

**TOWNSHIP OF BERKELEY**

**COUNTY OF OCEAN**

**REPORT OF AUDIT**

**DECEMBER 31, 2009**

**WILLIAM E. ANTONIDES AND COMPANY**  
**Certified Public Accountants**

**506 Hooper Avenue, Suite B**  
**Toms River, NJ 08753**

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

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**TOWNSHIP OF BERKELEY**

**COUNTY OF OCEAN**

**PART I**

**AUDITOR'S REPORT OF THE TOWNSHIP'S FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2009**

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Berkeley  
Berkeley, New Jersey

We have audited the accompanying balance sheet - regulatory basis of the various funds and account groups of the Township of Berkeley (the "Township"), as of December 31, 2009, 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 of the various funds for the year ended December 31, 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit. The accompanying balance sheets - regulatory basis of the various funds and account groups of the Township, as of December 31, 2008, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended were audited by other auditors whose report dated March 20, 2009 express an adverse opinion in regard to accounting principles generally accepted in the United States of America and a qualified opinion on the regulatory basis of accounting.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Length of Service Awards Program Fund ("LOSAP") of the Township have not been audited, and we were not required by the Division to audit nor were we engaged to audit LOSAP financial statements as part of our audit of the Township's financial statements. However, the LOSAP financial activities are included in the Township's Trust Funds, and represent 13.03% and 10% of the assets and liabilities as of December 31, 2009 and 2008, respectively, of the Township's Trust Funds.

As described more fully in Note 1, the Township prepares its financial statements on a regulatory basis of accounting prescribed by the Division, as required by state statute, that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009, the changes in financial position, or, where applicable, its cash flows for the year then ended. Further, the Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Township, as of December 31, 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the year then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

William E. Antonides and Company  
Independent Auditors

  
William E. Antonides

Certified Public Accountant  
Registered Municipal Accountant  
R.M.A. Number 14

November 12, 2010

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

Exhibit A

**REGULATORY BASIS**

Sheet 1 of 2

**DECEMBER 31, 2009 AND 2008**

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Cash	A-4	\$ 3,679,001.74	\$ 3,649,626.61
Cash - Change Fund		3,600.00	3,600.00
		<u>3,682,601.74</u>	<u>3,653,226.61</u>
Due from State of New Jersey (P.L. 1971, Ch. 20)	A-1,4,5	17,202.45	42,254.58
		<u>3,699,804.19</u>	<u>3,695,481.19</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,948,732.27	1,602,033.88
Tax Title Liens Receivable	A-6	174,411.48	129,212.30
Property Acquired for Taxes		6,340,913.84	6,340,913.84
Penalty on Delinquent Taxes		9,904.84	7,986.44
Debris Clean Up Receivable		13,557.90	13,867.74
Revenue Accounts Receivable	A-7	11,286.00	8,579.33
Interfunds:			
General Capital Fund	A-14		1,769.12
Animal Control Trust Fund	A-14	17,605.69	
Trust Other Fund	A-14		199,251.93
Payroll Fund	A-14	201,598.42	
Grant Fund	A-15	103,198.17	
		<u>8,821,208.61</u>	<u>8,303,614.58</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-8	580,000.00	870,000.00
		<u>13,101,012.80</u>	<u>12,869,095.77</u>
<b><u>Federal and State Grant Fund</u></b>			
Interfund - Current Fund	A-15		88,299.93
Grants Receivable	A-16	692,448.72	353,890.82
		<u>692,448.72</u>	<u>442,190.75</u>
		<u>\$ 13,793,461.52</u>	<u>\$ 13,311,286.52</u>

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



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 2 of 2**

**DECEMBER 31, 2009 AND 2008**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Appropriation Reserves	A-3,9	\$ 945,572.24	\$ 409,936.03
Reserve for Encumbrances	A-9	425,581.31	284,879.88
Accounts Payable		57,411.99	43,250.00
Due to Municipal Utility Authority	A-4	467.11	
Tax Overpayments		106,631.30	22,167.12
Prepaid Taxes		980,505.79	936,767.01
County Taxes Payable	A-12	91,983.91	121,935.82
Payroll Deductions Payable			131,972.61
Sales Tax Receivable		1,183.07	2,341.68
Special Emergency Note Payable		580,000.00	870,000.00
Revaluation Program		182,092.36	482,683.31
Reserve for Garden State Trust Fund		63,884.30	64,777.98
Interfunds:			
Open Space Trust Fund	A-14		1,656.47
Trust Other Fund	A-14	526,310.62	
Assessment Trust Fund	A-14		1,997.17
Grant Fund	A-15		88,299.93
		<u>3,961,624.00</u>	<u>3,462,665.01</u>
Reserve for Receivables and Other Assets		8,821,208.61	8,303,614.58
Fund Balance	A-1	318,180.19	1,102,816.18
		<u>13,101,012.80</u>	<u>12,869,095.77</u>
<b><u>Federal and State Grant Funds</u></b>			
Interfund - Current Fund	A-15	103,198.17	
Appropriated Reserves	A-17	578,322.75	424,129.50
Reserve for Encumbrances	A-17	10,927.80	18,061.25
		<u>692,448.72</u>	<u>442,190.75</u>
		<u>\$ 13,793,461.52</u>	<u>\$ 13,311,286.52</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

Sheet 1 of 2

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2009</u></b>	<b><u>Year 2008</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 1,050,000.00	\$ 2,090,000.00
Fund Balance Utilized with Prior Consent of Director of Local Government Services	A-2	42,000.00	40,000.00
Miscellaneous Revenue Anticipated	A-2	9,420,176.03	10,146,641.51
Receipts from Delinquent Taxes	A-2	1,586,953.90	1,416,371.30
Receipts from Current Taxes	A-2	88,725,383.33	86,427,504.89
Non-Budget Revenues	A-2	103,965.31	581,458.92
Other Credits to Income:			
Prior Year Senior Citizen Deduction Allowed			31,000.00
Construction Reserve Reimbursement		22,819.85	
Unexpended Balance of Appropriation Reserves	A-9	90,245.34	139,292.15
Trust Reserve Balances Cancelled		3,363.46	
Animal Control Fund Statutory Excess		17,605.69	
Payroll Deductions Payable Cancelled		1,595.93	
Grant Fund Balances Cancelled	A-17	156,324.09	111,111.63
Total Income		<u>101,220,432.93</u>	<u>100,983,380.40</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		15,750,855.10	15,886,963.66
Other Expenses		12,205,876.29	12,352,566.47
Deferred Charges and Statutory Expenditures		2,500,337.64	1,385,655.07
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		324,159.07	335,246.16
Other Expenses		1,160,264.40	2,530,911.51
Capital Improvements		250,000.00	250,000.00
Municipal Debt Service		3,778,285.16	3,654,432.35
Deferred Charges		290,000.00	290,000.00
Judgments			10,000.00
	A-3	<u>36,259,777.66</u>	<u>36,695,775.22</u>
Prior Year Senior Citizen Deductions Disallowed	A-5	102,501.36	97,044.46
Local District School Taxes	A-10	26,018,993.00	25,325,992.75
Regional School Taxes	A-11	17,832,244.14	17,313,376.53
County Taxes	A-12	19,950,201.99	19,881,525.22
Local Open Space Tax	A-13	271,482.83	269,648.47
Interfund Loans	A-14	121,381.23	201,021.05
Grants Receivable Cancelled	A-16	155,465.66	123,909.83
Refund Prior Year Tax Revenue			1,363.60
Refund Prior Year Revenue			95.12
Total Expenditures		<u>100,712,047.87</u>	<u>99,909,752.25</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-1**

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

**Sheet 2 of 2**

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2009</u></b>	<b><u>Year 2008</u></b>
Statutory Excess to Fund Balance		\$ 508,385.06	\$ 1,073,628.15
Fund Balance January 1	A	<u>1,102,816.18</u>	<u>2,159,188.03</u>
		1,611,201.24	3,232,816.18
Decreased by:			
Utilization as Anticipated Revenue	A-1,2	<u>1,293,021.05</u>	<u>2,130,000.00</u>
Fund Balance December 31	A	<u><u>318,180.19</u></u>	<u><u>1,102,816.18</u></u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
	A-1	\$ 1,050,000.00	\$	\$ 1,050,000.00	\$
Fund Balance Anticipated	A-1	42,000.00		42,000.00	
Fund Balance Anticipated with Prior Consent of the Director of Local Government Services		<u>1,092,000.00</u>		<u>1,092,000.00</u>	
<b>Miscellaneous Revenues</b>					
Licenses					
Alcoholic Beverages	A-7	42,800.00		45,376.00	2,576.00
Other	A-7	7,500.00		2,649.00	(4,851.00)
Fees and Permits	A-7	225,000.00		304,047.74	79,047.74
Fines and Costs					
Municipal Court	A-7	155,500.00		147,337.09	(8,162.91)
Interest and Costs on Taxes	A-7	264,000.00		312,423.13	48,423.13
Interest on Investments and Deposits	A-7	237,500.00		49,048.20	(188,451.80)
Beach Admission Fees	A-7	85,000.00		100,173.00	15,173.00
Municipal Golf Course	A-7	876,500.00		732,768.38	(143,731.62)
Berkeley Township Board of Education - Trash	A-7	71,000.00		60,137.00	(10,863.00)
Water and Cable Franchise Fees	A-7	218,159.26		217,672.99	(486.27)
Hotel and Motel Occupancy Tax	A-7	21,600.00		49,552.95	27,952.95
Central Regional Board of Education - Trash State Aid:	A-7	11,500.00		12,500.00	1,000.00
Energy Receipts Tax	A-7	5,297,140.00		5,297,140.00	
Garden State Trust Fund	A-7	64,778.00		64,777.98	(.02)
Pineland Property Tax Stabilization Aid	A-7	68,905.00		68,905.00	
Special Items of Revenue:					
Interlocal Services Agreements:					
Animal Control Services	A-7	8,000.00		17,417.86	9,417.86
Fire Protection	A-7	25,500.00		25,500.00	
Berkeley Board of Education Fuel Facilities	A-7	50,000.00		86,948.35	36,948.35
Central Regional Board of Education Fuel Facilities	A-7	85,000.00		137,219.10	52,219.10
Central Regional Board of Education Police Services	A-7	40,000.00		24,000.00	(16,000.00)
Federal and State Revenues Off-Set with Appropriations:					
Clean Communities Program	A-16	96,530.10		96,530.10	
Municipal Alliance on Alcoholism and Drug Abuse	A-16	30,000.00		30,000.00	
Division of Highway Safety - Click It or Ticket	A-16	4,000.00		4,000.00	

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
NJ Economic Development Authority Public Entity Grant	A-16	\$ 186,663.00	\$	\$ 186,663.00	\$
Emergency Management Assistance for FFY08 EMPG EMA Allocation	A-16	5,000.00		5,000.00	
FY 07 Homeland Security Grant	A-16	255,531.00		255,531.00	
FY 07 Homeland Security Grant	A-16	23,200.00		23,200.00	
Unappropriated Reserve - OEM Grant	A-16	5,155.00		5,155.00	
NJ Department of Law and Public Safety - FY 2010					
State 966 Reimbursement Grant	A-16		10,885.11	10,885.11	
Recycling Tonnage Grant	A-16		32,297.76	32,297.76	
NJ Office of Homeland Security Grant Program - FY 08	A-16		13,750.00	13,750.00	
Other Special Items:					
Uniform Fire Safety Act	A-7	28,072.39		28,774.19	701.80
Proceeds from Land Sale	A-7	150,000.00		196,305.84	46,305.84
Interfund - Trust Other Fund	A-7	199,251.93		199,251.93	
Reserve for Debt Service - General Capital	A-7	323,389.58		323,389.58	
General Capital Fund Balance	A-7	47,016.00		47,016.00	
Ocean County Recycling	A-7	50,000.00		33,763.65	(16,236.35)
Senior/Veteran Administration Fee	A-7	48,000.00		46,999.89	(1,000.11)
Interfund - General Capital Fund	A-7	1,769.12		1,769.12	
JIF Refund	A-7	114,000.00		122,302.92	8,302.92
Trust Assessment Fund Surplus	A-7	1,997.17		1,997.17	
Total Miscellaneous Revenues	A-1	<u>9,424,957.55</u>	<u>56,932.87</u>	<u>9,420,176.03</u>	<u>(61,714.39)</u>
Receipts from Delinquent Taxes	A-1,2	1,582,000.00		1,586,953.90	4,953.90
Subtotal General Revenues		<u>12,098,957.55</u>	<u>56,932.87</u>	<u>12,099,129.93</u>	<u>(56,760.49)</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	25,917,621.82		25,852,072.62	(65,549.20)
Total General Revenues		<u>38,016,579.37</u>	<u>56,932.87</u>	<u>37,951,202.55</u>	<u>(122,309.69)</u>
Non-Budget Revenues	A-1,4			103,965.31	103,965.31
		<u>\$ 38,016,579.37</u>	<u>\$ 56,932.87</u>	<u>\$ 38,055,167.86</u>	<u>\$ (18,344.38)</u>
Ref.		A-3	A-3		A-3

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Sheet 3 of 3**

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,5	\$ 88,725,383.33
Allocated to:		
School, County Taxes and Municipal Open Space	A-10,11,12,13	<u>64,602,134.30</u>
Balance for Support of Municipal Budget		
Appropriations		24,123,249.03
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,728,823.59</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 25,852,072.62</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	\$ 1,577,344.12
Tax Title Lien Collections	A-6	<u>9,609.78</u>
	A-2	<u><u>\$ 1,586,953.90</u></u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 1 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>OPERATIONS WITHIN CAPS</u></b>					
<b><u>General Government Functions</u></b>					
General Administration					
Salaries and Wages	\$ 266,434.00	\$ 267,768.65	\$ 265,130.69	\$ 2,637.96	\$
Other Expenses	51,039.00	51,039.00	48,507.09	2,531.91	
Human Resources					
Salaries and Wages	82,475.00	82,643.59	81,827.01	816.58	
Other Expenses	3,066.00	3,066.00	2,859.29	206.71	
Office of the Mayor					
Salaries and Wages	8,500.00	8,500.00	8,500.00		
Other Expenses	2,952.00	2,952.00	2,485.02	466.98	
Township Council					
Salaries and Wages	62,000.00	60,768.12	60,000.16	767.96	
Other Expenses	5,571.00	5,571.00	4,515.00	1,056.00	
Municipal Clerk					
Salaries and Wages	204,002.00	222,269.92	220,250.10	2,019.82	
Other Expenses	31,949.00	29,324.64	21,188.66	8,135.98	
Financial Administration					
Salaries and Wages	293,077.00	281,850.03	278,922.95	2,927.08	
Other Expenses	15,390.00	15,390.00	11,439.74	3,950.26	
Audit Services					
Other Expenses	60,000.00	58,750.00	58,750.00		
Revenue Administration (Tax Collection)					
Salaries and Wages	352,550.00	343,781.82	334,885.51	8,896.31	
Other Expenses	62,533.00	93,533.00	88,348.86	5,184.14	
Tax Assessment Administration					
Salaries and Wages	256,592.00	257,547.88	254,980.25	2,567.63	
Other Expenses	14,714.00	14,714.00	14,349.60	364.40	

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 2 of 9

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Paid or Charged		Reserved	Reserved	
Legal Services						
Other Expenses	\$ 333,333.00	\$ 358,333.00	\$ 344,385.09	\$ 13,947.91	\$	
Municipal Court:						
Salaries and Wages	205,740.00	205,740.00	201,794.43	3,945.57		
Other Expenses	13,357.00	11,357.00	8,564.89	2,792.11		
Public Defender (P.L. 1997, c256)						
Other Expenses	25,000.00	22,000.00	11,857.68	10,142.32		
Engineering Services						
Other Expenses	166,666.00	157,427.25	132,791.86	24,635.39		
Economic Development Agencies						
Salaries and Wages	800.00	760.41	752.49	7.92		
Other Expenses	300.00	100.00	75.00	25.00		
<b><u>Land Use Administration</u></b>						
Planning Board / Director of Planning						
Other Expenses	142,857.00	142,857.00	121,461.80	21,395.20		
Planning Board						
Salaries and Wages	2,800.00	1,050.00	1,050.00			
Other Expenses	111,276.00	86,276.00	67,578.97	18,697.03		
Division of Zoning						
Salaries and Wages	88,258.00	79,358.24	78,216.71	1,141.53		
Other Expenses	2,828.00	2,828.00	2,648.04	179.96		
Zoning Board of Adjustment						
Salaries and Wages	6,290.00	2,000.00	2,000.00			
Other Expenses	46,795.00	46,795.00	37,776.47	9,018.53		
<b><u>Insurances</u></b>						
General Liability	1,000,000.00	999,488.75	999,488.75			
Workers Compensation	450,000.00	508,796.15	506,255.95	2,540.20		
Employee Group Insurance	4,100,000.00	3,820,362.40	3,814,049.12	6,313.28		
Unemployment Insurance	25,000.00	43,836.49	43,836.49			

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



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>Public Safety Functions</u></b>					
Police Department					
Salaries and Wages	\$ 7,906,044.00	\$ 7,921,222.94	\$ 7,845,847.42	\$ 75,375.52	\$
Levy Cap Waiver - Salaries and Wages	471,202.00	471,202.00	471,202.00		
Other Expenses	362,528.00	362,528.00	343,247.19	19,280.81	
Emergency Management					
Salaries and Wages	41,690.00	41,555.10	41,142.33	412.77	
Other Expenses	17,404.00	12,404.00	7,020.69	5,383.31	
Aid to Volunteer Fire Companies					
Salaries and Wages	15,000.00	15,149.71	15,001.20	148.51	
Other Expenses	240,090.00	240,090.00	239,146.29	943.71	
First Aid Contribution					
Other Expenses	125,000.00	125,000.00	125,000.00		
Fire Department					
Salaries and Wages	140,711.00	107,894.29	107,888.23	6.06	
Other Expenses	244,310.00	244,310.00	238,504.21	5,805.79	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	28,072.39	28,072.39	28,072.39		
Municipal Prosecutor:					
Other Expenses	40,000.00	40,000.00	34,992.00	5,008.00	
<b><u>Public Works Functions</u></b>					
Streets and Roads Maintenance:					
Salaries and Wages	416,121.00	469,780.17	469,780.17		
Other Expenses	172,571.00	172,571.00	171,574.69	996.31	
Contractual	90,000.00	260,000.00	115,027.81	144,972.19	
Other Public Works Functions/ Signs, Maintenance					
Salaries and Wages	88,044.00	49,755.53	49,277.13	478.40	
Other Expenses	33,333.00	33,333.00	32,978.53	354.47	

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 4 of 9

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Reserved	Reserved	
Other Public Works Functions/Building Demolition	\$	\$ 10,000.00	\$ 10,000.00	\$	\$	\$
Other Expenses						
Sanitation/Solid Waste Collection:						
Salaries and Wages	1,827,972.00	1,827,972.00	1,800,575.67	27,396.33		
Other Expenses	242,857.00	242,857.00	230,050.10	12,806.90		
Solid Waste Collection/Recycling						
Salaries and Wages	445,859.00	445,859.00	431,654.87	14,204.13		
Other Expenses	48,285.00	48,285.00	35,069.82	13,215.18		
Buildings and Grounds:						
Salaries and Wages	209,881.00	189,881.00	183,035.54	6,845.46		
Other Expenses	90,571.00	90,571.00	89,443.41	1,127.59		
Equipment Maintenance						
Salaries and Wages	360,070.00	360,070.00	339,897.54	20,172.46		
Other Expenses	46,247.00	46,247.00	43,953.63	2,293.37		
<b><u>Health and Human Services</u></b>						
Environmental Health Services						
Salaries and Wages	900.00	900.00	750.00	150.00		
Other Expenses	2,000.00	1,000.00	330.00	670.00		
Animal Control Services						
Salaries and Wages	147,864.00	147,864.00	138,915.47	8,948.53		
Other Expenses	14,276.00	14,276.00	12,077.99	2,198.01		
Contribution - Providence House (N.J.S.A. 40:23-8.17)	1,000.00	1,000.00	1,000.00			
Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	1,000.00			
<b><u>Parks and Recreation</u></b>						
Recreation Services and Programs						
Salaries and Wages	450,239.00	458,274.91	457,495.19	779.72		
Other Expenses	94,619.00	94,619.00	90,164.33	4,454.67		

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 9

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Reserved	Reserved	
Recreation Services and Programs/Golf Course						
Salaries and Wages	\$ 565,319.00	\$ 631,121.16	\$ 626,499.81	\$ 4,621.35	\$	
Other Expenses	134,476.00	134,476.00	126,249.67	8,226.33		
Maintenance of Parks						
Salaries and Wages	555,004.00	555,004.00	549,934.36	5,069.64		
Other Expenses	93,428.00	93,428.00	85,957.15	7,470.85		
Beach and Boardwalk Operations						
Salaries and Wages	90,000.00	86,312.07	86,312.07			
Other Expenses	8,571.00	8,025.15	8,025.15			
<b><u>Utilities and Bulk Purchases</u></b>						
Utilities						
Other Expenses	510,000.00	531,500.00	531,476.52	23.48		
Street Lighting						
Other Expenses	550,000.00	550,000.00	545,502.52	4,497.48		
Gasoline						
Other Expenses	650,000.00	627,359.46	592,145.66	35,213.80		
<b><u>Landfill/Solid Waste</u></b>						
Landfill/Solid Waste Disposal Costs						
Other Expenses/Tipping	1,736,300.00	1,736,300.00	1,685,849.10	50,450.90		
<b><u>Code Enforcement &amp; Administration</u></b>						
Other Code Enforcement Functions:						
Salaries and Wages	133,829.00	128,926.17	126,914.53	2,011.64		
Other Expenses	4,900.00	4,900.00	4,329.67	570.33		
Total Operations within Caps	<u>27,951,731.39</u>	<u>27,951,731.39</u>	<u>27,301,835.72</u>	<u>649,895.67</u>		
Contingent	5,000.00	5,000.00	206.09	4,793.91		
Total Operations within Caps including Contingent Detail:	<u>27,956,731.39</u>	<u>27,956,731.39</u>	<u>27,302,041.81</u>	<u>654,689.58</u>		
Salaries and Wages	15,723,339.39	15,750,855.10	15,558,506.22	192,348.88		
Other Expenses	<u>12,233,392.00</u>	<u>12,205,876.29</u>	<u>11,743,535.59</u>	<u>462,340.70</u>		

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 6 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>DEFERRED CHARGES</u></b>					
Prior Year Bills:					
All Hours Towing-April, 2006	\$ 50.00	\$ 50.00	\$ 50.00	\$	
All Hours Towing-May, 2007	85.00	85.00	85.00		
Schoor DePalma-November 2007-Engineering	1,203.75	1,203.75			1,203.75
Schoor DePalma-November 2007-Engineering	1,770.96	1,770.96			1,770.96
Schoor DePalma-November 2007-Engineering	1,874.75	1,874.75			1,874.75
Schoor DePalma-November 2007-Planning	3,262.56	3,262.56			3,262.56
Schoor DePalma-December 2007-Planning	2,349.02	2,349.02			2,349.02
Schoor DePalma-December 2007-Zoning Board	2,759.55	2,759.55			2,759.55
Schoor DePalma-December 2007-Zoning Board	5,706.00	5,706.00			5,706.00
Deficit in Construction Code Trust Fund	79,022.02	79,022.02	76,446.14		2,575.88
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>					
Contribution to:					
Social Security System	1,230,000.00	1,230,000.00	1,200,578.68	29,421.32	
Police and Firemen's Retirement System of NJ	859,198.00	859,198.00	859,198.00		
Public Employee Retirement System	334,558.50	334,558.50	334,558.50		
Total Deferred Charges and Statutory Expenditures within Caps	2,521,840.11	2,521,840.11	2,470,916.32	29,421.32	21,502.47
Total Appropriations within Caps	30,478,571.50	30,478,571.50	29,772,958.13	684,110.90	21,502.47
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
Mount Laurel Planning Requirements					
Other Expenses	47,620.00	47,620.00	4,711.50		42,908.50
Length of Service Awards Program (N.J.A.C. 5:30-14.25)					
Other Expenses	240,000.00	240,000.00		240,000.00	
Stormwater and Water Pollution N.J.S.A. 40A: 4-45.3(cc)					
Salaries and Wages	203,000.00	203,000.00	203,000.00		
Other Expenses	85,000.00	85,000.00	84,964.20	35.80	

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 7 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Recycling Enhancement Act (P.L. 2007, C.311)	\$	\$ 53,700.00	\$ 45,719.96	\$ 7,980.04	\$
Other Expenses					
<b><u>Interlocal Municipal Service Agreements</u></b>					
Ocean County Health - Animal Control					
Other Expenses	35,000.00	35,000.00	25,196.00	9,804.00	
Ocean County Social Services - Relocation Expenses					
Other Expenses	4,500.00	4,500.00			4,500.00
Fire Protection - South Toms River					
Other Expenses	25,500.00	25,500.00	25,500.00		
Animal Control - Pine Beach, South Seaside Park, Ocean Gate					
Salaries and Wages	8,000.00	8,000.00	4,358.50	3,641.50	
Berkeley Board of Education - Fuel					
Other Expenses	50,000.00	50,000.00	50,000.00		
Central Regional Board of Education - Fuel					
Other Expenses	85,000.00	85,000.00	85,000.00		
Central Regional Board of Education - Police Services					
Salaries and Wages	40,000.00	40,000.00	24,000.00		16,000.00
<b><u>Public and Private Programs Offset by Revenues</u></b>					
Clean Communities Grant					
Salaries and Wages	65,661.57	65,661.57	65,661.57		
Other Expenses	30,868.53	30,868.53	30,868.53		
Municipal Alliance Grant-State Share					
Salaries and Wages	18,798.00	18,798.00	18,798.00		
Other Expenses	11,202.00	11,202.00	11,202.00		
Municipal Alliance Grant-Municipal Share					
Salaries and Wages	4,699.50	4,699.50	4,699.50		
Other Expenses	2,800.50	2,800.50	2,800.50		
FY 07 Homeland Security Grant	255,531.00	255,531.00	255,531.00		
FY 07 Homeland Security Grant	23,200.00	23,200.00	23,200.00		

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 8 of 9

	<b><u>Appropriated</u></b>		<b><u>Expended</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After</u></b>	<b><u>Paid or</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>Charged</u></b>	<b><u>\$</u></b>	<b><u>Cancelled</u></b>
NJ Economic Development Authority Public Entity Grant	\$ 186,663.00	\$ 186,663.00	\$ 186,663.00	\$	\$
Emergency Management Assistance for FFY08 EMPG EMA Allocation	5,000.00	5,000.00	5,000.00		
Unappropriated Reserve - OEM Grant	5,155.00	5,155.00	5,155.00		
NJ Division of Highway Safety - Click It or Ticket	4,000.00	4,000.00	4,000.00		
FY 2010 State 966 Reimbursement Program	10,885.11	10,885.11	10,885.11		
NJDEP - Recycling Tonnage Grant	32,297.76	32,297.76	32,297.76		
State Homeland Security Grant Program - FY08	13,750.00	13,750.00	13,750.00		
Total Operations excluded from Caps	<u>1,547,831.97</u>	<u>1,547,831.97</u>	<u>1,222,962.13</u>	<u>261,461.34</u>	<u>63,408.50</u>
Detail:					
Salaries and Wages	340,159.07	340,159.07	320,517.57	3,641.50	16,000.00
Other Expenses	<u>1,207,672.90</u>	<u>1,207,672.90</u>	<u>902,444.56</u>	<u>257,819.84</u>	<u>47,408.50</u>

**CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS**

Capital Improvement Fund	250,000.00	250,000.00	250,000.00		
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**MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS**

Payment of Bond Principal	2,575,000.00	2,575,000.00	2,575,000.00		
Interest on Bonds	732,601.25	732,601.25	732,601.25		
Interest on Notes	344,021.73	344,021.73	344,021.71		.02
Loan Repayments for Principal and Interest	97,438.88	97,438.88	97,438.88		
Loan Repayments for Principal and Interest	29,223.32	29,223.32	29,223.32		
Total Municipal Debt Service excluded from Caps	<u>3,778,285.18</u>	<u>3,778,285.18</u>	<u>3,778,285.16</u>		<u>.02</u>

**DEFERRED CHARGES EXCLUDED FROM CAPS**

Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	290,000.00	290,000.00	290,000.00		
Total General Appropriations excluded from Caps	<u>5,866,117.15</u>	<u>5,866,117.15</u>	<u>5,541,247.29</u>	<u>261,461.34</u>	<u>63,408.52</u>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 9 of 9

	<u>Appropriated</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>	
Subtotal General Appropriations	\$ 36,344,688.65	\$ 36,344,688.65	\$ 35,314,205.42	945,572.24	\$ 84,910.99
Reserve for Uncollected Taxes	1,728,823.59	1,728,823.59	1,728,823.59		
Total General Appropriations	<u>\$ 38,073,512.24</u>	<u>\$ 38,073,512.24</u>	<u>\$ 37,043,029.01</u>	<u>\$ 945,572.24</u>	<u>\$ 84,910.99</u>
<u>Ref.</u>				A	A-1
Budget					
Appropriation by 40A:4-87		\$ 38,016,579.37			
		56,932.87			
		<u>\$ 38,073,512.24</u>			
Reserve for:					
Encumbrances			\$ 425,581.31		
Uncollected Taxes			1,728,823.59		
Disbursements			33,928,112.14		
Deferred Charges Raised:					
Special Emergency Appropriations			290,000.00		
Interfund - Grant Fund			670,511.97		
			<u>\$ 37,043,029.01</u>		

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - TRUST FUND**

**Exhibit B**

**REGULATORY BASIS**

**Sheet 1 of 2**

**DECEMBER 31, 2009 AND 2008**

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<b><u>Assets</u></b>			
<b><u>Assessment Trust Fund</u></b>			
Interfund - Current Fund	B-5	\$ _____	\$ <u>1,997.17</u>
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-2	86,445.29	54,796.81
Due from State of New Jersey			62.20
		<u>86,445.29</u>	<u>54,859.01</u>
<b><u>Trust-Other Fund</u></b>			
Cash	B-2	7,213,222.48	6,137,591.69
Investments	B-2		363,693.25
Interfund - Current Fund	B-5	526,310.62	
Funds Held by Trustee - (Unaudited)	B-8	1,175,555.57	
Deficit in Reserve for Construction Code		16,105.56	76,446.14
		<u>8,931,194.23</u>	<u>6,577,731.08</u>
<b><u>Trust-Other Fund - Open Space</u></b>			
Cash	B-2		1,381,348.24
Interfund - Current Fund	B-5		1,656.47
			<u>1,383,004.71</u>
<b><u>Trust-Other Fund</u></b>			
Length of Service Awards Program (LOASP) - (Unaudited):			
Funds Held by Trustee	B-8		<u>890,369.99</u>
		<u>\$ 9,017,639.52</u>	<u>\$ 8,907,961.96</u>



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - TRUST FUND**

**Exhibit B**

**REGULATORY BASIS**

**Sheet 2 of 2**

**DECEMBER 31, 2009 AND 2008**

	<b><u>Ref.</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Assessment Trust Fund</u></b>			
Fund Balance	B-1		1,997.17
<b><u>Animal Control Trust Fund</u></b>			
Reserve for Animal Control Trust Fund	B-4	68,839.60	54,859.01
Interfund - Current Fund	B-5	17,605.69	
		<u>86,445.29</u>	<u>54,859.01</u>
<b><u>Trust-Other Fund</u></b>			
Interfund - Current Fund	B-5		199,251.93
Due To State of New Jersey		9,792.78	7,409.00
Reserve for:			
Miscellaneous Reserves	B-6	6,194,337.51	6,371,070.15
Open Space	B-7	1,551,508.37	
Length of Service Awards Program (LOSAP) - (Unaudited)	B-8	1,175,555.57	
		<u>8,931,194.23</u>	<u>6,577,731.08</u>
<b><u>Trust-Other Fund - Open Space</u></b>			
Reserve for Open Space	B-7		1,383,004.71
<b><u>Trust-Other Fund</u></b>			
Length of Service Awards Program (LOASP) - (Unaudited):			
Reserve for Length of Service Awards Program	B-8		890,369.99
		<u>\$ 9,017,639.52</u>	<u>\$ 8,907,961.96</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-1**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

**ASSESSMENT TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$ 1,997.17
Decreased by:		
Utilized as Current Fund Revenue	B-3	<u>1,997.17</u>

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

**TOWNSHIP OF BARNEGAT - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL CAPITAL FUND**

**Exhibit C**

**REGULATORY BASIS**

**DECEMBER 31, 2009 AND 2008**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Cash	C-2	\$ 4,895,531.28	\$ 7,801,728.80
Deferred Charges to Future Taxation:			
Funded	C-4	18,861,107.59	21,577,405.95
Unfunded	C-5	14,789,890.72	9,970,023.72
Grants Receivable	C-13	1,407,875.00	367,875.00
Environmental Infrastructure Trust Loan Accounts Receivable		<u>678,597.00</u>	<u>814,303.00</u>
		<u>\$ 40,633,001.59</u>	<u>\$ 40,531,336.47</u>
 <b><u>Liabilities, Reserves and Fund Balance</u></b>			
Capital Improvement Fund	C-6	\$ 497.97	\$ 4,175.97
Interfund - Current Fund			1,769.12
Reserve for Debt Service	C-7	140,494.73	323,389.58
Accrued Interest on Bonds			3,641.27
Miscellaneous Reserves		1,108.96	4,182.96
Contracts Payable		3,000.00	3,482.36
Reserve for Grants Receivable			55,000.00
Improvement Authorizations:			
Funded	C-8	1,486,176.51	2,067,273.48
Unfunded	C-8	7,903,902.73	6,251,204.84
Reserve for Encumbrances	C-8	1,382,467.66	845,794.94
Environmental Infrastructure Trust Fund Loans	C-9	2,042,498.79	2,111,280.05
Serial Bonds	C-10	15,627,000.00	18,202,000.00
Green Trust Loan Payable	C-11	1,191,608.80	1,264,125.90
Bond Anticipation Notes	C-12	10,847,000.00	9,347,000.00
Fund Balance	C-1	<u>7,245.44</u>	<u>47,016.00</u>
		<u>\$ 40,633,001.59</u>	<u>\$ 40,531,336.47</u>

There were bonds and notes authorized but not issued on December 31, 2009 of \$3,942,890.72 (Schedule C-14).

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

**TOWNSHIP OF BARNEGAT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

**Exhibit C-1**

Balance December 31, 2008	<u>Ref.</u> C		\$ 47,016.00
Increased by:			
Reserve Balance Cancelled		\$ 3,641.27	
Cancelled Checks		<u>3,604.17</u>	
			<u>7,245.44</u>
			54,261.44
Decreased by:			
Fund Balance Anticipated as Revenue in Current Fund	C-2		<u>47,016.00</u>
Balance December 31, 2009	C		<u><u>\$ 7,245.44</u></u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - PAYROLL FUND**

**Exhibit G**

**REGULATORY BASIS**

**DECEMBER 31, 2009**

	<b><u>2009</u></b>
<b><u>Assets</u></b>	
Cash	\$ <u>327,068.83</u>
<b><u>Liabilities</u></b>	
Interfund - Current Fund	201,598.42
Payroll Deductions Payable	<u>125,470.41</u>
	\$ <u>327,068.83</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP**

**Exhibit H**

**REGULATORY BASIS**

**DECEMBER 31, 2009 AND 2008**

	<b><u>2009</u></b>	<b><u>2008</u></b>
General Fixed Assets:		
Land	\$ 6,531,802.28	\$ 6,531,802.28
Buildings and Improvements	7,625,922.71	7,588,639.71
Machinery and Equipment	<u>23,976,418.22</u>	<u>23,121,928.22</u>
	<u>\$ 38,134,143.21</u>	<u>\$ 37,242,370.21</u>
Investment in General Fixed Assets	<u>\$ 38,134,143.21</u>	<u>\$ 37,242,370.21</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2009**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Township of Berkeley, County of Ocean, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, Municipal Utility Authority, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units in 2009.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

**Current Fund** - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Animal Control Trust Fund** - animal control license revenues and expenditures.

**Other Trust Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds (Continued)**

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

**General Fixed Assets Account Group** - used to account for fixed assets used in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Deferred Charges** - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2009 is set forth in Note 9.

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2009 is set forth in Note 4.

**Property Acquired for Taxes** - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

**Sale of Municipal Assets** - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**Interfunds** - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

**General Fixed Assets** - In accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

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

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

During 2009 the following changes occurred in the fixed assets of the Township:

	<b><u>Balance</u></b> <b><u>Jan. 1, 2009</u></b>	<b><u>Increase</u></b> <b><u>(Net)</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2009</u></b>
General Fixed Assets Account Group:			
Land	\$ 6,531,802	\$	\$ 6,531,802
Buildings	7,588,640	37,283	7,625,923
Furniture, Fixtures and Equipment	<u>23,121,928</u>	<u>854,490</u>	<u>23,976,418</u>
	<u>\$ 37,242,370</u>	<u>\$ 891,773</u>	<u>\$ 38,134,143</u>

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$15,922,100 and the bank balance amount was \$16,406,992. Of this amount \$525,759 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$15,881,233.

**B. Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**C. Cash Management Plan**

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2009</u>	<u>2008</u>
Insured:		
FDIC	\$ 525,759	\$ 275,672
GUDPA	<u>15,881,233</u>	<u>19,288,725</u>
	\$ <u>16,406,992</u>	\$ <u>19,564,397</u>

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**A. Long-Term Debt**

The Township's long-term debt is summarized as follows:

**General Capital Fund**

\$6,027,000 1998 Bonds due in annual installments of \$550,000 through 2010 at an interest rate of 4.50%	\$ 550,000
\$6,285,000 2001 Bonds due in annual installments ranging from \$615,000 to \$710,000 through 2012 at interest rates ranging from 4.25% to 4.35%	2,035,000
\$8,103,000 2004 Bonds due in annual installments ranging from \$690,000 to \$973,000 through 2015 at interest rates ranging from 4.00% to 4.25%	5,123,000
\$9,384,000 2006 Bonds due in annual installments ranging from \$719,000 to \$720,000 through 2020 at interest rates ranging from 4.00% to 4.50%	<u>7,919,000</u>
	<b>\$ <u>15,627,000</u></b>

**Subsequent Event**

The Township on January 7, 2010 issued 3.00% to 4.00% General Obligation Bonds for \$12,745,000 with installment maturities from January 15 2011 to January 15, 2024.

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**General Capital Fund (Continued)**

The bonds mature serially in installments to the year 2024. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,645,000	\$ 834,870	\$ 3,479,870
2011	2,680,000	938,662	3,618,662
2012	3,060,000	828,100	3,888,100
2013	2,550,000	723,408	3,273,408
2014	2,600,000	627,526	3,227,526
2015-19	9,323,000	1,940,951	11,263,951
2020-24	<u>5,514,000</u>	<u>501,799</u>	<u>6,015,799</u>
	\$ <u>28,372,000</u>	\$ <u>6,395,316</u>	\$ <u>34,767,316</u>

**Green Trust Loan Programs**

During 2001, the Township closed on a Green Trust Loan in the sum of \$185,825 for the Berkeley Recreation Acquisition at an interest rate of 2%. Additionally, during 2001, the Township received proceeds from a Green Trust Loan in the amount of \$409,630 for Veterans' Park Driving Range, at an interest rate of 2%. On December 19, 2007, the Township closed on a Green Trust Loan in the sum of \$500,000 for the Toms River Park at an interest rate of 2%. On May 19, 2008, the Township closed on a Green Trust Loan in the sum of \$289,203 for Toms River Park Phase II at an interest rate of 2%

Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 73,975	\$ 23,464	\$ 97,439
2011	75,462	21,977	97,439
2012	76,978	20,461	97,439
2013	78,526	18,913	97,439
2014	80,104	17,335	97,439
2015-19	396,901	62,289	459,190
2020-24	272,088	27,174	299,262
2025-28	<u>137,575</u>	<u>4,614</u>	<u>142,189</u>
	\$ <u>1,191,609</u>	\$ <u>196,227</u>	\$ <u>1,387,836</u>

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Environmental Infrastructure Trust Fund Loans**

During 2007, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$1,320,000 for Potters Creek. \$345,000 was funded by a trust loan with interest rates ranging from 3.40% to 5.00%. The remaining \$975,000 was funded by a fund loan with 0.00% interest. The loan matures in 2027.

During 2008, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$814,303 for storm water management, roadway and drainage improvements. \$405,000 was funded by a trust loan with interest rates ranging from 5.00% to 5.50%. The remaining \$409,303 was funded by a fund loan with 0.00% interest. The loan matures in 2021.

**Subsequent Event**

During 2009 the Township entered into a loan agreement funded by the New Jersey Environmental Trust in the amount of \$1,005,700 for storm water management. \$250,000 will be funded by a trust loan with interest rates ranging from 3.845% to 4.25%. The remaining \$755,700 will be funded by an interest fee fund loan. The loan is payable in installments commencing August 1, 2011 and maturing on August 1, 2029.

The loan agreement was finalized in 2010.

Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 139,086	\$ 40,784	\$ 179,870
2011	174,232	44,612	218,844
2012	180,547	42,212	222,759
2013	178,539	39,702	218,241
2014	176,504	37,177	213,681
2015-19	925,277	142,938	1,068,215
2020-24	772,673	64,013	836,686
2025-28	<u>501,340</u>	<u>17,213</u>	<u>518,553</u>
	\$ <u>3,048,198</u>	\$ <u>428,651</u>	\$ <u>3,476,849</u>



**NOTE 3. DEBT (CONTINUED)**

**B. Short-Term Debt**

On December 31, 2009, the Township's outstanding bond anticipation notes were as follows:

**General Capital Fund**

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
00-21	Various Capital Improvements	\$ 90,369	1.50%
06-31	Various Capital Improvements	260,634	1.50%
07-13	Various Capital Improvements	5,081,684	1.50%
08-10	Various Capital Improvements	3,914,313	1.50%
09-11, 09-26	Various Capital Improvements	<u>1,500,000</u>	1.50%
		<u>\$ 10,847,000</u>	

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2009, the Township had authorized but not issued bonds and notes as follows:

General Capital	\$ 3,942,891
-----------------	--------------

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2009 was 0.51%. The Township's remaining borrowing power is 2.99%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

**E. Summary of Debt Service**

During 2009 the following changes occurred in the outstanding debt of the Township:

	<u>Balance Jan. 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2009</u>
General Debt:				
Serial Bonds	\$ 18,202,000	\$	\$ 2,575,000	\$ 15,627,000
Bond Anticipation Notes	9,347,000	1,500,000		10,847,000
Green Trust Loans	1,264,126		72,517	1,191,609
NJEIT Loans	<u>2,111,280</u>		<u>68,781</u>	<u>2,042,499</u>
	<u>\$ 30,924,406</u>	<u>\$ 1,500,000</u>	<u>\$ 2,716,298</u>	<u>\$ 29,708,108</u>

**NOTE 4. ACCRUED SICK AND VACATION BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$3,725,473 and \$3,405,000 at December 31, 2009 and 2008, respectively. A reserve is maintained in the Other Trust Fund and had no balance as of December 31, 2009. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 5. FUND BALANCES APPROPRIATED**

The fund balances at December 31, 2009 which have been proposed to be utilized as Current Fund anticipated revenue in the year ending December 31, 2010 is \$555,000.

**NOTE 6. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2009</u>	<u>2008</u>
Prepaid Taxes	\$ 980,506	\$ 936,767

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Current Fund:			
Special Emergency Authorizations (N.J.S. 40A:4-55)			
Revaluation	\$ <u>580,000</u>	\$ <u>290,000</u>	\$ <u>290,000</u>
Trust Other Fund:			
Deficit in Construction Code Reserve	\$ <u>16,106</u>	\$ <u>16,106</u>	\$ <u>-0-</u>

**NOTE 10. PENSION PLANS**

The Township contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5% of their annual covered salary. Plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. The Township's contributions to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2009	\$ 334,559	\$ 859,198
2008	488,706	556,104
2007	222,115	857,260

**NOTE 11. OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, the Township authorized participation in the SHBP’s post-retirement benefit program through Resolution Number 89-256. The Township adopted the provisions of Chapter 88, P.L. 1974 that provides medical benefits to any employee who has over 25 years of pension service credit.

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

**Funding Policy**

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

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

The Township contributions to SHBP for the years ended December 31, 2009, 2008 and 2007 were \$1,019,254, \$892,254 and \$922,884, respectively, which equaled the required contributions for each year. There were approximately 79, 72, and 66 retired participants eligible at December 31, 2009, 2008 and 2007, respectively.

**NOTE 12. 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; injuries to employees; and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Garden State Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE 13. SCHOOL TAXES**

Local District School and Regional School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Local District School Tax</u> <u>Balance December 31</u>		<u>Regional School Tax</u> <u>Balance December 31</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Balance of Tax	\$ 12,640,935	\$ 12,312,162	\$ 8,403,393	\$ 8,202,955
Deferred	<u>12,640,935</u>	<u>12,312,162</u>	<u>8,403,393</u>	<u>8,202,955</u>
Tax Payable	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**NOTE 14. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2009, the Township estimates that no material liabilities will result from such audits.

**Major Tax Assessments**

It was noted that there were no assessments in excess of 1% of the total assessed valuation during the 2009 year.

**Pending Litigation**

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

**NOTE 14. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation (Continued)**

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2009:

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$ 322,402	\$ 526,311
Grant Fund		103,198
Animal Control Trust Fund		17,606
Trust Other Fund	526,311	
Payroll Fund	<u>                    </u>	<u>201,598</u>
	<b><u>\$ 848,713</u></b>	<b><u>\$ 848,713</u></b>

**NOTE 16. LENGTH OF SERVICE AWARD PROGRAM**

On January 18, 1977 the voters of the Township approved the creation of a Length of Service Award Program ("LOSAP"). Subsequently, the Division approved the Township's LOSAP plan, provided by VALIC. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual maximum contribution of \$1,150 for the fire companies and first aid squads to each eligible volunteer who accumulates minimum service points based on criteria established by Township Ordinance No. 2002-34. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award program shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

Township contributions for the year ended December 31, 2008 totaling \$228,536 were disbursed in June of 2009. The Township's contribution for the year ended December 31, 2009 is \$218,467 and was paid out in August of 2010. We have reviewed the plan for the year ended December 31, 2009 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the 2009 audit of the Township's financial statements.

**TOWNSHIP OF BERKELEY**  
**COUNTY OF OCEAN**  
**PART II**  
**SUPPLEMENTARY DATA**  
**SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2009**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Tax Rate	<u>2009</u> \$ <u>3.347</u>	<u>2008</u> \$ <u>3.268</u>	<u>2007</u> \$ <u>3.117</u>
Apportionment of Tax Rate			
Municipal	.959	.906	.831
Municipal Open Space	.010	.010	.010
County	.736	.738	.699
Local School District	.975	.957	.939
Municipal Open Space	.667	.657	.638
Assessed Valuation			
2009	\$ 2,702,326,362		
2008		\$ 2,679,924,665	
2007			\$ 2,656,968,666

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2009	\$ 90,845,577	\$ 88,725,383	97.66%
2008	88,097,099	86,427,505	98.10%
2007	83,291,421	81,912,967	98.34%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2009	\$ 174,411	\$ 1,948,732	\$ 2,123,143	2.34%
2008	129,212	1,602,034	1,731,246	1.97%
2007	118,066	1,343,373	1,461,439	1.75%



## 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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 6,340,914
2008	6,340,914
2007	6,340,914

## COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u> <u>Current Fund</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>
2009	\$ 318,180	\$ *
2008	1,102,816	1,050,000
2007	2,159,188	2,130,000
2006	2,241,221	1,850,000
2005	2,830,344	2,560,000

\* The 2010 municipal budget has not be finalized as of the date of this report.

## SUMMARY OF MUNICIPAL DEBT

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
<b><u>Issued and Outstanding</u></b>			
General:			
Bonds, Notes and Loans	\$ <u>29,708,107</u>	\$ <u>30,924,405</u>	\$ <u>28,477,906</u>
Less:			
Deductions:			
Open Space Trust (N.J.S.A. 40A:2-44(h))	1,240,395	1,296,977	1,320,000
Refunding Bonds (N.J.S.A. 40A:2-52)		323,390	
Reserve for Debt Service			<u>520,000</u>
Total Deductions	<u>1,240,395</u>	<u>1,620,367</u>	<u>1,840,000</u>
Net Debt Issued	<u>28,467,712</u>	<u>29,304,038</u>	<u>26,637,906</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	<u>3,942,891</u>	<u>623,024</u>	<u>623,005</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>32,410,603</u>	\$ <u>29,927,062</u>	\$ <u>27,260,911</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 0.51%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 19,590,100	\$ 19,590,100	\$ -0-
Regional School District Debt	4,172,691	4,172,691	-0-
General Debt	<u>33,650,998</u>	<u>1,240,395</u>	<u>32,410,603</u>
	<u>\$ 57,413,789</u>	<u>\$ 25,003,186</u>	<u>\$ 32,410,603</u>

Net Debt \$32,410,603 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$6,304,493,432 = .051%.

**BORROWING POWER UNDER N.J.S.A. 40A:2-6**

3.5% of Equalized Valuation Basis (Municipal)	\$ 220,657,270
Net Debt	<u>32,410,603</u>
Remaining Borrowing Power	<u>\$ 188,246,667</u>

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

\*\*\*\*\*

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2009:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount of Bond</u></b>
Jason Varano	Mayor	
Peter J. Mustardo	Council President	
Anne Wolff	Council Vice President	
Nathan Abbe	Councilperson	
Carmen F. Amato, Jr.	Councilperson	
Karen Davis	Councilperson	
Glennon Depetris	Councilperson	
John Napurano	Councilperson	
Leonard Roeber	Administrator	
Beverly Carle	Township Clerk	
Geraldine Dorso	Tax Collector	\$ 442,000
Frederick C. Ebenau	Chief Financial Officer	100,000
John J. Sheehy	Municipal Court Judge	38,000 *
Aileen Alonzo	Court Administrator	38,000 *
Patrick Sheehan	Township Attorney	

A Public Employee Dishonesty Blanket Bond covering municipal employees in the amount of \$250,000 was in effect with the Garden State Municipal Joint Insurance Fund. This bond is subject to deductibles based upon other required coverages.

\* Municipal Court Blanket Bond

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2008		\$ 3,649,626.61
Increased by Receipts:		
Prepaid Taxes	\$ 980,505.79	
Tax Overpayments	185,157.95	
State of New Jersey (Ch. 20, P.L. 1971)	2,349,994.26	
Miscellaneous Revenue not Anticipated	103,965.31	
Taxes Receivable	86,916,802.56	
Tax Title Liens Receivable	9,609.78	
Revenue Accounts Receivable	8,479,558.00	
Construction Reserve Reimbursement	22,819.85	
Payroll Deductions Payable Cancelled	1,595.93	
Due to Municipal Utility Authority (Net)	467.11	
Accounts Payable (Net)	10,136.99	
Revenue Reserve-Garden State Trust	63,884.30	
Interfunds:		
Other Funds	1,848,669.59	
Grant Fund	168,988.41	
		<u>101,142,155.83</u>
		<u>104,791,782.44</u>
Decreased by Disbursements:		
Emergency Note Payable	290,000.00	
Tax Overpayments Refunded	78,979.38	
2009 Budget Appropriations	33,928,112.14	
2008 Budget Appropriations	600,545.57	
County Taxes Payable	19,980,153.90	
Regional School Tax	17,832,244.14	
Local School District Tax	26,018,993.00	
Local Open Space Tax	271,482.83	
Payroll Deductions (Net)	131,972.61	
Revaluation	300,590.95	
Sale Tax Payable (Net)	1,158.61	
Interfunds:		
Other Funds	1,311,419.49	
Grant Fund	367,128.08	
		<u>101,112,780.70</u>
Balance December 31, 2009		<u>\$ 3,679,001.74</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2008	2009 Levy	Added Amounts	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2009
				2009	2008				
2007	\$ 14,467.82	\$	\$ 1,250.00	\$ 11,584.63	\$ 521.96	\$	\$	\$ 36.03	\$ 3,575.20
2008	1,587,566.06	19,082.44	101,251.36	1,495,295.10	21,192.43	48,750.00	16,680.53	101,638.41	24,343.39
2009	1,602,033.88	19,082.44	102,501.36	1,506,879.73	21,714.39	48,750.00	16,680.53	101,674.44	27,918.59
		90,845,577.44		85,409,922.83	936,767.01	2,378,693.49	31,654.22	167,726.21	1,920,813.68
	\$ 1,602,033.88	\$ 90,864,659.88	\$ 102,501.36	\$ 86,916,802.56	\$ 958,481.40	\$ 2,427,443.49	\$ 48,334.75	\$ 269,400.65	\$ 1,948,732.27

Analysis of 2009 Property Tax Levy

Tax Yield:

General Purpose Tax  
 Added and Omitted Taxes

\$ 90,446,876.40  
417,783.48

\$ 90,864,659.88

Tax Levy:

Local District School Tax (Abstract)  
 Regional School Tax (Abstract)  
 County Taxes:  
   County Tax (Abstract)  
   County Library Tax (Abstract)  
   County Health Tax (Abstract)  
   County Open Space Tax (Abstract)  
   Due County for Added and Omitted Taxes  
 Total County Taxes  
 Local Open Space Tax  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

\$ 26,347,767.00  
18,032,682.48

\$ 16,372,663.44  
 1,923,580.62  
 787,699.79  
 774,274.23  
91,983.91

19,950,201.99

26,534,008.41

\$ 90,864,659.88

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2008		\$ 129,212.30
Increased by:		
Transfers from Taxes Receivable	\$ 48,334.75	
Interest and Costs Accrued at Tax Sale	<u>6,474.21</u>	
		<u>54,808.96</u>
		184,021.26
Decreased by:		
Receipts		<u>9,609.78</u>
Balance December 31, 2009		<u><u>\$ 174,411.48</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Sheet 1 of 2

	<u>Balance Dec. 31, 2008</u>	<u>Accrued in 2009</u>	<u>Collections</u>	<u>Balance Dec. 31, 2009</u>
Licenses:				
Alcoholic Beverages		\$ 45,376.00	\$ 45,376.00	\$
Other		2,649.00	2,649.00	
Fees and Permits		304,047.74	304,047.74	
Fines and Costs				
Municipal Court	8,579.33			11,286.00
Interest and Costs on Taxes		150,043.76	147,337.09	
Interest on Investments and Deposits		312,423.13	312,423.13	
Beach Admission Fees		49,048.20	49,048.20	
Municipal Golf Course		100,173.00	100,173.00	
Berkeley Township Board of Education - Trash		732,768.38	732,768.38	
Water and Cable Franchise Fees		60,137.00	60,137.00	
Hotel and Motel Occupancy Tax		217,672.99	217,672.99	
Central Regional Board of Education - Trash		49,552.95	49,552.95	
State Aid:		12,500.00	12,500.00	
Energy Receipts Tax				
Garden State Trust Fund		5,297,140.00	5,297,140.00	
Pineland Property Tax Stabilization Aid		64,777.98	64,777.98	
Special Items of Revenue:		68,905.00	68,905.00	
Interlocal Services Agreements:				
Animal Control Services		17,417.86	17,417.86	
Fire Protection		25,500.00	25,500.00	
Berkeley Board of Education Fuel Facilities		86,948.35	86,948.35	
Central Regional Board of Education Fuel Facilities		137,219.10	137,219.10	
Central Regional Board of Education Police Services		24,000.00	24,000.00	

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Sheet 2 of 2

	<u>Balance Dec. 31, 2008</u>	<u>Accrued in 2009</u>	<u>Collections</u>	<u>Balance Dec. 31, 2009</u>
Other Special Items:				
Uniform Fire Safety Act	\$ 28,774.19	\$ 28,774.19	\$ 28,774.19	\$
Proceeds from Land Sale	196,305.84	196,305.84	196,305.84	
Interfund - Trust-Other Fund	199,251.93	199,251.93	199,251.93	
Reserve for Debt Service - General Capital	323,389.58	323,389.58	323,389.58	
General Capital Fund Balance	47,016.00	47,016.00	47,016.00	
Ocean County Recycling	33,763.65	33,763.65	33,763.65	
Senior/Veteran Administration Fee	46,999.89	46,999.89	46,999.89	
Interfund - General Capital Fund	1,769.12	1,769.12	1,769.12	
JIF Refund	122,302.92	122,302.92	122,302.92	
Trust Assessment Fund Surplus	1,997.17	1,997.17	1,997.17	
	<u>\$ 8,579.33</u>	<u>\$ 8,759,870.73</u>	<u>\$ 8,757,164.06</u>	<u>\$ 11,286.00</u>
Receipts			\$ 8,479,558.00	
Reserve for:				
Garden State Trust Fund			64,777.98	
Operations - Liquidation of Interfund			201,021.05	
Interfunds			<u>11,807.03</u>	
			<u>\$ 8,757,164.06</u>	



TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55

<u>Date</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
01/24/06	Tax Map and Revaluation Program	\$ 1,450,000.00	\$ 290,000.00	\$ 870,000.00	\$ 290,000.00	\$ 580,000.00

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 5

	<u>Balance Dec. 31, 2008</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b><u>OPERATIONS WITHIN CAPS</u></b>					
<b><u>General Government Functions</u></b>					
General Administration					
Salaries and Wages	\$ 5,251.46		\$ 5,251.46		\$ 5,251.46
Other Expenses	86.02	5,706.72	5,706.72	5,344.50	362.22
Human Resources					
Salaries and Wages	1,636.55		1,636.55		1,636.55
Other Expenses		1,086.40	1,086.40	851.50	234.90
Municipal Clerk					
Other Expenses	937.54	3,815.53	12,113.85	12,110.73	3.12
Financial Administration					
Salaries and Wages	11,407.00		11,407.00		11,407.00
Other Expenses		3,203.53	3,203.53	3,153.69	49.84
Audit Services					
Other Expenses	920.00		920.00		920.00
Revenue Administration (Tax Collection)					
Other Expenses		1,889.00	1,889.00	1,297.00	592.00
Tax Assessment Administration					
Other Expenses		2,441.41	2,441.41	2,273.50	167.91
Legal Services					
Other Expenses		13,690.76	29,287.65	29,286.82	.83
Municipal Court:					
Other Expenses		123.00	123.00	123.00	
Public Defender (P.L. 1997, C, 256)					
Other Expenses	12,412.50	2,587.50	2,087.50	2,087.50	
Engineering Services					
Other Expenses	3,926.59	198.50	6,608.34	6,409.84	198.50

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 5

	<b><u>Balance</u></b>	<b><u>Reserve for</u></b>	<b><u>Balance</u></b>	<b><u>Paid or</u></b>	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2008</u></b>	<b><u>Encumbrances</u></b>	<b><u>After</u></b>	<b><u>Charged</u></b>	<b><u>Lapsed</u></b>
			<b><u>Transfers</u></b>		
<b><u>Land Use Administration</u></b>					
Planning Board/Director of Planning					
Other Expenses	\$ 4,555.91	\$ 502.96	\$ 6,666.87	\$ 3,887.00	\$ 2,779.87
Planning Board					
Other Expenses	3,413.64	3,965.86	12,991.96	8,549.60	4,442.36
Division of Zoning					
Other Expenses		1,584.00	4,743.84	2,966.34	1,777.50
Zoning Board of Adjustment					
Other Expenses		2,377.92	5,779.92	3,587.00	2,192.92
<b><u>Insurances</u></b>					
General Liability	22,512.92		7,512.92	5,120.00	2,392.92
Workers Compensation	29,348.73				
Employee Group Insurance	11,728.09		6,765.49	855.00	5,910.49
<b><u>Public Safety Functions</u></b>					
Police Department					
Other Expenses	5,299.93	12,190.02	13,788.95	13,788.95	
Emergency Management					
Other Expenses	280.00				
Aid to Volunteer Fire Companies					
Other Expenses	11,804.25	91,680.49	99,702.28	91,233.91	8,468.37
First Aid Contribution					
Other Expenses		10,000.00	10,000.00	10,000.00	
Fire Department					
Other Expenses	9,157.11	11,636.44	18,296.73	18,186.73	110.00
Municipal Prosecutor:					
Other Expenses		7,524.00	2,916.00	2,916.00	

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 5

	<u>Balance</u>		<u>Reserve for</u>		<u>Balance</u>		<u>Paid or</u>		<u>Balance</u>
	<u>Dec. 31, 2008</u>	\$	<u>Encumbrances</u>	\$	<u>After</u>	\$	<u>Charged</u>	\$	<u>Lapsed</u>
					<u>Transfers</u>				<u></u>
<b><u>Public Works Functions</u></b>									
Streets and Roads Maintenance:									
Other Expenses	512.74	\$	4,505.48	\$	9,132.84	\$	8,459.50	\$	673.34
Other Public Works Functions/Signs, Maintenance									
Other Expenses			300.00		847.50		847.50		
Other Public Works Functions/Building Demolition									
Other Expenses			741.20		741.20		741.20		
Sanitation/Solid Waste Collection:									
Salaries and Wages					3,899.38		3,899.38		
Other Expenses			12,403.64		24,306.98		17,120.05		7,186.93
Solid Waste Collection/Recycling									
Other Expenses			1,279.21		1,279.21		78.49		1,200.72
Buildings and Grounds:									
Salaries and Wages	6,427.52				6,427.52				6,427.52
Other Expenses			1,073.62		1,073.62		652.00		421.62
Equipment Maintenance									
Other Expenses			4,273.76		4,390.45		2,610.93		1,779.52
<b><u>Health and Human Services</u></b>									
Environmental Health Services									
Other Expenses					47.42		47.42		
Animal Control Services									
Other Expenses			122.00		122.00		122.00		
<b><u>Parks and Recreation</u></b>									
Recreation Services and Programs									
Other Expenses	19.27		2,060.85		2,080.12		1,189.50		890.62
Recreation Services and Programs/Golf Course									
Other Expenses	176.82				617.18		617.18		

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 5

	<b><u>Balance</u></b>	<b><u>Reserve for</u></b>	<b><u>Balance</u></b>	<b><u>Paid or</u></b>	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2008</u></b>	<b><u>Encumbrances</u></b>	<b><u>After</u></b>	<b><u>Charged</u></b>	<b><u>Lapsed</u></b>
			<b><u>Transfers</u></b>		
Maintenance of Parks					
Other Expenses		\$ 911.50	\$ 911.50		\$ 911.50
Beach and Boardwalk Operations					
Other Expenses		100.00	100.00		100.00
<b><u>Utilities and Bulk Purchases</u></b>					
Utilities					
Other Expenses	13,071.23	9,894.95	21,189.68	19,298.77	1,890.91
Street Lighting					
Other Expenses		44,670.00	37,000.00	37,000.00	
Gasoline					
Other Expenses	7,098.01	8,867.34	42,675.12	39,262.62	3,412.50
<b><u>Landfill/Solid Waste</u></b>					
Landfill/Solid Waste Disposal Costs					
Other Expenses/Tipping	152.53	1,644.00	1,796.53	166.55	1,629.98
<b><u>Code Enforcement and Administration</u></b>					
Other Code Enforcement Functions:					
Other Expenses		649.63	649.63	604.04	45.59
Total Operations within Caps	<u>162,136.36</u>	<u>269,701.22</u>	<u>432,215.25</u>	<u>356,745.74</u>	<u>75,469.51</u>
Contingent	4,963.27		4,963.27	4,963.27	
Total Operations within Caps including Contingent	<u>167,099.63</u>	<u>269,701.22</u>	<u>437,178.52</u>	<u>361,709.01</u>	<u>75,469.51</u>
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>					
Contribution to:					
Social Security System	2,943.40				
Total Appropriations within Caps	<u>170,043.03</u>	<u>269,701.22</u>	<u>437,178.52</u>	<u>361,709.01</u>	<u>75,469.51</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 5 of 5

**OPERATIONS EXCLUDED FROM CAPS**

	<b><u>Balance Dec. 31, 2008</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Length of Service Awards Program (N.J.A.c. 5:30-14.25)	\$ 235,000.00		\$ 235,000.00	\$ 228,536.00	\$ 6,464.00
Other Expenses					
Stormwater and Water Pollution N.J.S.A. (40A: 4-45.3(cc))		6,192.39	8,758.12	6,462.80	2,295.32
Other Expenses					
Recycling Enhancement Act (P.L. 2007, C. 311)					
Other Expenses		5,720.27	5,720.27	4,531.76	1,188.51
<b><u>Interlocal Municipal Service Agreements</u></b>					
Ocean County Health - Animal Control	4,893.00	3,266.00	8,159.00	3,331.00	4,828.00
Other Expenses	<u>239,893.00</u>	<u>15,178.66</u>	<u>257,637.39</u>	<u>242,861.56</u>	<u>14,775.83</u>
Total Operations excluded from Caps					
Total General Appropriations	\$ <u>409,936.03</u>	\$ <u>284,879.88</u>	\$ <u>694,815.91</u>	\$ <u>604,570.57</u>	\$ <u>90,245.34</u>
Disbursements				\$ 600,545.57	
Accounts Payable				<u>4,025.00</u>	
				\$ <u>604,570.57</u>	

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2008:	
School Tax Deferred	\$ 12,312,161.50
Increased by:	
Levy for School Year July 1, 2009 to June 30, 2010	<u>26,347,767.00</u>
	38,659,928.50
Decreased by:	
Disbursements	<u>26,018,993.00</u>
Balance December 31, 2009:	
School Tax Deferred	\$ <u><u>12,640,935.50</u></u>

**SCHEDULE OF REGIONAL SCHOOL TAX**

**Exhibit A-11**

Balance December 31, 2008:	
School Tax Deferred	\$ 8,202,954.95
Increased by:	
Levy for School Year July 1, 2009 to June 30, 2010	<u>18,032,682.48</u>
	26,235,637.43
Decreased by:	
Disbursements	<u>17,832,244.14</u>
Balance December 31, 2009:	
School Tax Deferred	\$ <u><u>8,403,393.29</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-12**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2008		\$ 121,935.82
2009 Tax Levy:		
County Tax (Abstract)	\$ 16,372,663.44	
County Library Tax (Abstract)	1,923,580.62	
County Health Tax (Abstract)	787,699.79	
County Open Space Tax (Abstract)	774,274.23	
Due County for Added and Omitted Taxes	<u>91,983.91</u>	
		<u>19,950,201.99</u>
		<u>20,072,137.81</u>
Decreased by:		
Disbursements		<u>19,980,153.90</u>
Balance December 31, 2009		\$ <u><u>91,983.91</u></u>

**SCHEDULE OF MUNICIPAL OPEN SPACE TAX**

**Exhibit A-13**

Increased by:		
Levy Calendar Year 2009		\$ 271,482.83
Decreased by:		
Disbursements		\$ <u><u>271,482.83</u></u>



TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Animal Control Trust Fund	Trust-Other Miscellaneous	Open Space	Payroll Fund	Assessment Trust Fund	General Capital Fund
Balance December 31, 2008 - (Due From)/Due To	\$ (197,367.41)	\$	\$ (199,251.93)	\$ 1,656.47	\$	\$ 1,997.17	\$ (1,769.12)
Increased by:							
Disbursements	1,311,419.49		1,108,164.60	1,656.47	201,598.42		
Revenue Accounts Receivable	11,807.03		9,809.86			1,997.17	
Reserve Balances Cancelled	3,363.46		3,363.46				
Statutory Excess	17,605.69	17,605.69					
Total Increases	1,344,195.67	17,605.69	1,121,337.92	1,656.47	201,598.42	1,997.17	
Total Increases and Balances	(1,541,563.08)	(17,605.69)	(1,320,589.85)		(201,598.42)		(1,769.12)
Decreased by:							
Receipts	1,848,669.59		1,846,900.47				1,769.12
Balance December 31, 2009 - (Due From)/Due To	\$ 307,106.51	\$ (17,605.69)	\$ 526,310.62	\$	\$ (201,598.42)	\$	\$

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-15**

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF INTERFUND**

Balance December 31, 2008 - Due To		\$ 88,299.93
Increased by:		
Deposited in Current Fund:		
Grants Receivable	\$ 168,988.41	
Grants Receivable Cancelled	155,465.66	
2009 Budget Appropriations	<u>670,511.97</u>	
		<u>994,966.04</u>
		<u>1,083,265.97</u>
Decreased by:		
Appropriated Reserve Expenditures:		
Disbursements	367,128.08	
Appropriated Reserves Cancelled	156,324.09	
2009 Revenue Anticipated	<u>663,011.97</u>	
		<u>1,186,464.14</u>
Balance December 31, 2009 - Due From		\$ <u><u>(103,198.17)</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-16

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<b>Grant</b>	<b>Balance Dec. 31, 2008</b>	<b>2009 Budget Revenue</b>	<b>Received</b>	<b>Canceled</b>	<b>Balance Dec. 31, 2009</b>
	\$	\$	\$	\$	\$
Bayville First Aid Squad - Replace Emergency Generator	571.00				571.00
Berkeley Township OEM EOC Renovation	105,000.00				105,000.00
BERT - Emergency Worker Decon Center	232.82				232.82
Clean Communities Program		96,530.10	96,530.10		
Division of Highway Safety - Click It or Ticket		4,000.00	4,000.00		
Emergency Management Assistance for FFY08 Allocation		5,000.00	5,000.00		
FY 07 Homeland Security Grant		255,531.00			255,531.00
FY 07 Homeland Security Grant		23,200.00			23,200.00
FY 08 Homeland Security Grant		13,750.00			13,750.00
FY 2010 NJ Department of Law and Public Safety - 966 Grant		10,885.11			10,885.11
Green Communities	3,000.00				3,000.00
Municipal Alcohol Education Rehabilitation Program - 2009	1,676.69		19,427.72		10,572.28
Municipal Alliance on Alcoholism and Drug Abuse - 2008	30,000.00		1,366.03	310.66	30,000.00
NJ DCA - Smart Future Grant	22,490.70		10,366.80		12,123.90
NJ Department of Law and Public Safety - 966 Grant	150,000.00			150,000.00	186,663.00
NJ Department of Transportation - East Railroad Avenue		186,663.00			40,000.00
NJ Economic Development Authority Public Entity Grant	40,000.00				40,000.00
Planning Assistance Grant		32,297.76	32,297.76		
Recycling Tonnage Grant					
State Homeland Security	919.61				919.61
Unappropriated Reserve - OEM Grant		5,155.00		5,155.00	
	\$ 353,890.82	\$ 663,011.97	\$ 168,988.41	\$ 155,465.66	\$ 692,448.72

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-17

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF APPROPRIATED RESERVES**

Grant	Dec. 31, 2008	Transfer from 2009 Budget Appropriation	Reserve for Encumbrances	Expended	Cancelled	Balance Dec. 31, 2009
	\$	\$	\$	\$	\$	\$
Bayville First Aid Squad - Emergency Generator	105,000.00		571.00	571.00		105,000.00
Berkeley Township OEM EOC Renovation	29,172.96		717.00	12,770.90		17,119.06
Body Armor Replacement Program	10,323.92	96,530.10		9,923.81		400.11
Bulletproof Vest Program				96,472.99		57.11
Clean Communities Program						
Click It Or Ticket						
Click It Or Ticket		4,000.00		3,600.00		400.00
County of Ocean FY 08 Homeland Security Grant		13,750.00				13,750.00
Drunk Driving Enforcement Fund	4,646.28			4,646.28		6,698.68
Drunk Driving Enforcement Fund	12,054.42			5,355.74		5,000.00
Emergency Management Assistance for FFY08		5,000.00				6,698.68
FY 07 Homeland Security Grant	255,531.00					5,000.00
FY 07 Homeland Security Grant	23,200.00			2,534.04		255,531.00
FY 2010 NJ - 966 Grant	10,885.11					20,665.96
Municipal Alliance - 2008	1,092.91		842.84	796.33	1,139.42	10,885.11
Municipal Alliance - 2009	29.67	30,000.00		29,970.93		29.07
Municipal Alliance - Local Share			1,320.33	1,320.33	29.67	
Municipal Alliance - Local Share		7,500.00		4,882.75		2,617.25
NJ DCA Smart Future Grant	28,994.00			11,077.25		17,916.75
NJ DCA Smart Future Grant	799.84			799.84		
NJ Department of Law and Public Safety - 966 Grant	22,749.70					
NJ DOT - East Railroad Avenue	150,000.00			10,366.80	150,000.00	12,382.90
NJ DOT - East Railroad Avenue	3,277.89					
NJ EDA - Hazardous Discharge Site Grant		186,663.00		132,609.47		3,277.89
NJ EDA - Public Entity Grant						54,053.53
NJ Flood Mitigation Assistance Program						
Grant Share						
Local Share	11,250.00					11,250.00
Phase Two Bayville Volunteer Fire Company	3,750.00					3,750.00
Planning Assistance Grant	297.74					297.74
Recycling Tonnage Grant	39,802.00			35,725.34		4,076.66
Recycling Tonnage Grant		32,297.76				32,297.76
Recycling Tonnage Grant	369.35		14,010.08	13,890.08		489.35
State Homeland Security Grant Phase 2-015	518.82		600.00	742.00		376.82
Unappropriated Reserve - OEM Grant		5,155.00			5,155.00	
	\$ 424,129.50	\$ 670,511.97	\$ 18,061.25	\$ 378,055.88	\$ 156,324.09	\$ 578,322.75
				\$ 367,128.08		
				10,927.80		
				\$ 378,055.88		

Paid by Current Fund  
Reserve for Encumbrances

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

TRUST FUND

Exhibit B-2

SCHEDULE OF CASH - TREASURER

	<u>Animal Control Trust Fund</u>	<u>Trust-Other Fund</u>	<u>Trust-Other Fund - Open Space</u>
Balance December 31, 2008	\$ 54,796.81	\$ 6,501,284.94	\$ 1,381,348.24
Beginning Balance Transfer			
Increased by Receipts:			
Animal Control License Fees	38,551.80	\$ 1,381,348.24	
Miscellaneous Reserves		2,928,921.92	
Reserve For Open Space		275,713.96	
Due To State of New Jersey	6,196.60	39,383.78	
Interfund - Current Fund		<u>679,059.17</u>	
		5,304,427.07	<u>(1,381,348.24)</u>
	<u>44,748.40</u>	<u>11,805,712.01</u>	
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	6,965.52		
Miscellaneous Reserves		3,565,794.95	
Reserve For Open Space		107,210.30	
Due To State of New Jersey	6,134.40	37,000.00	
Interfund - Current Fund		<u>882,484.28</u>	
	<u>13,099.92</u>	<u>4,592,489.53</u>	
Balance December 31, 2009	\$ <u>86,445.29</u>	\$ <u>7,213,222.48</u>	\$ <u>                    </u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**ASSESSMENT TRUST FUND**

**Exhibit B-3**

**ANALYSIS OF CASH**

	<b>Balance Dec. 31, 2008</b>	<b>Transfers</b>	
		<b>From</b>	<b>To</b>
Fund Balance	\$ <u>1,997.17</u>	\$ 1,997.17	\$ <u>1,997.17</u>
Interfund - Current Fund	<u>(1,997.17)</u>	<u>                    </u>	<u>1,997.17</u>
	\$ <u>                    </u>	\$ <u>1,997.17</u>	\$ <u>1,997.17</u>

**ANIMAL CONTROL TRUST FUND**

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**Exhibit B-4**

**TRUST FUND EXPENDITURES**

Balance December 31, 2008		\$ 54,859.01
Increased by:		
Miscellaneous Fees Collected		<u>38,551.80</u>
		<u>93,410.81</u>
Decreased by:		
Interfund - Trust-Other Fund:		
Expenditures Under R.S. 4:19-15.11	\$ 6,965.52	
Statutory Excess Due to Current Fund	<u>17,605.69</u>	
		<u>24,571.21</u>
Balance December 31, 2009		\$ <u>68,839.60</u>

**License and Penalty Fees Collected**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2008	\$ <u>38,031.20</u>
2007	<u>30,808.40</u>
	\$ <u>68,839.60</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

TRUST FUNDS

Exhibit B-5

SCHEDULE OF INTERFUND - CURRENT FUND

	Total (Memo Only)	Animal Control Trust Fund	Miscellaneous	Trust-Other Open Space	Assessment Trust Fund
	\$	\$	\$	\$	\$
Balance December 31, 2008 - (Due From)/Due To	\$ 195,598.29		\$ 199,251.93	\$ (1,656.47)	\$ (1,997.17)
Increased by:					
Receipts	602,613.03		600,956.56	1,656.47	1,997.17
Utilized as Anticipated Revenue	1,997.17				
Statutory Excess	17,605.69	17,605.69			
Total Increases	<u>622,215.89</u>	<u>17,605.69</u>	<u>600,956.56</u>	<u>1,656.47</u>	<u>1,997.17</u>
Total Increases and Balances	<u>817,814.18</u>	<u>17,605.69</u>	<u>800,208.49</u>		
Decreased by:					
Disbursed	882,484.28		882,484.28		
Miscellaneous Reserve Ccash Deposited in Current Fund (Net)	444,034.83		444,034.83		
Total Decreases	<u>1,326,519.11</u>		<u>1,326,519.11</u>		
Balance December 31, 2009 - (Due From)/Due To	\$ (508,704.93)	\$ 17,605.69	\$ (526,310.62)	\$	\$

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF MISCELLANEOUS RESERVES**

Balance December 31, 2008		\$ 6,371,070.15
Increased by:		
Receipts	\$ 2,928,921.92	
Interfund-Current Fund	444,034.83	
Transfer Deficit in Reserve for Construction	<u>16,105.56</u>	
		<u>3,389,062.31</u>
		9,760,132.46
Decreased by:		
Disbursements		<u>3,565,794.95</u>
Balance December 31, 2009		<u>\$ 6,194,337.51</u>

**Analysis of Balance**

Reserve for:		
Law Enforcement	\$ 10,578.28	
Allied Risk Management (PMA)	4,596.44	
Sanitary Landfill	12,846.13	
Unemployment Compensation	4,205.73	
Tree Inspection Fees	237.03	
Developer Application Review	92,090.64	
Recreation Fees Trust	7,502.91	
Founders Day (Special Events Activities)	1,396.60	
Drainage Improvements	293,388.66	
Affordable Housing	1,189,068.76	
Uniform Fire Safety Act - Penalty Monies	6,913.16	
Fire Prevention Donations	8,495.83	
Street Opening	2,122.00	
DARE	11,114.99	
Developers Road Impact	467,609.25	
Public Defender	3,272.73	
Tax Sale Premium	358,610.00	
POAA	798.17	
Third Party Liens	91,661.37	
Foreclosure	11,112.88	
Developers Escrow	3,471,673.46	
Outside Employment - Off Duty Police	21,642.50	
Inspection Fees-Grading	3,923.53	
Planning/Zoning Board Escrow	94,732.90	
Recreation - Developer Contributions	12,000.00	
Reserve for ABC Fees	3.00	
Tree Planting	1,017.02	
Municipal Alliance Donations	6,218.14	
Disposal of Forfeited Property	2,363.56	
Inspection Holly Park	<u>3,141.84</u>	
		<u>\$ 6,194,337.51</u>



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**TRUST FUND**

**SCHEDULE OF RESERVE FOR OPEN SPACE**

**Exhibit B-7**

Balance December 31, 2008		\$ 1,383,004.71
Increased by:		
2009 Tax Levy - Open Space	\$ 271,482.83	
Interest on Deposits	<u>4,231.13</u>	
		<u>275,713.96</u>
		<u>1,658,718.67</u>
Decreased by:		
Disbursements		107,210.30
Balance December 31, 2009		\$ <u><u>1,551,508.37</u></u>

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE**

**AWARDS PROGRAM (LOSAP) - UNAUDITED**

**Exhibit B-8**

Balance December 31, 2008		\$ 890,369.99
Increased by:		
Contributions	\$ 218,187.00	
Interest Earned	12,011.36	
Gain/Loss	<u>167,316.85</u>	
		<u>397,515.21</u>
		<u>1,287,885.20</u>
Decreased by:		
Distributions	111,803.82	
Charges/Adjustments	<u>525.81</u>	
		<u>112,329.63</u>
Balance December 31, 2009		\$ <u><u>1,175,555.57</u></u>

**TOWNSHIP OF BARNEGAT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2008		\$ 7,801,728.80
Increased by:		
Capital Improvement Fund	\$ 250,000.00	
Grants Receivable	41,250.00	
NJFIT Loan Proceeds	135,706.00	
Bond Anticipation Notes	1,500,000.00	
Reserve for Debt Service	140,494.73	
General Capital Fund Balance	3,604.17	
		<u>2,071,054.90</u>
		9,872,783.70
Decreased by Disbursements:		
Improvement Authorizations	4,601,521.36	
Miscellaneous Reserves	3,074.00	
Contracts Payable	482.36	
Interfund - Current Fund	1,769.12	
General Capital Surplus utilized as		
Current Fund Revenue	47,016.00	
Reserve for Debt Service	323,389.58	
		<u>4,977,252.42</u>
Balance December 31, 2009		\$ <u>4,895,531.28</u>

TOWNSHIP OF BARNEGAT - COUNTY OF OCEAN

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

Exhibit C-3

Fund Balance	Balance		Receipts		Disbursements		Transfers		Balance
	Dec. 31, 2008	Dec. 31, 2009	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 47,016.00	\$ 7,245.44	\$ 250,000.00	\$ 3,604.17	\$	\$ 47,016.00	\$ 253,678.00	\$ 3,641.27	\$
Grants Receivable	4,175.97	497.97		41,250.00			1,136,250.00	55,000.00	(1,407,875.00)
EIT Loan Proceeds Receivable	(367,875.00)	(678,597.00)		135,706.00					
Interfund-Current Fund	(814,303.00)								
Reserve for Encumbrances	1,769.12				1,769.12				
Reserve for Debt Service	845,794.94	1,382,467.66		140,494.73	323,389.58		845,794.94	1,382,467.66	1,382,467.66
Reserve for Accrued Interest on Bonds	323,389.58	140,494.73							140,494.73
Miscellaneous Reserves	3,641.27						3,641.27		1,108.96
Contracts Payable	4,182.96				3,074.00				3,000.00
Reserve for Grant Receivable	3,482.36				482.36				
Improvement Authorizations:	55,000.00						55,000.00		
04-09, 06-32, 07-37	20.00								20.00
06-31	4,069.68				228.23				3,841.45
06-45	63,906.61				55,965.20				7,941.41
07-13	27,188.40				311.65				26,876.75
07-26	47,853.33				16,383.86				31,269.47
08-10	(23,321.89)				20,218.99				(44,533.48)
08-31	351,425.50				71,416.15				254,071.48
09-11, 09-26	1,724,989.68				340,496.35				1,403,025.91
Various Capital Improvements	23,803.89				198.40				23,605.49
Various Capital Improvements	1,832,146.73				527,997.37				1,630,732.49
Removal, Closure, Disposal and Replacement of Tanks and Site Remediation	(295,747.08)				28,542.03				(324,289.11)
Various Capital Improvements	3,850,399.68				2,476,426.40				1,038,595.31
Various Water Well acquisitions and Installation of a Water Pump	88,720.07				88,720.07				
Various Capital Improvements				1,500,000.00	974,416.66		519,479.99	1,389,928.00	1,396,031.35
	\$ 7,801,728.80	\$ 1,821,054.90	\$ 250,000.00	\$ 1,821,054.90	\$ 4,601,521.36	\$ 375,731.06	\$ 3,511,873.84	\$ 3,511,873.84	\$ 4,895,531.28

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2008		\$ 21,577,405.95
Decreased by:		
Budget Appropriation to Pay:		
Serial Bonds	\$ 2,575,000.00	
NJEIT Loans	68,781.26	
Green Trust Loans	72,517.10	
		<u>2,716,298.36</u>
Balance December 31, 2009		\$ <u>18,861,107.59</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Analysis of Balance Dec. 31, 2009					
		Balance Dec. 31, 2008	2009 Authorizations	Balance Dec. 31, 2009	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
	General Improvements:						
00-21	Various Capital Improvements	\$ 90,369.72	\$	\$ 90,369.72	\$ 90,369.00	\$ 44,533.48	\$ .72
04-09	Various Capital Improvements	194,433.00		194,433.00			149,899.52
06-31	Various Capital Improvements	260,634.00		260,634.00	260,634.00		
07-13	Various Capital Improvements	5,081,684.00		5,081,684.00	5,081,684.00		
07-26	Removal, Closure, Disposal and Replacement	428,571.00		428,571.00		324,289.11	104,281.89
08-10	Various Capital Improvements	3,914,332.00		3,914,332.00	3,914,313.00		19.00
09-11, 09-26	Various Capital Improvements		4,819,867.00	4,819,867.00	1,500,000.00		3,319,867.00
		<u>\$ 9,970,023.72</u>	<u>\$ 4,819,867.00</u>	<u>\$ 14,789,890.72</u>	<u>\$ 10,847,000.00</u>	<u>\$ 368,822.59</u>	<u>\$ 3,574,068.13</u>

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-6**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2008		\$ 4,175.97
Increased by:		
Budget Appropriation		<u>250,000.00</u>
		254,175.97
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>253,678.00</u>
Balance December 31, 2009		<u><u>\$ 497.97</u></u>

**SCHEDULE RESERVE FOR DEBT SERVICE**

**Exhibit C-7**

Balance December 31, 2008		\$ 323,389.58
Increased by:		
Bond Anticipation Note Premium	\$ 19,850.01	
Legal Settlement	2,400.00	
Grant Proceeds for Capital Improvement Permanently Funded	<u>118,244.72</u>	
		<u>140,494.73</u>
		463,884.31
Decreased by:		
Utilized as Current Fund Anticipated Revenue		<u>323,389.58</u>
Balance December 31, 2009		<u><u>\$ 140,494.73</u></u>

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-8**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2008		2009 Authorizations	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2009	
				Funded	Unfunded				Funded	Unfunded
93-31	Various Capital Improvements			20.00			\$ 21,175.32		\$ 20.00	
96-11, 96-24, 97-44	Various Capital Improvements	06/13/00	1,543,000.00				50,006.09	50,006.09		
97-20, 97-23	Various Capital Improvements	03/13/01	1,744,800.00	4,070.40			228.23	228.23		3,842.17
01-03	Various Capital Improvements	03/26/02	2,376,000.00	63,906.61			42,013.77	97,978.97	7,941.41	
02-13	Various Capital Improvements	03/11/03	2,640,800.00	27,188.40			24,379.13	24,690.78	26,876.75	
03-09	Various Capital Improvements	03/24/04	3,695,939.00	47,853.33			26,764.50	43,348.36	31,269.47	
04-09, 06-32, 07-37	Various Capital Improvements	12/28/04	1,077,500.00	171,111.11			25,363.87	46,575.46		149,899.52
05-04	Various Capital Improvements	02/22/05	3,721,829.00	351,425.50			619.22	619.22		
06-31	Various Capital Improvements	05/23/06	5,849,102.00	1,464,355.68			1,791.60	99,145.62	254,071.48	
06-45	Contribution for Open Space Property Acquisition-Potter Creek	09/26/06	2,350,000.00	23,803.89			75,519.86	397,483.63	1,142,391.91	260,634.00
07-13	Various Capital Improvements	04/10/07	5,500,773.00	1,832,146.73			352,233.03	198.40	23605.49	1,630,732.49
07-26	Removal, Closure, Disposal and Replacement of Tanks and Site Remediation	10/09/07	562,557.15	132,823.92				28,542.03		104,281.89
08-10	Various Capital Improvements	04/09/08	5,162,510.00	3,850,418.68			225,928.55	3,037,732.92		1,038,614.31
08-31	Various Water Well acquisitions and Installation of a Water Pump	12/09/08	89,220.07	88,720.07				88,720.07		
09-11, 09-26	Various Capital Improvements	04/28/09	6,209,795.00		6,209,795.00			1,493,896.65		4,715,898.35
				\$ 2,067,273.48	\$ 6,251,204.84	\$ 6,209,795.00	\$ 845,794.94	\$ 5,983,989.02	\$ 1,486,176.51	\$ 7,903,902.73
	Reserve for Encumbrances Disbursements							\$ 1,382,467.66		
								4,601,521.36		
								\$ 5,983,989.02		
	Deferred Charges - Unfunded Grants Receivable				\$ 4,819,867.00					
	Capital Improvement Fund				1,136,250.00					
					253,678.00					
					\$ 6,209,795.00					

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

<u>Purpose</u>	<u>Year Issued</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
NJ Trust Loan	2007	\$ 975,000.00	0.00%	\$ 951,977.05	\$ 46,581.90	\$ 905,395.15
NJ Fund Loan	2007	345,000.00	3.40% to 5.00%	345,000.00	10,000.00	335,000.00
NJ Fund Loan	2008	409,303.00	0.00%	409,303.00	12,199.36	397,103.64
NJ Fund Loan	2008	405,000.00	5.00% to 5.50%	405,000.00		405,000.00
				<u>\$ 2,111,280.05</u>	<u>\$ 68,781.26</u>	<u>\$ 2,042,498.79</u>



TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Paid by Budget Appropriation	Balance Dec. 31, 2009
			Outstanding Date	Amount				
General Obligation Bonds	04/01/98	\$ 6,027,000.00	04/01/10	\$ 550,000.00	4.500%	\$ 1,100,000.00	\$ 550,000.00	\$ 550,000.00
General Obligation Bonds	04/15/01	6,285,000.00	04/15/10	645,000.00	4.250%			
			04/15/11	680,000.00	4.300%			
			04/15/12	710,000.00	4.350%	2,650,000.00	615,000.00	2,035,000.00
General Obligation Bonds	05/15/04	8,103,000.00	05/15/10	730,000.00	4.000%			
			05/15/11	780,000.00	4.000%			
			05/15/12	830,000.00	4.000%			
			05/15/13	880,000.00	4.000%			
			05/15/14	930,000.00	4.125%			
			05/15/15	973,000.00	4.250%	5,813,000.00	690,000.00	5,123,000.00
General Obligation Bonds	07/01/06	9,384,000.00	07/01/10-12	720,000.00	4.000%			
			07/01/13	720,000.00	4.250%			
			07/01/14-19	720,000.00	4.500%			
			07/01/20	719,000.00	4.500%	8,639,000.00	720,000.00	7,919,000.00
						\$ 18,202,000.00	\$ 2,575,000.00	\$ 15,627,000.00

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF GREEN TRUST LOANS PAYABLE

<u>Purpose</u>	<u>Year</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2009</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
Recreation Acquisition	2001	\$ 185,825.17	5/01/2010 to 11/01/2011 Level Debt Payments	2.00%	114,805.89	11,764.58	103,041.31
Veterans' Park Driving Range	2001	409,630.28	4/26/2010 to 4/26/2021 Level Debt Payments	2.00%	370,997.99	26,403.03	344,594.96
Toms River Park	2008	500,000.00	3/21/2010 to 3/21/2027 Level Debt Payments	2.00%	489,119.25	22,089.00	467,030.25
Toms River Park Phase II	2008	289,202.77	2/19/2010 to 2/19/2028 Level Debt Payments	2.00%	289,202.77	12,260.49	276,942.28
					<u>\$ 1,264,125.90</u>	<u>\$ 72,517.10</u>	<u>\$ 1,191,608.80</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-12

**SCHEDULE OF BOND ANTICIPATION NOTES**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Original Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2008</b>	<b>Issued for Cash</b>	<b>Balance Dec. 31, 2009</b>
00-21	Various Capital Improvements	11/21/07	02/19/10	1.50%	\$ 90,369.00	\$	\$ 90,369.00
06-31	Various Capital Improvements	11/21/07	02/19/10	1.50%	260,634.00		260,634.00
07-13	Various Capital Improvements	11/21/07	02/19/10	1.50%	5,081,684.00		5,081,684.00
08-10	Various Capital Improvements	11/20/08	02/19/10	1.50%	3,914,313.00		3,914,313.00
09-11, 09-26	Various Capital Improvements	11/19/09	02/19/10	1.50%		<u>1,500,000.00</u>	<u>1,500,000.00</u>
					<u>\$ 9,347,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 10,847,000.00</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-13

**SCHEDULE OF GRANTS RECEIVABLE**

<b>Ordinance Number</b>	<b>Description</b>	<b>Balance Dec. 31, 2008</b>	<b>Grants Utilized</b>	<b>Received</b>	<b>Cancelled to Reserve</b>	<b>Balance Dec. 31, 2009</b>
06-31		\$ 86,625.00		\$		\$ 86,625.00
09-29, 09-11	NJ DEP Green Acres - Bayview Park		116,250.00			116,250.00
09-29, 09-11	NJ DEP Green Acres - Manitou Park		180,000.00			180,000.00
07-13	NJ DEP-Amherst Beach Protection			41,250.00		
08-10	NJ DOT - Wheaton Avenue	41,250.00				
09-29, 09-11	NJ DOT - Virginia and Hoover Avenues	150,000.00				150,000.00
08-10	NJ DOT - Pleasant Drive		285,000.00			285,000.00
Unappropriated	CDBG - Stanford Drive	35,000.00			55,000.00	
09-29, 09-11	CDBG - Pembroke Lane	55,000.00				55,000.00
09-29, 09-11	CDBG - Pembroke Lane		500,000.00			500,000.00
	U.S. Department of Justice - Digital Video					
		\$ 367,875.00	\$ 1,136,250.00	\$ 41,250.00	\$ 55,000.00	\$ 1,407,875.00

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-14

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2009</u></b>
00-21	Various Capital Improvements	\$ .72
04-09	Various Capital Improvements	194,433.00
07-26	Removal, Closure, Disposal and Replacement of Tanks and Site Remediation	428,571.00
08-10	Various Capital Improvements	19.00
09-11, 09-26	Various Capital Improvements	<u>3,319,867.00</u>
		<u>\$ 3,942,890.72</u>

**TOWNSHIP OF BERKELEY**

**COUNTY OF OCEAN**

**PART III**

**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

**AND ON COMPLIANCE AND OTHER MATTERS**

**YEAR ENDED DECEMBER 31, 2009**

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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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**

Honorable Mayor and Members  
of the Township Council  
Township of Berkeley  
County of Ocean  
Berkeley, New Jersey

We have audited the financial statements of the Township of Berkeley (the "Township"), as of and for the year ended December 31, 2009, and have issued our report thereon dated November 12, 2010. Our report disclosed that, as described in Note 1 to the regulatory basis financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited. Except as noted in the preceding sentence, 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 accordance with audit requirements prescribed by the Division.

### **Internal Control Over Financial Reporting**

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

## **Internal Control Over Financial Reporting (Continued)**

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported to management of the Township in the comments and recommendations section of this report and in a separate letter dated November 12, 2010.

This report is intended solely for the information and use of the Township's management, the Township Council, others within the organization, the Division, 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.

*William E. Antonides and Company*  
**Independent Auditors**

November 12, 2010



**TOWNSHIP OF BERKELEY**

**COUNTY OF OCEAN**

**PART IV**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2009**

An audit of the financial accounts and transactions of the Township of Berkeley, in the County of Ocean, for the year ended December 31, 2009, has recently been completed. The results of the audit are herewith set forth.

### **SCOPE OF AUDIT**

The audit covered the financial transactions of the Chief Financial Officer, Tax Collector, the activities of the governing body, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statement of Revenues and Schedule of Revenue Accounts Receivable are presented as recorded in the Township records.

### **GENERAL COMMENTS**

#### **Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4a**

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The amount set forth pursuant to the above statute was \$21,000 for the period audited.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

### **Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount. . . . the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable.”

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

### **Collection of Interest on Delinquent Taxes and Delinquent Water Rents**

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 20, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

1. The collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$10,000 and remains in arrears beyond December 31<sup>st</sup>, and additional penalty of 6% shall be charged against the delinquency, except that the rate of interest to be fixed and charged for the non-payment of third quarterly tax payment due August 1, 2009 shall not be assessed until after twenty-five (25) days from the date of mailing of said third quarter tax bills.
2. This Resolution shall not alter the past practice of the Township in so far as payment of any installments made within the tenth calendar day following the date upon which the tax of assessment is due and payable, except for the quarterly real estate tax payment due August 1, 2009.
3. Effective January 1, 2009 there will be a ten (10) day grace period of quarterly tax payments made by check, cash or money order.
4. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of the resolution.

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

## **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on October 7, 2009 and was complete.

Inspection of tax sale certificates on file revealed that all certificates were available for audit.

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

<b><u>Year</u></b>	<b><u>Number of Liens</u></b>
2009	40
2008	41
2007	121

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

## **Miscellaneous**

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Treasurer, as well as with independent lists made part of this examination.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Individual payments of the Local District and Regional taxes by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2009.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

## **FOLLOW-UP OF PRIOR YEAR FINDINGS**

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. Finding 08-01 regarding the General Fixed Assets Account Group, Finding 08-02 regarding Interfunds and Finding 08-03 regarding General Ledger were substantially addressed in 2009.

**FINDINGS/RECOMMENDATIONS**

**Construction Department - Missing Items**

**09-01 Finding** - It was noted that four construction permits and two affordable housing fee calculations were not made available for audit examination

**Recommendation** - That all construction office permits and underlying affordable housing fee calculations be available for audit examination.

**Overexpenditure of Dedicated Reserve**

**09-02 Finding** - The Township's dedicated construction reserve had a deficit at year-end.

**Recommendation** - That internal control procedures be enhanced to ensure that the dedicated construction reserve is not overexpended.

**ACKNOWLEDGEMENT**

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the audit.

The foregoing comments and resultant recommendations, are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please contact us at your earliest opportunity.

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