

**TOWNSHIP OF SHAMONG
County of Burlington**

Report of Audit of Financial Statements

For the Year Ended December 31, 2012

TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON

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TOWNSHIP OF SHAMONG

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2012 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. 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, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2013 on our consideration of the Township of Shamong's, in the County of Burlington, State of New Jersey, 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* in considering the Township of Shamong's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 8, 2013

INVERSO & STEWART, LLC

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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*

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, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Shamong, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township 's basic financial statements, and have issued our report thereon dated March 8, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Shamong's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township 's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Shamong's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* that we consider to be significant deficiencies as Finding No.: 2012-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Shamong's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No.: 2012-1.

The Township of Shamong's Response to Findings

The Township of Shamong's response to the findings identified in our report is described in the accompanying *Schedule of Findings and Questioned Costs*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township 's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 8, 2013

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Cash - Treasurer	A-4	\$ 7,206,376.70	\$ 7,486,699.84
Cash - Change Fund - Collector	A-5	<u>160.00</u>	<u>160.00</u>
Total		<u>7,206,536.70</u>	<u>7,486,859.84</u>
Due State of New Jersey -			
Veterans and Senior Citizens Deductions	A-6	<u>2,750.00</u>	<u>2,250.00</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	240,209.45	231,659.79
Tax Title Liens Receivable	A-8	68,222.44	79,257.89
Property Acquired for Taxes - Assessed Valuation	A-9	1,028,025.00	1,006,625.00
Revenue Accounts Receivable	A-10	4,043.98	1,867.95
Due from Federal and State Grant Fund	A		81,525.20
Due from Animal Control Fund	B	585.73	557.42
Due from Trust - Other Fund	B	286.22	267.30
Due from General Capital Fund	C	<u>223.02</u>	<u>117.67</u>
Total		<u>1,341,595.84</u>	<u>1,401,878.22</u>
Deferred Charges:			
Special Emergency - N.J.S.40A:4-53	A-11	<u>156,000.00</u>	<u>208,000.00</u>
		<u>156,000.00</u>	<u>208,000.00</u>
Total Regular Fund		<u>8,706,882.54</u>	<u>9,098,988.06</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	10,181.66	
Federal and State Grants Receivable	A-22	262,790.15	115,547.69
Due from Current Fund	A	283.00	
Due from Trust - Other Fund	B	<u>1,171.00</u>	<u>1,171.00</u>
Total Federal and State Grant Fund		<u>274,425.81</u>	<u>116,718.69</u>
Total Assets		<u>\$ 8,981,308.35</u>	<u>\$ 9,215,706.75</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 753,686.25	\$ 855,837.37
Encumbrances Payable	A-3,A-12	27,690.60	35,305.58
Tax Overpayments	A-13	71,940.59	26,016.96
Prepaid Taxes	A-14	112,902.29	85,833.94
Tax Title Lien Redemption Payable		7,568.05	12,629.19
Local District School Taxes Payable	A-15	3,080,798.46	3,080,798.46
Regional High School Taxes Payable	A-16	1,507,123.25	1,534,739.50
Due County for Added and Omitted Taxes	A-17	3,555.50	11,919.70
Reserve for Revaluation Program	A-18	111,806.46	141,138.46
Reserve for Garden State Preservation Trust	A-19	112,346.00	112,346.00
Due to Federal and State Grant Fund	A	283.00	
Reserve for Large Animal Rescue		100.00	100.00
Due to Other Trust Fund	B	60,290.14	199,917.72
Due to General Capital Fund	C	14,250.00	14,250.00
Due to Public Assistance Fund	D	12,665.00	12,665.00
Due State of New Jersey - DCA Fees	A-20	1,222.00	1,899.00
Due State of New Jersey - Marriage License Fees	A-21	75.00	75.00
Total Liabilities		5,878,302.59	6,125,471.88
Reserve for Receivables and Other Assets	A	1,341,595.84	1,401,878.22
Fund Balance	A-1	1,486,984.11	1,571,637.96
Total Regular Fund		8,706,882.54	9,098,988.06
Federal and State Grant Fund:			
Encumbrances Payable	A-24		2,432.00
Due to Current Fund	A		81,525.20
Unappropriated Reserves	A-23	3,045.82	7,701.97
Appropriated Reserves	A-24	271,379.99	25,059.52
Total Federal and State Grant Fund		274,425.81	116,718.69
Total Liabilities, Reserves and Fund Balance		\$ 8,981,308.35	\$ 9,215,706.75

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,263,920.00	\$ 1,386,242.00
Miscellaneous Revenue Anticipated	1,157,129.47	885,096.15
Receipts from Delinquent Taxes	221,345.45	261,302.69
Receipts from Current Taxes	16,025,067.62	16,129,745.94
Nonbudget Revenues	81,426.99	151,565.65
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	837,930.13	621,422.24
Cancellation of Prior Year Liability		5,284.79
Cancellation of Tax Overpayments	219.95	1,530.14
Liquidation of Interfund Receivables	81,525.20	603,651.82
Total Revenue and Other Income Realized	<u>19,668,564.81</u>	<u>20,045,841.42</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	596,582.00	601,160.00
Other Expenses	1,151,300.00	1,249,030.00
Deferred Charges and Statutory Expenditures Within "CAPS"	106,200.00	103,500.00
Operations Excluded from "CAPS":		
Salaries and Wages	50,000.00	39,576.96
Other Expenses	336,451.97	89,452.79
Capital Improvements Excluded from "CAPS"	70,000.00	160,000.00
Municipal Debt Service Excluded from "CAPS"	20,000.00	18,654.96
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	75,370.00	66,250.00
County Taxes	2,807,163.71	2,875,784.08
Due County for Added Taxes	3,555.50	11,919.70
Local District School District Tax	8,926,550.00	9,091,550.00
Regional High School Tax	4,210,105.03	4,400,337.48
Municipal Open Space Tax	133,105.00	81,899.00
Municipal Open Space - Added Taxes	165.45	339.03
Interfunds Created		20,000.00
Prior Year Adjustment		170.00
Due from State for Senior Citizen and Veteran Deductions - Prior Year Adjustment	2,750.00	5,409.48
Subtotal	<u>18,489,298.66</u>	<u>18,815,033.48</u>
Less: Expenditures to be Raised by Future Taxes		
Total Expenditures	<u>18,489,298.66</u>	<u>18,815,033.48</u>
Statutory Excess to Fund Balance (Carried Forward)	1,179,266.15	1,230,807.94

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 1,179,266.15	\$ 1,230,807.94
Fund Balance January 1	<u>1,571,637.96</u>	<u>1,727,072.02</u>
Total	2,750,904.11	2,957,879.96
Decreased by Utilization as Anticipated Revenue	<u>1,263,920.00</u>	<u>1,386,242.00</u>
Fund Balance December 31	<u><u>\$ 1,486,984.11</u></u>	<u><u>\$ 1,571,637.96</u></u>

The accompanying Notes to 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, 2012

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,263,920.00		\$ 1,263,920.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	1,050.00		1,050.00	
Fines and Costs:				
Municipal Court	20,000.00		33,362.98	\$ 13,362.98
Interest and Costs on Taxes	20,885.00		43,901.11	23,016.11
Interest on Investments and Deposits	1,000.00		5,903.39	4,903.39
Mobile Home Fees	34,400.00		40,443.00	6,043.00
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	15,406.00		15,406.00	
Energy Receipts Tax	455,243.00		455,243.00	
Garden State Trust	112,346.00		112,346.00	
Uniform Construction Code Fees	70,000.00		92,806.00	22,806.00
Shared Service Agreements Offset with Appropriations				
Tax Assessor - Southampton Township	31,000.00		30,212.35	(787.65)
Tax Assessor - Tabernacle Township	29,000.00		34,698.67	5,698.67
Special Items Offset with Appropriations:				
Recycling Tonnage Grant	7,185.97		7,185.97	
Clean Communities Program	15,275.00		15,275.00	
Municipal Alliance on Alcoholism and Drug Abuse	18,780.00		18,780.00	
Clean Communities Program - Unappr. Reserves	516.00		516.00	
Burlington County Memorial Park Grant	250,000.00		250,000.00	
Total	<u>1,082,086.97</u>		<u>1,157,129.47</u>	<u>75,042.50</u>
Receipts from Delinquent Taxes	225,000.00		221,345.45	(3,654.55)
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>166,776.00</u>		<u>276,301.93</u>	<u>109,525.93</u>
Budget Totals	<u>2,737,782.97</u>		<u>2,918,696.85</u>	<u>180,913.88</u>
Nonbudget Revenues			<u>81,426.99</u>	<u>81,426.99</u>
Total	<u>\$ 2,737,782.97</u>	<u>-</u>	<u>\$ 3,000,123.84</u>	<u>\$ 262,340.87</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 16,025,067.62
Allocated to School and County Taxes	<u>16,080,644.69</u>
Balance for Support of Municipal Budget Appropriations	(55,577.07)
Add Appropriation - Reserve for Uncollected Taxes	<u>331,879.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 276,301.93</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u><u>\$ 221,345.45</u></u>
Miscellaneous Revenue:	
Cable Fees	\$ 23,517.23
Sale of Property	3,000.00
Refund of Prior Years Expenditures	6,490.80
Snow Plowing	16,882.00
FEMA reimbursement	10,821.54
Vets and Senior Citizen Administrative Fee	1,055.00
Miscellaneous	<u>19,660.42</u>
Total	<u><u>\$ 81,426.99</u></u>

The accompanying Notes to 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, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserved</u>		
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
General Government:						
General Administration						
Salaries and Wages	\$ 86,000.00	\$ 68,000.00	\$ 46,753.68	\$ 21,246.32		
Other Expenses	23,500.00	23,500.00	3,005.72	20,494.28		
Mayor and Committee						
Salaries and Wages	13,500.00	13,500.00	12,803.64	696.36		
Other Expenses	4,000.00	4,000.00	59.98	3,940.02		
Municipal Clerk						
Salaries and Wages	79,300.00	97,300.00	92,299.38	5,000.62		
Other Expenses	26,500.00	26,500.00	12,666.06	13,833.94		
Financial Administration:						
Salaries and Wages	29,607.00	29,607.00	24,910.04	4,696.96		
Other Expenses	10,000.00	10,000.00	7,522.92	2,477.08		
Audit Services						
Other Expenses	20,000.00	20,000.00	19,000.00	1,000.00		
Revenue Administration (Tax Collection)						
Salaries and Wages	54,000.00	54,000.00	44,288.44	9,711.56		
Other Expenses	16,000.00	16,000.00	7,061.43	8,938.57		
Tax Assessment Administration						
Salaries and Wages	20,000.00	20,000.00	19,303.94	696.06		
Other Expenses	5,000.00	5,000.00	2,194.14	2,805.86		
Interest on Appeals	100.00	100.00		100.00		
Legal Services and Costs:						
Other Expenses	76,500.00	76,500.00	31,115.94	45,384.06		
Engineering Services and Costs:						
Other Expenses	57,000.00	57,000.00	21,490.72	35,509.28		
Municipal Land Use Law (N.J.S.A. 40:SSD-1):						
Joint Land Use Board						
Salaries and Wages	10,500.00	10,500.00	9,675.60	824.40		
Other Expenses	12,700.00	12,700.00	7,372.73	5,327.27		
Environmental Control						
Other Expenses	1,500.00	1,500.00		1,500.00		
Rent Control						
Salaries and Wages	1,225.00	1,225.00	1,125.00	100.00		
Other Expenses	5,000.00	5,000.00	1,764.69	3,235.31		
Insurance:						
Liability Insurance	22,000.00	22,000.00	13,250.89	8,749.11		
Workers Compensation	53,000.00	53,000.00	31,627.76	21,372.24		
Retirees Health Benefits	140,000.00	135,000.00	101,985.59	33,014.41		
Other Insurance Premiums	17,000.00	17,000.00	4,461.81	12,538.19		

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
JIF Commissioner					
Salaries and Wages	\$ 2,100.00	\$ 2,100.00	\$ 1,975.00	\$ 125.00	
Office of Emergency Management					
Salaries and Wages	4,600.00	4,600.00	4,532.00	68.00	
Other Expenses	26,000.00	26,000.00	344.66	25,655.34	
Aid to Volunteer Fire Companies	99,000.00	99,000.00	99,000.00		
Aid to Volunteer Ambulance Companies	35,000.00	35,000.00	35,000.00		
Municipal Prosecutor:					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	8,000.00	8,000.00	4,488.00	3,512.00	
Discovery Clerk					
Salaries and Wages	100.00	100.00		100.00	
Public Buildings and Grounds					
Streets and Roads Maintenance					
Salaries and Wages	180,000.00	180,000.00	153,194.23	26,805.77	
Other Expenses	350,000.00	350,000.00	93,104.43	256,895.57	
Recycling Program:					
Other Expenses	6,000.00	6,000.00		6,000.00	
Building and Grounds					
Salaries and Wages	3,500.00	3,500.00	2,427.44	1,072.56	
Other Expenses	15,100.00	15,100.00	9,358.14	5,741.86	
War Memorial					
Other Expenses	500.00	500.00	110.00	390.00	
Health and Human Services					
Board of Health					
Salaries and Wages	2,500.00	2,500.00	1,146.86	1,353.14	
Other Expenses	750.00	750.00	403.00	347.00	
Animal Control					
Other Expenses	10,000.00	10,000.00	5,620.00	4,380.00	
Parks and Recreation					
Maintenance of Parks					
Salaries and Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	6,250.00	6,250.00	5,450.00	800.00	
Maintenance of Lake					
Other Expenses	15,000.00	15,000.00	2,313.94	12,686.06	

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Utility Expense and Bulk Purchase					
Electricity	\$ 20,500.00	\$ 25,500.00	\$ 22,413.64	\$ 3,086.36	
Street Lights	10,200.00	10,200.00	7,702.18	2,497.82	
Telephone	6,800.00	6,800.00	5,888.86	911.14	
Gas	8,700.00	8,700.00	4,174.25	4,525.75	
Telecommunications	3,000.00	3,000.00	1,086.20	1,913.80	
Gasoline	21,000.00	21,000.00	14,630.03	6,369.97	
Uniform Construction Code Enforcement Function					
Construction Official					
Salaries and Wages	53,400.00	53,400.00	50,719.82	2,680.18	
Other Expenses	8,200.00	8,200.00	2,309.50	5,890.50	
Municipal Court					
Salaries and Wages	50,750.00	50,750.00	43,794.64	6,955.36	
Other Expenses	5,000.00	5,000.00	2,951.13	2,048.87	
Public Defender					
Salaries and Wages	3,500.00	3,500.00	2,402.14	1,097.86	
Other Expenses	500.00	500.00		500.00	
Contingent	5,000.00	5,000.00	280.00	4,720.00	
Total Operations Including Contingent - Within "CAPS"	<u>1,747,882.00</u>	<u>1,747,882.00</u>	<u>1,092,560.19</u>	<u>655,321.81</u>	---
Detail:					
Salaries and Wages	597,582.00	596,582.00	511,351.85	85,230.15	
Other Expenses	1,150,300.00	1,151,300.00	581,208.34	570,091.66	
Deferred Charges and Statutory Expenditures -					
Municipal - Within "CAPS":					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	54,200.00	54,200.00	54,117.00	83.00	
Defined Contribution Retirement Plan	1,000.00	1,000.00		1,000.00	
Social Security System (O.A.S.I.)	51,000.00	51,000.00	45,598.60	5,401.40	
Total Deferred Charges and Statutory Expenditures -					
 Municipal Within "CAPS"	<u>106,200.00</u>	<u>106,200.00</u>	<u>99,715.60</u>	<u>6,484.40</u>	---
Total General Appropriations -					
 For Municipal Purposes Within "CAPS"	<u>1,854,082.00</u>	<u>1,854,082.00</u>	<u>1,192,275.79</u>	<u>661,806.21</u>	---

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TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

Table with columns: Budget, Budget After Modification, Paid or Charged, Expended (Reserved), and Unexpended Balance Cancelled. Rows include GENERAL APPROPRIATIONS: Operations Excluded from "CAPS": L.O.S.A.P., Intercal Municipal Service Agreements, Tax Assessor, Salaries and Wages, Other Expenses, Total Other Operations Excluded from "CAPS"; GENERAL APPROPRIATIONS: Operations Excluded from "CAPS": Public and Private Programs Offset by Revenues: Clean Communities Program, Municipal Alliance on Alcoholism and Drug Abuse - State, Municipal Alliance on Alcoholism and Drug Abuse - Twp., Burlington County Memorial Park Grant, Recycling Tonnage Grant, Total Public and Private Programs Offset by Revenues, Total Operations - Excluded From "CAPS"; Detail: Salaries and Wages, Other Expenses; Capital Improvements - Excluded From "CAPS": Capital Improvement Fund, Computer Hardware & Software, Streets and Roads Equipment, Total Capital Improvements - Excluded From "CAPS"; Municipal Debt Service - Excluded From "CAPS": Green Trust Loan Program, Loan Repayments for Principal & Interest, Total Municipal Debt Service - Excluded From "CAPS".

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges - Municipal					
Deferred Charges					
Special Emergency Authorizations - 5 Years (40A:4-55)	\$ 52,000.00	\$ 52,000.00	\$ 52,000.00	\$ -	
Ordinance 2011-09	\$9,120.00	\$9,120.00	\$9,120.00		
Ordinance 2004-05	14,250.00	14,250.00	14,250.00		
Total Deferred Charges -Municipal - Excluded From "CAPS"	<u>75,370.00</u>	<u>75,370.00</u>	<u>75,370.00</u>	<u>---</u>	<u>---</u>
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>551,821.97</u>	<u>551,821.97</u>	<u>459,941.93</u>	<u>91,880.04</u>	
Subtotal General Appropriations	2,405,903.97	2,405,903.97	1,652,217.72	753,686.25	
Reserve for Uncollected Taxes	331,879.00	331,879.00	331,879.00		
TOTAL GENERAL APPROPRIATIONS	<u>\$ 2,737,782.97</u>	<u>\$ 2,737,782.97</u>	<u>\$ 1,984,096.72</u>	<u>\$ 753,686.25</u>	<u>\$ -</u>

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The accompanying Notes to 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, 2012

Analysis of Budget After Modification:

Original Budget	\$ 2,737,782.97	
By Appropriation 40A:4-87		
		<u>\$ 2,737,782.97</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 291,756.97	
Reserve for Uncollected Taxes	331,879.00	
Encumbrances Payable	27,690.60	
Deferred Charges	52,000.00	
Cash Disbursed	1,280,770.15	
Total		<u>\$ 1,984,096.72</u>

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

TOWNSHIP OF SHAMONG
Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 2,699.73	\$ 2,435.42
Total Animal Control Fund		<u>2,699.73</u>	<u>2,435.42</u>
Other Funds:			
Cash - Treasurer	B-1	349,902.42	263,532.24
Due from Current Fund	A	60,124.69	107,224.69
Due from Current Fund - Municipal Open Space	A	165.45	92,693.03
Due from Capital Fund	C	125,000.00	
Total Other Funds		<u>535,192.56</u>	<u>463,449.96</u>
Total Assets		<u>\$ 537,892.29</u>	<u>\$ 465,885.38</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 23.40	
Due to Current Fund	A	585.73	\$ 557.42
Prepaid License Fees		87.40	30.00
Reserve for Dog Fund Expenditures	B-2	2,003.20	1,848.00
Total Animal Control Fund		<u>2,699.73</u>	<u>2,435.42</u>
Other Funds:			
Due to Current Fund	A	286.22	267.30
Due Federal & State Grant Fund	A	1,171.00	1,171.00
Payroll Deductions Payable	B-15	585.37	
Reserve for :			
Unemployment Compensation Insurance	B-3	16,702.44	22,527.21
Zoning Board Escrows	B-4		
Road Opening Escrows	B-5		
Recreation Escrow	B-6	7,341.48	7,341.48
S.T.A.S.A. - Municipal Alliance	B-7	16,508.98	14,338.15
Public Defender Fees	B-8	717.95	1,500.00
Open Space Trust	B-9	368,910.04	262,801.51
Green Acres	B-10	1.00	1.00
Tax Sale Premiums	B-11	30,700.00	77,800.00
Multi - Escrow	B-12	30,485.26	13,944.65
Maintenance Guarantees	B-13	9,158.82	9,133.66
Planning Board Subdivision:			
Escrow for Professional Fees	B-14	52,624.00	52,624.00
Total Other Funds		<u>535,192.56</u>	<u>463,449.96</u>
Total Liabilities and Reserves		<u>\$ 537,892.29</u>	<u>\$ 465,885.38</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 54,907.22	\$ 154,337.17
Due from Current Fund	A	14,250.00	14,250.00
Deferred Charges to Future Taxation:			
Funded	C-4	240,720.85	254,356.51
Unfunded	C-5	<u>317,980.00</u>	<u>341,350.00</u>
Total		<u>\$ 627,858.07</u>	<u>\$ 764,293.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Trust Loan Payable	C-6	\$ 240,720.85	\$ 254,356.51
Due to Current Fund	A	223.02	117.67
Due to Trust Fund	B	125,000.00	
Improvement Authorizations:			
Funded	C-7	45,869.74	152,215.74
Unfunded	C-7	114,969.70	256,529.00
Capital Improvement Fund	C-8	100,497.00	100,497.00
Down Payment on Capital Improvements		200.00	200.00
Fund Balance	C-1	<u>377.76</u>	<u>377.76</u>
Total		<u>\$ 627,858.07</u>	<u>\$ 764,293.68</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2012

Balance December 31, 2012 and 2011

\$ 377.76

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

TOWNSHIP OF SHAMONG
Public Assistance Fund
Statement of Assets, Liabilities and Reserves
For the Years Ended December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Due From Current Fund	A	<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
Total		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>

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

TOWNSHIP OF SHAMONG
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of Changes in General Fixed Assets - Regulatory Basis
For the Year Ended December 31, 2012

	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012
General Fixed Assets:				
Land and Land Improvements	\$ 459,752.90			\$ 459,752.90
Building and Building Improvements	529,421.00			529,421.00
Machinery and Equipment	2,153,664.00	\$ 17,475.00		2,171,139.00
Total	\$ 3,142,837.90	\$ 17,475.00	\$ -	\$ 3,160,312.90
Investment in General Fixed Assets	\$ 3,142,837.90	\$ 17,475.00	\$ -	\$ 3,160,312.90

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Shamong (hereafter referred to as the "Township") is located in the southwest portion of the County of Burlington, State of New Jersey. The estimated population at December 31, 2011 according to the New Jersey Department of Labor and Workforce Development is 6,723.

The Township was incorporated in 1852 and is governed by a Committee form of government which consists of five members elected at large by the voters. The Committee members serve three year terms that are staggered. Two members are elected in two successive years and one member is elected in the third year. The Mayor is selected annually by the Committee and acts as the Chief Executive Officer of the Township. The legislative powers rest with the Township Committee. The Township Administrator/Clerk and Chief Financial Officer are appointed by the Township Committee and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Criteria for determining if other entities are potential component units which should be reported within the basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Township is financially accountable and other organizations that the nature and significance of their relationship with the Township are such that exclusion would cause the basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

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

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

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

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

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

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000 the maximum amount allowed by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the basic financial statements.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft. No depreciation of general fixed assets is recorded.

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

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

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

Fund Balance - Fund Balance included in the Current Fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

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

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Shamong Township School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2011 and decreased by the amount deferred at December 31, 2012.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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 the 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 (10) day grace period.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the financial position. However, comparative (i.e., presentation of prior year totals by fund type) data has 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. CASH AND CASH EQUIVALENTS

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

As of December 31, 2012, the Township's bank balances of \$7,686,021 were exposed to custodial credit risk as follows:

F.D.I.C. Insured	\$	540,507
Collateralized Under GUDPA		7,145,108
Uninsured and Uncollateralized		406
 Balance June 30, 2012	 \$	 <u><u>7,686,021</u></u>

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Tax Rate	\$ 2.441 *	\$ 3.963	\$ 3.943	\$ 3.843	\$ 3.729
Apportionment of Tax Rate:					
Municipal Open Space	.020	.020	.020	.020	.020
Municipal Local Purpose	.025	.040	.027		
County	.423	.700	.738	.766	.783
Regional School	.632	1.034	1.024	.989	.981
Local School	1.341	2.169	2.134	2.068	1.945

* Revaluation

<u>Assessed Valuation</u>	<u>Amount</u>
2012	* \$ 665,524,537
2011	411,731,745
2010	410,609,807
2009	409,049,533
2008	406,565,721

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$ 16,298,677	\$ 16,025,068	98.32%
2011	16,384,072	16,129,746	98.45
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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 3. PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 68,222	\$ 236,683	\$ 304,905	1.87%
2011	79,258	229,285	308,543	1.88
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

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous two years.

<u>Year</u>	<u>Number</u>
2012	8
2011	11
2010	14
2009	8

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2012	\$ 1,028,025
2011	1,006,625
2010	1,006,625
2009	1,006,625
2008	1,006,625

NOTE 5. FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2012	\$ 1,486,984	\$ 1,200,000 *	80.70%
2011	1,571,638	1,263,920	80.42
2010	1,727,072	1,386,242	80.27
2009	1,650,241	1,305,482	79.11
2008	1,401,321	1,175,665	83.90

* As introduced June 5, 2013.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2012:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 1,095	\$ 87,488
Federal & State Grant Fund	1,454	
Trust Fund:		
Animal Control Fund		586
Other Funds	185,290	1,457
Public Assistance Fund	12,665	
General Capital Fund	<u>14,250</u>	<u>125,223</u>
	<u>\$ 214,754</u>	<u>\$ 214,754</u>

NOTE 7. PENSION PLANS

Substantially all of the employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

	<u>2012 PERS</u>	<u>2011 PERS</u>	<u>2010 PERS</u>
Normal Contribution	\$ 16,959	\$ 19,071	\$ 17,474
Accrued Liability	33,917	30,388	22,451
Total Regular Contributions	50,876	49,459	39,925
Non-Contributory Group			
Life Insurance	3,241	3,756	5,537
Total Due	\$ 54,117	\$ 53,215	\$ 45,462

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 7. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2012, 2011 and 2010.

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

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Plan Description – The Township contributes to the State Health Benefits Program (“SHBP”), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension 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.

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 defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees for a period not to exceed (7) seven years from the date of retirement.

A Township employee will receive paid health insurance benefits upon retirement from the Township provided they 1) retire from the Township with at least twenty-five years of service in the New Jersey Public Employees Retirement System, and 2) retire from the Township with at least twenty years of service with the Township. The post retirement health care benefits shall be provided to eligible employees at one hundred percent (100%) and at eighty percent (80%) for dependents and/or surviving spouse. The employee, the dependent and/or surviving spouse shall be responsible for paying the remaining twenty percent (20%) of the cost for dependent and/or surviving spouse cost.

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 SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2012 and 2011, there was one retired employee who received this benefit resulting in the payments of \$12,825.18 and \$11,606.28 in related to health care premiums.

NOTE 9. COMPENSATED ABSENCES

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2012, accrued benefits for compensated absences are valued at \$64,047.

NOTE 10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Joint Insurance Pool - The Township is a member of the Burlington County Municipal Joint Insurance Fund. The Fund offers the following lines of coverage to its members: general liability, automobile liability, property, fidelity and performance, boiler and machinery, workers' compensation, police professional, public officials and employment practices liability.

Annual contributions to the Fund are based on actuarial assumptions determined by the Fund's actuary. The Township is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: Burlington County Municipal Joint Insurance Fund, PERMA, 250 Pehle Ave. Suite 701, Saddle Brook, New Jersey, 07663.

NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the trust fund for the current and previous two years:

<u>Year</u>	<u>Interest Earned</u>	<u>Current Fund Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 16		\$ 606	\$ 6,447	\$ 16,702
2011	79	\$ 856	1,212	751	22,527
2010			1,114	862	21,131

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 12. SCHOOL TAXES

Local District School Tax and Regional High School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

	Local District School Tax		Regional High School Tax	
	Balance Dec. 31,		Balance Dec. 31,	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Balance of Tax	\$ 4,476,032.46	\$ 4,476,032.46	\$ 2,134,401.50	\$ 2,106,785.25
Deferred	<u>1,395,234.00</u>	<u>1,395,234.00</u>	<u>599,662.00</u>	<u>599,662.00</u>
Tax Payable	<u>\$ 3,080,798.46</u>	<u>\$ 3,080,798.46</u>	<u>\$ 1,534,739.50</u>	<u>\$ 1,507,123.25</u>

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
Issued:			
General:			
Green Trust Loan	<u>\$ 240,721</u>	<u>\$ 254,358</u>	<u>\$ 267,725</u>
Total Issued	<u>240,721</u>	<u>254,358</u>	<u>267,725</u>
Authorized but not Issued			
General:			
Bonds and Notes	<u>317,980</u>	<u>341,350</u>	<u>310,000</u>
Total Authorized but not Issued	<u>317,980</u>	<u>341,350</u>	<u>310,000</u>
Net Debt	<u>\$ 558,701</u>	<u>\$ 595,708</u>	<u>\$ 577,725</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .076%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 5,886,346	\$ 5,886,346	
Regional High School District	3,464,908	3,464,908	
General Debt	<u>558,701</u>		<u>\$ 558,701</u>
Total	<u>\$ 9,909,955</u>	<u>\$ 9,351,254</u>	<u>\$ 558,701</u>

Net Debt, \$558,701 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$731,697,332 equals .076%.

Equalized Valuation Basis:

2010	\$ 756,921,442
2011	736,087,097
2012	<u>702,083,457</u>
Average	<u>\$ 731,697,332</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13. CAPITAL DEBT (CONTINUED)

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 25,609,407
Net Debt	<u>558,701</u>
Remaining Borrowing Power	<u>\$ 25,050,706</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

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

Green Trust Loan Payable

The Township has received \$300,000.00 in loan proceeds from the State of New Jersey Green Trust Loan Program. The loan has a stated interest rate of 2.00% with a final maturity on July 29, 2027. The repayment schedule of this debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 13,910	\$ 4,745	\$ 18,655
2014	14,189	4,466	18,655
2015	14,475	4,180	18,655
2016	14,766	3,889	18,655
2017	15,062	3,593	18,655
2018-2022	79,976	13,299	93,275
2023-2027	<u>88,343</u>	<u>4,932</u>	<u>93,275</u>
Total	<u>\$ 240,721</u>	<u>\$ 39,104</u>	<u>\$ 279,825</u>

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency Authorization	\$ 156,000	\$ 52,000	\$ 104,000

The appropriations in the 2013 Budget as amended are not less than that required by the statutes.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF SHAMONG
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2011	\$ 7,486,699.84	-
Receipts:		
Taxes Receivable	\$ 16,081,532.12	
Tax Title Liens Receivable		
Prepaid Taxes	112,902.29	
Tax Overpayments	78,892.05	
Revenue Accounts Receivable	865,372.50	
Third Party Lien Redemptions	60,163.20	
Tax Sale Premiums	13,100.00	
Due State of New Jersey:		
Marriage License Fees	700.00	
UCC Fees	5,213.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	50,000.00	
Miscellaneous Revenues Not Anticipated	81,709.99	
Due from Federal and State Grant Fund	81,525.20	
Contra	11,500.00	
Federal and State Grants Receivable		<u>\$ 133,492.00</u>
Total Receipts	<u>17,442,610.35</u>	<u>\$ 133,492.00</u>
Sub-Total	<u>24,929,310.19</u>	<u>133,492.00</u>
Disbursements:		
2012 Appropriations	1,280,770.15	
2011 Appropriation Reserves	17,907.24	
Encumbrances Payable	35,305.58	2,432.00
County Taxes	2,819,083.41	
Local School Taxes Payable	8,926,550.00	
Regional High School Taxes Payable	4,237,721.28	
Reserve for Revaluation Program	29,332.00	
Tax Overpayments	6,951.46	
Third Party Liens	65,224.34	
Tax Sale Premiums	60,200.00	
Due State of New Jersey:		
Marriage License Fees	700.00	
UCC Fees	5,890.00	
Due to Current Fund		81,525.20
Due to Other Trust Fund	225,798.03	
Contra	11,500.00	
Federal and State Appropriated Reserves		<u>39,353.14</u>
Total Disbursements	<u>17,722,933.49</u>	<u>123,310.34</u>
Balance December 31, 2012	<u>\$ 7,206,376.70</u>	<u>\$ 10,181.66</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Change Fund
For the Year Ended December 31, 2012

Analysis by Office

Tax Collector		\$ 20.00
Construction Code		20.00
Municipal Clerk		20.00
Municipal Court		100.00
Total		\$ 160.00

EXHIBIT A-6

Schedule of Due from State of New Jersey
for Senior Citizens and Veterans Deductions
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 2,250.00
Increased by:		
Senior Citizen Deductions per Duplicate	\$ 3,000.00	
Veterans Deductions per Duplicate	48,250.00	
Veteran and Senior Citizen Deductions Allowed by Collector	1,750.00	
Subtotal	53,000.00	
Less - Disallowed Senior Citizens	250.00	52,750.00
Subtotal		55,000.00
Increased by:		
Collected	50,000.00	
Cancelled	2,750.00	
	2,750.00	52,750.00
Balance December 31, 2012		\$ 2,250.00

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2012

Year	Balance	2012 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2012 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance
	Dec. 31, 2011			2011	2012					Dec. 31, 2012
2010	\$ 2,374.97				\$ 1,250.00				\$ 1,124.97	
2011	<u>229,284.82</u>				<u>220,095.45</u>			\$ 1,382.77	<u>4,279.82</u>	\$ <u>3,526.78</u>
Subtotal	231,659.79				221,345.45			1,382.77	5,404.79	3,526.78
2012		\$ 16,298,676.86		\$ 85,833.94	15,860,186.67	\$ 53,250.00	\$ 25,797.01	2,782.73	34,143.84	236,682.67
Total	<u>\$ 231,659.79</u>	<u>\$ 16,298,676.86</u>		<u>\$ 85,833.94</u>	<u>\$ 16,081,532.12</u>	<u>\$ 53,250.00</u>	<u>\$ 25,797.01</u>	<u>\$ 4,165.50</u>	<u>\$ 39,548.63</u>	<u>\$ 240,209.45</u>

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$16,194,204.85
Added Taxes	53,222.01
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>51,250.00</u>
Total	<u>\$16,298,676.86</u>
Tax Levy:	
Local District School Tax (Abstract)	\$8,926,550.00
Regional High School Tax (Abstract)	4,210,105.03
Municipal Open Space Tax	133,105.00
County Tax (Abstract)	\$2,287,403.85
County Library Tax (Abstract)	223,751.80
County Open Space Tax (Abstract)	296,007.96
County Added Taxes	<u>3,555.50</u>
Local Tax for Municipal Purposes	166,776.00
Additional Tax Levies	<u>51,421.72</u>
	<u>218,197.72</u>
Total	<u>\$16,298,676.86</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 79,257.89
Increased by:		
Interest and Costs from Tax Sale of October 24, 2012	\$ 282.10	
Transfers from Taxes Receivable	4,165.50	4,447.60
		83,705.49
Decreased by:		
Collected		
Transferred to Foreclosed Property	15,483.05	15,483.05
Balance December 31, 2012		\$ 68,222.44

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 1,006,625.00
Increased by:		
Transfer from Tax Title liens	\$ 15,483.05	
Adjustment to 2012 Assessed Value	6,916.95	22,400.00
		1,029,025.00
Decreased by:		
Sale of Property	2,700.00	
Less Gain on sale	1,700.00	1,000.00
Balance December 31, 2011		\$ 1,028,025.00

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued in</u> <u>2012</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Alcoholic Beverage Licenses		\$ 1,050.00	\$ 1,050.00	
Municipal Court - Fines and Costs	\$ 1,867.95	35,539.01	33,362.98	\$ 4,043.98
Interest and Costs on Taxes		43,901.11	43,901.11	
Interest on Investments and Deposits		5,903.39	5,903.39	
Mobile Home Fees		40,443.00	40,443.00	
Consolidated Municipal Property Tax Relief		15,406.00	15,406.00	
Energy Receipts Tax		455,243.00	455,243.00	
Garden State Preservation Trust		112,346.00	112,346.00	
Uniform Construction Code		92,806.00	92,806.00	
Shared Service Agreements:				
Tax Assessor - Southampton Township		30,212.35	30,212.35	
Tax Assessor - Tabernacle Township		34,698.67	34,698.67	
Total	<u>\$ 1,867.95</u>	<u>\$ 867,548.53</u>	<u>\$ 865,372.50</u>	<u>\$ 4,043.98</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of Deferred Charges
N.J.S. 40A:4-53 Special Emergency Authorizations
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2011</u>	<u>Added in 2012</u>	<u>Raised in 2012 Budget</u>	<u>Balance December 31, 2012</u>
Reassessment of Real Property	12/21/2010	\$ 260,000.00	\$ 208,000.00		\$ 52,000.00	\$ 156,000.00
Total			<u>\$ 208,000.00</u>	<u>-</u>	<u>\$ 52,000.00</u>	<u>\$ 156,000.00</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of 2011 Appropriation Reserves
For the Year Ended December 31, 2012

	<u>BALANCE</u> <u>12/31/11</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operations Within "CAPS":					
General Government Functions:					
Other Expenses					
General Administration	\$ 19,107.61	\$ 19,107.61	\$ 110.74	\$ 81.58	\$ 19,136.77
Mayor and Committee	3,605.00	3,605.00		10.00	3,595.00
Municipal Clerk	16,610.05	16,610.05	50.95	50.95	16,610.05
Financial Administration (Treasury)	1,624.41	1,624.41	1,227.65	1,632.65	1,219.41
Revenue Administration (Tax Collection)	5,272.07	5,272.07	263.00	280.60	5,254.47
Legal Services & Costs	29,525.87	29,525.87	3,505.34	4,330.34	28,700.87
Engineering Services & Costs	28,570.42	28,570.42	12,187.75	13,184.75	27,573.42
Joint Land Use Administration (Planning Board)	6,575.85	6,575.85	627.00	4,171.00	3,031.85
Rent Control	4,541.83	4,541.83		980.00	3,561.83
Office of Emergency Management	24,744.90	24,744.90	134.09	46.54	24,832.45
Streets & Roads Maintenance	300,891.22	300,891.22	12,396.60	2,809.24	310,478.58
Buildings & Grounds	1,426.67	1,426.67	2,750.35	787.23	3,389.79
Animal Control	3,384.20	3,384.20		375.00	3,009.20
Maintenance of Parks	12,970.84	12,970.84	265.00		13,235.84
Telephone	960.83	960.83	605.00	604.41	961.42
Gasoline	2,729.47	2,729.47		350.55	2,378.92
Construction Official	5,930.25	5,930.25	599.72	851.25	5,678.72
Municipal Court	4,347.88	4,347.88	582.39	141.41	4,788.86
Contingent	4,790.00	4,790.00		70.00	4,720.00
Total Operations Including Contingent Within "CAPS"	<u>477,609.37</u>	<u>477,609.37</u>	<u>35,305.58</u>	<u>30,757.50</u>	<u>482,157.45</u>
Operations Excluded From "CAPS":					
LOSAP	39,000.00	39,000.00		22,455.32	16,544.68
Total Other Operations Excluded From "CAPS":	<u>39,000.00</u>	<u>39,000.00</u>		<u>22,455.32</u>	<u>16,544.68</u>
Other Accounts - no change	<u>339,228.00</u>	<u>339,228.00</u>			<u>339,228.00</u>
Total General Appropriations	<u>\$ 855,837.37</u>	<u>\$ 855,837.37</u>	<u>\$ 35,305.58</u>	<u>\$ 53,212.82</u>	<u>\$ 837,930.13</u>
Cash Disbursed				<u>\$ 53,212.82</u>	
Encumbrances Payable				<u>\$ 53,212.82</u>	

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Tax Overpayments
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 26,016.96
Increased by:		
Collected		<u>78,892.05</u>
Subtotal		104,909.01
Decreased by:		
Refunds	\$ 6,951.46	
Overpayments Applied	25,797.01	
Cancelled	<u>219.95</u>	<u>32,968.42</u>
Balance December 31, 2012		<u><u>\$ 71,940.59</u></u>

EXHIBIT A-14

Schedule of Prepaid Taxes
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 85,833.94
Increased by:		
Collected		<u>112,902.29</u>
Subtotal		198,736.23
Decreased by:		
Applied to 2012 Taxes		<u>85,833.94</u>
Balance December 31, 2012		<u><u>\$ 112,902.29</u></u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Local District School Taxes Payable
For the Year Ended December 31, 2012

<hr/>		
Balance December 31, 2011		---
School Tax Payable	\$ 3,080,798.46	
School Tax Deferred	<u>1,395,234.00</u>	\$ 4,476,032.46
Increased by:		
Levy: School Year July 1, 2012 to June 30, 2013		<u>8,926,550.00</u>
Subtotal		13,402,582.46
Decreased by:		
Payments		<u>8,926,550.00</u>
Balance December 31, 2012		
School Tax Payable	3,080,798.46	
School Tax Deferred	<u>1,395,234.00</u>	<u>\$ 4,476,032.46</u>
2012 Liability for Local District School Tax:		
Tax Paid		\$ 8,926,550.00
Tax Payable December 31, 2012		<u>3,080,798.46</u>
Subtotal		12,007,348.46
Less:		
Tax Payable December 31, 2011		<u>3,080,798.46</u>
Amount Charged to 2012 Operations		<u>\$ 8,926,550.00</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Regional High School Taxes Payable
For the Year Ended December 31, 2012

<hr/>		
Balance December 31, 2011		---
School Tax Payable	\$ 1,534,739.50	
School Tax Deferred	<u>599,662.00</u>	\$ 2,134,401.50
Increased by:		
Levy: School Year July 1, 2012 to June 30, 2013		<u>4,210,105.03</u>
Subtotal		6,344,506.53
Decreased by:		
Payments		<u>4,237,721.28</u>
Balance December 31, 2012		
School Tax Payable	1,507,123.25	
School Tax Deferred	<u>599,662.00</u>	<u>\$ 2,106,785.25</u>
2012 Liability for Regional High School Tax:		
Tax Paid		\$ 4,237,721.28
Tax Payable December 31, 2012		<u>1,507,123.25</u>
Subtotal		5,744,844.53
Less:		
Tax Payable December 31, 2011		<u>1,534,739.50</u>
Amount Charged to 2012 Operations		<u>\$ 4,210,105.03</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 11,919.70
Increased by:		
2012 Levy:		
General County	\$ 2,287,403.85	
County Library	223,751.90	
County Open Space	296,007.96	
Added and Omitted Taxes	<u>3,555.50</u>	
		<u>2,810,719.21</u>
Subtotal		2,822,638.91
Decreased by:		
Payments		<u>2,819,083.41</u>
Balance December 31, 2012		<u><u>\$ 3,555.50</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Reserve For Revaluation
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 141,138.46
Decreased by:	
Cash Disbursed	<u>29,332.00</u>
Balance December 31, 2012	<u><u>\$ 111,806.46</u></u>

EXHIBIT A-19

Schedule of Reserve For Garden State Preservation Trust
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 112,346.00
Increased by:	
State Aid Received	<u>112,346.00</u>
	224,692.00
Decreased by:	
Realized as Revenue in the 2011 Budget	<u>112,346.00</u>
Balance December 31, 2012	<u><u>\$ 112,346.00</u></u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2012

Balance December 31, 2011	\$	1,899.00
Increased by:		
State Portion of UCC Fees		5,213.00
		7,112.00
Decreased by:		
Disbursements		5,890.00
		5,890.00
Balance December 31, 2012	\$	1,222.00

Schedule of Due to State of New Jersey
for Marriage License Fees
For the Year Ended December 31, 2012

Balance December 31, 2011	\$	75.00
Increased by:		
State Portion of 2012 Marriage Licenses Fees		700.00
		700.00
Subtotal		775.00
Decreased by:		
Disbursed to State of New Jersey		700.00
		700.00
Balance December 31, 2012	\$	75.00

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2012

	<u>Balance Dec. 31, 2011</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2012</u>
New Jersey Transportation Trust Fund					
Old Indian Mills Rd Phase 1	\$ 34,708.17		\$ 34,708.17		
Old Indian Mills Rd Phase 2	62,040.71		62,040.71		
State Grants:					
Clean Communities	475.81	\$ 15,275.00	14,951.26	\$ 799.55	
Municipal Drug Alliance	18,040.00	23,475.00	18,746.04	9,978.81	\$ 12,790.15
Polling Place Grant	283.00			283.00	
Recycling Tonnage Grant		3,045.82	3,045.82		
Burlington County Memorial Park Grant		250,000.00	-		250,000.00
	<u>\$ 115,547.69</u>	<u>\$ 291,795.82</u>	<u>\$ 133,492.00</u>	<u>\$ 11,061.36</u>	<u>\$ 262,790.15</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
Schedule of Reserve For Federal and State Grants - Unappropriated
For the Year Ended December 31, 2012

	<u>Balance Dec. 31, 2011</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Revenue In 2012</u>	<u>Balance Dec. 31, 2012</u>
State Grants:				
Clean Communities	\$ 516.00	\$ 15,275.00	\$ 15,791.00	
Municipal Drug Alliance		18,780.00	18,780.00	
Municipal Drug Alliance - Twp Share		4,695.00	4,695.00	
Recycling Tonnage Grant	7,185.97	3,045.82	7,185.97	\$ 3,045.82
Burlington County Memorial Park Grant		250,000.00	250,000.00	
	<u>7,701.97</u>	<u>291,795.82</u>	<u>296,451.97</u>	<u>3,045.82</u>
Total	\$ 7,701.97	\$ 291,795.82	\$ 296,451.97	\$ 3,045.82

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Appropriated
 For the Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Transferred</u> <u>From 2012</u> <u>Budget</u>	<u>Paid</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
State Grants:					
Clean Communities	\$ 10,465.00	\$ 15,791.00	\$ 20,831.45	\$ 799.55	\$ 4,625.00
Municipal Drug Alliance	1,606.02	18,780.00	18,421.69	684.81	1,279.52
Municipal Drug Alliance - Twp Share	4,599.00	4,695.00		9,294.00	
Recycling Tonnage Grant	8,389.50	7,185.97	100.00		15,475.47
Burlington County Memorial Park Grant		250,000.00			250,000.00
Total	<u>\$ 25,059.52</u>	<u>\$ 296,451.97</u>	<u>\$ 39,353.14</u>	<u>\$ 10,778.36</u>	<u>\$ 271,379.99</u>
Cash Disbursed			\$ 39,353.14		
Encumbrances Payable					
Total			<u>\$ 39,353.14</u>		

TRUST FUND

TOWNSHIP OF SHAMONG
Trust Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2012

	Animal Control	Total Other Trust Funds	Recreation Fund	S.T.A.S.A. Municipal Alliance	Public Defender	Open Space Trust	Green Acres Trust	Multi - Escrow Account	Unemployment Compensation	Maintenance Guarantee	Payroll Fund
Balance December 31, 2011	\$ 2,435.42	\$ 263,532.24	\$ 29,873.87	\$ 12,613.15	\$ 6,839.43	\$ 168,323.56	\$ 1.00	\$ 13,953.06	\$ 22,527.21	\$ 9,133.66	\$ 267.30
Receipts:											
Dog License Fees:											
Municipal Licenses	1,204.60										
State Registration Fees	641.40										
Prepaid Licenses											
Unemployment Compensation		0.00									
Municipal Alliance		2,160.00		2,160.00							
Public Defender Fees		800.00			800.00						
Open Space Trust		225,798.03				225,798.03					
Multi Escrows		28,991.10						28,991.10			
Net Payroll		406,681.20									406,681.20
Payroll Deductions		294,273.87							605.81		293,668.06
Due to Current Fund	235.00	276.70									276.70
Interest Earned	2.51	253.19	29.88	10.83	7.06	144.54		9.38	16.82	25.16	9.52
Total Receipts	2,083.51	959,234.09	29.88	2,170.83	807.06	225,942.57	-	29,000.48	622.63	25.16	700,635.48
Disbursements:											
Expenditures Under RS4:19-15.11	1,194.00										
State Registration Fees	625.20										
Unemployment		6,447.40							6,447.40		
Public Defender		1,582.39			1,582.39						
Open Space Trust		27,306.46				27,306.46					
Multi Escrows		12,459.67						12,459.67			
Net Payroll		406,681.20									406,681.20
Payroll Deductions Payable		293,082.69									293,082.69
Due to Capital Fund		125,000.00				125,000.00					
Due to Current Fund		303.90	29.88		6.72						267.30
Total Disbursements	1,819.20	872,863.71	29.88	-	1,589.11	152,306.46	-	12,459.67	6,447.40	-	700,031.19
Balance December 31, 2012	\$ 2,699.73	\$ 349,902.62	\$ 29,873.87	\$ 14,783.98	\$ 6,057.38	\$ 241,959.67	\$ 1.00	\$ 30,493.87	\$ 16,702.44	\$ 9,158.82	\$ 871.59

TOWNSHIP OF SHAMONG
Trust Fund
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2012

Balance (Deficit) December 31, 2011		\$ 1,848.00
Increased by:		
2012 Dog License Fees Collected	\$ 1,117.20	
Prepaid Applied	<u>22.80</u>	
		<u>1,140.00</u>
Total		2,988.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed	943.00	
Statutory Excess - Due to Current Fund	<u>41.80</u>	
		<u>984.80</u>
Balance (Deficit) December 31, 2012		<u><u>\$ 2,003.20</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2010	\$ 1,000.00
2011	<u>1,003.20</u>
	<u><u>\$ 2,003.20</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 22,527.21
Increased by:		
Employee Withholdings	\$ 605.81	
Interest Earned	16.82	622.63
Subtotal		23,149.84
Decreased by:		
Claims Paid		6,447.40
Balance December 31, 2012		\$ 16,702.44

EXHIBIT B-4

Statement of Reserve for Zoning Board Escrow Trust Fund
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012		\$ -
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TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Road Opening Escrows
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012

\$ -

EXHIBIT B-6

Statement of Reserve for Recreation Escrows
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012

\$ 7,341.48

EXHIBIT B-7

Schedule of Reserve for S.T.A.S.A. - Municipal Alliance
For the Year Ended December 31, 2012

Balance December 31, 2011

\$ 14,338.15

Increased by:

Deposits Received

 2,170.83

Balance December 31, 2012

\$ 16,508.98

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 1,500.00
Increased by:	
Cash Receipts	<u>800.34</u>
Subtotal	2,300.34
Decreased by:	
Cash Disbursements	<u>1,582.39</u>
Balance December 31, 2012	<u><u>\$ 717.95</u></u>

Statement of Reserve for Open Space Trust
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 262,801.51
Increased by:	
Cash Receipts	<u>133,414.99</u>
Subtotal	396,216.50
Decreased by:	
Cash Disbursements	<u>27,306.46</u>
Balance December 31, 2012	<u><u>\$ 368,910.04</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Green Acres Trust
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012	<u>\$ 1.00</u>
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Statement of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 77,800.00
Increased by:	
Cash Receipts	<u>13,100.00</u>
Subtotal	90,900.00
Decreased by:	
Disbursements	<u>60,200.00</u>
Balance December 31, 2012	<u>\$ 30,700.00</u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Multi - Escrows
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 13,944.65
Increased by:	
Cash Receipts	<u>29,000.48</u>
Subtotal	42,945.13
Decreased by:	
Disbursements	<u>12,459.87</u>
Balance December 31, 2012	<u><u>\$ 30,485.26</u></u>

EXHIBIT B-13

Statement of Reserve for Maintenance Guarantee
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 9,133.66
Increased by:	
Interest Earned	<u>25.16</u>
Balance December 31, 2012	<u><u>\$ 9,158.82</u></u>

EXHIBIT B-14

Statement of Reserve for Professional Escrows
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012	\$ <u><u>52,624.00</u></u>
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TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ -
Increased by:	
Payroll deductions withheld	<u>293,668.06</u>
	293,668.06
Decreased by:	
Payroll deductions disbursed	<u>293,082.69</u>
Balance December 31, 2012	<u><u>\$ 585.37</u></u>

GENERAL CAPITAL FUND

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 154,337.17
Receipts:		
Due from Current Fund	\$ 23,370.00	
Due to Current Fund	105.35	
Due to Trust Fund	<u>125,000.00</u>	
Total Receipts		<u>148,475.35</u>
Subtotal		302,812.52
Disbursements:		
Improvement Authorizations		<u>247,905.30</u>
Balance December 31, 2012		<u><u>\$ 54,907.22</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2012

Capital Improvement Fund	\$ 100,497.00
Due From Current Fund	(14,250.00)
Down Payment on Capital Improvements	200.00
Due to Current Fund	223.02
Due to Trust Fund	125,000.00
Fund Balance	377.76
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
1999-04	Acquisition of Fire Truck
	15.00
2004-05	Acquisition of Ambulance
	(24,981.00)
2010-09	Stoney Creek Recreation Center
	(141,559.30)
2011-07	Improvements to Municipal Building
	45,854.74
2011-09	Acquisition of F450 Truck
	(36,470.00)
<hr/>	
Total	<u>\$ 54,907.22</u>

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 254,356.51
Decreased By:	
Green Trust Loan Principal Paid	<u>13,635.66</u>
Balance December 31, 2012	<u><u>\$ 240,720.85</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Funded By Budget Appropriation	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2012	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2004-05	Acquisition of Ambulance	\$ 42,750.00		\$ 14,250.00		\$ 28,500.00		\$ 24,981.00	\$ 3,519.00
2006-05	Acquisition of Property	3,000.00				3,000.00			3,000.00
2011-08	Various Road and Related Improvements	250,000.00				250,000.00		141,559.30	108,440.70
2011-09	Sewer Utility Equipment and Improvements	45,600.00		9,120.00		36,480.00		36,470.00	10.00
Total		\$ 341,350.00	-	\$ 23,370.00	-	\$ 317,980.00	-	\$ 203,010.30	\$ 114,969.70
							Improvement Authorizations Unfunded		\$ 114,969.70
							Less Unexpended Proceeds of Bond Anticipation Notes Issued:		-
									<u>\$ 114,969.70</u>

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of 1989 Green Trust Loan Payable
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Dingletown II Recreation Area	05/01/94	\$3,000,000.00	01/29/13	\$ 6,920.27	2.00%	<u>\$ 254,356.51</u>	<u>-</u>	<u>\$ 13,635.66</u>	<u>\$ 240,720.85</u>
			07/29/13	6,989.47	2.00%				
			01/29/14	7,059.37	2.00%				
			07/29/14	7,129.96	2.00%				
			01/29/15	7,201.26	2.00%				
			07/29/15	7,273.27	2.00%				
			01/29/16	7,346.01	2.00%				
			07/29/16	7,419.47	2.00%				
			01/29/17	7,493.66	2.00%				
			07/29/17	7,568.60	2.00%				
			01/29/18	7,644.28	2.00%				
			07/29/18	7,720.73	2.00%				
			01/29/19	7,797.93	2.00%				
			07/29/19	7,875.91	2.00%				
			01/29/20	7,954.67	2.00%				
			07/29/20	8,034.22	2.00%				
			01/29/21	8,114.56	2.00%				
			07/29/21	8,195.71	2.00%				
			01/29/22	8,277.66	2.00%				
			07/29/22	8,360.44	2.00%				
			01/29/23	8,444.04	2.00%				
			07/29/23	8,528.49	2.00%				
			01/29/24	8,613.77	2.00%				
			07/29/24	8,699.91	2.00%				
			01/29/25	8,786.91	2.00%				
			07/29/25	8,874.78	2.00%				
			01/29/26	8,963.52	2.00%				
			07/29/26	9,053.16	2.00%				
			01/29/27	9,143.69	2.00%				
			07/29/27	9,235.13	2.00%				

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2011		2011 AUTHORIZATIONS		Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation - Unfunded		Funded	Unfunded
1999-04	Acquisition of Fire Truck	05/04/99	\$250,000.00	\$ 15.00					\$ 15.00	
2004-05	Acquisition of Ambulance	05/04/04	135,000.00		\$ 3,519.00					\$ 3,519.00
2006-05	Acquisition of Property	06/07/06	175,000.00		3,000.00					3,000.00
2010-09	Stoney Creek Recreation Center	08/03/10	340,000.00	90,000.00	250,000.00			231,559.30		108,440.70
2011-07	Improvements to Municipal Building	07/05/11	150,000.00	62,200.74				\$16,346.00	45,854.74	
2011-09	Acquisition of F450 Truck	10/04/11	48,000.00		10.00					10.00
00	Total			\$ 152,215.74	\$ 256,529.00	\$ -	\$ -	\$ 247,905.30	\$ 45,869.74	\$ 114,969.70
	Cash Disbursed							\$ 247,905.30		

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 100,497.00
Increased by:	
2012 Budget Appropriation	<u> -</u>
Subtotal	100,497.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u> -</u>
Balance December 31, 2012	<u><u>\$ 100,497.00</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Authorization Funded</u>	<u>Balance Dec. 31, 2012</u>
2004-05	Acquisition of Ambulance	\$ 42,750.00			\$ 14,250.00	\$ 28,500.00
2006-05	Acquisition of a Property	3,000.00				3,000.00
2010-09	Stoney Creek Recreation Center	250,000.00				250,000.00
2011-09	Acquisition of F-450 Truck	<u>45,600.00</u>			<u>9,120.00</u>	<u>36,480.00</u>
	Total	<u>\$ 341,350.00</u>	<u>-</u>	<u>-</u>	<u>\$ 23,370.00</u>	<u>\$ 317,980.00</u>

TOWNSHIP OF SHAMONG

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2012

TOWNSHIP OF SHAMONG
Schedule of Findings and Recommendations
For the Year Ended December 31, 2012

Schedule of Financial Statement Findings

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

Finding 2012-1

Condition:

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

Criteria:

N.J.A.C. 5:30-5.7 requires the maintenance of a general ledger accounting system.

Effect:

Violation of N.J.A.C. 5:30-5.7

Cause:

Client's inability to utilize the current accounting software.

Recommendation:

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

View of Responsible Official and Planned Corrective Action:

The responsible official will address the recommendation in the corrective action plan.

**TOWNSHIP OF SHAMONG
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012**

**Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF SHAMONG
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with Government Auditing Standards and New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

Finding 2011-1

Condition:

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

Current Status:

This condition has not been corrected.

Finding 2011-2

Condition:

Business registration certificates were not available for examination.

Current Status:

This condition has been corrected.

Finding 2011-3

Condition:

Disallowed senior citizen deductions for the year 2010, due to income limitation, were not billed by the Tax Collector.

Current Status:

This condition has been corrected.

Finding 2011-4

Condition:

IRS 1099 forms were not filed for 2011 calendar year.

Current Status:

This condition has been corrected

TOWNSHIP OF SHAMONG
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management
(Continued)

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF SHAMONG

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2012:

<u>Name</u>	<u>Title</u>	<u>Amount of Coverage</u>	<u>Name Of Surety</u>
Jonathin Shevelew	Mayor	*	(A)
Sean Gray	Deputy Mayor	*	(A)
Timothy Gimbel	Committeeman	*	(A)
Martin Mozitis	Committeeman	*	(A)
Kenneth Long	Committeeman	*	(A)
Donna Condo	Chief Financial Officer	\$1,000,000.00	(A)
Susan Onorato	Administrator/Municipal Clerk	*	(A)
Kathryn Taylor	Tax Collector	\$1,000,000.00	(A)
Barbara Valenzano	Deputy Clerk	\$1,000,000.00	(A)
Cheryl Beaumont	Court Administrator	\$1,000,000.00	(A)
Krisden McCrink	Magistrate	*	(A)
Leo Wisnewski	Electrical Sub-Code Official	*	(A)
Edward Toussaint	Building Sub-Code Official	*	(A)
	Construction Official	*	(A)
Barbara Valenzano	Construction Control Person	*	(A)
John Holroyd	Plumbing Sub-Code Official	*	(A)
John Holroyd	Fire Sub-Code Official	*	(A)
Douglas Heinold	Solicitor		
Robert Mannix	Engineer		

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

ACKNOWLEDGMENT

We express our appreciation for the assistance and courtesies extended to us by the Township Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'RPA', is written over the printed name.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 8, 2013