319,630
Due County for Added Taxes (RS54:4-63/1 et seq)	<u>17,563</u> 3,041,014
Local Tax for Municipal Purposes	111,704
Add: Additional Tax Levied	<u>75,131</u> 186,835
Total	<u>\$16,281,962</u>

EXHIBIT A-6

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$66,637
Increased by:		
Transfers from Taxes Receivable	\$13,671	
Interest & Costs on Taxes	1,732	15,403
		<hr/>
Balance December 31, 2010		<u><u>\$82,040</u></u>

EXHIBIT A-7

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION AT TIME OF ACQUISITION)
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u><u>\$1,006,625</u></u>
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**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009	ACCRUED	COLLECTED	BALANCE DECEMBER 31, 2010
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages		1,050	1,050	
Permits - Construction Code				
Official		67,181	67,181	
Fines & Costs - Municipal				
Court	\$3,262	41,621	43,274	1,609
Interest & Costs on Taxes		43,224	43,224	
Energy Receipts Taxes		429,951	429,951	
Consolidated Municipal Property Tax		40,463	40,463	
Garden State Preservation Trust		168,519	168,519	
Interest on Investment & Deposits		61,847	61,847	
Mobile Home Fees		35,844	35,844	
Pinelands Aid - Reserve		270	270	
Miscellaneous Revenue Not Anticipated:				
Senior Citizen & Veterans				
Administrative Charge		1,074	1,074	
Other Licenses		708	708	
Cable Franchise Fees		21,701	21,701	
Copies		138	138	
Joint Insurance Fund - Safety Award		2,800	2,800	
Snow Plowing Fees - County		61,936	61,936	
FEMA Funds		51,023	51,023	
Miscellaneous		31,901	31,901	
Total	\$3,262	1,061,251	1,062,904	1,609
			\$894,385	
			168,519	
			<u>\$1,062,904</u>	

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009	BALANCE AFTER TRANSFERS	PAID OR CHARGED	CANCEL ENCUMBRANCE	BALANCE LAPSED
Other Expenses:					
General Administration	\$22,316	22,316	1,190		21,126
Municipal Clerk	15,756	15,756	139		15,617
Financial Administration	3,511	3,511	790		2,721
Revenue Administration	4,033	4,033	49		3,984
Tax Assessment	4,110	4,110	4		4,106
Legal Services & Costs	17,407	17,407	2,372		15,035
Municipal Court	5,225	5,225	1,181		4,044
Engineering	20,469	20,469	4,340		16,129
Planning Board	6,286	6,286	1,331		4,955
Retirees Health	42,311	42,311	6,531		35,780
Building & Grounds:					
Miscellaneous - Other Expenses	9,334	9,334	210		9,124
State Uniform Construction Code:					
Construction Official	7,393	7,393	990		6,403
Streets & Roads:					
Repairs & Maintenance	194,934	194,934	128,371	4,462	62,101
Emergency Management	5,580	5,580	1,619		3,961
Animal Control	2,770	2,770	470		2,300
Parks & Recreation	10,445	10,445	1,666		8,779
LOSAP	39,000	39,000	28,763		10,237
Telephone	786	786	13		773
Telecommunications	1,755	1,755	192		1,563
Electricity	5,423	5,423	128		5,295
Street Lighting	2,610	2,610	722		1,888
Natural Gas	4,672	4,672	1,170		3,502
Gasoline & Diesel	10,578	10,578	2,288		8,290
Public Defender	315	315	185		130
Contingent	4,880	4,880	140		4,740
All Other Accounts With No Changes	116,950	116,950			116,950
Subtotal	<u>\$558,849</u>	<u>558,849</u>	<u>184,854</u>	<u>4,462</u>	<u>369,533</u>
Appropriation Reserves	\$408,442	408,442	38,909		369,533
Encumbrances Payable	150,407	150,407	145,945	4,462	
Total	<u>\$558,849</u>	<u>558,849</u>	<u>184,854</u>	<u>4,462</u>	<u>369,533</u>
		Cash Paid	<u>\$184,854</u>		
		Total	<u>\$184,854</u>		

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT AND REGIONAL HIGH SCHOOL TAXES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	LOCAL DISTRICT	REGIONAL HIGH SCHOOL
Balance December 31, 2009:		
Deferred School Taxes	\$1,060,234	334,662
School Taxes Payable	3,182,352	1,286,084
	<hr/>	<hr/>
Subtotal	4,242,586	1,620,746
Increased by: Levy - School Year July 1, 2010 - June 30, 2011	8,765,917	4,205,600
	<hr/>	<hr/>
Total	13,008,503	5,826,346
Decreased by: Payments School District	8,612,787	3,721,813
	<hr/>	<hr/>
Balance December 31, 2010:		
Deferred School Taxes	1,560,234	734,662
School Taxes Payable	\$2,835,482	1,369,871
	<hr/>	<hr/>
2010 Liability for School Taxes:		
Taxes Paid	\$8,612,787	3,721,813
Taxes Payable December 31, 2010	2,835,482	1,369,871
	<hr/>	<hr/>
Less: Taxes Payable December 31, 2009	3,182,352	1,286,084
	<hr/>	<hr/>
Amount Charged to 2010 Operations	\$8,265,917	3,805,600
	<hr/>	<hr/>

**SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$13,026
Increased by 2010 Levy:		
County Tax	\$2,469,637	
County Library Tax	234,184	
County - Open Space	319,630	
County Share of Added Taxes	17,563	3,041,014
	<hr/>	<hr/>
Subtotal		3,054,040
Decreased by:		
Payments		3,036,962
		<hr/>
Balance December 31, 2010		\$17,078
		<hr/>

**TOWNSHIP OF SHAMONG
CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$10,232
Increased by 2010 Levy:		
Municipal Open Space	\$82,122	
Municipal Open Space Share of Added Taxes	474	82,596
Subtotal		92,828
Decreased by:		
Payments		82,373
Balance December 31, 2010		<u><u>\$10,455</u></u>

**TOWNSHIP OF SHAMONG
FEDERAL AND STATE GRANTS
SCHEDULE OF STATE, FEDERAL AND COUNTY GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROGRAM	BALANCE DECEMBER 31, 2009	2010 REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2010
State Grants:					
Municipal Drug Alliance	\$24,119	18,040	16,750		25,409
Polling Place Grant	283				283
Transportation Trust Fund	631,434	180,000			811,434
Clean Communities		15,705	15,704		1
Total	\$655,836	213,745	32,454	-	837,127
		Cash	<u>\$32,454</u>		
		Total	<u><u>\$32,454</u></u>		

**SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROGRAM	BALANCE DECEMBER 31, 2009	2010 BUDGET APPROPRIATION	EXPENDED	ADJUSTMENT	BALANCE DECEMBER 31, 2010
State Grants:					
Municipal Drug Alliance	\$3,967	22,550	23,122		3,395
Clean Communities Program	650	15,705	15,704	3,334	3,985
Mandatory Source Separation & Recycling Funds - Other Expenses	3,420				3,420
Gypsy Moth Spraying	4,179				4,179
Recycling Tonnage Grant	4,319		573	1,343	5,089
Polling Place Grant	702				702
Transportation Trust Fund	285,197	180,000	274,301		190,896
Emergency Road Repair	308				308
Storm Water Grant	13,865				13,865
County Grant:					
Cultural & Heritage Grant	1,000				1,000
Township Share:					
Supplemental Fire Services Program	295				295
Total	\$317,902	218,255	313,700	4,677	227,134
Reserves	\$317,252				226,484
Encumbrances	650				650
Total	\$317,902				227,134

**TOWNSHIP OF SHAMONG
FEDERAL AND STATE GRANTS
SCHEDULE OF RESERVE FOR STATE GRANTS -UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROGRAM	BALANCE DECEMBER 31, 2009	RECEIVED	ADJUSTMENTS	BALANCE DECEMBER 31, 2010
State Share:				
Supplemental Fire Services	\$4,159			4,159
Clean Communities	3,850		3,334	516
Recycling Tonnage Grant	1,343		1,343	
Total	<u>\$9,352</u>	<u>-</u>	<u>4,677</u>	<u>4,675</u>

TRUST FUND

**TOWNSHIP OF SHAMONG
TRUST FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2010**

	DOG LICENSE FUND	OTHER FUNDS
Balance December 31, 2009	\$1,022	321,135
Receipts:		
Dog License & Kennel Fees	1,461	
Due to Current Fund	10	178
Deposit for Public Defender Fees		1,260
Reserve for Green Acres		1
Reserve for Open Space		83,373
Reserve for Unemployment		1,114
Reserve for Multi-Escrow		43,261
Reserve for S.T.A.S.A. - Municipal Alliance		3,220
		<hr/>
Subtotal	2,493	453,542
		<hr/>
Disbursed:		
Reserve for Dog Fund Expenditures	805	
Reserve for Open Space		131,458
Due to Current Fund	9	3,867
Reserve for Unemployment		862
Reserve for Public Defender		160
Reserve for Multi-Escrow		53,139
Reserve for S.T.A.S.A. - Municipal Alliance		1,626
		<hr/>
Total	814	191,112
		<hr/>
Balance December 31, 2010	\$1,679	262,430
		<hr/> <hr/>

**DOG LICENSE FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	(\$30)
Increased by:	
Interest Earned on Deposits	<hr/> 85
Subtotal	55
Decreased by:	
Due to Current Fund	<hr/> 9
Balance December 31, 2010	<hr/> <hr/> \$46

**TOWNSHIP OF SHAMONG
DOG LICENSE FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$1,018
Increased by:	
Dog License Fees Collected - Township Share	1,000
Subtotal	2,018
Decreased by:	
Expenditures Under RS 4:19-15.11	432
Balance December 31, 2010	\$1,586

LICENSE FEES COLLECTED

YEAR	AMOUNT
2008	\$738
2009	848
Total	\$1,586

**TRUST FUND - OTHER
SCHEDULE OF DUE TO (FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$86,756
Increased by:	
Cash Transferred to Current Fund:	
STASA	\$3,696
Public Defender	34
Recreation Fund	138
Subtotal	3,868
Subtotal	90,624
Decreased by:	
Interfunds Created:	
Public Defender	34
STASA	6
Tax Sale Premiums	33,200
Recreation Fund	138
Subtotal	33,378
Balance December 31, 2010	\$57,246
Trust Other	\$57,246
Total	\$57,246

EXHIBIT B-5

**TOWNSHIP OF SHAMONG
TRUST FUND - OTHER
PLANNING BOARD SUBDIVISION
SCHEDULE OF ESCROW FOR PROFESSIONAL FEES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009

\$52,624

A Detailed Listing of Planning Board Escrows are on File with the Township Clerk.

EXHIBIT B-6

**SCHEDULE OF RESERVE FOR ZONING BOARD ESCROWS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009

\$2,065

EXHIBIT B-7

**TOWNSHIP OF SHAMONG
TRUST FUND - OTHER
SCHEDULE OF RESERVE FOR ROAD OPENING ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u><u>\$833</u></u>
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EXHIBIT B-8

**SCHEDULE OF UNEMPLOYMENT COMPENSATION INSURANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$20,878
Increased by:	
Deposits Received	<u>1,114</u>
Subtotal	21,992
Decreased by:	
Disbursements	<u>862</u>
Balance December 31, 2010	<u><u>\$21,130</u></u>

EXHIBIT B-9

**TOWNSHIP OF SHAMONG
TRUST FUND - OTHER
SCHEDULE OF RESERVE FOR RECREATION ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$15,377
Increased by:	
Deposits Received	<u>1</u>
Balance December 31, 2010	<u><u>\$15,378</u></u>

EXHIBIT B-10

**SCHEDULE OF RESERVE FOR SHAMONG TOWNSHIP
AGAINST SUBSTANCE ABUSE MUNICIPAL ALLIANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$6,222
Increased by:	
Deposits Received	<u>3,220</u>
Subtotal	9,442
Decreased by:	
Disbursements	<u>1,626</u>
Balance December 31, 2010	<u><u>\$7,816</u></u>

EXHIBIT B-11

**SCHEDULE OF PUBLIC DEFENDER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$4,311
Increased by:	
Deposits Received	<u>1,260</u>
Subtotal	5,571
Decreased by:	
Disbursements	<u>160</u>
Balance December 31, 2010	<u><u>\$5,411</u></u>

EXHIBIT B-12

**TOWNSHIP OF SHAMONG
TRUST FUND - OTHER
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$230,436
Increased by:		
Municipal Open Space Tax Received	\$82,122	
Open Space Share of Added Taxes	474	
Interest Earnings	1,000	83,596
		<hr/>
Subtotal		314,032
Decreased by:		
Disbursements		131,458
		<hr/>
Balance December 31, 2010		<u><u>\$182,574</u></u>

EXHIBIT B-13

**SCHEDULE OF RESERVE PREMIUMS HELD FROM TAX LIEN SALE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$47,700
Decreased by:		
Due from Current Fund		33,200
		<hr/>
Balance December 31, 2010		<u><u>14,500</u></u>

**TOWNSHIP OF SHAMONG
TRUST FUND - OTHER
SCHEDULE OF RESERVE FOR MULTI-ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$28,520
Increased by:	
Deposits Received	<u>43,261</u>
Subtotal	71,781
Decreased by:	
Disbursements	<u>-53,137</u>
Balance December 31, 2010	<u><u>\$18,644</u></u>

GENERAL CAPITAL FUND

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2010**

45

	BALANCE/ (DEFICIT) DECEMBER 31, 2009	DEFERRED CHARGES RAISED IN BUDGET	TRANSFERS	RECEIPTS MISCELLANEOUS	DISBURSEMENTS MISCELLANEOUS	BALANCE/ (DEFICIT) DECEMBER 31, 2010
Capital Improvement Fund	\$342,897		(\$90,000)			252,897
Down Payment on Capital Improvement	200					200
Fund Balance	377					377
Due From Current Fund	(239,028)	(14,250)		255	233	(253,256)
Improvement Authorizations: ORDINANCE YEAR						
1999 Acquisition of Fire Truck	15					15
2004 Acquisition of Ambulance	(67,731)	14,250				(53,481)
2010 Stoney Creek Recreation Center			90,000			90,000
Total	\$36,730	-	-	255	233	36,752

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$36,730
Increased by Receipts:	
Interest Earnings - Due to Current Fund	<u>255</u>
Subtotal	36,985
Decreased by:	
Transfer to Current Fund	<u>233</u>
Balance December 31, 2010	<u><u>\$36,752</u></u>

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE YEAR	ORDINANCE DESCRIPTION	BALANCE DECEMBER 31, 2009	2010 AUTHORIZATIONS	DECREASED	BALANCE DECEMBER 31, 2010	BALANCE DETAIL DECEMBER 31, 2010	
						EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2004	Acquisition of an Ambulance	\$71,250		14,250	57,000	53,481	3,519
2006	Acquisition of Property	3,000			3,000		3,000
2010	Stoney Creek Recreation Center		250,000		250,000		250,000
Total		<u>\$74,250</u>	<u>250,000</u>	<u>14,250</u>	<u>310,000</u>	<u>53,481</u>	<u>256,519</u>
	Current Fund Appropriation			<u>\$14,250</u>			
	Total			<u>\$14,250</u>			

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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IMPROVEMENT DESCRIPTION	ORDINANCE	BALANCE DECEMBER 31, 2009		AUTHORIZED	PAID OR CHARGED	BALANCE DECEMBER 31, 2010	
		FUNDED	UNFUNDED			FUNDED	UNFUNDED
Acquisition of a Fire Truck	1999-04	\$15				15	
Acquisition of an Ambulance	2004-05		3,519				3,519
Acquisition of Property	2006-05		3,000				3,000
Stoney Creek Recreation Center	2010-09			340,000		90,000	250,000
Total		\$15	6,519	340,000	-	90,015	256,519

EXHIBIT C-5

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$342,897
Decreased by:	
Funded Portion of 2010 Improvement Authorizations Issued	90,000
Balance December 31, 2010	252,897

EXHIBIT C-6

**SCHEDULE OF CAPITAL FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	\$377
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EXHIBIT C-7

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$74,250
Increased by:	
Improvement Authorizations	250,000
Decreased by:	
Authorizations Funded	14,250
Balance December 31, 2010	\$310,000

ORDINANCE
YEAR

2004	Acquisition of an Ambulance	\$57,000
2006	Acquisition of Property	3,000
2010	Recreation Center	250,000
Total		\$310,000

**TOWNSHIP OF SHAMONG
GENERAL CAPITAL FUND
SCHEDULE OF 1989 GREEN TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2009	LOAN PROCEEDS	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2010
			DATE	AMOUNT					
Dingletown II Recreation Area	10/1/2007	\$300,000	1/29/2011	\$6,650	2.00%	\$280,828		13,103	267,725
			7/29/2011	6,717	2.00%				
			1/29/2012	6,784	2.00%				
			7/29/2012	6,852	2.00%				
			1/29/2013	6,920	2.00%				
			7/29/2013	6,989	2.00%				
			1/29/2014	7,059	2.00%				
			7/29/2014	7,130	2.00%				
			1/29/2015	7,201	2.00%				
			7/29/2015	7,273	2.00%				
			1/29/2016	7,346	2.00%				
			7/29/2016	7,419	2.00%				
			1/29/2017	7,494	2.00%				
			7/29/2017	7,569	2.00%				
			1/29/2018	7,644	2.00%				
			7/29/2018	7,721	2.00%				
			1/29/2019	7,798	2.00%				
			7/29/2019	7,876	2.00%				
			1/29/2020	7,955	2.00%				
			7/29/2020	8,034	2.00%				
			1/29/2021	8,115	2.00%				
			7/29/2021	8,196	2.00%				
			1/29/2022	8,278	2.00%				
			7/29/2022	8,360	2.00%				
			1/29/2023	8,444	2.00%				
			7/29/2023	8,528	2.00%				
			1/29/2024	8,614	2.00%				
			7/28/2024	8,700	2.00%				
			1/28/2025	8,787	2.00%				
			7/29/2025	8,875	2.00%				
1/29/2026	8,964	2.00%							
7/29/2026	9,053	2.00%							
1/29/2027	9,144	2.00%							
7/29/2027	9,236	2.00%							
			Total						
						<u>\$280,828</u>		<u>13,103</u>	<u>267,725</u>

PAYROLL FUND

**TOWNSHIP OF SHAMONG
PAYROLL FUND
SCHEDULE OF CASH TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$10,331
Increased by:	
Net Salaries & Payroll Benefits Payable (Including Employer's Share)	<u>606,882</u>
Subtotal	617,213
Decreased by Disbursements:	
Net Salaries & Payroll Benefits Payable (Including Employer's Share)	<u>608,129</u>
Balance December 31, 2010	<u><u>\$9,084</u></u>

**STATEMENT (INCLUDING EMPLOYER'S SHARE) OF NET PAYROLL
AND PAYROLL BENEFITS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE/ (DEFICIT) DECEMBER 31, 2009	RECEIPTS	DISBURSEMENTS	BALANCE/ (DEFICIT) DECEMBER 31, 2010
Social Security/Federal & State				
Withholding Tax	\$502	138,730	139,083	149
Public Employee's Retirement System	1,833	35,120	36,953	
Miscellaneous	3,419	433,018	432,093	4,344
Subtotal	<u>5,754</u>	<u>606,868</u>	<u>608,129</u>	<u>4,493</u>
Due Current Fund	4,577	14		4,591
Total	<u><u>\$10,331</u></u>	<u><u>606,882</u></u>	<u><u>608,129</u></u>	<u><u>9,084</u></u>

SUPPLEMENTAL DATA

**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 .07%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$5,375,346	5,375,346	
Regional High School District Debt	3,963,225	3,963,225	
General Debt	<u>577,725</u>		<u>577,725</u>
 Total	 <u>\$9,916,296</u>	 <u>9,338,571</u>	 <u>577,725</u>

Net Debt, \$577,725, divided by Equalized Valuation Basis per N.J.S.40A:2-2, as amended, \$789,102,244 equals .07%.

Equalized Valuation Basis:

2010	\$756,921,442
2009	792,629,493
2008	<u>817,755,798</u>
 Average	 <u>\$789,102,244</u>

Borrowing Power Under 40A:2-6

3% of Equalized Valuation Bases (Municipal)	\$23,673,067
Net Debt	<u>577,725</u>
Remaining Borrowing Power	<u>\$23,095,342</u>

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

**Comparison of Tax Levies
and Collection Currently**

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2010	\$16,281,962	16,038,535	98.50%
2009	15,895,261	15,730,026	98.96%
2008	15,698,799	15,450,230	98.42%

Comparison of Tax Rate Information

	2010	2009	2008
Total Tax Rate	<u>\$3.916</u>	<u>3.843</u>	<u>3.729</u>
Apportionment of Tax Rate:			
Municipal Local Purpose	0.027	0.027	0.058
Municipal Open Space	0.020	0.020	0.020
County	0.738	0.766	0.783
Local School	2.134	2.068	1.945
Regional School	1.024	0.989	0.981

Net Valuation Taxable:

2010	<u>\$410,609,807</u>	
2009		<u>\$409,049,533</u>
2008		<u>\$406,565,721</u>

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.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2010	\$82,040	258,237	340,277	2.09%
2009	66,637	203,109	269,746	1.70%
2008	60,464	275,520	335,984	2.14%

**Comparative Statement of Operations and
Change in Fund Balance - Current Fund**

	YEAR 2010		YEAR 2009	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$1,305,482	6.79%	1,175,665	6.11%
Miscellaneous - From Other Than Local				
Property Tax Levies	1,655,133	8.61%	2,014,227	10.47%
Collection of Delinquent Taxes & Tax Title Liens	197,603	1.03%	274,981	1.43%
Collection of Current Tax Levy	15,987,103	83.21%	15,677,860	81.47%
Other Credit to Income:				
Cancellation of Prior Liability	34,462	0.18%		
Interfunds Liquidated	33,258	0.17%	101,670	0.53%
Total Income	19,213,041	100.00%	19,244,403	100.00%
Expenditures				
Budget Expenditures - Municipal	2,597,460	14.36%	2,043,186	11.47%
County Taxes	3,041,014	16.81%	3,140,506	17.62%
Local School Taxes	8,265,917	45.69%	8,459,660	47.47%
Regional School Taxes	3,805,600	21.04%	4,047,533	22.71%
Municipa Open Space Taxes	82,596	0.46%	82,162	0.46%
Other Debits to Income:				
Interfunds Created	298,151	1.65%	46,761	0.26%
Total Expenditures	18,090,738	100.00%	17,819,808	100.00%
Excess in Revenue	1,122,303		1,424,595	
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	260,000			
Fund Balance January 1	1,650,251		1,401,321	
Total	3,032,554		2,825,916	
Less:				
Utilization as Anticipated Revenues	1,305,482		1,175,665	
Fund Balance December 31	\$1,727,072		1,650,251	

**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:

YEAR	AMOUNT
2010	\$1,006,625
2009	1,006,625
2008	1,006,625

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2010	\$1,727,072	1,386,242
2009	1,650,241	1,305,482
2008	1,401,321	1,175,665
2007	1,798,343	1,036,877
2006	1,951,936	1,297,676

* 2011 Municipal Budget Not Introduced as of Date of Audit.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2010:

NAME	TITLE	AMOUNT OF BOND
Jonathon Shevelew	Mayor	*
Sean Gray	Deputy Mayor	*
Christopher Norman	Committeeman	*
Martin Mozitis	Committeeman	*
Kenneth Long	Committeeman	*
Kathleen Phelan	Chief Financial Officer	\$1,000,000
Susan Onorato	Administrator/ Municipal Clerk	*
Kathryn Taylor	Tax Collector	\$1,000,000
Barbara Valenzano	Deputy Clerk	*
Cheryl Beaumont	Court Administrator	\$1,000,000
Dennis McInerney	Magistrate	\$1,000,000
Leo Wisnewski	Electric Sub-Code Official	*
Edward Toussaint	Building Sub-Code Official	*
	Construction Official	*
Roseann O'Donnell	Construction Control Person	*
David Bakely	Plumbing Sub-Code Official	*
Glenn Franzoi	Fire Sub-Code Official	*
Douglas Heinold	Solicitor	
Richard Arango	Engineer	

* All Officials & Employees are covered under Blanket Coverage with the Burlington County Joint Insurance Fund.

**TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**



Certified Public Accountants & Consultants

To the Honorable Mayor and
Members of the Township Committee
Township of Shamong
Shamong, New Jersey 08088

We have audited the financial statements – statutory basis and transactions of the Township of Shamong in the County of Burlington for the year ended December 31, 2010. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$26,000 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum 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 advertising for the following items:

John Deere 5085M Tractor and Alamo Interstater Flail Mower.

The minutes indicate that resolutions were adopted 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.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$3,900 "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 provision of (*N.J.S.A.40A:11-6.1*).

MEDFORD OFFICE
618 Stokes Road • Medford, NJ 08055
Tel: 609.953.0612 • Fax: 609.953.8443
holmanfrenia.com

TOMS RIVER OFFICE
10 Allen St., Suite 2B • Toms River, NJ 08753
Tel: 732.797.1333 • Fax: 732.797.1022
holmanfrenia.com

Collection of Interest on Delinquent Taxes

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

The governing body on January 5, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED** by the Township Committee of the Township of Shamong, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2010 included 2010, 2009, 2008, 2007, 2006 and 2005 real estate taxes and delinquent taxes on bankrupt properties.

The last tax sale was held on October 20, 2010 and was complete.

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

YEAR	NUMBER OF LIENS
2010	14
2009	8
2008	8

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

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a partial payment or estimate.

Payroll Fund

The examination of the payroll fund ascertained that the accumulated withholdings were disbursed to the proper agencies.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments on complaints were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on the partial payment system.

Construction Code Office

- 1) **Indirect Costs** - Indirect Costs are not allocated to the Construction Code Budget Appropriation.
- 2) **Annual Report** - An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body by February 10, 2009.
- 3) **Construction Code Costs** - A test was conducted to determine that all revenues collected for Construction Code Fees are applied to pay for municipal costs of enforcing the Uniform Construction Code (N.J.A.C.5:23.17(C)(2)). No exceptions were discovered as a result of the test that would indicate that Construction Code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.
- 4) **Construction Code Permits** - A test was conducted to determine that fees were being levied for permits in accordance with the Township Ordinances. No exceptions were noted as a result of this test.

General Ledger/Financial Reporting

***Finding 2010-01:**

General ledgers are not being maintained for all funds as required by Technical Accounting Directive No. 85-2.

Recommendation:

That general ledgers are maintained for all funds as required by Technical Accounting Directive No. 85-2.

General Ledger/Financial Reporting (continued):

***Finding 2010-02:**

An analysis of fixed assets, additions and deletions, is not being maintained and updated on a yearly basis as required by Technical Accounting Directive 85-3.

Recommendation:

That an analysis of fixed assets be maintained and updated on a yearly basis.

Finding 2010-03:

A proper analysis for Escrow Reserves in the Trust Fund is not being kept.

Recommendation:

That the Township investigates these funds to properly identify the money being held in the Escrow Reserves.

Finding 2010-04:

The Township has outstanding accounts receivable for DOT grants dating back to 2003.

Recommendation:

That the Township analyzes the DOT projects from 2003 through present to determine if any of the outstanding receivables should be canceled to fund balance.

***Prior Year Finding**

Follow-Up of Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except with the above marked with an asterisk (*).

Acknowledgment

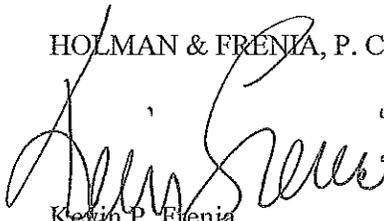
We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C

A handwritten signature in black ink, appearing to read "Kevin P. Frenia", written over the printed name.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
No. CR435

Medford Office
March 11, 2011

