

TOWNSHIP OF EGG HARBOR

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2009**

TOWNSHIP OF EGG HARBOR

TABLE OF CONTENTS

	Exhibit	Page
PART 1		
Independent Auditor's Report		1-2
CURRENT FUND		
Comparative Balance Sheet-Regulatory Basis	A	3-6
Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	A-1	7-8
Statement of Revenues-Regulatory Basis	A-2	9-14
Statement of Expenditures-Regulatory Basis	A-3	15-23
TRUST FUND		
Comparative Balance Sheet-Regulatory Basis	B	24-26
CAPITAL FUND		
Comparative Balance Sheet-Regulatory Basis	C	27
Schedule of Fund Balance-Regulatory Basis	C-1	28
GENERAL FIXED ASSETS ACCOUNT GROUP		
Statement of General Fixed Assets-Regulatory Basis	G	29
NOTES TO FINANCIAL STATEMENTS		30-49
SUPPLEMENTARY DATA		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards		50-51
Schedule of Expenditures of Federal and State Awards		52-53
Notes to Schedule of Expenditures of Federal and State Awards		54

TOWNSHIP OF EGG HARBOR

TABLE OF CONTENTS

	Exhibit	Page
Schedule of Findings and Questioned Costs		
Part 1 - Summary of Auditor's Results		55-56
Part 2 - Schedule of Financial Statement Findings		57
Part 3 - Schedule of Federal and State Award Findings and Questioned Costs		57
Status of Prior Recommendations		57
CURRENT FUND		
Schedule of Cash - Treasurer	A-4	58-59
Schedule of Cash - Collector	A-5	60
Schedule of Cash - Clerk	A-6	61
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	62-63
Schedule of Tax Title Liens	A-8	64
Schedule of Revenue Accounts Receivable	A-9	65
Schedule of Appropriation Reserves	A-10	66-70
Schedule of Local District School Tax	A-11	71
Schedule of State Grants Receivable	A-12	72-73
Schedule of Appropriated Reserves for State Grants	A-13	74-75
Schedule of Reserve for State Grants - Unappropriated	A-14	76
Schedule of Green Trust Program Loans Payable	A-15	77-81
TRUST FUNDS		
Schedule of Cash - Treasurer	B-1	82-84
Schedule of Cash - Collector	B-2	85
Schedule of Assessments Receivable	B-3	86
Schedule of Reserve for Animal Control Fund Expenditures	B-4	87
Schedule of Amount Due From State of New Jersey Animal Control Fund	B-5	88
Schedule of Deposits for Redemption of Tax Sale Certificates	B-6	89
Schedule of Reserve for Escrows	B-7	90
Schedule of Reserve for Other Trusts	B-8	91
Schedule of Reserve for Environmental Trust	B-9	92
Schedule of Reserve for Law Enforcement - Federal	B-10	92
Schedule of Reserve for Law Enforcement	B-11	93
Schedule of Reserve for Performance Bond Guarantees	B-12	93
Schedule of Reserve for Open Space Trust Fund	B-13	94

TOWNSHIP OF EGG HARBOR

TABLE OF CONTENTS

	Exhibit	Page
CAPITAL FUNDS		
Analysis of Cash	C-2	95
Schedule of Amount Due from Current Fund	C-3	96
Schedule of Deferred Charges to Future Taxation - Funded	C-4	97
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	98
Schedule of Capital Improvement Fund	C-6	99
Schedule of Improvement Authorizations	C-7	100
Schedule of General Serial Bonds	C-8	101
Schedule of Bonds and Notes Authorized But Not Issued	C-9	102
Schedule of Bond Anticipation Notes	C-10	103
PART II		
General Comments		104-107
Schedule of Financial Statement Findings		108
Recommendations		108

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

TOWNSHIP OF EGG HARBOR

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 548, Mays Landing, NJ 08330

Member: New Jersey Society of CPAs
American Institute of CPAs
AICPA Private Companies Practice Section www.swartzcocpa.com

Phone: (609) 625-0999
Toll Free in N.J.:(877) 310-0999
Fax: (609) 625-2421

Independent Auditor's Report

The Honorable Mayor and Members
of the Township Committee
Township of Egg Harbor, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Egg Harbor, New Jersey, as of December 31, 2009 and 2008, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related 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 of Egg Harbor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Length of Service Awards Program of the Township of Egg Harbor has not been audited, and we were not engaged to audit the Length of Services Award Program financial statements as part of our audit of the Township's financial statements.

As described in Note 1, the Township of Egg Harbor prepares and presents its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion

and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The affect on the financial statements of the variances between the prescribed basis of accounting 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 Township's policy to prepare and present its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Egg Harbor as of December 31, 2009 and 2008 or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program, present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Township of Egg Harbor, New Jersey, as of December 31, 2009 and 2008 and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2009 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010 on our consideration of the Township of Egg Harbor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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 audits were conducted for the purpose of forming an opinion on the basic financial statements of the Township of Egg Harbor, New Jersey. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Robert E. Swartz, CPA

Robert E. Swartz, CPA
Registered Municipal Accountant
No. 319

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

June 30, 2010

EXHIBIT A - CURRENT FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
ASSETS			
Regular Fund:			
Cash - Treasurer	A-4	\$9,234,281	13,426,307
- Payroll		2,935	2,935
- Petty Cash Funds		1,800	1,800
- Change Funds		900	900
		<u>9,239,916</u>	<u>13,431,942</u>
Amount Due from State of New Jersey Veterans and Senior Citizens		<u>62,074</u>	<u>59,984</u>
		<u>62,074</u>	<u>59,984</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	82,612	116,066
Tax Title Liens Receivable	A-8	136,324	114,918
Property Acquired for Taxes-Assessed Valuation		7,731,121	7,731,121
Revenue Accounts Receivable	A-9	312,325	436,255
Due From:			
Cygnus - Janitorial Services		0	2,092
Egg Harbor Township Golf Course		0	12,000
Animal Control Fund	B	3,905	1,218
Trust Funds	B	0	135,028
		<u>8,266,287</u>	<u>8,548,698</u>
Deferred Charges:			
Emergency Authorization	A-3	100,000	200,000
Overexpenditures of Appropriation Reserves	A-10	2,059	0
	A	<u>102,059</u>	<u>200,000</u>
		<u>17,670,336</u>	<u>22,240,624</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
ASSETS			
Federal and State Grant Fund:			
Cash	A-4	\$592,798	58,091
Deferred Charge to Future Taxation - Funded		1,408,772	1,488,633
Due from Current Fund	A	2,783,161	2,932,175
Federal and State Grants Receivable	A-12	<u>3,797,625</u>	<u>4,281,492</u>
		<u>8,582,356</u>	<u>8,760,391</u>
		<u>\$26,252,692</u>	<u>31,001,015</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$880,008	390,378
Reserve for Encumbrances/Accounts Payable		786,422	661,299
Taxes Collected in Advance		634,710	644,725
Tax Overpayments		64,151	23,450
Payroll Taxes Payable		18,845	0
Due to:			
Third Party Inspectors		61,766	19,744
County - Added Taxes		146,668	285,652
Grant Fund	A	2,783,161	2,932,175
Basin Maintenance	B	0	1,042,170
Assessment Trust Fund	B	0	34,288
General Capital Fund	C	1,415,193	3,114,899
Open Space Trust	B	4,706	0
Reserve for:			
Road Construction		100,999	100,999
Curb and Sidewalk Surety Deposits		103,830	98,130
Curb and Sidewalk In Lieu		205,533	191,433
Street Opening Surety		161,878	211,878
In Lieu - Other		30,800	30,800
State Tax Appeals Pending		909,912	909,912
Garden State Preservation Fund		13,501	14,986
Property Sales		269,080	99,512
		8,591,163	10,806,430

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Reserves for Receivables and Other Assets	A	8,266,287	8,548,698
Fund Balance	A-1	<u>812,886</u>	<u>2,885,496</u>
		<u>17,670,336</u>	<u>22,240,624</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-13	156,231	63,864
Green Trust Program Loan Payable	A-15	1,408,772	1,488,633
Due to General Capital	C	3,637,304	3,487,304
Reserve for Federal and State Grants			
- Appropriated	A-13	3,299,858	3,695,521
- Unappropriated	A-14	<u>80,191</u>	<u>25,069</u>
		<u>8,582,356</u>	<u>8,760,391</u>
		<u>\$26,252,692</u>	<u>31,001,015</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$2,765,269	5,000,000
Miscellaneous Revenue Anticipated	A-2	15,324,777	16,611,746
Receipts from Delinquent Taxes	A-2	105,333	23,150
Receipts from Current Taxes	A-2	97,953,624	94,794,810
Non Budget Revenue	A-2	341,319	755,505
Other Credits to Income:			
Cancellation of Prior Year Liabilities		0	519,580
Interfund Returned		298,714	302,056
Unexpended Balance of Approp Reserves	A-11	40,429	396,454
Total Income		<u>116,829,465</u>	<u>118,403,301</u>
Expenditures			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	14,574,886	14,410,810
Other Expenses	A-3	11,187,539	13,505,687
Deferred Charges and Statutory			
Expenditures	A-3	2,511,906	1,458,050
Capital Improvements	A-3	850,000	1,487,721
Municipal Debt Service	A-3	4,119,910	3,386,611
Local District School Tax	A-11	66,270,066	65,587,592
Municipal Open Space Tax		518,435	504,134
County Tax		16,029,420	15,217,104
County Share of Added Taxes		146,668	285,652
Refund of Prior Year Revenue		27,976	103,479
Cancellation of Prior Year Deferred Charge to to Future Taxation-General Capital		0	254,115
Interfund Created		0	247,020
Total Expenditures		<u>116,236,806</u>	<u>116,447,975</u>
Excess in Revenue		<u>592,659</u>	<u>1,955,326</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		<u>100,000</u>	<u>200,000</u>
Statutory Excess to Fund Balance		692,659	2,155,326
Fund Balance January 1	A	<u>2,885,496</u>	<u>5,730,170</u>
		3,578,155	7,885,496
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>2,765,269</u>	<u>5,000,000</u>
Balance December 31	A	<u><u>\$812,886</u></u>	<u><u>2,885,496</u></u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	ANTICIPATED BUDGET	SPECIAL NJS 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$2,765,269		2,765,269	
Miscellaneous Revenues:					
Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	91,514		91,564	50
Other	A-9	775,000		813,942	38,942
Fees and Permits	A-9	55,012		122,180	67,168
Fines and Costs:					
Municipal Court	A-9	852,400		869,962	17,562
Interest and Costs on Taxes	A-9	201,998		251,549	49,551
Interest on Investments and Deposits	A-9	556,000		139,945	(416,055)
Hotel Occupancy Tax	A-9	530,500		425,127	(105,373)
Ambulance Fees	A-9	923,000		976,834	53,834
Total Section A		3,985,424	0	3,691,103	(294,321)
Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax	A-9	6,759,716		6,759,716	
Garden State Pilot Trust	A-9	14,986		14,986	
Watershed Moratorium Offset Aid	A-9	16,779		16,779	
Total Section B		6,791,481	0	6,791,481	0

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

		ANTICIPATED			
	Ref.	BUDGET	SPECIAL NJS 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (NJS 40A:4-36 & NJAC 5:23-4.17)					
Uniform Construction Code Fees	A-9	235,100		197,181	(37,919)
Total Section C		235,100	0	197,181	(37,919)
Section D: Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:					
City of Northfield Dispatch Service	A-4	169,783		169,783	
Egg Harbor Township Board of Education Solid Waste Disposal	A-4	106,560		109,760	3,200
State of New Jersey - MVC	A-4	116,000		116,000	
South Jersey Transportation Authority - ACY	A-4				
EHT Board of Education Resource Officer	A-4	233,000		233,000	
Total Section D		625,343	0	628,543	3,200
Section F: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations					
Drunk Driving Enforcement Fund		21,441		21,441	
Clean Communities Program		68,340		68,340	
Municipal Alliance on Alcoholism and Drug Abuse		22,178	1,392	23,570	
Alcohol, Education Rehab & Enforcement Fund		1,392		1,392	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL NJS 40A:4-87		
Safe and Secure Communities Program		57,643		57,643	
Fast and Furious Grant		37,320		37,320	
N.J. Transportation Trust Fund Authority Act		150,000		150,000	
Recycling Tonnage Grant		23,937	20,712	44,649	
Division of Highway Safety Click it or Tick it 2009			1,890	1,890	
Safe Corridor Program		47,000	41	47,041	
NJDL&PS Division of Highway Safety					
Over the Limit Under Arrest Year End Crackdown			5,000	5,000	
Bulletproof Vest Grant			14,616	14,616	
Atlantic County Improvement Authority - Sidewalks & Curbs			107,100	107,100	
COPS in Shops					
College/Fall Initiative			2,800	2,800	
Summer Shore Initiative			2,400	2,400	
USDOJ/City of Atlantic City-Edward Byrne Memorial					
Justice Assistance Grant			12,904	12,904	
		<u>429,251</u>	<u>168,855</u>	<u>598,106</u>	<u>0</u>
Total Section F					
Section G: Special Items of General Revenue					
Anticipated with Prior Written Consent of					
Director of Local Government Services - Other					
Special Items					
Uniform Fire Safety Act		67,386		75,839	8,453
Host Community Fees		1,803,185		1,641,619	(161,566)

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL NJS 40A:4-87		
Appropriation of Authority Assets		250,412		250,000	(412)
Reserve to Pay Bonds		353,151		353,151	
Cell Tower Leases		32,329		66,243	33,914
Assessment Trust Surplus		66,453		66,453	
Recreation Developers Fund		256,864		256,864	
Open Space Fund		400,000		400,000	
Cable Franchise Fees		52,000		138,357	86,357
Environmental Trust Account		169,837		169,837	
Total Section G		<u>3,451,617</u>	<u>0</u>	<u>3,418,363</u>	<u>(33,254)</u>
Total Miscellaneous Revenues	A-1	<u>15,518,216</u>	<u>168,855</u>	<u>15,324,777</u>	<u>(362,294)</u>
Receipts from Delinquent Taxes	A-1:A-2	<u>22,703</u>		<u>105,333</u>	<u>82,630</u>
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	<u>15,045,927</u>		<u>15,365,764</u>	<u>319,837</u>
Budget Totals		<u>33,352,115</u>	<u>168,855</u>	<u>33,561,143</u>	<u>40,173</u>
Non-Budget Revenues: Other Non-Budget Revenue	A-2			<u>341,319</u>	<u>341,319</u>
		<u>\$33,352,115</u>	<u>168,855</u>	<u>33,902,462</u>	<u>381,492</u>
	Ref.	A-3	A-3		

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

Ref.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections

A-1:A-6 \$97,953,624

Less: Reserve for State Tax Appeals Pending

97,953,624

Allocated to:

School, County Taxes

82,964,589

Balance for Support of Municipal Budget Appropriations

14,989,035

Increased by:

Appropriation "Reserve for Uncollected
Taxes"

A-3

376,729

Amount for Support of Municipal

Budget Appropriations

A-2

15,365,764

Receipts from Delinquent Taxes:

Delinquent Tax Collections

A-7

79,637

Tax Title Lien Collections

A-8

25,696

\$105,333

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

Ref.

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:

Tax Searches	A-9	2,440	
--------------	-----	-------	--

Total			2,440
-------	--	--	-------

Treasurer:

MUA Rental		22,000	
Cygnus Arts Center Janitorial Services		13,598	
Atlantic County Radio System		12,990	
Motor Vehicle Inspection Fund		19,544	
EHT MUA Fuel		5,478	
Workers Comp Reim		7,358	
Police Department		24,535	
Retiree Cobra Payments		8,218	
Apartment Sanitation Pickup		11,701	
Other Miscellaneous		49,604	

Total	A-4		175,026
-------	-----	--	---------

Clerk:

Marriage and Other License Fees		5,725	
Other Miscellaneous		134,847	

Total	A-6		140,572
-------	-----	--	---------

Tax Collector:

Other Miscellaneous	A-5	23,281	
---------------------	-----	--------	--

	A-1:A-2	\$341,319	
--	---------	-----------	--

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
GENERAL GOVERNMENT:							
Governing Body							
Salaries and Wages	\$139,804	139,960	137,376		2,584		
Other Expenses	7,850	7,850	6,201	1,003	646		
DEPARTMENT OF ADMINISTRATION AND FINANCE							
Administrator's Office							
Salaries and Wages	317,159	321,759	311,749		10,010		
Other Expenses	17,000	17,000	11,720	1,062	4,218		
Office of Township Clerk							
Salaries and Wages	298,441	301,934	296,543		5,391		
Other Expenses	51,700	55,700	45,160	6,247	4,293		
Division of the Treasury							
Salaries and Wages	259,152	248,652	248,073		579		
Other Expenses	53,100	53,100	43,315	5,495	4,290		
Auditor							
Other Expenses	57,500	57,500	57,200		300		
Division of Collections							
Salaries and Wages	246,664	254,768	250,571		4,197		
Other Expenses	47,450	57,450	46,598	4,628	6,224		
Division of Assessments							
Salaries and Wages	123,534	121,734	119,781		1,953		
Other Expenses	58,340	58,340	57,284	915	141		
Divison of Law							
Other Expenses	295,000	445,000	375,741	11,733	57,526		
Economic Development Commission							
Other Expenses	600	600			600		
Rent Leveling Board							
Other Expenses	18,100	20,400	20,392		8		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
DEPARTMENT OF PUBLIC WORKS							
Division of Roads							
Salaries and Wages	611,525	612,620	593,985		18,635		
Other Expenses	168,200	168,200	129,326	37,570	1,304		
Snow Removal							
Other Expenses	1,000	1,000	1,000				
Division of Buildings and Grounds							
Salaries and Wages	611,143	624,718	614,498		10,220		
Other Expenses	130,000	130,000	104,985	21,416	3,599		
Division of Equipment Maintenance							
Salaries and Wages	311,279	311,979	305,697		6,282		
Other Expenses	220,000	220,000	164,324	29,881	25,795		
Division of Solid Waste							
Salaries and Wages	1,020,334	895,389	875,585		19,804		
Other Expenses	31,000	31,000	28,630	2,370			
Landfill/Solid Waste Disposal Costs							
Other Expenses	1,480,000	1,480,000	1,177,082	189,330	113,588		
Animal Control							
Other Expenses	18,500	22,200	20,350	1,850			
Engineering Services							
Other Expenses	60,000	60,000	45,490	14,510			
DEPARTMENT OF RECREATION							
Salaries and Wages	154,020	159,520	151,361		8,159		
Other Expenses	79,275	79,275	58,691	16,280	4,304		
Celebration of Events							
Other Expenses	2,500	2,500	2,280		220		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
DEPARTMENT OF POLICE							
Salaries and Wages	8,323,402	8,516,944	8,332,574			184,370	
Other Expenses	616,043	616,043	506,075	99,010		10,958	
DEPARTMENT OF POLICE DISPATCH/911							
Salaries and Wages	578,928	598,928	583,490			15,438	
Other Expenses	38,520	38,520	11,100	4,550		22,870	
DEPARTMENT OF FIRE							
Other Expenses	147,000	147,000	102,594	43,744		662	
Aid	150,000	150,000	150,000				
Ambulance Services							
Salaries and Wages	494,974	498,474	482,938			15,536	
Other Expenses	107,750	107,750	77,462	14,827		15,461	
EMERGENCY MANAGEMENT SERVICE							
Other Expense	1,000	1,000				1,000	
Municipal Court							
Salaries and Wages	448,384	436,634	434,104			2,530	
Other Expenses	51,700	51,700	37,956	8,918		4,826	
Public Defender							
Other Expenses	5	5				5	
DEPARTMENT OF COMMUNITY DEVELOPMENT							
Division of Planning							
Salaries and Wages	117,141	116,541	112,555			3,986	
Other Expenses	28,225	28,225	26,542	350		1,333	
Bureau of Fire Inspections							
Salaries and Wages	136,544	135,994	133,725			2,269	
Other Expenses	25,800	25,800	13,743			12,057	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
Division of Zoning							
Salaries and Wages	54,720	54,850	53,973		877		
Other Expenses	8,075	8,075	4,353	559	3,163		
ACCUMULATED LEAVE COMPENSATION							
Salaries and Wages	75,000	75,000	75,000				
Insurance							
Other Insurance Premiums (JIF)	482,891	434,141	374,325	30,672	29,144		
Worker Compensation Insurance (JIF)	884,271	858,271	744,272		113,999		
Group Insurance for Employees	3,050,050	2,879,050	2,871,912		7,138		
Uniform Fire Safety Act (PL 1983, CH383)							
Fire Prevention Program							
Salaries and Wages	149,488	148,488	145,421		3,067		
Other Expenses	4,370	4,370	4,058	250	62		
UNCLASSIFIED							
Electricity	320,000	343,000	332,298		10,702		
Street Lighting	230,000	252,000	250,152	1,848			
Telephone	106,700	106,700	94,135	7,320	5,245		
Water	14,000	14,000	7,953		6,047		
Gas	32,000	44,000	42,113	933	954		
Sewerage	4,000	4,000	2,280		1,720		
Gasoline	490,000	408,899	291,167	40,900	76,832		
Fire Hydrant Service	254,000	269,500	246,951	22,058	491		
Accumulated Absences	500	500	500				
Condominium Services Act PL 1989 CH 299	170,000	170,000	150,400	19,600			
TOTAL OPERATIONS WITHIN "CAPS"	24,485,651	24,504,550	22,997,109	639,829	867,612	0	0
Detail:							
Salaries and Wages	14,471,636	14,574,886	14,258,999	0	315,887	0	0
Other Expenses	10,014,015	9,929,664	8,738,110	639,829	551,725	0	0

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED	OVER-
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:							
(1) Deferred Charges:							
None							
(2) Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	268,500	268,500	262,985		5,515		
Social Security (O.A.S.I.)	1,070,000	1,148,000	1,143,329		4,671		
Consolidated Police and Firemen's Pension Fund	849,305	849,406	849,406				
Unemployment Comp Ins.	43,000	46,000	43,790		2,210		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	2,230,805	2,311,906	2,299,510	0	12,396	0	0
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	26,716,456	26,816,456	25,296,619	639,829	880,008	0	0
OPERATIONS - EXCLUDED FROM "CAPS"							
Recycling Tax	43,533	43,533	43,533				
Length of Service Award Program	135,000	135,000		135,000			
City of Northfield Dispatch Service	169,783	169,783	169,783				
Egg Harbor Township Board of Education Solid Waste Disposal	106,560	106,560	96,560	10,000			
State of New Jersey Motor Vehicle Commission	116,000	116,000	116,000				
EHTBOE School Resource Officer	233,000	233,000	233,000				

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
Public and Private Programs Offset by Revenues							
State of NJ - Division of Motor Vehicles Drunk Driving Enforcement Fund	21,441	21,441	21,441				
Egg Harbor Township Municipal Alliance							
Municipal Alliance	23,570	23,570	23,570				
Local Match	5,893	5,893	5,893				
Recycling Tonnage Grant	23,937	44,649	44,649				
Fast and Furious Grant	37,320	37,320	37,320				
Bullet Proof Vest Partnership Grant	0	14,616	14,616				
Clean Communities Act (NJSA 13:13-99.1 et. seq.)	68,340	68,340	68,340				
Alcohol Education/Rehabilitation Program	0	1,392	1,392				
Atlantic County Improvement Authority Construction of Sidewalks & Curbs	0	107,100	107,100				
Donations - Safe and Secure Communities Program	57,643	57,643	57,643				
Department of Highway Safety							
Safe Corridors	47,000	47,041	47,041				
Over the Limit Under Arrest	0	5,000	5,000				
COPS in Shops College/Fall Initiative	0	2,800	2,800				
COPS in Shops Summer Shore Initiative	0	2,400	2,400				
Edward Byrne Justice Assistance Grant	0	12,904	12,904				
Occupant Protection Prog - Click it or Ticket 2008	0	1,890	1,890				
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	1,089,020	1,257,875	1,112,875	145,000	0	0	0
Detail:							
Salaries and Wages	0	0	0	0	0	0	0
Other Expenses	1,089,020	1,257,875	1,112,875	145,000	0	0	0

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	700,000	700,000	700,000				
NJ Transportation Trust Fund Authority Act Reconstruction of Tremont Avenue	150,000	150,000	150,000				
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	850,000	850,000	850,000	0	0	0	0
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	2,480,000	2,480,000	2,480,000				
Interest on Bonds	1,530,676	1,530,676	1,530,676				
Green Trust Loan Program: Loan Repayments for Principal and Interest	109,234	109,234	109,234				
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,119,910	4,119,910	4,119,910	0	0	0	0
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM CAPS							
(1) Deferred Charges Emergency Authorizations	200,000	200,000	200,000				
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	200,000	200,000	200,000	0	0	0	0
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	6,258,930	6,427,785	6,282,785	145,000	0	0	0
SUBTOTAL GENERAL APPROPRIATIONS	32,975,386	33,244,241	31,579,404	784,829	880,008	0	0

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDED			UNEXPENDED	OVER-
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED	EXPENDED
Reserve for Uncollected Taxes	376,729	376,729	376,729				
TOTAL GENERAL APPROPRIATIONS	\$33,352,115	33,620,970	31,956,133	784,829	880,008	0	0
	A-2		A-1		A:A-1		
Budget as Adopted	A-3	33,352,115					
Emergency Authorization NJSA 40A:4-47		100,000					
Appropriations by 40A:4-87		168,855					
		<u>\$33,620,970</u>					

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS**

	<u>Ref.</u>	<u>PAID OR CHARGED</u>
Federal and State Grants		\$603,999
Deferred Charges		200,000
Capital Improvements		700,000
Reserve for Uncollected Taxes	A-2	376,729
Disbursed	A-4	<u>30,491,733</u>
		32,372,461
Less Appropriation Refunds	A-4	<u>416,328</u>
		<u><u>\$31,956,133</u></u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT B - TRUST FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	BALANCE <u>DEC 31, 2009</u>	BALANCE <u>DEC 31, 2008</u>
ASSETS			
Animal Control Fund:			
Cash	B-1	\$14,807	10,314
		<u>14,807</u>	<u>10,314</u>
Assessment Trust Fund:			
Cash	B-1	0	32,165
Assessments Receivable	B-3	10,221	10,221
Assessment Liens		2,589	2,589
Due from Current Fund	A	0	34,288
		<u>12,810</u>	<u>79,263</u>
Length of Service Award Program (LOSAP) (unaudited)			
Investments			
Money Market Funds		33,277	28,420
Mutual Funds		678,864	490,303
Employer Contribution Receivable		142,905	142,905
		<u>855,046</u>	<u>661,628</u>
Other Funds:			
Cash - Treasurer	B-1	9,394,287	8,709,515
Cash - Collector	B-2	205,978	285,293
Due from Atlantic County Utilities Authority			
Environmental Trust Fund		12,005	23,257
Amount Due from Current Fund -			
Basin Maintenance Fees	A	0	1,042,170
Open Space Tax	A	4,706	0
Third Party Inspections	A	61,766	19,744
		<u>9,678,742</u>	<u>10,079,979</u>
		<u><u>\$10,561,405</u></u>	<u><u>\$10,831,184</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	<u>BALANCE DEC 31, 2009</u>	<u>BALANCE DEC 31, 2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Due to Current Fund	A	3,905	1,218
Reserve for Expenditures	B-4	<u>10,902</u>	<u>9,096</u>
		<u>14,807</u>	<u>10,314</u>
Assessment Trust Fund:			
Reserve for Liens and Costs		2,589	2,589
Reserve for Assessments Receivable		10,221	10,221
Assessment Surplus		<u>0</u>	<u>66,453</u>
		<u>12,810</u>	<u>79,263</u>
Length of Service Award Program (LOSAP) (unaudited)			
Net Assets Available for Benefits		<u>855,046</u>	<u>661,628</u>

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	<u>BALANCE DEC 31, 2009</u>	<u>BALANCE DEC 31, 2008</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates	B-6	5,648	37,672
Premiums on Tax Sale Deposits	B-2	200,330	247,621
Reserve for Escrow Fees	B-7	681,027	864,442
Due to Current Fund -			
Recreation Fees	A	0	143
Environmental Trust	A	0	134,885
Due to General Capital	C	795,000	795,000
Due to State of NJ-VCCB		10,278	8,457
Reserves for -			
Small Cities Loan Repayments		60,863	82,502
Recreation Expenditures		36,286	117,829
Contributions Towards Costs of Improvements for Public Safety & Recreation		196,413	435,727
Environmental Trust	B-9	165,431	181,231
Accumulated Absences		2,259	34,759
POAA Fines		1,080	1,064
Council on Affordable Housing (COAH)		134,172	180,985
Basin Maintenance		1,751,729	1,376,394
Law Enforcement	B-11	34,094	31,798
Law Enforcement - Federal Funds	B-10	4,955	4,944
Performance Bond Guarantees	B-12	3,934,881	4,035,218
Open Space Land Acquisition	B-13	1,254,766	1,137,637
Other Trusts	B-8	409,530	371,671
		<u>9,678,742</u>	<u>10,079,979</u>
		<u>\$10,561,405</u>	<u>10,831,184</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT C - CAPITAL FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
ASSETS			
Due from Current Fund	C-3	\$1,415,193	3,114,899
Due from Environmental Trust Fund	B	695,000	695,000
Due from Dedicated Recreation Trust Fund	B	100,000	100,000
Due from Grant Fund	A	3,637,304	3,487,304
Due from NJDEP Bureau of Dam Safety and Flood Control		627,195	627,195
Deferred Charges to Future Taxation			
Funded	C-4	35,111,000	37,441,000
Unfunded	C-5	810,500	500
		<u>42,396,192</u>	<u>45,465,898</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	35,111,000	37,441,000
Bond Anticipation Notes Payable	C-10	810,000	0
Encumbrances Payable		863,054	1,612,008
Reserve for Sidewalk Construction		70,585	70,585
Reserve to Pay Bonds		0	353,151
Improvement Authorizations			
Funded	C-7	4,689,568	5,945,759
Unfunded	C-7	816,514	8,264
Capital Improvement Fund	C-6	31,196	31,196
Fund Balance	C-1	4,275	3,935
		<u>\$42,396,192</u>	<u>45,465,898</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2008 of \$500 and \$500, respectively (C-9)

**GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
REGULATORY BASIS**

	<u>Ref.</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
Balance at beginning of the year	C	\$3,935	28,435
Increased by:			
Premium on Note Sale	C-2	<u>340</u>	<u>0</u>
		4,275	28,435
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8	<u>0</u>	<u>24,500</u>
Balance at the end of the year	C	<u><u>\$4,275</u></u>	<u><u>3,935</u></u>

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS**

	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
General Fixed Assets:		
Construction in Process	\$825,714	0
Land	2,902,953	0
Buildings	22,494,568	19,627,366
Improvements Other than Buildings	348,512	1,428,458
Machinery and Equipment	12,673,815	16,312,381
Vehicles	<u>12,642,660</u>	<u>0</u>
	<u>51,888,222</u>	<u>37,368,205</u>
 Investment in General Fixed Assets	 <u>\$51,888,222</u>	 <u>\$37,368,205</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Egg Harbor was incorporated in 1710 and is situated in the southeast portion of Atlantic County. The population estimate by the US Department of Census as of July 2009 is 40,239. The Township provides to its citizens the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected, five member committee form of government, with the Mayor appointed annually by the committee members. The committee is comprised of five individuals serving three year terms. Two committee members are elected annually except for every third year when one committee person is elected. The Township Administrator monitors the daily administrative responsibilities.

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

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Egg Harbor Township Golf Corporation is a component unit of the Township however it is not presented as part of the financial statements of the Township of Egg Harbor. The Corporation issues separate financial statements; however, the Corporation is not a public body as defined in the Open Public Records Act (OPRA).

B. Description of Funds

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

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

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

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

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

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

General Fixed Assets -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost. The Township's fixed asset capitalization threshold is \$2,500 for general capital assets.

No depreciation has been provided for in the financial statements.

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

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

The following schedule is a summarization of the changes in general fixed assets for the most recent calendar year ended December 31, 2009.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	Balance as of 12-31-08	Additions/ Transfers	Disposals/ Transfers	Balance as of 12-31-09
Construction in Process	\$0	825,714		825,714
Buildings	19,627,366	2,867,202		22,494,568
Land		2,902,953		2,902,953
Improvements other than buildings	1,428,458	348,512	1,428,458	348,512
Vehicles		12,875,982	233,322	12,642,660
Machinery and Equipment	16,312,381	1,208,871	4,847,437	12,673,815
	<u>37,368,205</u>	<u>21,029,234</u>	<u>6,509,217</u>	<u>51,888,222</u>

The Township performed a complete inventory of fixed assets during the 2009 calendar year. This resulted in adjustments to the various asset categories, such as vehicles.

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

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

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

Capitalization of Interest -- It is the policy of the Township of Egg Harbor to treat interest on projects as a current expense and the interest is included in the current operating budget.

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Basic Financial Statements – GASB 34 prescribes the financial statement presentation requirements for governmental units which are significantly different from the reporting requirements under the regulatory basis of accounting in the State of New Jersey. GAAP prescribes that the financial statements must be presented on an entity wide basis including all funds exclusive of fiduciary funds and segregating only government type and business type funds. The statements are presented on a full accrual basis and include all of the non fiduciary assets and liabilities of the entity. In addition, GAAP requires separate fund basis financial statements for all governmental, proprietary and fiduciary funds. The New Jersey Regulatory basis requires reporting of the appropriate separate fund financial statements and the fixed asset account group.

D. Comparative Data

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

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2009 and 2008 statutory budgets included a reserve for uncollected taxes in the amount of \$376,729 and \$375,000. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2009 and 2008 statutory budgets was \$2,765,269 and \$5,000,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Township Committee. The following significant budget transfers were approved in the 2009 and 2008 calendar years:

<u>Budget Category</u>	<u>2009</u>	<u>2008</u>
Division of Law		
Other Expenses	50,000	66,000
Insurance		
Other Insurance Premiums	(48,750)	0
Group Insurance	(171,000)	(64,500)
Department of Police		
Salaries and Wages	193,542	74,348
Police Dispatch/911		
Salaries and Wages	0	32,500

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Ambulance Services		
Salaries and Wages	0	25,395
Fire Hydrant Services		
Salaries and Wages	0	39,750
Buildings and Grounds		
Salaries and Wages	0	71,000
Sanitation		
Salaries and Wages	(124,945)	(142,350)
Landfill/Solid Waste Disposal		
Other Expenses	0	(91,900)
Gasoline	(81,101)	0
Social Security	78,000	94,000

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2009, the Township Committee approved total budget insertions in the amount of \$168,855. The Township Committee approved total budget insertions in the amount of \$917,040 during the 2008 calendar year. The following schedule details the significant budget insertions:

<u>Budget Category</u>	<u>2009</u>	<u>2008</u>
Small Cities Community Development Grant- Atlantic County Improvement Authority		
Curbs & Sidewalks-Pleasant Woods	107,100	465,736
Atlantic County Municipal Open Space Financial Assistance Program - Reconstruction Of a Field House & Parking at Childs-Kirk Park	0	400,000

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During the 2009 and 2008 calendar years, the Township approved emergency appropriations for the following budget line items:

{This space intentionally left blank}

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Division of Law		
Other Expenses	\$ 100,000	0
Electricity	0	70,000
Natural Gas	0	10,000
Gasoline	0	120,000
	<u>\$ 100,000</u>	<u>200,000</u>

Note 3: INVESTMENTS

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

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America or the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

Unaudited Investments

As more fully described in Note 25, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2009 and 2008 amounted to \$712,141 and \$518,723, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Advisors on December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Fixed Income	332,328	284,311
Growth & Income	42,142	30,547
All Others	337,671	203,865
Total	<u>\$ 712,141</u>	<u>518,723</u>

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2009, \$0 of the municipality’s bank balance of \$20,320,278 was exposed to custodial credit risk. As of December 31, 2008, \$0 of the municipality’s bank balance of \$23,069,659 was exposed to custodial credit risk.

Note 5: LONG TERM DEBT

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

	Balance <u>12/31/08</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/09</u>	Amounts Due Within <u>One Year</u>
Bonds payable:					
General	37,441,000		2,330,000	35,111,000	2,450,000
Other liabilities:					
Compensated Absences Payable	3,836,114		64,720	3,771,394	0
Total long-term liabilities	<u>41,277,114</u>		<u>2,394,720</u>	<u>38,882,394</u>	<u>2,450,000</u>

Paid by Current Fund:

\$14,053,000 General Improvement Bonds, Series 2002 dated 8/15/02 payable in annual installments through 2/15/16. Interest is paid semiannually at a rate of 3.90% per annum. The balance remaining as of December 31, 2009 was \$8,350,000.

\$19,406,000 General Improvement Bonds, Series 2006 dated 2/1/06 payable in annual installments through 2/1/26. Interest is paid semiannually at varying rates from 4.00% to 4.375% per annum. Bonds maturing on or after 2/16/17 are redeemable at the option of the Township in whole or in part on any date on or after 2/1/16. The balance remaining as of December 31, 2009 was \$17,256,000.

\$9,885,000 General Improvement Bonds, Series 2008 dated 9/1/08 payable in annual installments through 9/1/23. Interest is paid semiannually at varying rates from 4.00% to 4.125% per annum. Bonds maturing on or after 9/1/19 are redeemable at the option of the Township in whole or in part on any date on or after 9/1/18. The balance remaining as of December 31, 2009 was \$9,505,000.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

\$150,000 Loan Payable dated November 2, 1998 through the New Jersey Department of Environmental Protection payable in semi annual installments through June 22, 2018. Payments of \$4,663.74 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2009 was \$72,579.

\$150,000 Loan Payable dated October 9, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2021. Payments of \$4,870.21 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2009 was \$103,460.

\$500,000 Loan Payable dated October 9, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2022. Payments of \$15,545.80 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2009 was \$354,368.

\$250,000 Loan Payable dated December 21, 2006 through the New Jersey Department of Environmental Protection payable in semi annual installments through November 26, 2026. Payments of \$7,772.90 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2009 was \$223,102.

\$700,000 Loan Payable dated November 7, 2007 through New Jersey Department of Environmental Protection payable in semi annual installments through August 13, 2027. Payments of \$21,764 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2009 was \$655,263.

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

Calendar Year	Federal and State Grant Fund		Total Green Acres Loans Paid From Operating	General Capital Fund		Total All Debt Service
	Principal	Interest	Budget	Principal	Interest	
2010	81,463	27,772	109,235	2,450,000	1,404,141	3,963,376
2011	83,100	26,133	109,233	2,495,000	1,306,844	3,911,077
2012	84,769	24,463	109,232	2,535,000	1,208,732	3,852,964
2013	86,475	22,759	109,234	2,625,000	1,107,007	3,841,241
2014	88,213	21,021	109,234	2,675,000	1,000,482	3,784,716
2015-2019	454,255	77,922	532,177	10,620,000	3,535,097	14,687,274
2020-2024	374,034	34,091	408,125	8,950,000	1,570,070	10,928,195
2025-2027	156,463	5,212	161,675	2,761,000	121,000	3,043,675
	<u>1,408,772</u>	<u>239,373</u>	<u>1,648,145</u>	<u>35,111,000</u>	<u>11,253,373</u>	<u>48,012,518</u>

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

As of December 31, 2009, the carrying value of the above bonds approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
Bonds & Notes Issued	37,329,772	38,929,633	36,323,298
Bonds & Notes Authorized But Not Issued	500	500	262,578
Net Bonds & Notes Issued and Authorized But Not Issued	<u>37,330,272</u>	<u>38,930,133</u>	<u>36,585,876</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 0.73%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$111,525,357	111,525,357	0
General Debt	47,320,272	9,990,000	37,330,272
	<u>\$158,845,629</u>	<u>121,515,357</u>	<u>37,330,272</u>

Net Debt \$37,330,272 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$5,106,206,359 = 0.73%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 ½ % of Equalized Valuation Basis (Municipal)	\$178,717,223
Net Debt	<u>37,330,272</u>
Remaining Borrowing Power	<u>\$141,386,951</u>

Note 6: BOND ANTICIPATION NOTES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes	\$0	810,000	0	\$810,000

The Township has outstanding at December 31, 2009 the following bond anticipation notes:

<u>Bank</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest</u>
Oppenheimer & Co.	\$810,000	10/1/09	9/30/10	2.35%

It is the intent of the Township to renew this note for an additional one year period upon maturity.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2009 and 2008 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2010 and 2009 were as follows:

		<u>2010</u>	<u>2009</u>
Current Fund	\$	692,642	2,765,269

As of the date of this audit report, the Township has not adopted their 2010 Local Municipal Budget and this amount is subject to change.

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance 12/31/09</u>	<u>2010 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Emergency Authorization	\$100,000	100,000	0
Overexpenditures of Appropriation Reserves	2,059	0	2,059
	<u>\$102,059</u>	<u>100,000</u>	<u>2,059</u>

The appropriations in the 2010 Budget are less than that required by statute. Additional deferred charges were discovered after the budget was prepared.

Note 9: SCHOOL TAXES

Local District School Tax in the amount of \$66,270,066 has been raised for the 2009 calendar year and \$66,270,066 was remitted to the school district. Local District School Tax in the amount of \$65,587,592 was raised for the 2008 calendar year and \$65,587,592 was remitted to the school district. Since the school district operates on a July 1 to June 30 fiscal year the school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

{This space intentionally left blank}

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/09	Balance 12/31/08
Prepaid Taxes	634,710	644,725
Cash Liability for Taxes Collected in Advance	\$634,710	644,725

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at –

http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 8.5% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 5.5% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 6.0% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2009, 2008, and 2007 were \$262,985, \$357,205 and \$183,269.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the year ended December 31, 2009, 2008, and 2007 were \$849,406, \$1,578,066, and \$1,004,099.

NOTE 12: POST-RETIREMENT BENEFITS

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2000 the Township of Egg Harbor authorized participation in the State Health Benefit Program and Local Prescription Drug Program through resolution 110-2000. The Township does not offer post-retirement benefits to retirees.

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

During 2009 and 2008, \$2,871,912 and \$2,856,973, respectively, was paid by the Township for health care of employees.

**EGG HARBOR TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 13: DEFERRED COMPENSATION

Employees of the Township of Egg Harbor may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service For State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 14: LABOR CONTRACTS

As of December 31, 2009, the Township's employees are organized in three collective bargaining units. The contract with the Policeman's Benevolent Association expires December 31, 2012 and the contract with the CWA expires December 31, 2010. The contract with United Workers Union expired December 31, 2009 and is currently being renegotiated.

<u>Bargaining Unit</u>	<u>Job Category</u>	<u>Members</u>
PBA	Police	All uniformed police excluding Chief and Captain
UWU	General	All other employees except confidential employees
CWA	Management	Most Department Heads

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted full time employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation at December 31, 2009 would approximate \$3,771,394. The estimated cost of unpaid compensation as of December 31, 2008 was \$3,836,114. This amount is not reported either as an expenditure or liability. Employees covered under the CWA and PBA contracts are permitted to accumulate up to 220 days of sick time. Payment will be made upon separation at varying levels, based on years of service. Employees covered under the UWU/IBEW

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

contract are permitted to accrue sick time to a maximum of 240 days. Payment will be made upon separation based on years of service. The PBA contract permits employees to accumulate vacation time from one year to the next, up to 30 days. Payment will be made upon separation, provided adequate notice is given. New Jersey Municipalities are permitted to accrue a compensated absences liability. The Township has begun to accumulate funds for accrued absences. As of December 31, 2009 and 2008 the total amount accumulated was \$2,259 and \$34,759, respectively.

Note 16: ECONOMIC DEPENDENCY

The Township of Egg Harbor is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

Note 17: HOST COMMUNITY BENEFIT

The Township of Egg Harbor has entered into a Host Community Benefit Agreement with the Atlantic County Utilities Authority with respect to waste accepted at the transfer station. The Authority, as owner of the transfer station located in the Township, agrees to provide the Township with a "host community" benefit for each ton of waste it shall accept for disposal at any of its transfer stations. For the most recent period beginning January 1, 2009 through December 31, 2009, the amount of the benefit was \$7.18 per ton of waste. \$6.18 per ton is permitted to be used for current operations of the Township. \$1.00 per ton is retained in the environmental trust fund and is to be used for the purpose of funding environmental projects to benefit the residents of Egg Harbor Township; specifically public water supply and public sewer. A \$2.00 per ton reduction has been granted to volume customers who deliver their waste to the transfer station.

Note 18: ASSESSMENT PROJECTS

Several assessment improvement projects had been undertaken by the Township of Egg Harbor. These projects were for sewer and water extensions in various areas of the Township. The amount of the remaining project as assessed to property owners is as follows:

<u>Date</u>	<u>Project</u>	<u>Amount</u>	<u>Balance</u>
<u>Confirmed</u>		<u>Confirmed</u>	<u>12/31/09</u>
2/28/96	Town Hall Sewer Service	878,668	10,221
		\$ <u>878,668</u>	<u>10,221</u>

Note 19: CONTINGENT LIABILITIES

During the normal course of operations, lawsuits are occasionally brought against the governmental unit. There are presently no outstanding lawsuits that would result in a material contingent liability to the Township.

**EGG HARBOR TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 20: 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. During the 2009 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The Township maintains commercial insurance coverage for property, liability and surety bonds.

The Township is a member of the Atlantic County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$200,000 under JIF, with a coverage limitation of \$4,900,000 under MEL. There was no reduction in coverage and no claims in excess of coverage during 2009. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, PO Box 12, Hammonton, NJ 08037.

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Township is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. The expense for the years ended December 31, 2009 and 2008 was \$43,790 and \$44,513.

Note 21: GRANTS AND CONTRACTS

During the normal course of operations the Township awards contracts and enters into commitments with various contractors in relation to the ongoing capital program. Due to the nature of the work performed, these contracts may not be fully paid for within the current year and the outstanding balance will be encumbered as of December 31. The balance remaining on these contracts as of December 31, 2009 is as follows:

<u>Contract</u>	<u>Funding Source</u>	<u>Balance at 12/31/09</u>
High School Drive Extension	Bond Ordinance #23-08	30,795
Reconstruction of Tremont Avenue	NJ Trans Trust Fund & Bond Ordinance #23-08	249,592
Construction of Childs Kirk Field House Phase III	Bond Ordinance #23-08	719,207

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 22: RELATED PARTIES

A separate not for profit entity, the Egg Harbor Township Golf Corporation, has been formed as a 501(c)(3) entity based on the Internal Revenue Service Code. The entity was formed to construct and oversee the operation of a golf course. A separate management company operated the golf course through October 2009. To obtain the most favorable bond rates, the corporation financed the construction with a tax exempt borrowing from the Atlantic County Improvement Authority. With the approval of the State of New Jersey Local Finance Board, Egg Harbor Township guarantees the borrowing of \$10,550,000. This amount will not be a direct liability of the Township and, as long as the guarantee is not activated, the amount will not impair the borrowing capacity of the Township. Based on the terms of the guarantor agreement, if it becomes necessary for the Township to make payments on this debt service, the payment is to be made within one hundred twenty (120) days of the notice and will be applied to the Debt Service Reserve Fund. The Golf Corporation is obligated to reimburse the Township at the earliest practicable date. During the 2009 calendar year, the Township budgeted and paid \$150,000 towards the Golf Corporation principal and interest payment. As of December 31, 2009, the accumulated debt service payments made by the Township on behalf of the Golf Corporation was \$150,000.

As of December 31, 2009, the Golf Corporation had outstanding notes in the amount of \$9,990,000.

In May 2006, the Atlantic County Improvement Authority refinanced \$9,785,000 of the originally issued bonds. This issue was to advance refund all of the outstanding callable principal amounts of the original issue with a maturity date on or after November 1, 2011. Principal payments are due November 1 of each year commencing in 2006 and continuing through 2030. Interest is due each May 1 and November 1 at rates ranging from 3.5% to 5.00% per annum.

Note 23: OPEN SPACE TAXING DISTRICT

The voters of the Township approved the establishment of an Open Space, Recreation, Farmland and Historic Preservation Trust Fund Taxing District effective January 1, 2002. The amount assessed each year, \$.02 per \$100 of assessed valuation, will be placed in an interest-bearing account for the acquisition, development, capital maintenance and payment of debt service on lands acquired for recreation and conservation purposes. The amount to be raised by taxation during 2009 was \$513,873 and \$504,134 was levied in 2008. The unexpended amount of \$1,254,766 is reserved for future use.

Note 24: INTERFUND BALANCES

As of December 31, 2009, the following interfunds were included on the balance sheets of the various funds of the Township of Egg Harbor:

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Animal Control Fund	3,905	
Recreation Trust		
Environmental Trust		
Third Party Inspectors		61,766
Grant Fund		2,783,161
Open Space Trust		4,706
Assessment Trust		
General Capital		1,415,193
Grant Fund:		
Current Fund	2,783,161	
General Capital		3,637,304
Trust Fund:		
Current -		
Animal Control Fund		3,905
Assessment Trust		
Open Space Trust	4,706	
Third Party Inspections	61,766	
Animal Control Fund		
Environmental Trust		
Recreation Trust		
General Capital		795,000
General Capital:		
Environmental Trust	695,000	
Recreation Trust	100,000	
Grant Fund	3,637,304	
Current Fund	1,415,193	
	<u>\$8,701,035</u>	<u>8,701,035</u>

The amounts due to the general capital fund and from the grant fund is due to the fact that there is no separate capital or grant bank account. It is anticipated that all other interfunds will be liquidated during the calendar year.

Note 25: RESTATEMENT OF PRIOR BALANCES

Certain accounts have been restated in the prior year to conform with categories established in the current fiscal year.

**EGG HARBOR TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 26: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

During the 2001 calendar year, the voters of the Township of Egg Harbor approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Township appropriated \$135,000 and \$160,000 in 2009 and 2008 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Township subject only to the claims of the Township's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Township, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Township believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Township of Egg Harbor issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP. The financial report may be obtained by contacting the Township of Egg Harbor, 3515 Bargaintown Road, Egg Harbor Township, NJ 08234.

Note 27: SUBSEQUENT EVENTS

During 2010 the Township authorized the following bond ordinance which increased the Township's authorized debt:

<u>Ordinance #</u>	<u>Purpose</u>	<u>Total Appropriated</u>	<u>Debt Authorized</u>	<u>Date Introduced</u>
16-2010	Various General Improvements	\$2,565,000	2,065,000	5/26/10

The above ordinance includes improvements to roads, public works vehicle, and West Atlantic City Gabion project, as well as the acquisition of computers, communication, and public works equipment. The public hearing and adoption of this ordinance was held on June 23, 2010.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

In January 2010, Township Committee approved a special emergency appropriation in the amount of \$1,500,000 for the preparation and execution of a complete program of revaluation of real property within the Township and authorized the issuance of Special Emergency Notes in the same amount. A special emergency note was issued in March 2010 for the full amount of \$1,500,000

The Township has evaluated subsequent events through June 30, 2010, the date which the financial statements were available to be issued and no additional items were noted for disclosures.

SUPPLEMENTARY DATA

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

The Honorable Mayor and
Members of Township Committee
Township of Egg Harbor, New Jersey

We have audited the financial statements - regulatory basis of the Township of Egg Harbor, New Jersey as of and for the year ended December 31, 2009, and have issued our report thereon dated June 30, 2010. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Township of Egg Harbor, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”).

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 purpose 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 of Egg Harbor, New Jersey'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* or the requirements of the Division of Local Government Services.

We noted certain matters that we reported to management of the Township of Egg Harbor, New Jersey in a separate letter dated June 30, 2010.

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

Robert E. Swartz, CPA

Robert E. Swartz, CPA
Registered Municipal Accountant
No. 319

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

June 30, 2010

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	CFDA # or Pass-Through Grantor's #	Program or Award Amount	Balance 1/1/09	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance 12/31/09	Total Cumulative State Expenditures
Federal:									
U. S. Department of Justice									
Save Our Streets	1/1/08 - 12/31/08	16.592	13,389	23			9,350	9,373	
Body Armor Fund	1/1/08 - 12/31/08	16.592	49,231	6,152		3,480		2,672	
Atlantic County - E. Byrne Memorial Juvenile Assistance Grant	1/1/09 - 12/31/09	16.592	12,904		12,904	9,367			
				<u>6,175</u>	<u>12,904</u>	<u>12,847</u>	<u>9,350</u>	<u>12,045</u>	
Small Cities Community Develop Block Grant									
Construction of Community Center	1/1/08 - 12/31/08	14.218	142,721	95,802		80,764		15,038	
County of Atlantic Improvement Authority Curbs & Sidewalks - Pleasant Woods	1/1/09 - 12/31/09	14.218	107,100		107,100	107,100		0	
				<u>95,802</u>	<u>107,100</u>	<u>187,864</u>	<u>0</u>	<u>15,038</u>	
Total Federal Assistance				<u>101,977</u>	<u>120,004</u>	<u>200,711</u>	<u>9,350</u>	<u>27,083</u>	
State of New Jersey									
NJ Department of Environmental Protection									
Clean Communities Act	1/1/08 - 12/31/08	4900-765-178920	49,624	14,098		14,098			49,624
Clean Communities Act	1/1/09 - 12/31/09	4900-765-178920	68,340		68,340	32,860		35,480	32,860
Recycling Tonnage Grant	1/1/08 - 12/31/08	NA	43,509	15,431		15,431			43,509
Recycling Tonnage Grant	1/1/09 - 12/31/09	NA	44,649		44,649	13,026		31,623	13,026
				<u>29,529</u>	<u>112,989</u>	<u>75,415</u>	<u>0</u>	<u>67,103</u>	
Department of Transportation									
Transportation Trust Fund Authority Act Reconstruction of Tremont Avenue	1/1/09 - 12/31/09	480-078-6320-162-6010	150,000	0	150,000	150,000			150,000
				<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	
Department of Community Affairs									
Safe & Secure Communitis	1/1/08 - 12/31/08	100-066-1020-107-090940	54,587	4,615		4,615			54,587
Safe & Secure Communitis	1/1/09 - 12/31/09	100-066-1020-107-090940	57,643		57,643	54,421		3,222	54,421
Cops in Shops Summer Shore Initiative	1/1/09 - 12/31/09	NA	2,400		2,400	2,369		31	2,369
Cops in Shops College Fall Initiative	1/1/07 - 12/31/07	NA	3,200	628		628			3,200
Cops in Shops College Fall Initiative	1/1/08 - 12/31/08	NA	3,200	3,200		3,087		113	3,087
Cops in Shops College Fall Initiative	1/1/09 - 12/31/09	NA	2,800		2,800			2,800	0
				<u>8,443</u>	<u>62,843</u>	<u>65,120</u>	<u>0</u>	<u>6,166</u>	

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's #	Program or Award Amount	Balance 1/1/09	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance 12/31/09	Total Cumulative State Expenditures
NJ Department of Health									
Alcohol Education Rehabilitation	1/1/08 - 12/31/08	4250-760-050000-63-260	2,356	2,356		2,356			2,356
Alcohol Education Rehabilitation	1/1/09 - 12/31/09	4250-760-050000-63-260	1,392		1,392			1,392	0
				<u>2,356</u>	<u>1,392</u>	<u>2,356</u>	<u>0</u>	<u>1,392</u>	
NJ Division of Law and Public Safety									
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1/1/08 - 12/31/08	1110-101-030000- 129040290064	21,441	140		140			21,441
Drunk Driving Enforcement Fund	1/1/09 - 12/31/09	1110-101-030000- 129040290064	21,441		21,441	6,790		14,651	6,790
Safe Corridor	1/1/07 - 12/31/07	NA	146,000	6,552				6,552	139,448
Safe Corridor	1/1/09 - 12/31/09	NA	47,041		47,041			47,041	0
Body Armor Fund	1/1/03 - 12/31/03	NA	32,023	20,028		2,898	(17,130)		14,893
Body Armor Fund	1/1/04 - 12/31/04	NA	8,455	8,455			(8,204)	251	0
Body Armor Fund	1/1/06 - 12/31/06	NA	1,134	1,134				1,134	0
Body Armor Fund	1/1/07 - 12/31/07	NA	8,964	8,964				8,964	
Body Armor Fund	1/1/08 - 12/31/08	NA	9,385	7,934				7,934	1,451
Body Armor Fund	1/1/09 - 12/31/09	NA	14,616		14,616			14,616	0
Office of Information Telecommunication Services-Enhanced 911 Grant	1/1/08 - 12/31/08	NA	41,321	4,609				4,609	36,712
				<u>57,816</u>	<u>83,098</u>	<u>9,828</u>	<u>(25,334)</u>	<u>105,752</u>	
NJ Division of Traffic Safety									
Fast & Furious Enforcement	1/1/07 - 12/31/07	NA	39,365	10,333			(10,333)	0	29,032
Fast & Furious Enforcement	1/1/09 - 12/31/09	NA	37,320		37,320	34,234	(3,086)	0	34,234
Over the Limit Under Arrest	1/1/09 - 12/31/09	NA	5,000		5,000	1,154		3,846	1,154
Click It or Ticket	1/1/08 - 12/31/08	NA	4,000	124		124			4,000
Click It or Ticket	1/1/09 - 12/31/09	NA	1,890		1,890	1,890			1,890
				<u>10,457</u>	<u>44,210</u>	<u>37,402</u>	<u>(13,419)</u>	<u>3,846</u>	
Loan Program									
New Jersey Department of Environmental Protection - Green Acres Trust Loan Program	6/22/99 - 6/22/18	# 4800-533-851000-60	72,579						
	7/11/03 - 7/11/21	# 4800-533-851000-60	103,460						
	7/11/03 - 7/11/21	# 4800-533-851000-60	354,368						
	11/26/07 - 11/26/26	# 4800-533-851000-60	223,102						
	8/13/08 - 8/13/27	# 4800-533-851000-60	655,263						
				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total State Assistance				<u>108,601</u>	<u>454,532</u>	<u>340,121</u>	<u>(38,753)</u>	<u>184,259</u>	
Total Federal and State Financial Assistance				<u>\$210,578</u>	<u>574,536</u>	<u>540,832</u>	<u>(29,403)</u>	<u>211,342</u>	

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2009**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the Township of Egg Harbor, New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining the single audit threshold on major programs.

In calculating the total state programs expended, the New Jersey Department of Environmental Protection, Green Acres Trust Loan Program have been excluded. Although the State government is at risk for these funds, the loan proceeds were received and expended in prior years and there are no compliance requirements other than to repay the loans.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statement. Receipts from federal and state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, as follows:

	<u>State</u>	<u>Federal</u>
Expenditures per Schedule of Federal and State Awards	\$ 340,121	191,361
Less: Encumbrances, net	6,550	(101,115)
Less: Expended in Capital Fund	(150,000)	
Expenditures reported in Basic Financial Statements	\$ <u>196,671</u>	<u>90,246</u>

The Balance remaining on the New Jersey Department of Environmental Protection, Green Acres Trust Loans as of December 31, 2009 amounted to \$1,408,772.

**TOWNSHIP OF EGG HARBOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unqualified		
Internal control over financial reporting:			
1) Material weakness(es) identified?	_____ yes	_____ X _____	no
2) Significant deficiency(ies) identified?	_____ yes	_____ X _____	no
Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ X _____	no

Federal Awards Section

Not Applicable

Internal Control over compliance:			
1) Material weakness(es) identified?	_____ yes	_____	no
2) Significant deficiency(ies) identified?	_____ yes	_____	no
Type of auditor's report on compliance for major programs			
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	_____ yes	_____	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no _____ n/a

**TOWNSHIP OF EGG HARBOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Part I -- Summary of Auditor's Results

State Awards Section

Not Applicable

Internal Control over compliance:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiency(ies) identified? _____ yes _____ no

Type of auditor's report on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04?

_____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee?

_____ yes _____ no _____ n/a

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

NONE

STATUS OF PRIOR RECOMMENDATIONS

Finding 08-1

Condition

Significant adjusting entries were necessary based on our audit procedures. The exclusion of these entries resulted in incomplete financial information.

Current Status

This recommendation was not cleared during 2009.

Corrective Action to be Taken

The Chief Financial Officer will monitor the general ledger balances on a monthly basis and post any adjustments that are necessary.

Finding 08-2

Condition

The Township does maintain a fixed asset accounting system however it includes various items that have been disposed of by the Township and excludes equipment that has been purchased.

Current Status

This recommendation was cleared during 2009.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2008		\$13,426,307	58,091
Increased by Receipts:			
Collector	A-6	98,791,608	
Revenue Accounts Receivable	A-9	11,027,163	
State of New Jersey -			
Senior Citizens and Veterans		353,940	
In Lieu of Taxes		13,501	
Motor Vehicle Commission	A-2	116,000	
Uniform Fire Safety Fees		75,839	
Miscellaneous Revenue	A-2	175,026	534,707
Township Clerk	A-5	574,421	
Cable Franchise Fees		138,357	
Appropriation Refunds	A-3	416,328	
Tax Abatements		362,953	
Due from Golf Course		24,406	
Due from Grant Fund		1,250,838	
Due from Assessment Trust Fund		32,165	
Due from Environmental Trust Fund		148,007	
Due from Local Open Space Trust Fund		400,000	
Due from Public Defender Fees		35,010	
Due from Township Municipal Utilities Authority		250,000	
Due from General Capital		810,000	
Reserve for Property Sales		169,568	
Reserve for Street Opening Surety		5,000	
Reserve for Curb and Sidewalk Surety		38,200	
Curb and Sidewalk Surety In Lieu		16,400	
Third Party Inspection Fees		766,843	
City of Northfield Dispatch Service	A-2	169,783	
Egg Harbor Township Board of Education -			
Solid Waste Disposal	A-2	109,760	
Resource Officer	A-2	233,000	
Local Unit Green Trust-Interest earned			<u>8</u>
		<u>116,504,116</u>	<u>534,715</u>
		129,930,423	592,806

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:			
2009 Appropriations	A-3	30,491,733	
2008 Appropriation Reserves	A-11	661,649	
Accounts Payable		351,658	
Due To Grant Funds - Reserves	A-15	721,038	
Due to Local Open Space Trust Fund		518,435	
Due to Law Enforcement Trust		1,950	
Due to Police Detail		468	
Due to Public Defender		35,010	
Due to General Capital		2,856,895	
Refund of Tax Overpayments		290,435	
Reserve for Curb & Sidewalk Surety Deposits		24,300	
Reserve for Basin Maintenance		1,042,170	
Reserve for In Lieu - Other		10,500	
Reserve for Street Opening Surety		55,000	
Due to Municipal Utilities Authority		221,542	
County Taxes		16,029,420	
Added and Omitted County Taxes		285,652	
Local District School Tax	A-10	66,270,066	
Third Party Inspection Fees		741,870	
Other Miscellaneous		86,351	
Due to Current Fund			8
		<u>120,696,142</u>	<u>8</u>
Balance December 31, 2009	A	<u><u>\$9,234,281</u></u>	<u><u>592,798</u></u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

	<u>Ref.</u>	
Increased by Receipts:		
Prepaid Taxes - 2010		\$634,710
Taxes Receivable	A-7	97,038,286
Tax Title Liens	A-8	25,696
Revenue Accounts Receivable	A-9	847,826
Sewer Charges		221,809
Other Miscellaneous	A-2	<u>23,281</u>
		<u>98,791,608</u>
 Payment to Treasurer	 A-4	 <u>\$98,791,608</u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - CLERK**

Balance December 31, 2008	<u>Ref.</u> A		\$0
Increased by:			
Revenue Accounts Receivable	A-9	433,849	
Miscellaneous Revenue Not Anticipated	A-2	<u>140,572</u>	
			<u>574,421</u>
			574,421
Decreased by:			
Disbursed to Current Fund	A-4		<u>574,421</u>
Balance December 31, 2009	A		<u><u>\$0</u></u>

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

YEAR	BALANCE DEC. 31, 2008	2009 LEVY	ADDED TAXES	DISALLOWED SENIOR CITIZEN	OVERPAYMENTS CREATED	COLLECTIONS BY CASH		OVERPAYMENTS APPLIED	CANCELLATIONS	TRANSFERRED TO TAX TITLE LIENS	ADJUSTMENTS	TRANSFER TO ARREARS	BALANCE DEC. 31, 2009
Arrears	115,590												
2008	476							79,161 476		12,415		58,598	82,612 0
	116,066	0	0	0	0	0	79,637	0	12,415	0	0	58,598	82,612
2009		97,865,397	895,824			644,725	97,308,899		704,936	44,063		(58,598)	0
	<u>\$116,066</u>	<u>97,865,397</u>	<u>895,824</u>	<u>0</u>	<u>0</u>	<u>644,725</u>	<u>97,388,536</u>	<u>0</u>	<u>717,351</u>	<u>44,063</u>	<u>0</u>	<u>0</u>	<u>82,612</u>
Ref.	A									A-8			A
			Cash Collected			A-6	\$97,038,286						
			Senior Citizen & Veteran Allowances				<u>350,250</u>						
							<u>\$97,388,536</u>						

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of 2009 Property Tax Levy

Tax Yield

General Property Tax		\$97,865,397	
Added Taxes (54:4-63.1,63.12 et.seq.)		<u>895,824</u>	
			<u><u>98,761,221</u></u>

Tax Levy

	<u>Ref.</u>		
Local District School Tax (Abstract)	A-12	66,270,066	
Municipal Open Space Tax		518,435	
County Tax (Abstract)		16,029,420	
Due County for Added and Omitted Taxes (54:4-63.1,63.12 et. seq.)		<u>146,668</u>	
			82,964,589

Local Tax for Municipal Purposes	A-2	15,045,927	
Add: Additional Tax Levied		<u>750,705</u>	

Local Tax for Municipal Purposes Levied			<u>15,796,632</u>
--	--	--	-------------------

\$98,761,221

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance December 31, 2008	A		\$114,918
Increased by:			
Transfers from Taxes Receivable	A-7	44,063	
Interest and Costs Accrued by Sale of December 16, 2009		<u>3,039</u>	
			<u>47,102</u>
			162,020
Decreased by:			
Collection	A-6	<u>25,696</u>	
			<u>25,696</u>
Balance December 31, 2009	A		<u><u>\$136,324</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	BALANCE DEC. 31, 2008	ACCRUED IN 2009	COLLECTED BY			BALANCE DEC. 31, 2009
			COLLECTOR	TREASURER	CLERK	
Clerk:						
Licenses						
A-2		91,564			91,564	
Tax Collector:						
		2,440	2,440			
		251,549	251,549			
Treasurer:						
Licenses:						
A-2		220,105			220,105	
A-2	113,506	607,553	593,837			127,222 4th qtr. 2009
A-2		197,181		197,181		
A-2		122,180			122,180	
A-2	64,425	860,301		869,962		54,764 Dec. 2009
A-2		6,759,716		6,759,716		
A-2		16,779		16,779		
A-2	229,034	1,531,444		1,641,619		118,859 Nov. & Dec. 2009
A-2		139,945		139,945		
A-2		976,834		976,834		
A-2	29,290	407,317		425,127		11,480 Dec. 2009
	<u>\$436,255</u>	<u>12,184,908</u>	<u>847,826</u>	<u>11,027,163</u>	<u>433,849</u>	<u>312,325</u>
Ref.	A	Res.	A-6	A-4	A-5	A

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008**

	<u>BALANCE DEC. 31, 2008</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
DEPARTMENT OF ADMINISTRATION AND FINANCE					
Governing Body					
Salaries and Wages	1,739	1,910	1,910		
Other Expenses	193	0			
Administrators Office					
Salaries and wages	3,499	3,497	3,497		
Other Expenses	3,235	1,466	1,031	435	
Office of Township Clerk					
Salaries and Wages	3,419	3,418	3,418		
Other Expenses	8,009	9,306	9,546		240
Division of Treasury					
Salaries and Wages	3,602	3,282	3,282		
Other Expenses	6,227	5,936	5,897	39	
Division of Collections					
Salaries of Wages	2,783	2,727	2,727		
Other Expenses	6,116	3,291	3,291		
Division of Assessments					
Salaries of Wages	1,830	1,751	1,751		
Other Expenses	11,003	12,091	12,091		
Division of Law					
Other Expenses	33,679	86,574	86,574		
Division of Engineering					
Other Expenses	10,441	8,115	8,115		
Rent Leveling Board					
Other Expenses	12,523	4,961	4,961		

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008**

	<u>BALANCE DEC. 31, 2008</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
DEPARTMENT OF PUBLIC WORKS					
Division of Roads					
Salaries and Wages	2,992	6,573	6,573		
Other Expenses	15,493	6,682	6,385	297	
Division of Buildings and Grounds					
Salaries and Wages	9,946	8,230	8,230		
Other Expenses	9,034	8,634	8,634		
Division of Equipment Maintenance					
Salaries and Wages	2,565	3,460	3,460		
Other Expenses	25,563	11,921	12,721		800
Division of Solid Waste					
Salaries and Wages	6,399	10,833	11,852		1,019
Other Expenses	2,490	2,402	2,402		
Landfill/Solid Waste Disposal Costs					
Other Expenses	27,812	1,118	1,118		
Animal Control					
Other Expenses	1,605	1,455	1,455		
DEPARTMENT OF RECREATION					
Salaries and Wages	2,697	1,766	1,766		
Other Expenses	7,642	3,858	3,858		

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008**

	<u>BALANCE DEC. 31, 2008</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
Celebration of Events					
Other Expenses	83	0			
DEPARTMENT OF POLICE					
Salaries and Wages	83,689	118,375	118,321	54	
Other Expenses	137,813	173,950	169,512	4,438	
DEPARTMENT OF POLICE DISPATCH/911					
Salaries and Wages	15,721	15,328	15,328		
Other Expenses	7,598	6,301	6,301		
DEPARTMENT OF FIRE					
Other Expenses	27,480	27,334	17,848	9,486	
Ambulance Services					
Salaries and Wages	11,369	18,850	18,850		
Other Expenses	22,137	15,875	15,710	165	
Municipal Court					
Salaries and Wages	6,129	5,990	5,988	2	
Other Expenses	10,543	5,971	5,971		
Public Defender					
Other Expenses	5	0			

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008**

	<u>BALANCE DEC. 31, 2008</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
DEPARTMENT OF COMMUNITY DEVELOPMENT					
Division of Planning					
Salaries and Wages	1,581	1,579	1,579		
Other Expenses	5,080	10,180	10,180		
Division of Zoning					
Salaries and Wages	776	626	626		
Other Expenses	338	137	137		
Bureau of Fire Inspections					
Salaries and Wages	1,977	1,777	1,777		
Other Expenses	3,943	3,878	3,878		
ACCUMULATED LEAVE COMPENSATION					
Salaries and Wages	1,925	183		183	
Insurance					
Other Insurance premiums	9,402	6,136	6,136		
Workers Compensation	11	0			
Group Insurance for Employees	1,247	0			
UNIFORM FIRE SAFETY ACT					
Fire Prevention Program					
Salaries and Wages	1,954	1,953	1,953		
Other Expenses	3,098	410	410		

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008**

	<u>BALANCE DEC. 31, 2008</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
UNCLASSIFIED:					
Electricity	2,556	0			
Telephone	16,524	14,209	13,290	919	
Water	620	0			
Gas	4,126	714	714		
Sewer	679	0			
Gasoline	51,796	23,715	23,715		
Fire Hydrant Service	1,236	0			
Condominium Services Act	2,032	0			
STATUTORY EXPENDITURES					
Social Security (O.A.S.I.)	12,437	0			
Unemployment Insurance	287	0			
City of Northfield Dispatch Services	492	492	492		
Egg Harbor Township Board of Education Solid Waste Disposal	6,388	6,388	6,388		
Other Accounts - No Changes	<u>24,411</u>	<u>24,411</u>		<u>24,411</u>	
	<u>\$700,019</u>	<u>700,019</u>	<u>661,649</u>	<u>40,429</u>	<u>2,059</u>
	A	A	A-4	A-1	

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

	<u>Ref.</u>	
Balance December 31, 2008	A	\$0
Increased By:		
Levy - Calendar Year 2009	A-1:A-7	<u>66,270,066</u>
		66,270,066
Decreased By:		
Payments	A-4	<u>66,270,066</u>
Balance December 31, 2009	A	<u><u>\$0</u></u>

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

A-12
Sheet 1

<u>Purpose</u>	<u>Balance Dec. 31, 2008</u>	<u>Transferred from Revenues</u>	<u>Received</u>	<u>Adjust/ Cancelled</u>	<u>Balance Dec. 31, 2009</u>
State of New Jersey:					
NJ Transportation Trust Fund Authority Act of 1984 Reconstruction of Tremont Avenue	145,000	150,000	407,500	150,000	37,500
Body Armor Replacement Fund Program 2008		14,616			14,616
Over the Limit Under Arrest		5,000			5,000
NJ Division of Motor Vehicles Drunk Driving Enforcement Fund		21,441	21,441		
Clean Communities Act (NJSA 13:1E-99.1)		68,340	68,340		
Recycling Tonnage Grant		44,649	44,649		
NJ Department of Public Safety Safe Corridor	26,000	47,041	47,041		26,000
Cops in Shops Summer Shore Initiative	2,400	2,400	2,400		2,400
College Fall Initiative Grant		2,800			2,800
Bulletproof Vest Partnership Program	15,652			(6,956)	8,696
Safe and Secure Communities Program	28,104	57,643	58,768		26,979
NJ Division of Traffic Safety Click It or Ticket	1,188	1,890	1,890		1,188
Fast & Furious Enforcement	13,412	37,320	35,575	(13,419)	1,738
Alcohol Education Rehabilitation Program		1,392	1,392		
NJDCA Livable Communities Grant	<u>25,000</u>				<u>25,000</u>
Total State Funds	<u>256,756</u>	<u>454,532</u>	<u>688,996</u>	<u>129,625</u>	<u>151,917</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

A-12
Sheet 2

<u>Purpose</u>	<u>Balance Dec. 31, 2008</u>	<u>Transferred from Revenues</u>	<u>Received</u>	<u>Adjust/ Cancelled</u>	<u>Balance Dec. 31, 2009</u>
Local:					
Atlantic County Improvement Development Grant	168,300				168,300
Atlantic County Open Space Financial Assistance Reconstruction of a Field House & Parking at Childs-Kirk Park	400,000				400,000
Casino Reinvestment Development Authority - Redevelopment of West Atlantic City	2,953,251		7,966		2,945,285
Atlantic County Municipal Drug Alliance	<u>20,144</u>	<u>23,570</u>	<u>20,114</u>		<u>23,600</u>
Total Local Funds	<u>3,541,695</u>	<u>23,570</u>	<u>28,080</u>	<u>0</u>	<u>3,537,185</u>
Federal:					
U.S. Department of Justice Atlantic County - E. Byrne Memorial JAG		12,904	12,904		
Body Armor Fund	17,305			(15,882)	1,423
Small Cities					
Atlantic County Improvement Authority - Curbs and Sidewalks - Pleasant Woods Area	<u>465,736</u>	<u>107,100</u>	<u>465,736</u>		<u>107,100</u>
Total Federal Funds	<u>483,041</u>	<u>120,004</u>	<u>478,640</u>	<u>(15,882)</u>	<u>108,523</u>
	<u>\$4,281,492</u>	<u>598,106</u>	<u>1,195,716</u>	<u>113,743</u>	<u>3,797,625</u>
Ref.	A	A-2	A-4		A

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

A-13
Sheet 1

<u>Grant</u>	<u>Balance Dec. 31, 2008</u>	<u>Transferred from 2009 Budget Appropriations</u>	<u>Down Payment Cap. Improvement</u>	<u>Expended</u>	<u>Reverse Prior Year Encumbrances</u>	<u>Encumbered</u>	<u>Canceled/ Adjustment</u>	<u>Balance Dec. 31, 2009</u>
State of New Jersey:								
State of New Jersey - Drunk Driving Enforcement Fund	\$140	21,441		6,190	(404)	1,144		14,651
NJ Transportation Trust Fund Authority Act of 1984 Reconstruction of Tremont Avenue		150,000	150,000					
Alcohol Education Rehabilitation	2,356	1,392		2,356				1,392
Clean Communities (NJSA 13:1E-99.1) (PL 1986, ch. 187)	14,098	68,340		47,610	(1,066)	414		35,480
Bulletproof Vest Partnership Program	24,699			1,160	(1,451)	3,480	15,882	5,628
Body Armor Fund	21,816			1,160	(1,451)		6,956	15,151
NJ Division of Traffic Safety Click It or Ticket	124	1,890		2,014				
Over the Limit Under Arrest		5,000		1,154				3,846
New Jersey Law & Public Safety - Fast and Furious Enforcement	10,333	37,320		35,575	(1,341)		13,419	
Safe and Secure Communities Program	4,615	57,643		59,036				3,222
Safe Corridor	6,552	47,041						53,593
COPS In Shops - Summer Shore Program		2,400		2,369				31
College/Fall Initiative	3,828	2,800		3,715				2,913
Recycling Tonnage Grant	15,431	44,649		34,332	(5,875)			31,623
Office of Information Telecommunications Services - Enhanced 911 Grant	4,609				(15,496)	15,496		4,609
Total State Funds	108,601	439,916	150,000	196,671	(27,084)	20,534	36,257	172,139
Local:								
Donations - PD K-9	350			40				310
Keep Kids Alive Signs	365							365
Emergency Medical Technicians	43			734	(734)			43
Safe Resident Program	170							170

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

A-13
Sheet 2

<u>Grant</u>	<u>Balance Dec. 31, 2008</u>	<u>Transferred from 2009 Budget Appropriations</u>	<u>Down Payment Cap. Improvement</u>	<u>Expended</u>	<u>Reverse Prior Year Encumbrances</u>	<u>Encumbered</u>	<u>Canceled/ Adjustment</u>	<u>Balance Dec. 31, 2009</u>
CRDA - West Atlantic City	2,918,703			7,545	(26,581)	21,537		2,916,202
Atlantic County Improvement Development Grant	168,300							168,300
Atlantic County Open Space Financial Assistance Reconstruction of a Field House & Parking at Childs-Kirk Park	400,000			400,000				
Atlantic County Municipal Drug Alliance		23,570		20,895		2,599		76
Municipal Share		5,893		4,907		981		5
Total Local Funds	<u>3,487,931</u>	<u>29,463</u>	<u>0</u>	<u>434,121</u>	<u>(27,315)</u>	<u>25,117</u>	<u>0</u>	<u>3,085,471</u>
Federal:								
U. S. Department of Justice								
Atlantic County - E. Byrne Memorial JAG		12,904		9,367				3,537
Save Our Streets	23				(9,350)			9,373
Body Armor Fund	6,152	14,616				3,480		17,288
Small Cities Grant - Community Center	92,814			80,879	(115)			12,050
Small Cities Community Development Block Grant								
Atlantic County Improvement Authority								
Curbs and Sidewalks - Pleasant Woods		107,100				107,100		
Total Federal Funds	<u>98,989</u>	<u>134,620</u>	<u>0</u>	<u>90,246</u>	<u>(9,465)</u>	<u>110,580</u>	<u>0</u>	<u>42,248</u>
	<u>\$3,695,521</u>	<u>603,999</u>	<u>150,000</u>	<u>721,038</u>	<u>(63,864)</u>	<u>156,231</u>	<u>36,257</u>	<u>3,299,858</u>
Ref.	A	A-3		A-4		A		A

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Grant</u>	<u>Balance Dec. 31, 2008</u>	<u>Received</u>	<u>Transferred to 2009 Budget Appropriation</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2009</u>
Stormwater Grant	5,155				5,155
Juvenile Assistance Grant		53,212			53,212
Drunk Driving Enforcement Fund	<u>19,914</u>	<u>1,910</u>			<u>21,824</u>
	<u>25,069</u>	<u>55,122</u>	<u>0</u>	<u>0</u>	<u>80,191</u>
Ref.	A	A-4	A-3		A

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance		Balance Dec. 31, 2009
			Dec. 31, 2009 Date	Dec. 31, 2009 Amount		Dec. 31, 2008	Increased Decreased	
Tony Canale Park (Pine Oak Park)	1/22/99	150,000	6/22/10	3,938	2.00%			
			12/22/10	3,977				
			6/22/11	4,017				
			12/22/11	4,057				
			6/22/12	4,098				
			12/22/12	4,139				
			6/22/13	4,180				
			12/22/13	4,222				
			6/22/14	4,264				
			12/22/14	4,307				
			6/22/15	4,350				
			12/22/15	4,393				
			6/22/16	4,437				
			12/22/16	4,482				
			6/22/17	4,527				
			12/22/17	4,572				
			6/22/18	4,619				
						80,338	7,759	72,579
Regional Park, Part 1	10/9/02	150,000	1/11/10	3,836	2.00%			
			7/11/10	3,874				
			1/11/11	3,913				
			7/11/11	3,952				
			1/11/12	3,991				
			7/11/12	4,031				
			1/11/13	4,072				
			7/11/13	4,112				
			1/11/14	4,153				
			7/11/14	4,195				
			1/11/15	4,237				
			7/11/15	4,279				
			1/11/16	4,322				
			7/11/16	4,365				
1/11/17	4,409							

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance		Balance Dec. 31, 2009
			Dec. 31, 2009 Date	Amount		Dec. 31, 2008	Increased Decreased	
			7/11/17	4,453				
			1/11/18	4,498				
			7/11/18	4,543				
			1/11/19	4,588				
			7/11/19	4,634				
			1/11/20	4,680				
			7/11/20	4,727				
			1/11/21	4,774				
			7/11/21	4,822		111,018	7,558	103,460
Regional Park, Part 2	10/11/02	500,000	1/11/10	12,002	2.00%			
			7/11/10	12,122				
			1/11/11	12,243				
			7/11/11	12,366				
			1/11/12	12,489				
			7/11/12	12,614				
			1/11/13	12,740				
			7/11/13	12,868				
			1/11/14	12,997				
			7/11/14	13,127				
			1/11/15	13,258				
			7/11/15	13,390				
			1/11/16	13,524				
			7/11/16	13,660				
			1/11/17	13,796				
			7/11/17	13,934				
			1/11/18	14,073				
			7/11/18	14,214				
			1/11/19	14,356				
			7/11/19	14,500				
			1/11/20	14,645				
			7/11/20	14,791				
			1/11/21	14,939				

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance		Balance Dec. 31, 2009
			Dec. 31, 2009 Date	Dec. 31, 2009 Amount		Dec. 31, 2008	Increased Decreased	
			7/11/21	15,089				
			1/11/22	15,239				
			7/11/22	15,392		378,017	23,649	354,368
Bargaintown Park	11/7/07	700,000	2/13/10	15,211	2.00%			
			8/13/10	15,364				
			2/13/11	15,517				
			8/13/11	15,672				
			2/13/12	15,829				
			8/13/12	15,987				
			2/13/13	16,147				
			8/13/13	16,309				
			2/13/14	16,472				
			8/13/14	16,637				
			2/13/15	16,803				
			8/13/15	16,971				
			2/13/16	17,141				
			8/13/16	17,312				
			2/13/17	17,485				
			8/13/17	17,660				
			2/13/18	17,837				
			8/13/18	18,015				
			2/13/19	18,195				
			8/13/19	18,377				
			2/13/20	18,561				
			8/13/20	18,746				
			2/13/21	18,934				
			8/13/21	19,123				
			2/13/22	19,314				
			8/13/22	19,508				
			2/13/23	19,703				
			8/13/23	19,900				
			2/13/24	20,099				

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance		Balance Dec. 31, 2009
			Dec. 31, 2009 Date	Dec. 31, 2009 Amount		Dec. 31, 2008	Increased Decreased	
			8/13/24	20,300				
			2/13/25	20,503				
			8/13/25	20,708				
			2/13/26	20,915				
			8/13/26	21,124				
			2/13/27	21,335				
			8/13/27	21,549		685,236	29,973	655,263
Tony Canale Park, Phase II	11/26/07	250,000	5/26/10	5,542	2.00%			
			11/26/10	5,597				
			5/26/11	5,653				
			11/26/11	5,710				
			5/26/12	5,767				
			11/26/12	5,824				
			5/26/13	5,883				
			11/26/13	5,942				
			5/26/14	6,001				
			11/26/14	6,061				
			5/26/15	6,122				
			11/26/15	6,183				
			5/26/16	6,245				
			11/26/16	6,307				
			5/26/17	6,370				
			11/26/17	6,434				
			5/26/18	6,498				
			11/26/18	6,563				
			5/26/19	6,629				
			11/26/19	6,695				
			5/26/20	6,762				
			11/26/20	6,830				
			5/26/21	6,898				
			11/26/21	6,967				
			5/26/22	7,037				

SEE ACCOMPANYING AUDITOR'S REPORT

**FEDERAL AND STATE GRANT FUND
 SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance		Balance	
			Dec. 31, 2009 Date	Dec. 31, 2009 Amount		Dec. 31, 2008	Increased	Decreased	Dec. 31, 2009
			11/26/22	7,107					
			5/26/23	7,178					
			11/26/23	7,250					
			5/26/24	7,322					
			11/26/24	7,396					
			5/26/25	7,470					
			11/26/25	7,544					
			5/27/26	7,620					
			11/26/26	7,695					
						234,022		10,920	223,102
						1,488,631	0	79,859	1,408,772
						A			A

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	Animal Control	Other	Assessment Trust
Balance December 31, 2008	B	\$10,314	8,709,515	32,165
Increased By:				
State Dog License Fees	B-5	1,368		
Municipal Dog License Fees	B-4	6,640		
Escrow Fees	B-7		597,665	
Recreation Fees			198,477	
Fees received from developers			17,550	
Third Party Inspection Fees	B-8		766,819	
Interest	B-4,6-8,10-13	318	12,306	
Police Detail	B-8		140,068	
Municipal Evidence			924	
Due to Current Fund				
Third Party Inspectors			19,744	
Public Defender Fees	B-8		33,110	
Snow Removal Trust	B-8		1,000	
Basin Maintenance			1,042,170	
Accumulated Absences Trust			500	
Environmental Trust-Host Community	B-9		163,062	
Environmental Trust-Host Community				
Prior Year Receivable			23,257	
Fire Safety Fees	B-8		300	
Municipal Court-POAA Fines			16	
Law Enforcement Trust Fund	B-11		10,201	
Small Cities Trust			3,712	
Council on Affordable Housing				
Non-residential Development Fee			107,537	
Basin Maintenance Fees			420,702	
Performance Bonds Posted	B-12		310,223	
Open Space Tax Levy	B-13		513,873	
		<u>8,326</u>	<u>4,383,216</u>	<u>0</u>
		18,640	13,092,731	32,165

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	<u>Animal Control</u>	<u>Other</u>	<u>Assessment Trust</u>
Decreased By:				
Paid to State of NJ	B-5	1,368		
Dog Fund Expenditures	B-4	929		
Escrow Expenditures	B-7		783,101	
Public Defender Fees	B-8		36,022	
Police Detail	B-8		131,747	
Accumulated Absences Trust			33,000	
Due to Current Fund				
Animal Control Fund		1,218		
Law Enforcement Trust Fund				
Interest Earned on Bank Accounts	B-4	318	249	
Environmental Trust Fund			134,885	
Assessment Trust				32,165
Recreation Expenditures			537,027	
Environmental Trust Fund-Host Community			190,867	
Third Party Inspection Fees	B-8		796,538	
Performance Bonds Returned	B-12		420,585	
Small Cities Trust			25,351	
Maintenance of Basins			45,367	
Council on Affordable Housing			154,350	
Acquisition of Land	B-13		401,450	
Law Enforcement Trust Fund	B-11		7,905	
		<u>3,833</u>	<u>3,698,444</u>	<u>32,165</u>
Balance December 31, 2009	B	<u>\$14,807</u>	<u>9,394,287</u>	<u>0</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

Analysis of December 31, 2009 Balance	Ref.	<u>Dog Licenses</u>	<u>Other</u>	<u>Assessment Trust</u>
Developer's Escrow			681,027	
Recreation Commission Dedicated Trust			232,699	
Environmental Trust Fund			848,426	
Law Enforcement Trust Fund			34,094	
Law Enforcement Trust-Federal Funds			4,955	
Parking Offenses Adjudication Act			1,080	
Police Detail			21,449	
Municipal Evidence			40,457	
Public Defender Fees			35,525	
Third Party Inspection Fees			232,825	
Fire Safety Fines			17,925	
Small Cities Trust			60,863	
Open Space Trust Fund			1,350,060	
Accumulated Absences			2,259	
Snow Removal Trust			9,861	
Council on Affordable Housing (COAH) Trust			134,172	
Basin Maintenance			1,751,729	
Performance Guarantee Trust			<u>3,934,881</u>	
			<u><u>9,394,287</u></u>	

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

	Ref.		
Balance December 31, 2008	B		\$285,293
Increased by Receipts:			
Deposits for Redemption of Tax Sale Certificates	B-6	1,696,896	
Premiums Received at Tax Sale		168,300	
Interest Earned		519	
			1,865,715
			2,151,008
Decreased by Disbursements:			
Tax Sale Redemptions	B-6	1,729,108	
Premiums Returned		215,922	
			1,945,030
Balance December 31, 2009	B		\$205,978

ANALYSIS OF BALANCE - DECEMBER 31, 2009

Tax Title Lien Redemption	\$5,648
Tax Sale Premium	200,330
	\$205,978

**TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE**

Ordinance Number	Improvement Description	Date of Confirmation	Installments		Balance Dec. 31, 2008	Collected	Adjustments	Balance Dec. 31, 2009	Balance Pledged to	
			Number	Due Date					Assessment Overpayments	Reserve
19-93	Town Hall Sewer Service	2/28/96	10	5/1/96-2005	10,221			10,221		10,221
					\$10,221	0	0	10,221	0	10,221

B-1

B

**TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES**

	Ref.		
Balance December 31, 2008	B		\$9,096
Increased by:			
Dog License Fees Collected	B-1	6,640	
Interest Earned	B-1	318	
		6,958	6,958
			16,054
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:			
Cash	B-1	929	
Interest to Current Fund	B-1	318	
Statutory Excess to Current Fund		3,905	
		5,152	5,152
Balance December 31, 2009	B		\$10,902

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	4,275
2008	6,627
	\$10,902
	\$10,902

TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	Ref.		
Balance December 31, 2008	B		\$0
Increased By:			
Collected in 2009:			
State License Fees		800	
Pilot Clinic Fund Fees		160	
Animal Population Control Fees		408	
	B-1	1,368	1,368
Decreased By:			
Payments	B-1		1,368
Balance December 31, 2009	B		\$0

**TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF
TAX SALE CERTIFICATES**

	Ref.		
Balance December 31, 2008	B		\$37,672
Increased By:			
Deposits Received	B-2	1,696,896	
Interest Earned		<u>188</u>	
			<u>1,697,084</u>
			1,734,756
Decreased By;			
Refunds - Tax Sale Certificates Redeemed	B-2	<u>1,729,108</u>	
			<u>1,729,108</u>
Balance December 31, 2009	B		<u><u>\$5,648</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROWS**

	Ref.	
Balance December 31, 2008	B	\$864,442
Increased By:		
Interest Earned		2,021
Inspection & Planning Fees		<u>597,665</u>
	B-1	<u>599,686</u>
		1,464,128
Decreased By:		
Fees Paid from Developers Account		<u>783,101</u>
	B-1	<u>783,101</u>
Balance December 31, 2009	B	<u><u>\$681,027</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUSTS

	Ref.		
Balance December 31, 2008	B		\$371,671
Increased by:			
Interest earned		54	
Police Detail		140,068	
Municipal Evidence		924	
Fire Safety Fines		300	
Due from Current Fund			
Third Party Inspection Fees		61,766	
Public Defender Fees		33,110	
Snow Removal		1,000	
Third Party Inspection Fees		766,819	
	B-1	1,004,041	1,004,041
			1,375,712
Decreased by:			
Due to State of NJ-VCCB		1,821	
Interest Paid to Current Fund		54	
Paid to Third Party Inspectors	B-1	796,538	
Paid to Public Defenders	B-1	36,022	
Paid to Police for Special Detail	B-1	131,747	
		966,182	966,182
Balance December 31, 2009			\$409,530
Analysis of Balance:			
Fire Safety		17,925	
Municipal Evidence		40,457	
Third Party Inspection Fees		294,591	
Public Defender Fees		25,247	
Police Detail		21,449	
Snow Removal		9,861	
	B	\$409,530	\$409,530

SEE ACCOMPANYING AUDITOR'S REPORT

TRUST FUND
SCHEDULE OF RESERVE FOR ENVIRONMENTAL TRUST

	Ref.		
Balance December 31, 2008	B		\$181,231
Increased by:			
Atlantic County Utilities Authority Special Environmental Trust	B-1	163,062	
Due from Atlantic County Utilities Authority		<u>12,005</u>	
			<u>175,067</u>
			356,298
Decreased by:			
Due to Current Fund	B-1	<u>190,867</u>	
			<u>190,867</u>
Balance December 31, 2009	B		<u><u>\$165,431</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT
FEDERAL FUND

	Ref.		
Balance December 31, 2008	B		\$4,944
Increased by:			
Interest Earned		<u>11</u>	
			<u>11</u>
Balance December 31, 2009	B		<u><u>\$4,955</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT**

	Ref.		
Balance December 31, 2008	B		\$31,798
Increased by:			
Confiscated Funds		10,201	
	B-1	10,201	10,201
			41,999
Decreased by:			
Law Enforcement Expenditures		7,905	
	B-1	7,905	7,905
Balance December 31, 2009	B		\$34,094

B-12

**TRUST FUND
SCHEDULE OF RESERVE FOR PERFORMANCE
BOND GUARANTEES**

	Ref.		
Balance December 31, 2008	B		\$4,035,218
Increased by:			
Interest Earned		10,025	
Performance Bonds Posted		310,223	
	B-1	320,248	320,248
			4,355,466
Decreased by:			
Performance Bonds Returned		420,585	
	B-1	420,585	420,585
Balance December 31, 2009	B		\$3,934,881

SEE ACCOMPANYING AUDITOR'S REPORT

TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

	Ref.		
Balance December 31, 2008	B		\$1,137,637
Increased by:			
Interest Earned		195	
Tax Levy Received		513,873	
Added and Omitted Tax Levy		4,706	
	B-1	518,774	518,774
			1,656,411
Decreased by:			
Interest Paid to Current Fund		195	
Acquisition of Land		401,450	
	B-1	401,645	401,645
Balance December 31, 2009	B		\$1,254,766

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	BALANCE DEC. 31, 2008	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DEC. 31, 2009
		MISC.	SERIAL BONDS	IMPROVEMENT AUTHORIZATIONS	MISC.	FROM	TO	
Fund Balance	3,935						340	4,275
Capital Improvement Fund	31,196					700,000	700,000	31,196
Due from Current Fund	(3,114,899)					1,510,340	3,210,046	(1,415,193)
Due from Environmental Trust Fund	(695,000)							(695,000)
Due from Recreation Trust Fund	(100,000)							(100,000)
Due from Grant Fund	(3,487,304)					150,000		(3,637,304)
Due from NJDEP Bureau of Dam Safety & Flood Control	(627,195)							(627,195)
Encumbrances Payable	1,612,008					1,612,008	863,054	863,054
Reserve to Pay Bonds	353,151					353,151		0
Reserve for Sidewalk Construction	70,585							70,585
<u>Improvement Authorizations</u>								
#44-93 Various General Improvements	2,143							2,143
#18-98 Various General Improvements	3,765							3,765
#14-99 Various General Improvements	7,499							7,499
#14-00 Various General Improvements	590							590
#19-01 Various General Improvements	7,764					1,750		6,014
#26-02 Various General Improvements	108,018							108,018
#15-03 Various General Improvements	5,993					1,689		4,304
#36-04 Various General Improvements	5,555					5,555		0
#37-04 Various General Improvements	158,677					134,152	90,106	114,631
#50-04 Public Works Vehicle and Equipment	25,000							25,000
#31-05 Various General Improvements	31,224					22,914	10,204	18,514
#50-05 Various General Improvements	112,546							112,546
#60-05 Design and Construction of Community Center	67,631					24,815	18,815	61,631
#35-06 Various General Improvements	618,363					150		618,213
#36-06 Various General Improvements	24,559					46,346	33,265	11,478
#39-07 Various General Improvements	620,044					656,361	476,412	440,095
#40-07 Various General Improvements	5,790					837	249	5,202
#22-08 Various General Improvements	209,306					222,368	36,913	23,851
#23-08 Various General Improvements	3,939,056					2,548,079	946,044	2,337,021
#28-09 Various General Improvements						54,933	1,660,000	1,605,067
	\$0	0	0	0	0	8,045,448	8,045,448	0

Ref. C

C-7

C

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2008	C:A		\$3,114,899
Increased by:			
Bond Anticipation Notes	C-10	810,000	
Premium on Sale of Notes	C-1	340	
Current Budget Appropriations	C-6	<u>700,000</u>	
			<u>1,510,340</u>
			4,625,239
Decreased by:			
Reserve to Pay Bonds	C	353,151	
Payment of Improvement Authorizations	C-7	<u>2,856,895</u>	
			<u>3,210,046</u>
Balance December 31, 2009	C:A		<u><u>\$1,415,193</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>Ref.</u>	
Balance December 31, 2008	C	\$37,441,000
Decreased by:		
2009 Budget Appropriation to Pay Serial Bonds	C-8	<u>2,330,000</u>
Balance December 31, 2009	C	<u><u>\$35,111,000</u></u>

**GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance #	Improvement Description	Balance Dec. 31, 2008	2009 Authorization	Funded by Bond Issue	Cancelled	Paid by Budget Appropriation	Balance Dec. 31, 2009	Analysis of Balance - December 31, 2009		
								Financed by Bond Anticipation Notes	Unexpended Improvement Expenditures	Unexpended Improvement Authorizations
23-08	Various General Improvements	500					500			500
28-09	Various General Improvements		810,000				810,000	810,000		
		<u>\$500</u>	<u>810,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>810,500</u>	<u>810,000</u>	<u>0</u>	<u>500</u>
Ref.	C	C-7;C-9	C-8	C-3;C-9	C-3;C-9	C	C-10	C-7	C-7	

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2008	C	\$31,196
Increased by:		
2009 Budget Appropriation	A-3:C-3	<u>700,000</u> <u>700,000</u>
		731,196
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>700,000</u>
Balance December 31, 2009	C	<u><u>\$31,196</u></u>

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. #	IMPROVEMENT DESCRIPTION	ORD. DATE	AMOUNT	DEC. 31, 2008		2009 AUTHORIZATIONS			CANCEL PRIOR YEAR ENCUMBRANCE	PAID OR CHARGED	ENCUMBERED	DEC. 31, 2009	
				FUNDED	UNFUNDED	DOWNPAYMENTS ON IMP/ CAPITAL IMP FUND	GRANTS AND OTHER TRUST FUNDS	DEFERRED CHARGES TO FUTURE TAXATION				FUNDED	UNFUNDED
General Improvements													
44-93	Various School Improvements	9/8/93	20,000	2,143								2,143	
18-98	Various General Improvements			3,765								3,765	
14-99	Various General Improvements	5/12/99	179,500	7,499								7,499	
14-00	Various General Improvements			590								590	
19-01	Various General Improvements	5/23/01	3,732,500		7,764					1,750			6,014
26-02	Various General Improvements	5/8/02	2,536,329	108,018								108,018	
15-03	Various General Improvements	4/23/03	481,000	5,993						1,689		4,304	
36-04	Various General Improvements	7/14/04	235,000	5,555						5,555			
37-04	Various General Improvements	7/14/04	3,875,600	158,677					90,106	127,869	6,283	114,631	
50-04	Public Works Vehicle and Equipment	9/8/04	500,000	25,000								25,000	
31-05	Various General Improvements	7/13/05	361,000	31,224					10,204	22,914		18,514	
50-05	Various General Improvements	8/22/05	3,029,500	112,546								112,546	
60-05	Design and Construction of Community Center	12/14/05	12,000,000	67,631					18,815		24,815	61,631	
35-06	Various General Improvements	8/9/06	6,141,000	618,363						150		618,213	
36-06	Various General Improvements	8/9/06	446,000	24,559					33,265	35,764	10,582	11,478	
39-07	Various General Improvements	7/11/07	3,219,000	620,044					476,412	170,981	485,380	440,095	
40-07	Various General Improvements	7/11/07	308,000	5,790					249	588	249	5,202	
22-08	Various General Improvements	6/11/08	325,500	209,306					36,913	143,060	79,308	23,851	
23-08	Various General Improvements	6/11/08	5,240,000	3,939,056	500				946,044	2,323,905	224,174	2,337,021	500
28-09	Various General Improvements	8/12/09	1,660,000			700,000	150,000	810,000		22,670	32,263	795,067	810,000
				<u>\$5,945,759</u>	<u>8,264</u>	<u>700,000</u>	<u>150,000</u>	<u>810,000</u>	<u>1,612,008</u>	<u>2,856,895</u>	<u>863,054</u>	<u>4,689,568</u>	<u>816,514</u>
				C	C	C-6		C-5:C-9		C-3	C	C	C

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2008	INCREASED	DECREASED	BALANCE DEC. 31, 2009
			DATE	AMOUNT					
Various General Improvements	8/15/02	14,053,000	2/15/10-11	1,200,000	3.900%	9,550,000		1,200,000	8,350,000
			2/15/12-13	1,175,000					
			2/15/14-16	1,200,000					
Various General Improvements	2/1/06	19,406,000	2/1/10	750,000	4.000%	18,006,000		750,000	17,256,000
			2/1/11-2/1/12	775,000	4.000%				
			2/1/13	800,000	4.250%				
			2/1/14	810,000	4.250%				
			2/1/15	845,000	4.250%				
			2/1/16	890,000	4.250%				
			2/1/17	930,000	4.250%				
			2/1/18	975,000	4.250%				
			2/1/19	1,025,000	4.250%				
			2/1/20	1,075,000	4.250%				
			2/1/21	1,125,000	4.250%				
			2/1/22	1,180,000	4.250%				
			2/1/23	1,240,000	4.250%				
			2/1/24	1,300,000	4.250%				
			2/1/25	1,361,000	4.375%				
2/1/26	1,400,000	4.375%							
Various General Improvements	9/1/08	9,885,000	9/1/10	500,000	4.000%	9,885,000		380,000	9,505,000
			9/1/11	520,000	4.000%				
			9/1/12	585,000	4.000%				
			9/1/13	650,000	4.000%				
			9/1/14	665,000	4.000%				
			9/1/15	685,000	4.000%				
			9/1/16	700,000	4.000%				
			9/1/17	710,000	4.000%				
			9/1/18	720,000	4.125%				
			9/1/19	740,000	4.125%				
			9/1/20	750,000	4.125%				
			9/1/21-23	760,000	4.125%				
						\$37,441,000	0	2,330,000	35,111,000
						C	C-4	C-4	C

SEE ACCOMPANYING AUDITOR'S REPORT

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORD #	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2008	2009 AUTHORIZATIONS	NOTES ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DEC. 31, 2009
23-08	Various General Improvements	500				500
28-09	Various General Improvements		810,000	810,000		
		<u>\$500</u>	<u>810,000</u>	<u>810,000</u>	<u>0</u>	<u>500</u>
Ref.		C	C-5;C-7	C-10	C-3;C-5	C

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord #	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2008	INCREASED	DECREASED	BALANCE DEC. 31, 2009
28-09	Various General Improvements	10/1/09	10/1/09	9/30/10	2.35%		810,000		810,000
						\$0	810,000	0	810,000
					Ref.	C	C-3; C-9	C-5	C

TOWNSHIP OF EGG HARBOR

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$29,000 through July 31, 2009 and \$21,000 thereafter, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$29,000 through July 31, 2009 and \$21,000 thereafter within the fiscal year. Where question arises 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 bids were requested by public advertising for the following items: Extension of High School Drive, Reconstruction of Tremont Avenue, Acquisition of Leaf Collector, Construction of Childs Kirk Field House Phase III, Construction of Curbs and Sidewalks in Pleasant Woods Area.

The minutes indicate 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 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.

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$29,000 through July 31, 2009 and \$21,000 thereafter "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

WHEREAS, NJSA 54:4-67 permits the governing body of each municipality to fix the rates of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00; and

WHEREAS, NJSA 54:4-67 has been amended to allow for an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Egg Harbor, Atlantic County, New Jersey, as follows;

1. The tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against delinquency.
2. Effective January 1, 2006, there will be a ten-day grace period for quarterly tax payments made by cash, check, or money order.
3. 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 this resolution.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 16, 2009 and was not complete. There are several bankruptcies from prior years not sold.

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

<u>Year</u>	<u>Number of Liens</u>
2009	123
2008	165
2007	143

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 tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulation of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2009 and 2010 Taxes	10
Municipal Court	24

All delinquent taxes, except those in bankruptcy, were included in the accelerated tax sale. Therefore, no delinquent tax balances were available to verify. As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Currently</u>		
	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2009	\$98,761,221	97,953,624	99.18%
2008	95,396,800	94,794,810	99.36%
2007	89,368,801	88,750,079	99.30%
2006	79,505,288	79,308,836	99.75%
2005	73,383,977	73,171,718	99.71%

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Tax Rate	3.81	3.72	3.58	3.36	3.25
Apportionment of Tax Rate:					
Municipal	0.58	0.50	0.43	0.34	0.34
Local Open Space	0.02	0.02	0.02	0.02	0.02
County	0.63	0.60	0.60	0.64	0.61
Local School	2.58	2.60	2.53	2.36	2.28
Assessed Valuation	2,561,624,700	2,520,668,104	2,422,334,498	2,288,674,400	2,174,128,643

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 five years.

<u>Year</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	\$133,285	82,612	215,897	0.22%
2008	114,918	116,066	230,984	0.24%
2007	95,575	63,274	158,849	0.18%
2006	85,497	10,142	95,639	0.12%
2005	100,514	42,580	143,094	0.19%

Uniform Construction Code

The Township of Egg Harbor construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

Law Enforcement Trust Fund

In order to promote statewide uniformity and accountability, the State Attorney General has issued standards concerning the administration of seized and forfeited property and monies. Funds distributed to a municipality from seizures or forfeitures, or the sale of forfeited property is to be deposited into a special law enforcement trust fund to be used for a law enforcement purpose. NJAC 13:77-1.4 defines a law enforcement purpose as a purpose which is calculated to enhance a law enforcement agency's ability to conduct criminal investigations, surveillance, arrests, and prosecutions and to respond more fully to the effects of crime and, for the purposes of these rules, shall be beyond that allocated by the law enforcement agency's annual budget. This special law enforcement trust fund must be under the direct control of the funding entity. Any local governmental body that receives forfeited proceeds or property shall comply with auditing requirements specified under NJSA 40A:5-4.

Schedule of Financial Statement Findings

NONE

RECOMMENDATIONS

NONE

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

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

Very truly yours,

Robert E. Swartz, CPA

Robert E. Swartz, CPA
Registered Municipal Accountant
No. 319

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants