

TOWNSHIP OF SHAMONG
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2011

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, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, 2011, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Township of Shamong as of December 31, 2010 were audited by other auditors, whose report, dated March 11, 2011, was unqualified in conformity with accounting principles and practices prescribed by the Division of Local Government services, department of Community affairs, State of New Jersey.

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

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

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2011, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 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 and expenditures - regulatory basis of the various funds, and general fixed assets account group, for the year period ended December 31, 2011 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2012 on our consideration of the Township of Shamong, in the County of Burlington, State of New Jersey's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Shamong's basic financial statements. In addition, the supplementary financial schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial schedules of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 16, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
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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

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

We have audited the financial statements (regulatory basis) of the Township of Shamong, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 16, 2012, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies: Findings 2011-1, 2011-2, and 2011-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Shamong's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey which are described in the accompanying Schedule of Findings and Recommendations as finding 2011-4.

The Township of Shamong's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. We did not audit the Township's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 16, 2012

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Cash - Treasurer	A-4	\$7,486,699.84	\$7,318,864.02
Cash - Change Fund - Collector	A-5	<u>160.00</u>	<u>330.00</u>
Total		<u>7,486,859.84</u>	<u>7,319,194.02</u>
Due State of New Jersey -			
Veterans and Senior Citizens Deductions	A-6	<u>2,250.00</u>	<u>7,455.00</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	231,659.79	258,237.79
Tax Title Liens Receivable	A-8	79,257.89	82,038.59
Property Acquired for Taxes - Assessed Valuation	A-9	1,006,625.00	1,006,625.00
Revenue Accounts Receivable	A-10	1,867.95	1,609.00
Due from Federal and State Grant Fund	A	81,525.20	606,489.00
Due from Animal Control Fund	B	557.42	46.00
Due from Trust - Other Fund	B	267.30	4,591.00
Due from General Capital Fund	C	<u>117.67</u>	<u> </u>
Total		<u>1,401,878.22</u>	<u>1,959,636.38</u>
Deferred Charges:			
Special Emergency - N.J.S.40A:4-53	A-11	<u>208,000.00</u>	<u>260,000.00</u>
		<u>208,000.00</u>	<u>260,000.00</u>
Total Regular Fund		<u>9,098,988.06</u>	<u>9,546,285.40</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4		
Federal and State Grants Receivable	A-22	115,547.69	837,127.00
Due from Trust - Other Fund	B	<u>1,171.00</u>	<u>1,171.00</u>
Total Federal and State Grant Fund		<u>116,718.69</u>	<u>838,298.00</u>
Total Assets		<u>\$9,215,706.75</u>	<u>\$10,384,583.40</u>

TOWNSHIP OF SHAMONG
Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$855,837.37	\$684,544.00
Encumbrances Payable	A-3,A-12	35,305.58	29,057.00
Tax Overpayments	A-13	26,016.96	54,270.00
Prepaid Taxes	A-14	85,833.94	125,304.00
Tax Title Lien Redemption Payable		12,629.19	35,983.00
Local District School Taxes Payable	A-15	3,080,798.46	2,835,482.00
Regional High School Taxes Payable	A-16	1,534,739.50	1,369,871.00
Due County for Added and Omitted Taxes	A-17	11,919.70	17,078.00
Reserve for Revaluation Program	A-18	141,138.46	261,920.00
Reserve for Garden State Preservation Trust	A-19	112,346.00	112,346.00
Reserve for Large Animal Rescue		100.00	100.00
Due to Other Trust Fund	B	199,917.72	67,701.00
Due to General Capital Fund	C	14,250.00	253,256.00
Due to Public Assistance Fund	D	12,665.00	12,665.00
Due State of New Jersey - DCA Fees	A-20	1,899.00	
Due State of New Jersey - Marriage License Fees	A-21	75.00	
Total Liabilities		6,125,471.88	5,859,577.00
Reserve for Receivables and Other Assets	A	1,401,878.22	1,959,636.38
Fund Balance	A-1	1,571,637.96	1,727,072.02
Total Regular Fund		9,098,988.06	9,546,285.40
Federal and State Grant Fund:			
Encumbrances Payable	A-24	2,432.00	650.00
Due to Current Fund	A	81,525.20	606,489.00
Unappropriated Reserves	A-23	7,701.97	4,675.00
Appropriated Reserves	A-24	25,059.52	226,484.00
Total Federal and State Grant Fund		116,718.69	838,298.00
Total Liabilities, Reserves and Fund Balance		\$9,215,706.75	\$10,384,583.40

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$1,386,242.00	\$1,305,482.00
Miscellaneous Revenue Anticipated	885,096.15	1,114,050.00
Receipts from Delinquent Taxes	261,302.69	197,603.00
Receipts from Current Taxes	16,129,745.94	15,987,103.00
Nonbudget Revenues	151,565.65	171,550.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	621,422.24	369,533.00
Cancellation of Prior Year Liability	5,284.79	34,462.00
Cancellation of Tax Overpayments	1,530.14	
Liquidation of Interfund Receivables	<u>603,651.82</u>	<u>33,258.00</u>
 Total Revenue and Other Income Realized	 <u>20,045,841.42</u>	 <u>19,213,041.00</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	601,160.00	604,300.00
Other Expenses	1,249,030.00	1,567,900.00
Deferred Charges and Statutory Expenditures Within "CAPS"	103,500.00	135,000.00
Operations Excluded from "CAPS":		
Salaries and Wages	39,576.96	9,100.00
Other Expenses	89,452.79	38,255.00
Capital Improvements Excluded from "CAPS"	160,000.00	210,000.00
Municipal Debt Service Excluded from "CAPS"	18,654.96	18,655.00
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	66,250.00	14,250.00
County Taxes	2,875,784.08	3,023,451.00
Due County for Added Taxes	11,919.70	17,563.00
Local District School District Tax	9,091,550.00	8,265,917.00
Regional High School Tax	4,400,337.48	3,805,600.00
Municipal Open Space Tax	81,899.00	82,596.00
Municipal Open Space - Added Taxes	339.03	
Interfund Created	20,000.00	298,151.00
Prior Year Adjustment	170.00	
Due from State for Senior Citizen and Veteran Deductions - Prior Year Adjustment	<u>5,409.48</u>	
 Subtotal	 <u>18,815,033.48</u>	 <u>18,090,738.00</u>
 Less: Expenditures to be Raised by Future Taxes		 <u>260,000.00</u>
 Total Expenditures	 <u>18,815,033.48</u>	 <u>17,830,738.00</u>
 Statutory Excess to Fund Balance (Carried Forward) ₈	 1,230,807.94	 1,382,303.00

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Statutory Excess to Fund Balance (Brought Forward)	\$1,230,807.94	\$1,382,303.00
Fund Balance January 1	<u>1,727,072.02</u>	<u>1,650,251.02</u>
Total	2,957,879.96	3,032,554.02
Decreased by Utilization as Anticipated Revenue	<u>1,386,242.00</u>	<u>1,305,482.00</u>
Fund Balance December 31	<u><u>\$1,571,637.96</u></u>	<u><u>\$1,727,072.02</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, 2011

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	<u>\$1,386,242.00</u>		<u>\$1,386,242.00</u>	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	1,050.00		1,050.00	
Fines and Costs:				
Municipal Court	40,000.00		23,015.31	(\$16,984.69)
Interest and Costs on Taxes	25,000.00		52,175.61	27,175.61
Interest on Investments and Deposits	25,000.00		25,005.84	5.84
Mobile Home Fees	35,000.00		34,394.00	(606.00)
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	31,511.00		31,511.00	
Energy Receipts Tax	439,138.00		439,138.00	
Garden State Trust	112,346.00		112,346.00	
Uniform Construction Code Fees	60,000.00		81,210.00	21,210.00
Shared Service Agreements Offset with Appropriations				
Tax Assessor - Southampton Township	28,008.00		28,238.64	230.64
Tax Assessor - Tabernacle Township		\$17,873.75	17,873.75	
Special Items Offset with Appropriations:				
Recycling Tonnage Grant	5,393.00		5,393.00	
Clean Communities Program	15,705.00		15,705.00	
Municipal Alliance on Alcoholism and Drug Abuse	18,040.00		18,040.00	
Open Space Trust Fund				
Total	<u>836,191.00</u>	<u>17,873.75</u>	<u>885,096.15</u>	<u>31,031.40</u>
Receipts from Delinquent Taxes	225,000.00		261,302.69	36,302.69
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>166,776.00</u>		<u>271,029.65</u>	<u>104,253.65</u>
Budget Totals	2,614,209.00	17,873.75	2,803,670.49	171,587.74
Nonbudget Revenues			<u>151,565.65</u>	<u>151,565.65</u>
Total	<u>\$2,614,209.00</u>	<u>\$17,873.75</u>	<u>\$2,955,236.14</u>	<u>\$323,153.39</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2011

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$16,129,745.94
Allocated to School and County Taxes	<u>16,161,829.29</u>
Balance for Support of Municipal Budget Appropriations	(32,083.35)
Add Appropriation - Reserve for Uncollected Taxes	<u>303,113.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$271,029.65</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u><u>\$261,302.69</u></u>
Miscellaneous Revenue:	
Recycling	\$22,772.31
Other Refunds	5,835.49
Refund of Prior Years Expenditures	50,385.34
Snow Plowing	54,721.00
Vets and Senior Citizen Administrative Fee	1,056.02
Miscellaneous	<u>16,795.49</u>
 Total	 <u><u>\$151,565.65</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, 2011

	<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	\$84,615.00	\$84,615.00	\$74,250.63	\$10,364.37		
Other Expenses	23,500.00	23,500.00	4,392.39	19,107.61		
Mayor and Committee						
Salaries and Wages	13,250.00	13,250.00	12,578.00	672.00		
Other Expenses	4,000.00	4,000.00	395.00	3,605.00		
Municipal Clerk						
Salaries and Wages	78,000.00	78,000.00	55,229.87	22,770.13		
Other Expenses	26,500.00	26,500.00	9,889.95	16,610.05		
Financial Administration:						
Salaries and Wages	29,500.00	29,500.00	27,957.89	1,542.11		
Other Expenses	10,000.00	10,000.00	8,375.59	1,624.41		
Audit Services						
Other Expenses	20,400.00	20,400.00	20,400.00			
Revenue Administration (Tax Collection)						
Salaries and Wages	53,000.00	53,000.00	45,367.15	7,632.85		
Other Expenses	16,000.00	16,000.00	10,727.93	5,272.07		
Tax Assessment Administration						
Salaries and Wages	22,500.00	22,500.00	18,492.77	4,007.23		
Other Expenses	5,000.00	5,000.00	1,599.58	3,400.42		
Interest on Appeals	100.00	100.00		100.00		
Legal Services and Costs:						
Other Expenses	76,500.00	76,500.00	46,974.13	29,525.87		
Engineering Services and Costs:						
Other Expenses	76,500.00	76,500.00	47,929.58	28,570.42		
Municipal Land Use Law (N.J.S.A. 40:SSD-1):						
Joint Land Use Board						
Salaries and Wages	6,900.00	11,720.00	11,609.06	110.94		
Other Expenses	12,700.00	12,700.00	6,124.15	6,575.85		
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	458.17	4,541.83		
Insurance:						
Liability Insurance	22,500.00	22,500.00	16,216.28	6,283.72		
Workers Compensation	53,000.00	53,000.00	42,717.86	10,282.14		
Retirees Health Benefits	138,000.00	138,000.00	106,487.67	31,512.33		
Other Insurance Premiums	17,000.00	17,000.00	8,895.39	8,104.61		

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<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	\$2,000.00	\$2,000.00	\$1,918.00	\$82.00	
Office of Emergency Management					
Salaries and Wages	4,500.00	4,500.00	4,400.00	100.00	
Other Expenses	26,000.00	26,000.00	1,255.10	24,744.90	
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:					
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	183,500.00	183,500.00	160,691.63	22,808.37	
Other Expenses	400,000.00	400,000.00	99,108.78	300,891.22	
Recycling Program:					
Other Expenses	6,000.00	6,000.00	71.00	5,929.00	
Building and Grounds					
Salaries and Wages	3,500.00	3,500.00	2,776.41	723.59	
Other Expenses	14,800.00	14,800.00	13,373.33	1,426.67	
War Memorial					
Other Expenses	1,000.00	1,000.00	58.00	942.00	
Health and Human Services					
Board of Health					
Salaries and Wages	2,500.00	2,500.00	1,114.05	1,385.95	
Other Expenses	1,250.00	1,250.00	388.20	861.80	
Animal Control					
Other Expenses	10,000.00	10,000.00	6,615.80	3,384.20	
Parks and Recreation					
Maintenance of Parks					
Salaries and Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	40,000.00	34,680.00	21,709.16	12,970.84	
Maintenance of Lake					
Other Expenses	15,000.00	15,000.00		15,000.00	
Historical Society					
Other Expenses	1,000.00	1,000.00		1,000.00	

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<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	\$20,000.00	\$20,000.00	\$18,632.95	\$1,367.05
	Street Lights	10,000.00	10,000.00	6,858.00	3,142.00
	Telephone	6,600.00	6,600.00	5,639.17	960.83
	Gas	8,500.00	8,500.00	4,500.22	3,999.78
	Telecommunications	3,000.00	3,000.00	804.95	2,195.05
	Gasoline	20,000.00	20,000.00	17,270.53	2,729.47
	Uniform Construction Code Enforcement Function				
	Construction Official				
	Salaries and Wages	55,000.00	55,000.00	53,062.51	1,937.49
	Other Expenses	8,000.00	8,000.00	2,069.75	5,930.25
14	Municipal Court				
	Salaries and Wages	50,750.00	50,750.00	49,333.73	1,416.27
	Other Expenses	7,500.00	7,500.00	3,152.12	4,347.88
	Public Defender				
	Salaries and Wages	3,500.00	3,500.00	2,331.90	1,168.10
	Other Expenses	500.00	500.00		500.00
	Contingent	5,000.00	5,000.00	210.00	4,790.00
	Total Operations Including Contingent - Within "CAPS"	1,850,690.00	1,850,190.00	1,194,027.33	656,162.67
	Detail:				
	Salaries and Wages	596,340.00	601,160.00	522,238.60	78,921.40
	Other Expenses	1,254,350.00	1,249,030.00	671,788.73	577,241.27
	Deferred Charges and Statutory Expenditures -				
	Municipal - Within "CAPS":				
	STATUTORY EXPENDITURES:				
	Contribution to:				
	Public Employees' Retirement System	53,500.00	53,500.00	53,215.00	285.00
	Social Security System (O.A.S.I.)	50,000.00	50,000.00	48,828.63	1,171.37
	Total Deferred Charges and Statutory Expenditures -				
	Municipal Within "CAPS"	103,500.00	103,500.00	102,043.63	1,456.37
	Total General Appropriations -				
	For Municipal Purposes Within "CAPS"	1,954,190.00	1,953,690.00	1,296,070.96	657,619.04

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<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 Excluded from "CAPS":					
L.O.S.A.P.	\$39,000.00	\$39,000.00		\$39,000.00	
Interlocal Municipal Service Agreements:					
Shared Service - Agreements					
Tax Assessor					
Salaries and Wages	24,000.00	39,576.96	\$39,558.13	18.83	
Other Expenses	4,008.00	6,804.79	3,026.20	3,778.59	
Total Other Operations Excluded from "CAPS":	67,008.00	85,381.75	42,584.33	42,797.42	---
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
15 Clean Communities Program	15,705.00	15,705.00	15,705.00		
Municipal Alliance on Alcoholism and Drug Abuse - State	18,040.00	18,040.00	18,040.00		
Municipal Alliance on Alcoholism and Drug Abuse - Twp.	4,510.00	4,510.00	4,510.00		
Recycling Tonnage Grant	5,393.00	5,393.00	5,393.00		
Total Public and Private Programs Offset by Revenues	43,648.00	43,648.00	43,648.00	---	---
Total Operations - Excluded From "CAPS"	110,656.00	129,029.75	86,232.33	42,797.42	---
Detail:					
Salaries and Wages	24,000.00	39,576.96	39,558.13	18.83	
Other Expenses	86,656.00	89,452.79	46,674.20	42,778.59	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund					
Computer Hardware & Software	10,000.00	10,000.00		10,000.00	
Building Rennovations	30,000.00	30,000.00	4,579.09	25,420.91	
Streets and Roads Equipment	120,000.00	120,000.00		120,000.00	
Total Capital Improvements - Excluded From "CAPS"	160,000.00	160,000.00	4,579.09	155,420.91	---
Municipal Debt Service - Excluded From "CAPS"					
Green Trust Loan Program					
Loan Repayments for Principal & Interest	20,000.00	20,000.00	18,654.96		\$1,345.04
Total Municipal Debt Service - Excluded From "CAPS"	20,000.00	20,000.00	18,654.96	---	1,345.04

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<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>	
Deferred Charges - Municipal					
Deferred Charges					
Special Emergency Authorizations - 5 Years (40A:4-55)	\$52,000.00	\$52,000.00	\$52,000.00		
Ordinance 2004-05	14,250.00	14,250.00	14,250.00		
Total Deferred Charges -Municipal - Excluded From "CAPS"	<u>66,250.00</u>	<u>66,250.00</u>	<u>66,250.00</u>	---	--
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>356,906.00</u>	<u>375,279.75</u>	<u>175,716.38</u>	<u>\$198,218.33</u>	<u>\$1,345.04</u>
Subtotal General Appropriations	2,311,096.00	2,328,969.75	1,471,787.34	855,837.37	1,345.04
Reserve for Uncollected Taxes	<u>303,113.00</u>	<u>303,113.00</u>	<u>303,113.00</u>		
TOTAL GENERAL APPROPRIATIONS	<u>2,614,209.00</u>	<u>2,632,082.75</u>	<u>1,774,900.34</u>	<u>855,837.37</u>	<u>1,345.04</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, 2011

Analysis of Budget After Modification:

Original Budget	\$2,614,209.00	
By Appropriation 40A:4-87	<u>17,873.75</u>	
		<u>\$2,632,082.75</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$39,138.00	
Reserve for Uncollected Taxes	303,113.00	
Encumbrances Payable	34,057.10	
Deferred Charges	66,250.00	
Cash Disbursed	<u>1,332,342.24</u>	
 Total		 <u>\$1,774,900.34</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, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$2,435.42	\$1,678.66
Total Animal Control Fund		<u>2,435.42</u>	<u>1,678.66</u>
Other Funds:			
Cash - Treasurer	B-1	263,532.24	271,514.04
Due from Current Fund	A	107,224.69	57,247.48
Due from Current Fund - Municipal Open Space	A	92,693.03	10,455.00
Total Other Funds		<u>463,449.96</u>	<u>339,216.52</u>
Total Assets		<u>\$465,885.38</u>	<u>\$340,895.18</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey	A		\$15.60
Due to Current Fund	A	\$557.42	46.66
Prepaid License Fees		30.00	30.40
Reserve for Dog Fund Expenditures	B-2	1,848.00	1,586.00
Total Animal Control Fund		<u>2,435.42</u>	<u>1,678.66</u>
Other Funds:			
Due to Current Fund	A	267.30	4,591.00
Due Federal & State Grant Fund	A	1,171.00	1,171.00
Payroll Deductions Payable	B-15		4,493.04
Reserve for :			
Unemployment Compensation Insurance	B-3	22,527.21	21,130.58
Zoning Board Escrows	B-4		2,065.00
Road Opening Escrows	B-5		833.00
Recreation Escrow	B-6	7,341.48	15,378.00
S.T.A.S.A. - Municipal Alliance	B-7	14,338.15	7,816.00
Public Defender Fees	B-8	1,500.00	5,411.00
Open Space Trust	B-9	262,801.51	182,573.00
Green Acres	B-10	1.00	1.00
Tax Sale Premiums	B-11	77,800.00	14,500.00
Multi - Escrow	B-12	13,944.65	18,644.34
Maintenance Guarantees	B-13	9,133.66	7,985.56
Planning Board Subdivision:			
Escrow for Professional Fees	B-14	52,624.00	52,624.00
Total Other Funds		<u>463,449.96</u>	<u>339,216.52</u>
Total Liabilities and Reserves		<u>\$465,885.38</u>	<u>\$340,895.18</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, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$154,337.17	\$36,752.76
Due from Current Fund	A	14,250.00	253,256.00
Deferred Charges to Future Taxation:			
Funded	C-4	254,356.51	267,723.50
Unfunded	C-5	<u>341,350.00</u>	<u>310,000.00</u>
Total		<u><u>\$764,293.68</u></u>	<u><u>\$867,732.26</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Trust Loan Payable	C-6	254,356.51	267,723.50
Due to Current Fund	A	117.67	
Improvement Authorizations:			
Funded	C-7	152,215.74	90,015.00
Unfunded	C-7	256,529.00	256,519.00
Capital Improvement Fund	C-8	100,497.00	252,897.00
Down Payment on Capital Improvements		200.00	200.00
Fund Balance	C-1	<u>377.76</u>	<u>377.76</u>
Total		<u><u>\$764,293.68</u></u>	<u><u>\$867,732.26</u></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, 2011

Balance December 31, 2011 and 2010

\$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, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</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, 2011

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011
General Fixed Assets:				
Land and Land Improvements	\$459,752.90			\$459,752.90
Building and Building Improvements	1,011,698.10		482,277.10	529,421.00
Machinery and Equipment	1,552,149.00	\$601,515.00		2,153,664.00
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$3,023,600.00</u>	<u>\$601,515.00</u>	<u>\$482,277.10</u>	<u>\$3,142,837.90</u>
Investment in General Fixed Assets	<u>\$3,023,600.00</u>	<u>\$601,515.00</u>	<u>\$482,277.10</u>	<u>\$3,142,837.90</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 1924 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 Township's 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 Township's 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.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, 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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Township's basic financial statements.

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the 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 Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2010 and decreased by the amount deferred at December 31, 2011.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. 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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Township’s 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 – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Township’s deposits may not be returned to it. 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. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$7,919,384.06 at December 31, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey’s multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Rate	<u>\$3.963</u>	<u>\$ 3.943</u>	<u>\$ 3.843</u>	<u>\$ 3.729</u>	<u>\$ 3.729</u>
Apportionment of Tax Rate:					
Municipal Open Space	.020	.020	.020	.020	.020
Municipal Local Purpose	.040	.027			
County	.700	.738	.766	.783	.783
Regional School	1.034	1.024	.989	.981	.981
Local School	2.169	2.134	2.068	1.945	1.945

<u>Assessed Valuation</u>	<u>Amount</u>
2011	\$411,731,745
2010	410,609,807
2009	409,049,533
2008	406,565,721
2007	404,819,378

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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
2007	15,166,841	14,959,246	98.63

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 Levv</u>
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
2007	54,334	248,916	303,250	2.00

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>
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>
2011	\$1,006,625
2010	1,006,625
2009	1,006,625
2008	1,006,625
2007	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>			
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
2007	1,798,343	1,036,877	57.66

* As introduced on April 3, 2012

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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, 2011:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 82,467.59	\$ 226,832.72
Federal & State Grant Fund	1,171.00	81,525.20
Trust Fund:		
Animal Control Fund		557.42
Other Funds	199,917.72	1,438.30
Public Assistance Fund	12,665.00	
General Capital Fund	<u>14,250.00</u>	<u>117.67</u>
	<u>\$ 310,471.31</u>	<u>\$ 310,471.31</u>

NOTE 7. PENSION PLANS

Substantially all of the Township's 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 Police and Firemen's Retirement System (PFRS), 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 were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 each year until the rate reaches 7.5% in July 2018. 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, 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.

Police and Firemen's Retirement System (PFRS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS were required to contribute 8.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 10%. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 7. PENSION PLANS (CONTINUED)

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

	<u>2011</u> <u>PERS</u>	<u>2010</u> <u>PERS</u>	<u>2009</u> <u>PERS</u>
Normal Contribution	\$ 19,071	\$ 17,474	\$ 17,678
Accrued Liability	30,388	22,451	20,447
Total Regular Contributions	49,459	39,925	38,125
Non-Contributory Group			
Life Insurance	3,756	5,537	4,739
Total Due	\$ 53,215	\$ 45,462	\$ 42,864

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 were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 each year until the rate reaches 7.5% in July 2018. 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 Township'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, 2011, 2010 and 2009.

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 Township's 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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

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.

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 2011, there was one retired employee who received this benefit resulting in the payment of \$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, 2011, accrued benefits for compensated absences are valued at \$56,528.42.

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 Township's trust fund for the current and previous year:

<u>Year</u>	<u>Interest Earned</u>	<u>Current Fund Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$79.50	\$856.00	\$1,211.64	\$750.51	\$22,527.21
2010			1,114.00	862.00	21,130.58

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 Balance Dec. 31,		Regional High School Tax Balance Dec. 31,	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Balance of Tax	\$ 4,395,716.00	\$ 4,476,032.46	\$ 2,104,533.00	\$ 2,134,401.50
Deferred	<u>1,560,234.00</u>	<u>1,395,234.00</u>	<u>734,662.00</u>	<u>599,662.00</u>
Tax Payable	<u>\$ 2,835,482.00</u>	<u>\$ 3,080,798.46</u>	<u>\$ 1,369,871.00</u>	<u>\$ 1,534,739.50</u>

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Green Trust Loan	<u>\$ 254,358.00</u>	<u>\$ 267,725.00</u>	<u>\$ 280,828.00</u>
Total Issued	<u>254,358.00</u>	<u>267,725.00</u>	<u>280,828.00</u>
Authorized but not Issued			
General:			
Bonds and Notes	<u>341,350.00</u>	<u>310,000.00</u>	<u>74,250.00</u>
Total Authorized but not Issued	<u>341,350.00</u>	<u>310,000.00</u>	<u>74,250.00</u>
Net Debt	<u>\$ 595,708.00</u>	<u>\$ 577,725.00</u>	<u>\$ 355,078.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .08%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,744,346.00	\$ 6,744,346.00	
Regional High School District	3,711,987.00	3,711,987.00	
General Debt	<u>595,708.00</u>		<u>\$ 595,708.00</u>
Total	<u>\$ 11,052,041.00</u>	<u>\$ 10,456,333.00</u>	<u>\$ 595,708.00</u>

Net Debt, \$595,708.00 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$761,879,344.00 equals .08%.

Equalized Valuation Basis:

2009	\$ 792,629,493.00
2010	756,921,442.00
2011	<u>736,087,097.00</u>
Average	<u>\$ 761,879,344.00</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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)	\$ 26,665,777.04
Net Debt	<u>595,708.00</u>
 Remaining Borrowing Power	 <u>\$ 26,070,069.04</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, 2029. The repayment schedule of this debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 13,635.66	\$ 5,019.30	\$ 18,654.96
2013	13,909.74	4,745.22	18,654.96
2014	14,189.33	4,465.63	18,654.96
2015	14,474.53	4,180.43	18,654.96
2016	14,765.48	3,889.48	18,654.96
2017-2021	78,400.27	14,874.52	93,274.79
2022-2026	86,602.68	6,672.09	93,274.77
2027	<u>18,378.82</u>	<u>276.14</u>	<u>18,654.96</u>
 Total	 <u>\$ 254,356.51</u>	 <u>\$ 44,122.81</u>	 <u>\$ 298,479.32</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, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency Authorization	\$ 208,000.00	\$ 52,000.00	\$ 183,000.00

The appropriations in the 2012 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, 2011

	<u>CURRENT FUND</u>		<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$7,318,864.02		-
Receipts:			
Taxes Receivable	\$16,209,049.28		
Tax Title Liens Receivable	\$3,689.87		
Prepaid Taxes	85,833.94		
Tax Overpayments	27,373.53		
Revenue Accounts Receivable	845,958.15		
Third Party Lien Redemptions	45,594.78		
Due State of New Jersey:			
Marriage License Fees	850.00		
UCC Fees	6,673.00		
Due from State of New Jersey for Senior Citizens and Veterans Deductions	52,801.00		
Miscellaneous Revenues Not Anticipated	151,565.65		
Due from Federal and State Grant Fund	599,439.82		
Due from Other Trust Funds	4,591.00		
Due to Other Trust Funds	77,500.00		
Budget Refunds	500.00		
Petty Cash	200.00		
Federal and State Grants Receivable		<u>\$638,122.21</u>	
Total Receipts	<u>18,111,620.02</u>		<u>\$638,122.21</u>
Sub-Total	25,430,484.04		638,122.21
Disbursements:			
2011 Appropriations	1,332,342.24		
2010 Appropriation Reserves	90,930.28		
Encumbrances Payable		650.00	
County Taxes	2,892,862.08		
Local School Taxes Payable	8,846,233.54		
Regional High School Taxes Payable	4,235,468.98		
Reserve for Revaluation Program	120,781.54		
Tax Overpayments	54,096.43		
Third Party Liens	68,948.59		
Due State of New Jersey:			
Marriage License Fees	775.00		
UCC Fees	4,774.00		
Due to Current Fund		599,439.82	
Due to Animal Control Fund	379.00		
Due to General Capital Fund	253,256.00		
Due to Other Trust Fund	42,236.52		
Budget Refunds	500.00		
Petty Cash	200.00		
Federal and State Appropriated Reserves		<u>38,032.39</u>	
Total Disbursements	<u>17,943,784.20</u>		<u>638,122.21</u>
Balance December 31, 2011	<u>\$7,486,699.84</u>		<u>-</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2011

<u>Analysis by Office</u>		
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, 2011

Balance December 31, 2010		\$7,455.00
Increased by:		
Senior Citizen Deductions per Duplicate	\$5,250.00	
Veterans Deductions per Duplicate	46,750.00	
Senior Citizen Deductions Allowed by Collector	3,250.00	
Subtotal	55,250.00	
Less - Disallowed Senior Citizens	2,244.52	53,005.48
Subtotal		60,460.48
Increased by:		
Collected	52,801.00	
Cancelled	5,409.48	58,210.48
Balance December 31, 2011		\$2,250.00

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2011

Year	Balance	2011 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2011 Senior Citizens and Veterans Deductions Allowed	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2011
	Dec. 31, 2010			2010	2011				
2006	\$0.01				\$0.01				
2007	247.00				247.00				
2008	292.00				292.00				
2009	39.50				39.50				
2010	<u>257,659.28</u>		<u>\$1,750.00</u>		<u>257,034.31</u>				<u>\$2,374.97</u>
Subtotal	258,237.79		1,750.00		257,612.82				2,374.97
2011		<u>\$16,384,071.64</u>		<u>\$125,304.00</u>	<u>15,951,436.46</u>	<u>\$53,005.48</u>	<u>\$8,354.01</u>	<u>\$16,686.87</u>	<u>229,284.82</u>
Total	<u>\$258,237.79</u>	<u>\$16,384,071.64</u>	<u>\$1,750.00</u>	<u>\$125,304.00</u>	<u>\$16,209,049.28</u>	<u>\$53,005.48</u>	<u>\$8,354.01</u>	<u>\$16,686.87</u>	<u>\$231,659.79</u>

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$16,264,930.49
Added Taxes	67,141.15
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>52,000.00</u>
Total	<u>\$16,384,071.64</u>
Tax Levy:	
Local District School Tax (Abstract)	\$8,926,550.00
Regional High School Tax (Abstract)	4,265,337.48
Municipal Open Space Tax	81,899.00
County Tax (Abstract)	\$2,348,323.03
County Library Tax (Abstract)	223,191.29
County Open Space Tax (Abstract)	303,784.89
County Added Taxes	<u>12,743.60</u>
Local Tax for Municipal Purposes	166,776.00
Additional Tax Levies	<u>55,466.35</u>
Total	<u>222,242.35</u>
Total	<u>\$16,384,071.64</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$82,038.59
Increased by:		
Transfers from Taxes Receivable		8,354.01
		90,392.60
Decreased by:		
Collected	\$3,689.87	
Cancelled	7,444.84	11,134.71
Balance December 31, 2011		\$79,257.89

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011		\$1,006,625.00
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TOWNSHIP OF SHAMONG
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	Accrued in <u>2011</u>	Collected By <u>Treasurer</u>	Balance <u>Dec. 31, 2011</u>
Alcoholic Beverage Licenses		\$1,050.00	\$1,050.00	
Municipal Court - Fines and Costs	\$1,609.00	23,274.26	23,015.31	\$1,867.95
Interest and Costs on Taxes		52,175.61	52,175.61	
Interest on Investments and Deposits		25,005.84	25,005.84	
Mobile Home Fees		34,394.00	34,394.00	
Consolidated Municipal Property Tax Relief		31,511.00	31,511.00	
Energy Receipts Tax		439,138.00	439,138.00	
Garden State Preservation Trust		112,346.00	112,346.00	
Uniform Construction Code		81,210.00	81,210.00	
Shared Service Agreements:				
Tax Assessor - Southampton Township		28,238.64	28,238.64	
Tax Assessor - Tabernacle Township		17,873.75	17,873.75	
Total	<u>\$1,609.00</u>	<u>\$846,217.10</u>	<u>\$845,958.15</u>	<u>\$1,867.95</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, 2011

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	<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:					
Salaries and Wages					
Office of Emergency Management	\$811.00	\$811.00		\$500.00	\$311.00
Other Expenses					
General Administration	20,545.00	20,545.00	\$411.00	74.13	20,881.87
Municipal Clerk	15,347.00	15,347.00	395.00	117.70	15,624.30
Financial Administration (Treasury)	3,170.00	3,170.00		630.80	2,539.20
Revenue Administration (Tax Collection)	7,358.00	7,358.00	2,675.00	5,375.91	4,657.09
Legal Services & Costs	1,236.00	3,736.00		3,590.50	145.50
Engineering Services & Costs	1,558.00	6,558.00	8,450.00	7,319.35	7,688.65
Joint Land Use Administration (Planning Board)	1,318.00	1,318.00	4,000.00	4,628.61	689.39
Rent Control	3,043.00	3,043.00		14.20	3,028.80
Employee Group Insurance	21,757.00	21,757.00	853.00		22,610.00
Office of Emergency Management	25,610.00	17,110.00	168.00	167.83	17,110.17
Streets & Roads Maintenance	338,113.00	338,113.00	10,267.00	37,237.51	311,142.49
Buildings & Grounds	7,088.00	7,088.00		103.10	6,984.90
Animal Control	2,916.00	2,916.00		420.00	2,496.00
Maintenance of Parks	9,871.00	9,871.00	559.00	594.00	9,836.00
Electricity	973.00	1,973.00		1,725.05	247.95
Street Lighting	2,996.00	2,996.00		735.51	2,260.49
Natural Gas	3,710.00	3,710.00		1,564.81	2,145.19
Gasoline	7,056.00	7,056.00		1,903.71	5,152.29
Construction Official	5,777.00	5,777.00	731.00	1,102.09	5,405.91
Municipal Court	4,040.00	4,040.00	548.00	1,559.95	3,028.05
Total Operations Including Contingent Within "CAPS"	<u>484,293.00</u>	<u>484,293.00</u>	<u>29,057.00</u>	<u>69,364.76</u>	<u>443,985.24</u>
Operations Excluded From "CAPS":					
LOSAP	39,000.00	39,000.00		22,814.00	16,186.00
Total Other Operations Excluded From "CAPS":	<u>39,000.00</u>	<u>39,000.00</u>		<u>22,814.00</u>	<u>16,186.00</u>
All Other Accounts					
With No Change	<u>161,251.00</u>	<u>161,251.00</u>			<u>161,251.00</u>
Total Capital Improvements	<u>161,251.00</u>	<u>161,251.00</u>			<u>161,251.00</u>
Total General Appropriations	<u>\$684,544.00</u>	<u>\$684,544.00</u>	<u>\$29,057.00</u>	<u>\$92,178.76</u>	<u>\$621,422.24</u>
Cash Disbursed				\$90,930.28	
Encumbrances Payable				1,248.48	
				<u>\$92,178.76</u>	

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$54,270.00
Increased by:		
Collected		<u>27,373.53</u>
Subtotal		81,643.53
Decreased by:		
Refunds	\$54,096.43	
Cancelled	<u>1,530.14</u>	<u>55,626.57</u>
Balance December 31, 2011		<u><u>\$26,016.96</u></u>

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$125,304.00
Increased by:		
Collected		<u>85,833.94</u>
Subtotal		211,137.94
Decreased by:		
Applied to 2011 Taxes		<u>125,304.00</u>
Balance December 31, 2011		<u><u>\$85,833.94</u></u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Local District School Taxes Payable
For the Year Ended December 31, 2011

<hr/>		
Balance December 31, 2010		---
School Tax Payable	\$2,835,482.00	
School Tax Deferred	<u>1,560,234.00</u>	\$4,395,716.00
Increased by:		
Levy: School Year July 1, 2011 to June 30, 2012		<u>8,926,550.00</u>
Subtotal		13,322,266.00
Decreased by:		
Payments		<u>8,846,233.54</u>
Balance December 31, 2011		
School Tax Payable	3,080,798.46	
School Tax Deferred	<u>1,395,234.00</u>	<u><u>\$4,476,032.46</u></u>
2011 Liability for Local District School Tax:		
Tax Paid		\$8,846,233.54
Tax Payable December 31, 2011		<u>3,080,798.46</u>
Subtotal		11,927,032.00
Less:		
Tax Payable December 31, 2010		<u>2,835,482.00</u>
Amount Charged to 2011 Operations		<u><u>\$9,091,550.00</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Regional High School Taxes Payable
 For the Year Ended December 31, 2011

<hr/>		
Balance December 31, 2010		---
School Tax Payable	\$1,369,871.00	
School Tax Deferred	<u>734,662.00</u>	\$2,104,533.00
Increased by:		
Levy: School Year July 1, 2011 to June 30, 2012		<u>4,265,337.48</u>
Subtotal		6,369,870.48
Decreased by:		
Payments		<u>4,235,468.98</u>
Balance December 31, 2011		
School Tax Payable	1,534,739.50	
School Tax Deferred	<u>599,662.00</u>	<u>\$2,134,401.50</u>
2011 Liability for Regional High School Tax:		
Tax Paid		\$4,235,468.98
Tax Payable December 31, 2011		<u>1,534,739.50</u>
Subtotal		5,770,208.48
Less:		
Tax Payable December 31, 2010		<u>1,369,871.00</u>
Amount Charged to 2011 Operations		<u>\$4,400,337.48</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$17,078.00
Increased by:	
2011 Levy:	
General County	\$2,348,323.03
County Library	223,191.29
County Open Space	303,784.89
Added and Omitted Taxes	11,919.70
Prior Year Adjustment to Added and Omitted Taxes	<u>484.87</u>
Subtotal	<u>2,887,703.78</u>
Decreased by:	
Payments	<u>2,892,862.08</u>
Balance December 31, 2011	<u><u>\$11,919.70</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Reserve For Revaluation
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$261,920.00
Decreased by:	
Cash Disbursed	<u>120,781.54</u>
Balance December 31, 2011	<u><u>\$141,138.46</u></u>

Schedule of Reserve For Garden State Preservation Trust
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$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, 2011	<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, 2011

Balance December 31, 2010	
Increased by:	
State Portion of UCC Fees	\$6,673.00
	6,673.00
Decreased by:	
Disbursements	4,774.00
Balance December 31, 2011	\$1,899.00

EXHIBIT A-21

Schedule of Due to State of New Jersey
 for Marriage License Fees
 For the Year Ended December 31, 2011

Balance December 31, 2010	-
Increased by:	
State Portion of 2011 Marriage Licenses Fees	\$850.00
Subtotal	850.00
Decreased by:	
Disbursed to State of New Jersey	775.00
Balance December 31, 2011	\$75.00

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u>	<u>Received</u>	<u>Adjustment</u>	<u>Transfer</u> <u>To</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
New Jersey Transportation Trust Fund							
Old Indian Mills Rd Phase 1	\$180,000.00		\$91,616.88			\$53,674.95	\$34,708.17
Old Indian Mills Rd Phase 2	180,000.00		117,395.68			563.61	62,040.71
Atsion Rd Sec 8	37,250.00		37,250.00				
Atsion Rd Sec 9	35,000.00		35,000.00				
Atsion Rd Sec 109.11	79,184.00		53,887.54			25,296.46	
Atsion Rd Sec 12	150,000.00		225,757.93	\$75,757.93			
Atsion Rd Sec 13	150,000.00		28,421.30	(75,757.93)		45,820.77	
State Grants:							
Clean Communities	1.00	\$15,705.00	15,230.19				475.81
Municipal Drug Alliance	25,409.00	22,550.00	20,983.72			8,935.28	18,040.00
Polling Place Grant	283.00						283.00
Recycling Tonnage Grant - 2009			7,185.81		(\$7,185.81)		
Recycling Tonnage Grant - 2008		5,393.00	5,393.16		(0.16)		
Total	<u>\$837,127.00</u>	<u>\$43,648.00</u>	<u>\$638,122.21</u>	<u>-</u>	<u>(\$7,185.97)</u>	<u>\$134,291.07</u>	<u>\$115,547.69</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Revenue In 2011</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
State Grants:					
Supplemental Fire Services Grant	\$4,159.00			\$4,159.00	
Clean Communities	516.00				\$516.00
Recycling Tonnage Grant		\$7,185.97			7,185.97
Total	<u>\$4,675.00</u>	<u>\$7,185.97</u>	<u>-</u>	<u>\$4,159.00</u>	<u>\$7,701.97</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Appropriated
 For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Transferred From 2011 Budget</u>	<u>Paid</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
State Grants:					
New Jersey Transportation Trust Fund	\$190,897.00		\$10,056.91	\$180,840.09	
Clean Communities	3,335.00	\$15,705.00	8,575.00		\$10,465.00
Municipal Drug Alliance	3,306.00	18,040.00	19,739.98		1,606.02
Municipal Drug Alliance - Twp Share	89.00	4,510.00			4,599.00
Stormwater Management Grant	13,865.00			13,865.00	
Emergency Road Repair	306.00			306.00	
Cultural & Heritage Grant	1,000.00			1,000.00	
Supplemental Fire Services Grant	295.00			295.00	
Polling Place Grant	703.00			703.00	
Gypsy Moth Spraying Grant	4,179.00			4,179.00	
Recycling Tonnage Grant	5,089.00	5,393.00	2,092.50		8,389.50
Recycling funds	<u>3,420.00</u>			<u>3,420.00</u>	
Total	<u><u>\$226,484.00</u></u>	<u><u>\$43,648.00</u></u>	<u><u>\$40,464.39</u></u>	<u><u>\$204,608.09</u></u>	<u><u>\$25,059.52</u></u>
			Cash Disbursed	\$38,032.39	
			Encumbrances Payable	<u>2,432.00</u>	
			Total	<u><u>\$40,464.39</u></u>	

TRUST FUND

TOWNSHIP OF SHAMONG
Trust Fund
 Statement of Cash - Treasurer
 For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Total Other Trust Funds</u>	<u>Recreation Fund</u>	<u>S.T.A.S.A. Municipal Alliance</u>	<u>Public Defender</u>	<u>Open Space Trust</u>	<u>Green Acres Trust</u>	<u>Multi - Escrow Account</u>	<u>Unemployment Compensation</u>	<u>Maintenance Guarantee</u>	<u>Payroll Fund</u>
Balance December 31, 2010	\$1,678.66	\$271,514.04	\$29,873.87	\$6,056.83	\$7,548.74	\$170,333.08	\$1.00	\$18,844.34	\$21,988.58	\$7,985.56	\$9,084.04
Receipts:											
Dog License Fees:											
Municipal Licenses	1,003.20										
State Registration Fees	538.80										
Prepaid Licenses	30.00										
Unemployment Compensation		1,211.64							1,211.64		
Municipal Alliance		6,522.15		6,522.15							
Public Defender Fees		1,850.00			1,650.00						
Multi Escrows		11,252.02						11,252.02			
Net Payroll		477,847.86									477,847.66
Payroll Deductions		268,191.08									268,191.08
Interest Eamed	8.15	2,038.14	29.91	38.19	11.07	618.04		8.41	79.50	1,148.10	104.92
Total Receipts	<u>1,580.15</u>	<u>768,512.89</u>	<u>29.91</u>	<u>6,560.34</u>	<u>1,661.07</u>	<u>618.04</u>	<u>0.00</u>	<u>11,260.43</u>	<u>1,291.14</u>	<u>1,148.10</u>	<u>745,943.66</u>
Disbursements:											
Expenditures Under RS4:19-15.11	260.58										
State Registration Fees	562.80										
Unemployment		750.51							750.51		
Public Defender		2,363.19			2,363.19						
Open Space Trust		10.04				10.04					
Multi Escrows		15,951.71						15,951.71			
Net Payroll		477,847.86									477,847.66
Payroll Deductions Payable		272,521.74									272,521.74
Due to Capital Fund		2,617.52				2,617.52					
Due to Current Fund	0.01	4,632.12	29.91	4.02	7.19						4,591.00
Total Disbursements	<u>823.39</u>	<u>776,494.49</u>	<u>29.91</u>	<u>4.02</u>	<u>2,370.38</u>	<u>2,627.56</u>	<u>0.00</u>	<u>15,951.71</u>	<u>750.51</u>	<u>0.00</u>	<u>754,760.40</u>
Balance Decembar 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

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TOWNSHIP OF SHAMONG
Trust Fund
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2011

Balance (Deficit) December 31, 2010		\$1,586.00
Increased by:		
2011 Dog License Fees Collected	\$1,003.20	
Prepaid Applied	<u>30.40</u>	
		<u>1,033.60</u>
Total		2,619.60
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed	639.58	
Statutory Excess - Due to Current Fund	<u>132.02</u>	
		<u>771.60</u>
Balance (Deficit) December 31, 2011		<u><u>\$1,848.00</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2009	\$848.00
2010	<u>1,000.00</u>
	<u><u>\$1,848.00</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 21,130.58
Increased by:		
Employee Withholdings	\$1,211.64	
Due from Current Fund	856.00	
Interest Earned	79.50	2,147.14
Subtotal		23,277.72
Decreased by:		
Claims Paid		750.51
Balance December 31, 2011		\$22,527.21

Statement of Reserve for Road Opening Escrow Trust Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$2,065.00
Decreased by:		
Disbursements		2,065.00
Balance December 31, 2011		-

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

Balance December 31, 2010	\$833.00
Decreased by:	
Cash Disbursed	833.00
Balance December 31, 2011	-

EXHIBIT B-6

Statement of Reserve for Recreation Escrows
For the Year Ended December 31, 2011

Balance December 31, 2010	\$15,378.00
Decreased by:	
Cash Disbursed	8,036.52
Balance December 31, 2011	\$7,341.48

EXHIBIT B-7

Schedule of Reserve for S.T.A.S.A. - Municipal Alliance
For the Year Ended December 31, 2011

Balance December 31, 2010	\$7,816.00
Increased by:	
Deposits Received	6,522.15
Balance December 31, 2011	\$14,338.15

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2011

Balance December 31, 2010		\$5,411.00
Increased by:		
Cash Receipts		<u>1,650.00</u>
Subtotal		7,061.00
Decreased by:		
Due to Current Fund	\$3,197.81	
Cash Disbursements	<u>2,363.19</u>	<u>5,561.00</u>
Balance December 31, 2011		<u><u>\$1,500.00</u></u>

Statement of Reserve for Open Space Trust
For the Year Ended December 31, 2011

Balance December 31, 2010		\$182,573.00
Increased by:		
Cash Receipts		<u>82,856.07</u>
Subtotal		265,429.07
Decreased by:		
Cash Disbursements		<u>2,627.56</u>
Balance December 31, 2011		<u><u>\$262,801.51</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Green Acres Trust
For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011	<u><u>\$1.00</u></u>
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Statement of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2011

Balance December 31, 2010	\$14,500.00
Increased by:	
Cash Receipts	<u>77,500.00</u>
Subtotal	92,000.00
Decreased by:	
Disbursements	<u>14,200.00</u>
Balance December 31, 2011	<u><u>\$77,800.00</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Multi - Escrows
For the Year Ended December 31, 2011

Balance December 31, 2010	\$18,644.34
Increased by:	
Cash Receipts	<u>11,252.02</u>
Subtotal	29,896.36
Decreased by:	
Disbursements	<u>15,951.71</u>
Balance December 31, 2011	<u><u>\$13,944.65</u></u>

EXHIBIT B-13

Statement of Reserve for Maintenance Guarantee
For the Year Ended December 31, 2011

Balance December 31, 2010	\$7,985.56
Increased by:	
Interest Earned	<u>1,148.10</u>
Balance December 31, 2011	<u><u>\$9,133.66</u></u>

EXHIBIT B-14

Statement of Reserve for Professional Escrows
For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011	<u><u>\$52,624.00</u></u>
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TOWNSHIP OF SHAMONG
Trust - Other Funds
Statment of Payroll Deductions Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$4,493.04
Increased by:	
Payroll deductions withheld	<u>268,296.00</u>
	272,789.04
Decreased by:	
Payroll deductions disbursed	<u>272,789.04</u>
Balance December 31, 2011	<u><u>-</u></u>

GENERAL CAPITAL FUND

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

Balance December 31, 2010		\$36,752.76
Receipts:		
Due from Current Fund	\$253,256.00	
Due to Current Fund	139.65	
Contra	<u>2,617.52</u>	
Total Receipts		<u>256,013.17</u>
Subtotal		292,765.93
Disbursements:		
Improvement Authorizations	135,789.26	
Due to Current Fund	21.98	
Contra	<u>2,617.52</u>	<u>138,428.76</u>
Balance December 31, 2011		<u><u>\$154,337.17</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2011

Capital Improvement Fund	\$100,497.00
Due From Current Fund	(14,250.00)
Down Payment on Capital Improvements	200.00
Due to Current Fund	117.67
Fund Balance	377.76
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
1999-04	Acquisition of Fire House
	15.00
2004-05	Acquisition of Ambulance
	(39,231.00)
2010-09	Stoney Creek Recreation Center
	90,000.00
2011-07	Improvements to Municipal Building
	62,200.74
2011-09	Acquisition of F450 Truck
	(45,590.00)
Total	\$154,337.17

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2011

Balance December 31, 2010	\$267,723.50
Decreased By:	
Green Trust Loan Principal Paid	<u>13,366.99</u>
Balance December 31, 2011	<u><u>\$254,356.51</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded By Budget Appropriation	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2011	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2004-05	Acquisition of Ambulance	\$57,000.00		\$14,250.00		\$42,750.00		\$39,231.00	\$3,519.00
2006-05	Acquisition of Property	3,000.00				3,000.00			3,000.00
11-08	Various Road and Related Improvements	250,000.00				250,000.00			250,000.00
12-08	Sewer Utility Equipment and Improvements		\$45,600.00			45,600.00		45,590.00	10.00
	Total	<u>\$310,000.00</u>	<u>\$45,600.00</u>	<u>\$14,250.00</u>	<u>-</u>	<u>\$341,350.00</u>	<u>-</u>	<u>\$84,821.00</u>	<u>\$256,529.00</u>
									Improvement Authorizations Unfunded \$256,529.00
									Less Unexpended Proceeds of Bond Anticipation Notes Issued:
									<u>\$256,529.00</u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Statement of 1989 Green Trust Loan Payable
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Outstanding December 31, 2011</u>						
				<u>Amount</u>						
Dingtowntown II Recreation Area	05/01/94	\$3,000,000.00	01/29/12	\$6,783.91	2.00%	<u>\$267,723.50</u>	<u>-</u>	<u>\$13,366.99</u>	<u>\$254,356.51</u>	
			07/29/12	6,851.75	2.00%					
			01/29/13	6,920.27	2.00%					
			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	9,253.13	2.00%					

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2010		2011 AUTHORIZATIONS		Balance December 31, 2011	
			Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation - Unfunded	Paid or Charged	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				90,000.00	250,000.00
2011-07	Improvements to Municipal Building	07/05/11	150,000.00			\$150,000.00		\$87,799.26	62,200.74	
2011-09	Acquisition of F450 Truck	10/04/11	48,000.00			2,400.00	\$45,600.00	47,990.00		10.00
⌘	Total			<u>\$90,015.00</u>	<u>\$256,519.00</u>	<u>\$152,400.00</u>	<u>\$45,600.00</u>	<u>\$135,789.26</u>	<u>\$152,215.74</u>	<u>\$256,529.00</u>
	Cash Disbursed							<u>\$135,789.26</u>		

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$252,897.00
Increased by:	
2011 Budget Appropriation	<u> -</u>
Subtotal	252,897.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>152,400.00</u>
Balance December 31, 2011	<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, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Authorization Funded</u>	<u>Balance Dec. 31, 2011</u>
2004-05	Acquisition of Ambulance	\$57,000.00			\$14,250.00	\$42,750.00
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		\$45,600.00			45,600.00
	Total	<u>\$310,000.00</u>	<u>\$45,600.00</u>	<u>-</u>	<u>\$14,250.00</u>	<u>\$341,350.00</u>

TOWNSHIP OF SHAMONG

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2011

TOWNSHIP OF SHAMONG
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

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 2011-1

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.

Finding 2011-2

Condition:

Our audit of compliance with the purchasing procedures of the Township revealed that business registration certificates were not available for examination.

Criteria:

The Division of Local Government Services requires that Township maintain business registration certificates for all eligible vendors.

Effect:

The Township did not comply with state regulations.

Cause:

Oversight on the part of Township officials.

Recommendation:

That business registration certificates be obtained and on file for all eligible vendors.

View of Responsible Official and Planned Corrective Action:

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

TOWNSHIP OF SHAMONG
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

Schedule of Financial Statement Findings (Continued)

Finding 2011-3

Condition:

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

Criteria:

N.J.S.A. 54:4-8.44a provides that taxpayers who have disallowed senior citizen deductions because they exceed the income limitation must refund the deduction.

Effect:

The Township did not comply with state regulations.

Cause:

Oversight.

Recommendation:

The Tax Office should bill all disallowed senior citizen deductions.

View of Responsible Official and Planned Corrective Action:

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

Finding 2011-4

Condition:

IRS 1099 forms were not filed for 2011 calendar year.

Criteria:

The Internal Revenue Service requires that all eligible vendors paid in excess of \$600 for the calendar year 2011 be issued 1099 Forms by January 31, 2012.

Effect:

The Township did not comply with Internal Revenue Service requirements.

Cause:

Supporting documentation was not available.

Recommendation:

IRS 1099 forms should be issued to all eligible vendors.

View of Responsible Official and Planned Corrective Action:

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

**TOWNSHIP OF SHAMONG
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

**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 2010-1

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 2010-2

Condition:

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

Current Status:

This condition has been corrected.

Finding 2010-3

Condition:

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

Current Status:

This condition has been corrected.

Finding 2010-4

Condition:

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

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.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2011:

NAME	TITLE	AMOUNT OF BOND
Jonathon Shevelew	Mayor	*
Sean Gray	Deputy Mayor	*
Christopher Norman	Committeeman	*
Martin Mozitis	Committeeman	*
Kenneth Long	Committeeman	*
Donna Condo	Chief Financial Officer	\$1,000,000
Susan Onorato	Administrator/ Municipal Clerk	*
Kathryn Taylor	Tax Collector	\$1,000,000
Barbara Valenzano	Deputy Clerk	*
Cheryl Beaumont	Court Administrator	\$1,000,000
Krisden McCrink	Magistrate	\$1,000,000
Leo Wisnewski	Electric Sub-Code Official	*
Edward Toussaint	Building Sub-Code Official Construction Official	* *
Barbara Valenzano	Construction Control Person	*
John Holroyd	Plumbing Sub-Code Official	*
John Holroyd	Fire Sub-Code Official	*
Douglas Heinold	Solicitor	
Robert Mannix	Engineer	

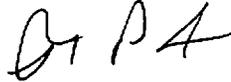
* All Officials & Employees are covered under Blanket Coverage with the Burlington County Joint Insurance Fund.

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 "R P A", written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 16, 2012