

TOWNSHIP OF BASS RIVER

COUNTY OF BURLINGTON

REPORT OF AUDIT

FOR THE YEAR 2011

TOWNSHIP OF BASS RIVER

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Joseph J. Gross CPA, RMA (Deceased)

Independent Auditor's Report

Township of Bass River
New Gretna, NJ 08224

I have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Township of Bass River, New Jersey, as of December 31, 2011, the related statements of operations and changes in fund balance – regulatory basis for the year then ended, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the current fund for the year ended December 31, 2011. These financial statements are the responsibility of the Township of Bass River's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I 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 of Bass River's internal control over financial reporting. Accordingly, I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the Township of Bass River 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 effect 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 my opinion, because of the Township of Bass River'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 various funds of the Township of Bass River, as of December 31, 2011 or the results of its operations for the year then ended.

However, in my opinion, the financial statements referred to above present fairly, in all material respects, the financial position- regulatory basis of the various funds and account groups of the Township of Bass River, New Jersey as of December 31, 2011, and the results of its operations and the 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 current fund for the year ended December 31, 2011, on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, I have also issued my report, dated September 10, 2012, on my consideration of the Township of Bass River's, New Jersey, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of my 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 my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole,



MICHAEL P. GROSS
Certified Public Accountant (No. CC025466)
Registered Municipal Accountant (No. 20CR000535)

September 10, 2012

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Township of Bass River
New Gretna, New Jersey 08224

I have audited the financial statements – regulatory basis of the Township of Bass River, New Jersey, as of and for the year ended December 31, 2011 and have issued my report thereon dated September 10, 2012. My report disclosed that, as described in Note 1 to the financial statements, the Township of Bass River, 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, 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. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Bass River, New Jersey is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Township of Bass River's, New Jersey internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements – regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Bass River's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Township of Bass River'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 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Bass River's, New Jersey financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my 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.

This report is intended solely for the information and use of management 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.



MICHAEL P. GROSS
Certified Public Accountant (No. CC025466)
Registered Municipal Accountant (No. 20CR000535)

September 10, 2012

TOWNSHIP OF BASS RIVER

PART I

REPORT OF EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

CURRENT FUND
COMPARATIVE BALANCE SHEETS

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Cash	A-4	\$ 1,176,457.28	\$ 1,381,153.17
Change Fund		50.00	50.00
Investment-Bond Anticipation Note	C-8	143,125.00	232,250.00
		<u>1,319,632.28</u>	<u>1,613,453.17</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	140,970.89	162,799.17
Tax Title Liens Receivable	A-6	490,146.18	449,470.69
Property Acquired for Taxes - Assessed Value		584,100.00	584,100.00
Revenue Accounts Receivable	A-7	10,437.44	11,135.35
Due from Dog License Fund	B	476.37	262.25
Due from Payroll Account		8,308.46	6,686.94
Due from Trust Other Fund	B	7,132.10	6,731.70
Due from Capital Fund	C	-	5,008.10
Due from Federal & State Grant Fund	A	96,653.20	87,269.53
Due from Trust Assessment Fund	B	2,487.67	5,027.50
		<u>1,340,712.31</u>	<u>1,318,491.23</u>
Deferred Charges:			
Emergency Authorizations-5 years	A-8a	10,000.00	15,000.00
		<u>10,000.00</u>	<u>15,000.00</u>
		<u>2,670,344.59</u>	<u>2,946,944.40</u>
Federal & State Grant Fund:			
Grants Receivable	A-15	466,919.10	459,676.79
		<u>466,919.10</u>	<u>459,676.79</u>
		<u>\$ 3,137,263.69</u>	<u>\$ 3,406,621.19</u>

CURRENT FUND
COMPARATIVE BALANCE SHEETS

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Liabilities:			
Appropriation Reserves	A-3&A-8	\$ 147,580.46	\$ 96,345.79
Encumbrances Payable	A-3	1,621.15	9,867.63
Due State for Exemptions	A-11	201.94	1,687.44
Prepaid Taxes	A-9	36,225.95	32,883.56
Tax Overpayments	A-10	9,754.20	13,420.20
Due County for Added Taxes	A-12	-	3,914.69
Due Capital Fund	C-6	4,990.74	-
Local District School Tax Payable	A-13	407,297.18	395,388.68
Regional School Tax Payable	A-14	6,820.12	36,801.40
Reserve for FY 2012 In Lieu of Tax	A	160,491.00	-
Reserve for FY 2011 In Lieu of Tax	A-4	-	160,491.00
Reserve for Outside Lien Redemptions	A-4	17,928.20	17,928.20
Reserve for Master Plan	A-8	24,871.47	24,871.47
		<u>817,782.41</u>	<u>793,600.06</u>
Reserve for Receivables		1,340,712.31	1,318,491.23
Fund Balance	A-1	511,849.87	834,853.11
		<u>2,670,344.59</u>	<u>2,946,944.40</u>
Federal & State Grant Fund:			
Due to Current Fund	A	96,653.20	87,269.53
Unappropriated Reserves	A-17	281.93	11,081.00
Appropriated Reserves	A-16	369,983.97	361,326.26
		<u>466,919.10</u>	<u>459,676.79</u>
		<u>\$ 3,137,263.69</u>	<u>\$ 3,406,621.19</u>

COMPARATIVE STATEMENT OF CURRENT FUND OPERATIONS
AND CHANGE IN FUND BALANCE

<u>Revenue & Other Income</u>	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Fund Balance Utilized	A-2	\$ 660,000.00	\$ 500,000.00
Miscellaneous Revenue Anticipated	A-2	874,576.43	992,163.96
Receipts from Delinquent Taxes	A-2	126,521.44	141,808.42
Receipts from Current Taxes	A-2	2,805,336.93	2,811,748.28
Non-Budget Revenue	A-2	160,865.30	100,139.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	74,900.05	152,154.74
Prior Period Adjustment		159.45	-
Reserve for Due from Capital Fund Realized	A	5,008.10	3,097.05
Reserve for Due from Federal & State Grant Fund	A	-	333,904.53
Reserve for Due from Trust Other Fund Realized	B	-	2,186.24
Reserve for Due from Trust Assessment Fund Realized	A	2,539.83	2,019.20
Total Income		<u>4,709,907.53</u>	<u>5,039,222.12</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries & Wages	A-3	391,660.00	405,210.00
Other Expenses	A-3	723,873.75	656,636.03
Municipal Debt Service	A-3	89,125.00	-
Capital Improvements	A-3	210,000.00	205,000.00
Deferred Charges & Statutory Expenditures	A-3	74,556.00	92,570.00
County Taxes	A-5	730,321.21	763,772.45
County Share of Added Taxes	A-12	-	3,914.69
Local District School Tax	A-13	1,214,680.00	1,190,863.00
Regional School Tax	A-14	927,075.46	934,355.54
Reserve for Due from Dog Fund	B	214.12	1.87
Reserve for Due from Trust Other Fund	A	400.04	-
Reserve for Due from Payroll Account	A	1,621.52	-
Reserve for Due from Federal & State Grant Fund	A	9,383.67	-
Total Expenditures		<u>4,372,910.77</u>	<u>4,252,323.58</u>
Excess in Revenues		336,996.76	786,898.54
Adjustments to Income before Fund Balance:			
Expenditures included above which are by statute			
Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance			
		<u>336,996.76</u>	<u>786,898.54</u>
<u>Fund Balance</u>			
Balance January 1	A	<u>834,853.11</u>	<u>547,954.57</u>
		<u>1,171,849.87</u>	<u>1,334,853.11</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>660,000.00</u>	<u>500,000.00</u>
Balance December 31	A	<u>\$ 511,849.87</u>	<u>\$ 834,853.11</u>

STATEMENT OF REVENUES- CURRENT FUND

	Ref.	Budget	Realized	Excess or Deficit (-)
Fund Balance Appropriated	A-1	\$ 660,000.00	660,000.00	-
Miscellaneous Revenues:				
Liquor License	A-7	2,000.00	4,895.00	2,895.00
Other Licenses	A-2	5,500.00	5,924.00	424.00
Other Fees & Permits	A-2	7,000.00	11,469.48	4,469.48
Municipal Court Fines & Costs	A-7	135,000.00	157,093.15	22,093.15
Interest & Costs on Taxes	A-4	13,503.68	19,802.55	6,298.87
Energy Receipts Tax	A-7	131,357.00	131,357.00	-
Consolidated Municipal Property Tax Relief Aid	A-7	12,442.00	12,442.00	-
Garden State Trust Fund 2011 In Lieu of Taxes	A	160,491.00	160,491.00	-
Municipal Park Development Program	A-15	75,000.00	75,000.00	-
Utility Maintenance	A-7	10,000.00	8,241.00	(1,759.00)
Forest Service Volunteer Fire Assistance Program	A-15	4,581.00	4,581.00	-
Assessment Services	A-7	3,000.00	3,000.00	-
Clean Communities Program	A-15	5,762.01	5,762.01	-
Alcohol Education & Rehabilitation Fund	A-15	1,456.24	1,456.24	-
Municipal Alliance on Alcoholism & Drug Abuse	A-15	9,050.00	9,050.00	-
CDBG FY 2011 Projects	A-15	57,512.00	57,512.00	-
NJ Transportation Trust Fund Authority Act				
West Road	A-15	200,000.00	200,000.00	-
Comcast Technology Grant	A-15	6,500.00	6,500.00	-
		<u>840,154.93</u>	<u>874,576.43</u>	<u>34,421.50</u>
Receipts from Delinquent Taxes	A-2	<u>125,000.00</u>	<u>126,521.44</u>	<u>1,521.44</u>
Property Tax for Support of Municipal Budget:				
Local Tax for Municipal Purposes		<u>82,060.00</u>	<u>148,260.26</u>	<u>66,200.26</u>
Total Budget		<u>1,707,214.93</u>	<u>1,809,358.13</u>	<u>102,143.20</u>
Non-Budgeted Revenue	A-1		<u>160,865.30</u>	
		<u>\$ 1,707,214.93</u>	<u>1,970,223.43</u>	

STATEMENT OF REVENUES- CURRENT FUND (cont'd)

	<u>Ref.</u>		
<u>Analysis of Realized Revenue</u>			
Allocation of Current Tax Collection:			
Revenue from Collections	A-5		\$ 2,805,336.93
Allocated to School & County Taxes	A-5		<u>2,872,076.67</u>
Balance for Support of Municipal Budget			(66,739.74)
Add: Appropriation Reserves for Uncollected Taxes	A-3		<u>215,000.00</u>
Balance for Support of Municipal Budget Appropriations	A-2		<u>\$ 148,260.26</u>
Delinquent Taxes:			
Taxes Receivable Tax Title Liens	A-5,A-6		<u>\$ 126,521.44</u>
Other Licenses (Clerk):			
Campground	A-7	\$ 5,424.00	
Other	A-7	<u>500.00</u>	
			<u>\$ 5,924.00</u>
Other Fees & Permits:			
Clerk:			
Trailer Park Fees	A-7	\$ 11,409.48	
Assessment Searches	A-7	60.00	
Kennel Fees	A-7	-	
Planning Board/Variance Fees	A-7	<u>-</u>	
			<u>\$ 11,469.48</u>

STATEMENT OF REVENUES- CURRENT FUND (cont'd)

Ref.

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated

Revenue Accounts Receivable:

Interest on Investments & Savings	A-7	\$	569.12	
Tower Rent/Land Lease	A-7		<u>74,614.47</u>	\$ 75,183.59
T.V. Cable Franchise Fee			3,611.81	
Washington Township share of Court Costs			38,001.19	
Miscellaneous			2,467.37	
Street Opening Permits			450.00	
Zoning Fees			1,340.00	
Prior Period Expense Refunds			6,765.66	
Construction Code Fees			8,654.90	
Maintenance Yard Rent			9,300.00	
In lieu of Taxes			5,000.00	
Recycling			2,874.50	
Billboard Fees			2,005.62	
Senior Citizens & Veterans Administration Fee			430.00	
U.S. Fish & Game			<u>2,254.00</u>	
	A-4			83,155.05
Interest in Dog Fund	B-4			0.67
Interest in Trust Other Fund	B-7			37.16
Interest in Assessment Fund & Bank Account	B-5			2.75
Statutory Excess Assessment Fund -Net	B-5			2,484.92
Interest on Capital Fund	C-6			1.16
	A-2			<u>\$ 160,865.30</u>

STATEMENT OF EXPENDITURES

	<u>2011 Budget</u>	<u>Emergency Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Department of Revenue & Finance						
Director's Office						
Salaries & Wages	4,210.00	-	4,210.00	4,079.00	131.00	
Administrative & Executive						
Salaries & Wages	13,500.00	-	13,500.00	9,661.19	3,838.81	
Other Expenses	18,000.00	-	18,000.00	12,533.34	5,466.66	
Financial Administration						
Salaries & Wages	29,000.00	-	29,000.00	24,716.68	4,283.32	
Other Expenses	18,000.00	-	18,000.00	16,241.50	1,758.50	
Assessment of Taxes						
Salaries & Wages	20,000.00	-	20,000.00	17,374.95	2,625.05	
Other Expenses	3,000.00	-	3,000.00	1,334.89	1,665.11	
Collection of Taxes						
Salaries & Wages	23,000.00	-	23,000.00	20,777.92	2,222.08	
Other Expenses	7,500.00	-	7,500.00	6,570.47	929.53	
Municipal Clerk						
Salaries & Wages	52,700.00	-	52,700.00	52,594.10	105.90	
Audit Services						
Other Expenses	20,000.00	-	20,000.00	20,000.00	-	
Liquidation of Tax Title Liens & Foreclosed Property						
Other Expenses	1,500.00	-	1,500.00	-	1,500.00	
Legal Services & Costs						
Other Expenses	32,000.00	-	29,000.00	22,595.07	6,404.93	
Engineering Services & Costs						
Other Expenses	20,000.00	-	20,000.00	12,524.57	7,475.43	
Municipal Land Use Law (NJS 40:55D-1)						
Planning Board						
Salaries & Wages	3,600.00	-	4,600.00	4,257.56	342.44	
Other Expenses	12,000.00	-	12,000.00	4,306.77	7,693.23	
Environmental Commission						
Salaries & Wages	1,000.00	-	1,000.00	750.00	250.00	
Other Expenses	1,000.00	-	1,000.00	74.99	925.01	

STATEMENT OF EXPENDITURES (cont'd)

	<u>2011 Budget</u>	<u>Emergency Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Sewer System						
Salaries & Wages	8,500.00	-	8,500.00	8,429.50	70.50	
Other Expenses	19,000.00	-	22,000.00	20,202.69	1,797.31	
Recreation						
Other Expenses	2,500.00	-	2,500.00	139.10	2,360.90	
Utility Expenses & Bulk Purchases						
Telephone	9,500.00	-	9,500.00	7,846.58	1,653.42	
Gas (Propane)	7,000.00	-	7,000.00	2,336.24	4,663.76	
Electricity	13,000.00	-	13,000.00	8,721.35	4,278.65	
Gasoline	5,500.00	-	5,500.00	5,500.00	-	
Telecommunication	500.00	-	500.00	500.00	-	
Insurance						
General Liability	25,000.00	-	22,000.00	19,873.00	2,127.00	
Workers Compensation	40,000.00	-	40,000.00	38,470.00	1,530.00	
Department of Public Works, Parks & Public Property						
Director's Office						
Salaries & Wages	4,200.00	-	4,200.00	4,079.00	121.00	
Public Buildings & Grounds						
Other Expenses	14,000.00	-	14,000.00	7,599.08	6,400.92	
Streets & Roads Maintenance						
Salaries & Wages	37,100.00	-	37,100.00	28,766.43	8,333.57	
Other Expenses	16,000.00	-	16,000.00	14,849.79	1,150.21	
Street Lighting	22,000.00	-	22,000.00	17,386.21	4,613.79	
Convenience Center						
Salaries & Wages	31,000.00	-	31,000.00	21,951.09	9,048.91	
Other Expenses	117,000.00	-	117,000.00	113,273.64	3,726.36	
Landfill Closure Costs						
Salaries & Wages	1,000.00	-	1,000.00	-	1,000.00	
Other Expenses	11,000.00	-	11,000.00	4,898.87	6,101.13	
Mosquito & Pest Control						
Other Expenses	1,000.00	-	1,000.00	-	1,000.00	
Weed, Fill & Property Control						
Salaries & Wages	500.00	-	500.00	500.00	-	
Other Expenses	500.00	-	500.00	-	500.00	

STATEMENT OF EXPENDITURES (cont'd)

	<u>2011 Budget</u>	<u>Emergency Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Department of Public Affairs & Safety						
Director's Office						
Salaries & Wages	4,700.00	-	4,700.00	4,606.00	94.00	
Fire						
Other Expenses	27,000.00	-	27,000.00	23,267.20	3,732.80	
EMS - First Responder	5,000.00	-	5,000.00	2,793.96	2,206.04	
First Aid Organization Contribution	13,000.00	-	13,000.00	13,000.00	-	
Municipal Prosecutor						
Other Expenses	23,000.00	-	23,000.00	22,500.00	500.00	
Bailiff						
Salaries & Wages	6,000.00	-	6,000.00	5,722.20	277.80	
Municipal Court						
Salaries & Wages	135,000.00	-	135,000.00	132,004.88	2,995.12	
Other Expenses	27,000.00	-	27,000.00	21,807.66	5,192.34	
Public Defender						
Other Expenses	6,000.00	-	6,000.00	1,000.00	5,000.00	
Board of Health						
Other Expenses	1,000.00	-	1,000.00	-	1,000.00	
Emergency Management						
Salaries & Wages	850.00	-	850.00	600.00	250.00	
Other Expenses	2,000.00	-	2,000.00	1,708.37	291.63	
Code Enforcement						
Salaries & Wages	4,300.00	-	4,300.00	4,180.19	119.81	
Other Expenses	750.00	-	750.00	513.99	236.01	
Dog Regulation						
Other Expenses	5,000.00	-	5,000.00	4,586.50	413.50	
Zoning Enforcement						
Salaries & Wages	4,000.00	-	4,000.00	1,418.60	2,581.40	
Gypsy Moth Spray	500.00	-	500.00	-	500.00	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code Official						
Salaries & Wages	4,000.00	-	4,000.00	1,114.92	2,885.08	
Other Expenses	2,000.00	-	2,000.00	794.91	1,205.09	
Total Operations within CAPS	<u>936,910.00</u>	<u>-</u>	<u>934,910.00</u>	<u>797,334.95</u>	<u>137,575.05</u>	<u>-</u>
Detail:						
Salaries & Wages	388,160.00	-	389,160.00	347,584.21	41,575.79	-
Other Expenses	548,750.00	-	545,750.00	449,750.74	95,999.26	-
	<u>936,910.00</u>	<u>-</u>	<u>934,910.00</u>	<u>797,334.95</u>	<u>137,575.05</u>	<u>-</u>

STATEMENT OF EXPENDITURES (cont'd)

	<u>2011 Budget</u>	<u>Emergency Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Deferred Charges & Statutory Expenditures - within CAPS:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	32,856.00	-	32,856.00	32,856.00	-	
Social Security System (O.A.S.I.)	34,000.00	-	34,000.00	27,383.65	6,616.35	
Unemployment Compensation Insurance (N.J.S. A. 43:21-3 et. seq.)	2,700.00	-	2,700.00	2,618.13	81.87	
Total Statutory Expenditures within CAPS	69,556.00	-	69,556.00	62,857.78	6,698.22	-
Total General Appropriations within CAPS	1,006,466.00	-	1,004,466.00	860,192.73	144,273.27	-
Operations excluded from CAPS:						
Aid to Library (N.J.S.A. 40:54-35)	500.00	-	500.00	-	500.00	
Recycling Tax (N.J.S.A. 13:1E-96.5)	3,000.00	-	3,000.00	1,911.00	1,089.00	
Shared Service Agreements						
Assessment Services	3,000.00	-	3,000.00	2,340.10	659.90	
Additional Appropriations Offset by Revenues						
Utility Maintenance						
Salaries & Wages	2,500.00	-	2,500.00	2,500.00	-	
Other Expenses	7,500.00	-	9,500.00	8,441.71	1,058.29	
Public & Private Programs Offset by Revenues						
Clean Communities Program	5,762.01	-	5,762.01	5,762.01	-	
CDBG	57,512.00	-	57,512.00	57,512.00	-	
Municipal Alliance -Prevention of Alcohol & Drug Abuse	9,050.00	-	9,050.00	9,050.00	-	
Municipal Alliance - Alcohol & Drug Abuse Local Match	2,262.50	-	2,262.50	2,262.50	-	
Forest Service Volunteer Fire Assistance Program	4,581.00	-	4,581.00	4,581.00	-	
Municipal Park Development Program	75,000.00	-	75,000.00	75,000.00	-	
Comcast Technology Grant	6,500.00	-	6,500.00	6,500.00	-	
Alcohol Education & Rehabilitation Fund	1,456.24	-	1,456.24	1,456.24	-	
State & Federal Programs - Matching Funds	3,000.18	-	3,000.18	-	-	3,000.18
Total Operations excluded from CAPS	181,623.93	-	183,623.93	177,316.56	3,307.19	3,000.18
Detail:						
Salaries & Wages	2,500.00	-	2,500.00	2,500.00	-	-
Other Expenses	179,123.93	-	181,123.93	174,816.56	3,307.19	3,000.18
	<u>181,623.93</u>	<u>-</u>	<u>183,623.93</u>	<u>177,316.56</u>	<u>3,307.19</u>	<u>3,000.18</u>



STATEMENT OF EXPENDITURES (cont'd)

	2011 <u>Budget</u>	Emergency <u>Appropriation</u>	Modified <u>Budget</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Capital Improvements excluded from CAPS:						
Capital Improvement Fund	10,000.00	-	10,000.00	10,000.00	-	
NJ DOT Trust Fund Authority Act - West Road	200,000.00	-	200,000.00	200,000.00	-	
Total Capital Improvements excluded from CAPS	<u>210,000.00</u>	<u>-</u>	<u>210,000.00</u>	<u>210,000.00</u>	<u>-</u>	<u>-</u>
Municipal Debt Service excluded from CAPS						
Payment of Bond Anticipation Notes and Capital Notes	89,125.00	-	89,125.00	89,125.00	-	
Total Municipal Debt Service excluded from CAPS	<u>89,125.00</u>	<u>-</u>	<u>89,125.00</u>	<u>89,125.00</u>	<u>-</u>	<u>-</u>
Deferred Charges - Municipal - excluded from CAPS						
Special Emergency Authorization - 5 years (N.J.S. 40A:4-55)	5,000.00	-	5,000.00	5,000.00	-	
Total Deferred Charges	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>-</u>
Total General Appropriations excluded from CAPS	<u>485,748.93</u>	<u>-</u>	<u>487,748.93</u>	<u>481,441.56</u>	<u>3,307.19</u>	<u>3,000.18</u>
Subtotal - General Appropriations	1,492,214.93	-	1,492,214.93	1,341,634.29	147,580.46	3,000.18
Reserve for Uncollected Taxes	215,000.00	-	215,000.00	215,000.00	-	-
Total General Appropriations	<u>\$ 1,707,214.93</u>	<u>-</u>	<u>1,707,214.93</u>	<u>1,556,634.29</u>	<u>147,580.46</u>	<u>3,000.18</u>
Adopted Budget	\$ 1,573,060.00					
Added by N.J.S. 40A:4-87	134,154.93					
	<u>\$ 1,707,214.93</u>					

	Ref.	
Deferred Charges Funded	C-4	\$ 94,125.00
Federal & State Grants	A-16	362,123.75
Encumbrances Payable	A	1,621.15
Due Capital Fund	C-7	10,000.00
Reserve for Uncollected Taxes	A-2	215,000.00
Cash	A-4	873,764.39
		<u>1,556,634.29</u>

TRUST FUND
COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Dog License Fund:			
Cash	B-1	\$ 1,530.77	\$ 1,107.50
Due from State of NJ		-	33.30
		<u>1,530.77</u>	<u>1,140.80</u>
Assessment Fund:			
Cash	B-1	2,487.67	5,027.50
Assessments Receivable	B-8	546.90	2,039.85
		<u>3,034.57</u>	<u>7,067.35</u>
Other Funds:			
Cash	B-1	36,494.17	47,797.76
		<u>36,494.17</u>	<u>47,797.76</u>
Total Assets		<u>\$ 41,059.51</u>	<u>\$ 56,005.91</u>
<u>Liabilities & Reserves</u>			
Dog License Fund:			
Due Current Fund	B-1,B-4	\$ 476.37	\$ 262.25
Due to State of NJ	B-1	1.20	
Reserve for Dog Fund Expenditures	B-3	1,053.20	878.55
		<u>1,530.77</u>	<u>1,140.80</u>
Assessment Fund:			
Due Current Fund	B-5	2,487.67	5,027.50
Reserve for Assessments Receivable	B-10	546.90	2,039.85
		<u>3,034.57</u>	<u>7,067.35</u>
Other Funds:			
Unemployment Fund Reserve	B-6	2,152.14	2,142.70
Public Defender Fund		2,091.35	4,744.05
Construction Account Reserve		-	5,933.60
Cash Bonds		20,650.87	23,779.33
Landfill Closure Trust		1,495.69	1,494.36
Due Current Fund	B-7	7,132.10	6,731.70
Tax Sale Premiums		2,972.02	2,972.02
		<u>36,494.17</u>	<u>47,797.76</u>
Total Liabilities & Reserves		<u>\$ 41,059.51</u>	<u>\$ 56,005.91</u>

CAPITAL FUND
COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Cash	C-1	\$ 2,186.99	\$ 2,185.83
Due from Current Fund	C-6	4,990.74	-
Deferred Charges to Future Taxation:			
Funded	C-4	143,125.00	232,250.00
Unfunded	C-4a	136,498.05	136,498.05
		<u>\$ 286,800.78</u>	<u>\$ 370,933.88</u>
 <u>Liabilities, Reserves & Fund Balance</u>			
Reserve for Note Principal		\$ 19,000.00	\$ 19,000.00
Bond Anticipation Note	C-8	143,125.00	232,250.00
Due to Current Fund	C-6	-	5,008.10
Improvement Authorizations:			
Funded	C-5	10,048.89	10,048.89
Unfunded	C-5	-	-
Capital Improvement Fund	C-7	114,273.00	104,273.00
Fund Balance		353.89	353.89
		<u>\$ 286,800.78</u>	<u>\$ 370,933.88</u>

STATEMENT OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 32,883.56
Increased by:		
Prepaid Taxes Collected	A-4	36,225.95
		<u>69,109.51</u>
Decreased by:		
Applied to Taxes Receivable	A-5	32,883.56
		<u>32,883.56</u>
Balance December 31, 2011	A	<u>\$ 36,225.95</u>

STATEMENT OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 13,420.20
Increased by:			
Created by Cancellation	A-6	\$ 720.94	
Collected	A-4	<u>-</u>	
			<u>720.94</u>
			14,141.14
Decreased by:			
Refunded	A-4	\$ 81.65	
Applied to Taxes Receivable	A-6	<u>4,305.29</u>	
			<u>4,386.94</u>
Balance December 31, 2011	A		<u>\$ 9,754.20</u>

STATEMENT OF DUE TO STATE OF NEW JERSEY
FOR EXEMPTIONS

Balance December 31, 2010 *	<u>Ref.</u> A	\$ 1,687.44
Increased by:		
Received from State	A-4	<u>21,500.00</u>
		23,187.44
Decreased by:		
Allowed for 2011 - Net	A-5	<u>22,985.50</u>
Balance December 31, 2011 *	A	<u><u>\$ 201.94</u></u>

* Note: This is a revolving amount that cannot be verified with any independent source. A review was done by the Commissioner of Revenue & Finance and the present Tax Collector. The review determined that the balance due will not be received. due to errors in previous reports therefore a final adjustment was made.

STATEMENT OF DUE COUNTY FOR ADDED TAX

Balance December 31, 2010	<u>Ref.</u> A	\$ 3,914.69
Increased by:		
County Share of Added Tax	A-6	<u>-</u>
		3,914.69
Decreased by:		
Payments	A-4	<u>3,914.69</u>
Balance December 31, 2011	A	<u><u>\$ -</u></u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX

	<u>Ref.</u>		
Balance December 31, 2010			
Deferred		\$ 199,991.00	
Payable	A	<u>395,388.68</u>	\$ 595,379.68
Increased by:			
Levy - School Year July 1, 2011 to			
June 30, 2012	A-1		<u>1,214,680.00</u>
			<u>1,810,059.68</u>
Decreased by:			
Payments	A-4		<u>1,202,771.50</u>
Balance December 31, 2011			
Deferred		199,991.00	
Payable	A	<u>407,297.18</u>	<u>\$ 607,288.18</u>
Charged to 2011 Operations			<u><u>\$ 1,214,680.00</u></u>

STATEMENT OF REGIONAL SCHOOL TAX

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 36,801.40
Increased by:			
Levy - Calendar Year 2011	A-1		<u>927,075.46</u>
			<u>963,876.86</u>
Decreased by:			
Payments	A-4		<u>957,056.74</u>
Balance December 31, 2011	A		<u><u>6,820.12</u></u>

FEDERAL AND STATE GRANT FUND

STATEMENT OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>2011 Budget</u> <u>Revenue Realized</u>	<u>Cash</u> <u>Received</u>	<u>Canceled</u>	<u>Transfer from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Alliance - Alcohol & Drug	\$ 5,603.00	9,050.00	11,055.84	-	-	\$ 3,597.16
NJ Transportation Trust Fund Authority Act	155,488.47	-	59,744.42	-	-	95,744.05
Alcohol Education & Rehabilitation Fund	-	1,456.24	1,456.24	-	-	-
Clean Communities Grant	-	5,762.01	5,762.01	-	-	-
C.D.B.G. # 0601-98	503.50	-	-	-	-	503.50
C.D.B.G. - FY 2001 # 0601-01	2.27	-	-	-	-	2.27
C.D.B.G. - FY 2007 # 0601-07	5,509.45	-	-	-	-	5,509.45
Hazardous Discharge Site Remediation	500.00	-	-	-	-	500.00
GovConnect Grant	140.00	-	-	-	-	140.00
Municipal Stormwater Regulation Program	8,750.00	-	-	-	-	8,750.00
NJ Transportation Trust Fund Authority Act Amasa Landing Road/Culvert Pipe	33,180.10	-	24,829.68	-	-	8,350.42
NJ Transportation Trust Fund Authority Act Greenbush Road /Culvert Replacement	55,000.00	-	-	-	-	55,000.00
CDBG 2011	-	57,512.00	-	-	-	57,512.00
US Forest Service Volunteer Fire Assistance	-	4,581.00	-	-	4,581.00	-
Municipal Park Development Program	-	75,000.00	-	-	-	75,000.00
NJ Transportation Trust Fund Authority Act - Leektown Road	195,000.00	-	134,025.00	-	-	60,975.00
Comcast Technology Grant	-	6,500.00	-	-	6,500.00	-
NJ Transportation Trust Fund Authority Act - West Road	-	200,000.00	104,664.75	-	-	95,335.25
	<u>\$ 459,676.79</u>	<u>359,861.25</u>	<u>341,537.94</u>	<u>-</u>	<u>11,081.00</u>	<u>\$ 466,919.10</u>
<u>Ref.</u>	<u>A</u>	<u>A-2</u>	<u>A-4</u>		<u>A-17</u>	<u>A</u>

FEDERAL AND STATE GRANT FUND

STATEMENT OF APPROPRIATED RESERVES

	Balance <u>Dec. 31, 2010</u>	Transfer from <u>2011 Budget</u>	<u>Canceled</u>	<u>Expended</u>	Balance <u>Dec. 31, 2011</u>
Municipal Alliance - Alcohol & Drug	\$ 6,961.55	9,050.00	-	5,213.27	\$ 10,798.28
Municipal Alliance - Alc. & Drug - Local Match	1,650.75	2,262.50	-	1,650.00	2,263.25
NJ Transportation Trust Fund Authority Act	61,526.42	-	-	-	61,526.42
Alcohol Education & Rehabilitation Fund	2,487.76	1,456.24	-	1,555.00	2,389.00
Clean Communities Grant	31,764.03	5,762.01	-	1,052.00	36,474.04
Exercise Pass-Through Grant	9.77	-	-	-	9.77
C.D.B.G. - FY 2001 #0601-01	2.27	-	-	-	2.27
Rural Development Pilot Program	656.78	-	-	-	656.78
NJ DEPE Local Coastal Planning Grant	5,670.00	-	-	-	5,670.00
Hazardous Discharge Site Remediation	2,897.00	-	-	-	2,897.00
Recycling Tonnage Grant	1,634.48	-	-	-	1,634.48
GovConnect Grant	500.00	-	-	45.00	455.00
Rural Fire Assistance Grant 2010	4,644.00	-	-	-	4,644.00
Rural Fire Assistance Grant 2010 - Local Match	516.00	-	-	-	516.00
C.D.B.G. - FY 2005 Projects	3,217.25	-	-	-	3,217.25
Municipal Stormwater Regulation Program	2,723.43	-	-	461.84	2,261.59
NJ Transportation Trust Fund Authority Act - West Greenbush Road/Culvert Replacement	50,358.28	-	-	-	50,358.28
NJ Transportation Trust Fund Authority Act - Leektown Road	182,886.49	-	-	135,432.50	47,453.99
Wal-Mart Foundation - Drug & Alcohol Resistance Grant	1,220.00	-	-	-	1,220.00
CDBG 2011	-	57,512.00	-	21,972.15	35,539.85
Municipal Park Development Program	-	75,000.00	-	27,430.37	47,569.63
Comcast Technology Grant	-	6,500.00	-	-	6,500.00
US Forest Service Volunteer Fire Assistance	-	4,581.00	-	-	4,581.00
NJ Transportation Trust Fund Authority Act - West Road	-	200,000.00	-	158,653.91	41,346.09
	<u>\$ 361,326.26</u>	<u>362,123.75</u>	<u>-</u>	<u>353,466.04</u>	<u>369,983.97</u>
<u>Ref.</u>	<u>A</u>	<u>A-3</u>		<u>A-4</u>	<u>A</u>

FEDERAL AND STATE GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transferred to</u> <u>2011 Budget</u> <u>Appropriations</u>	<u>Cash</u> <u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
US Forest Service Volunteer Fire Assistance	\$ 4,581.00	4,581.00	-	-	\$ -
Cable Television Grant	6,500.00	6,500.00	-	-	-
Recycling Tonnage Grant	-	-	281.93	-	281.93
	<u>\$ 11,081.00</u>	<u>11,081.00</u>	<u>281.93</u>	<u>-</u>	<u>\$ 281.93</u>
<u>Ref.</u>	A	A-2	A-4		A

TRUST FUND

STATEMENTS OF RECEIPTS AND DISBURSEMENTS

	Ref.	Dog Fund	Other Funds	Assessment Fund
Balance December 31, 2010	B	<u>\$ 1,107.50</u>	<u>\$ 47,797.76</u>	<u>\$ 5,027.50</u>
Receipts:				
Dog License Fees	B-3	425.60	-	-
State Registration Fees		188.40	-	-
Public Defender Fees		-	2,850.00	-
Unemployment Employee Deductions	B-6	-	-	-
Unemployment Fund - Interest	B-6	-	9.44	-
Tax Sale Premiums - Interest		-	1.87	-
Construction Fees		-	-	-
Cash Bonds		-	1,628.19	-
Assessment Receivable	B-8	-	-	2,039.85
Assessment Interest & Costs	B-5	-	-	445.07
Due to Current Fund	B-5	-	-	-
Interest	B-4, B-5	0.67	37.16	2.75
Total Receipts		<u>614.67</u>	<u>4,526.66</u>	<u>2,487.67</u>
Total Receipts & Balances		<u>1,722.17</u>	<u>52,324.42</u>	<u>7,515.17</u>
Disbursements:				
State Registration Fees	B	191.40	-	-
Dog Fund Expenditures	B-3	-	-	-
Public Defender Fees		-	5,504.00	-
Cash Bonds		-	4,756.65	-
State Training & DCA Fees		-	-	-
Paid to Current Fund	A-2	-	5,569.60	5,027.50
Total Disbursements		<u>191.40</u>	<u>15,830.25</u>	<u>5,027.50</u>
Balance December 31, 2011	B	<u>\$ 1,530.77</u>	<u>\$ 36,494.17</u>	<u>\$ 2,487.67</u>

STATEMENT OF TRUST CASH & RECONCILIATION
PER N.J.S. 40A:5-5

	<u>Dog Trust Fund</u>	<u>Other Fund</u>	<u>Assessment Fund</u>
Balance December 31, 2011	\$ 1,530.77	\$ 36,494.17	\$ 2,487.67
Increased by Cash Receipts	679.83	10,039.77	353.33
	<u>2,210.60</u>	<u>46,533.94</u>	<u>2,841.00</u>
Decreased by Cash Disbursements	208.80	14,302.10	-
Balance July 31, 2012	<u>\$ 2,001.80</u>	<u>\$ 32,231.84</u>	<u>\$ 2,841.00</u>

Cash Reconciliation, July 31, 2012

Balance per statement of:

Sun National Bank

<u>\$ 2,001.80</u>	<u>\$ 32,231.84</u>	<u>\$ 2,841.00</u>
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STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2010	<u>Ref.</u> B	\$ 878.55
Increased by:		
Dog License Fees Collected	B-1	425.60
		<u>1,304.15</u>
Decreased by:		
Statutory Excess	B-2	\$ 213.45
State Receivable Cancelled		33.30
Prior Period Adjustment		4.20
		<u>250.95</u>
Balance December 31, 2011	B	<u>\$ 1,053.20</u>

Fees Collected:

<u>Year</u>	<u>Amount</u>
2010	\$ 528.20
2009	525.00
	<u>\$ 1,053.20</u>

B-4

STATEMENT OF DUE TO CURRENT FUND
(DOG FUND)

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 262.25
Increased by:			
Interest Earned	B-1	\$ 0.67	
Statutory Excess	B-3	<u>213.45</u>	
			<u>214.12</u>
Balance December 31, 2011	B		<u>\$ 476.37</u>

B-5

STATEMENT OF DUE TO CURRENT FUND
(ASSESSMENT FUND)

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 5,027.50
Increased by:			
Interest Income	B-1	\$ 2.75	
Interest & Costs on Assessments	B-1	445.07	
Statutory Excess Due Current Fund	B-1	<u>2,039.85</u>	
			<u>2,487.67</u>
			<u>7,515.17</u>
Decreased by:			
Paid to Current Fund	B-1		<u>5,027.50</u>
Balance December 31, 2011	B		<u>\$ 2,487.67</u>

B-6

STATEMENT OF UNEMPLOYMENT FUND RESERVE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 2,142.70
Increased by:		
Interest Earned	B-1	<u>9.44</u>
Balance December 31, 2011	B	<u><u>\$ 2,152.14</u></u>

B-7

STATEMENT OF DUE TO CURRENT FUND
(TRUST OTHER FUND)

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 6,731.70
Increased by:		
Administrative Interest on Developer Bonds	B-1	\$ 34.53
Tax Sales Premiums - Interest		1.87
Interfund Cancelled		<u>364.00</u>
		<u>400.40</u>
Balance December 31, 2011	B	<u><u>7,132.10</u></u>

STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Purpose</u>	<u>Date Confirmed</u>	<u>Date</u>	<u>Number</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Adjustments</u>	<u>Collected</u>	<u>Balance Dec. 31, 2011</u>
Offshore Manor Wastewater	11/08/90	3/10/91-2011	20	<u>\$ 2,039.85</u>	<u>-</u>	<u>1,492.95</u>	<u>\$ 546.90</u>

STATEMENT OF RESERVE FOR ASSESSMENTS

<u>Balance Dec. 31, 2011</u>	<u>Pledged to Receivable Balance Dec. 31, 2011</u>
<u>\$ 546.90</u>	<u>\$ 546.90</u>

STATEMENT OF CASH

Balance December 31, 2010	<u>Ref.</u> C		\$ 2,185.83
Increased by:			
Interest Earned Due to Current Fund-net	C-6		1.16
			<u>2,186.99</u>
Decreased by:			
Paid Current Fund	C-6	\$ -	
Bank Account Fees	C-6	-	
		<u>-</u>	
Balance December 31, 2011	C		<u>\$ 2,186.99</u>

STATEMENT OF CASH AND RECONCILIATION PER N.J.S. 40A:5-5

Balance December 31, 2011		\$2,186.99
Increased by:		
Receipts		0.99
Balance July 31, 2012		<u>\$2,187.98</u>
<u>Cash Reconciliation, July 31, 2012</u>		
Balance per statement of:		
Sun National Bank		<u>\$ 2,187.98</u>

ANALYSIS OF CAPITAL CASH

	<u>Date of Ordinance</u>	<u>Amount</u>
Reserve for Note Principal		\$ 19,000.00
Due from Current Fund		(4,990.74)
Capital Improvement Fund		114,273.00
Capital Fund Balance		353.89
Improvement Authorizations:		
Purchase of Recreation Equipment & Improvements to Recreation Area	5/24/96	2,144.08
Purchase of Fire Trucks	1/22/01	(5,024.64)
Expansion of Municipal Building, Improvements to Land, Purchase of Equipment & Property	11/19/01	(10,469.98)
Reconstruction & Reconfiguration of Drainage on Munion Field Road	10/7/02	(90,000.00)
Reconstruction and/or Reconfiguration of Goldecker & Various Streets	6/16/03	(31,003.43)
Improvement of Various Streets	2/25/08	2,705.05
Acquisition of Property	5/5/08	5,199.76
		<u>\$ 2,186.99</u>
	<u>Ref.</u>	C

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

Balance December 31, 2010	<u>Ref.</u> C	\$ 232,250.00
Decreased by:		
Budget Appropriation - Payment of BAN	C-5	<u>89,125.00</u>
Balance December 31, 2011	C	<u><u>\$ 143,125.00</u></u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION
UNFUNDED

<u>Purpose</u>	<u>Authorization</u>		<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2011</u>
Purchase of Fire Trucks	1/22/01	\$ 40,000.00	\$ 5,024.64
Expansion of Municipal Building, Improvements to Land, & Purchase of Equipment & Property	11/19/01	100,000.00	10,469.98
Reconstruction & Reconfiguration of Drainage on Munion Field Road	10/7/02	100,000.00	90,000.00
Reconstruction and/or Reconfiguration of Goldecker & Various Streets	6/16/03	50,000.00	31,003.43
			<u><u>\$ 136,498.05</u></u>
	<u>Ref.</u>		C

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2010</u>		<u>2011 Authorization</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>	
			<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
Improvements to Recreation Area	05/24/96	15,000.00	2,144.08	-		-	-	2,144.08	-
Improvement of Various Streets	2/25/2008	120,000.00	2,705.05			-	-	2,705.05	-
Acquisition of Property	5/5/2008	65,000.00	5,199.76			-	-	5,199.76	-
			\$ 10,048.89	-	-	-	-	10,048.89	-
<u>Ref.</u>			C	C		C-6	C-6,A-4	C	C

STATEMENT OF DUE TO/FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2010(Due To)	C		\$ 5,008.10
Increased by:			
Interest Earned in Capital Fund - net	A-2	\$ 1.16	
Improvement Authorization Expenditures	C-5,A-4	-	
		<u> </u>	<u>1.16</u>
			5,009.26
Decreased by:			
Budget Appropriation - Capital Improvement Fund	A-3	10,000.00	
Paid to Current Fund	C-1,A-4	-	
		<u> </u>	<u>10,000.00</u>
Balance December 31, 2011(Due From)	C		<u><u>4,990.74</u></u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 104,273.00
Increased by:		
Budget Appropriation	C-6	10,000.00
		<u> </u>
		114,273.00
Decreased by:		
Utilized to Finance Improvement Authorizations		<u> </u>
Balance December 31, 2011	C	<u><u>\$ 114,273.00</u></u>

STATEMENT OF BOND ANTICIPATION NOTES

<u>Purpose</u>	Original Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	Balance <u>Dec. 31, 2011</u>
Improvements to Various Streets(*)	12/15/08	12/15/12	0.00%	\$ 100,000.00
Acquisition of Fire Equipment(*)	11/20/06	11/20/12	0.00%	<u>43,125.00</u>
				<u><u>143,125.00</u></u>
(*) Purchased by the Municipality			<u>Ref.</u>	C

STATEMENT OF BONDS AND NOTES AUTHORIZED AND UNISSUED

	<u>Ordinance</u>		<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2011</u>
Purchase of Fire Trucks	1/22/01	\$ 40,000.00	\$ 5,024.64
Expansion of Municipal Bldg., Improvements to Land, Purchase Of Equipment & Property	11/19/01	100,000.00	10,469.98
Reconstruction of Munion Field Road	10/7/02	95,000.00	90,000.00
Reconstruction and/or Reconfiguration of Goldecker & Various Streets	6/16/03	47,500.00	31,003.43
			<u>\$ 136,498.05</u>
		<u>Ref.</u>	<u>C</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	\$ <u>1.512</u>	\$ <u>1.526</u>	\$ <u>1.375</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.041	0.042	0.012
County	0.376	0.394	0.353
Local School	0.621	0.611	0.577
Regional High School	0.474	0.479	0.433

Assessed Valuation

2011	\$ 194,278,700
2010	201,671,353
2009	198,952,981

COMPARISON OF TAX LEVIES & COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	----- Currently -----	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2011	\$ 2,954,269.41	2,805,336.93	94.95%
2010	2,985,799.29	2,811,748.28	94.17%
2009	2,735,750.14	2,535,748.24	92.68%

DELINQUENT TAXES & TAX TITLE LIENS

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

Dec. 31, <u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage <u>of Tax Levy</u>
2011	\$490,146.18	140,970.89	631,117.07	21.36%
2010	449,470.69	162,799.17	612,269.86	20.50%
2009	417,188.65	173,480.64	590,669.29	21.59%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties were acquired in 2011 by foreclosure as a result of liquidation of tax title liens.

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

2011	\$ 584,100.00
2010	584,100.00
2009	584,100.00

COMPARATIVE SCHEDULE OF FUND BALANCE

<u>Current Fund:</u>	Balance, <u>December 31</u>	Utilized in Budget of <u>Succeeding Year</u>
<u>Year</u>		
2011	\$ 511,849.87	495,000.00
2010	834,853.11	660,000.00
2009	547,954.57	500,000.00
2008	733,826.22	575,000.00
2007	1,063,467.39	725,000.00

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue & Other Income Realized</u>				
Fund Balance Utilized	\$ 660,000.00	14.01%	\$ 500,000.00	9.92%
Miscellaneous - From Other Than				
Local Property Taxes	1,110,501.23	23.58%	1,244,458.40	24.70%
Collection of Delinquent Taxes &				
Tax Title Liens	126,521.44	2.69%	141,808.42	2.81%
Collection of Current Tax Levy	2,805,336.93	59.56%	2,811,748.28	55.80%
Interfund Loans Received	7,547.93	0.16%	341,207.02	6.77%
Total Income	<u>\$ 4,709,907.53</u>	<u>100.00%</u>	<u>\$ 5,039,222.12</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	1,489,214.75	34.06%	1,359,416.03	31.97%
County Taxes	730,321.21	16.70%	767,687.14	18.05%
Local & Regional School Taxes	2,141,755.46	48.98%	2,125,218.54	49.98%
Interfund Loans	11,619.35	0.27%	1.87	0.00%
Other Expenditures	-	0.00%	-	0.00%
Total Expenditures	<u>4,372,910.77</u>	<u>100.00%</u>	<u>4,252,323.58</u>	<u>100.00%</u>
Less: Expenditures to be Raised by Future Taxes	-		-	
Total Adjusted Expenditures	<u>4,372,910.77</u>		<u>4,252,323.58</u>	
Excess in Revenue	336,996.76		786,898.54	
Fund Balance, January 1	834,853.11		547,954.57	
	<u>1,171,849.87</u>		<u>1,334,853.11</u>	
Less: Utilized as Anticipated Revenue	660,000.00		500,000.00	
Fund Balance, December 31	<u>\$ 511,849.87</u>		<u>\$ 834,853.11</u>	

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Deborah Buzby-Cope	Mayor, Commissioner of Public Works, Parks, & Public Property		
T. Richard Bethea	Commissioner of Revenue & Finance		
Gary Smith	Commissioner of Public Affairs & Safety		
Amanda Somes	Clerk, Improvement Search Officer	*	
Joseph H. Gross	Chief Financial Officer	*	
Linda Eliason-Ash	Tax Collector, Tax Search Officer	\$ 1,000,000.00	JIF
Adolph Sicheri	Municipal Judge	*	
Peggy Beck	Court Administrator	*	
John Ewert	Construction Code Official	*	
James J. Renwick	Assessor		
Kris Kluk	Engineer		
McCrink, Nelson & Kehler	Solicitor		

All of the bonds were examined and appear to be properly executed.

* Burlington County Municipal Joint Insurance Fund (JIF) Blanket Crime Coverage
in the amount of \$1,000,000.00

TOWNSHIP OF BASS RIVER

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

GENERAL COMMENTS

Contracts and Agreements required to be Advertised
per 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 by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to section 3 of P.L. 1971, c.198 (C.40A: 11-3), except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$ 17,500.00, within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:
Road Reconstruction and Culvert Replacement

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

Disbursements were reviewed to determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$17,500.00, "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously been adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes

The Statute provides the method for authorizing interest and the maximum rates to be charged for non-payment of taxes on or before the date when they would become delinquent.

The governing body adopted a resolution authorizing interest to be charged for non-payment of taxes on or before the date when they would become delinquent at the rate of 8% per annum on amounts over \$1,500.00. There is also a 10-day grace period prior to charging interest.

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on November 17, 2011 and was complete, except for disputed & bankruptcy items.

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

TOWNSHIP OF BASS RIVER
STATEMENT OF GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
General Fixed Assets:		
Land	\$ 809,912.96	\$ 809,912.96
Buildings	221,978.49	221,978.49
Equipment	214,224.82	214,224.82
Vehicles	11,000.00	11,000.00
Fire Trucks	705,162.00	705,162.00
	<u>\$ 1,962,278.27</u>	<u>\$ 1,962,278.27</u>
Investment in General Fixed Assets	<u>\$ 1,962,278.27</u>	<u>\$ 1,962,278.27</u>

TOWNSHIP OF BASS RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Description of Funds

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

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

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – receipts and disbursements of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

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 government units. The more significant policies in New Jersey follow a modified accrual basis of accounting is followed with minor exceptions.

TOWNSHIP OF BASS RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Revenues – are recorded as received in cash for certain amounts which are due from other governmental units. Receipts from Federal Revenue Sharing funds and other Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the municipality's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the municipality which are susceptible of accrual are 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 and constitute part of the municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in 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.

TOWNSHIP OF BASS RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets 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 if actual historical cost is not available, except for land, which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

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

2. Long-Term Debt

Summary of Municipal Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bond & Notes	\$143,125.00	\$232,250.00	\$232,250.00
Assessment Serial Bonds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>143,125.00</u>	<u>232,250.00</u>	<u>232,250.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds & Notes	<u>136,498.05</u>	<u>136,498.05</u>	<u>163,741.98</u>
Net Bonds & Notes Issued and Authorized but not Issued	<u>\$279,623.05</u>	<u>\$368,748.05</u>	<u>\$395,991.38</u>

TOWNSHIP OF BASS RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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 which indicates a Statutory Net Debt of .14%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 620,920.34	620,920.34	0.00
Local School District Debt	0.00	0.00	0.00
General Debt	279,623.05	0.00	279,623.05
	\$ 900,543.39	620,920.34	279,623.05

Net Debt \$279,623.05 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 \$193,848,635 = 0.14%.

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

3.5% Equalized Valuation Basis (Municipal)	\$ 6,784,702.00
Net Debt	279,623.05
Remaining Borrowing Power	\$ 6,505,078.95

3. Fund Balances Appropriated

Fund balances at December 31, 2011, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012, were as follows:

Current Fund	\$ 495,000.00
--------------	---------------

4. School Taxes

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

	Local District School Tax		Regional High School Tax	
	Balance, <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>	Balance, <u>Dec. 31, 2011</u>	Balance, <u>Dec. 31, 2010</u>
Balance of Tax	\$ 607,288.18	595,379.68	6,820.12	36,801.40
Deferred	199,991.00	199,991.00	0.00	0.00
Prepaid	0.00	0.00	0.00	0.00
Tax Payable	\$ 407,297.18	395,388.68	6,820.12	36,801.40

TOWNSHIP OF BASS RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

5. Pensions

Employees who are eligible for a pension plan are enrolled in one of three pensions systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are: (1) the Public Employees' Retirement System; (2) the Consolidated Police and Firemen's Pension Fund; and (3) the Police and Firemen's Retirement System. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$32,856.00 for 2011 and \$27,470.00 for 2010.

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

6. Accrued Sick and Vacation Benefits (Compensated Absences)

The Township has permitted employees to accrue unused sick and vacation pay, to a limited extent, which may be paid upon retirement at an agreed upon rate. The Township policy is to pay this out of current budgets when due. It is estimated that the current cost of such unpaid compensation is not considered material, and is not included in these financial statements as a long-term liability.

TOWNSHIP OF BASS RIVER
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>CFDA #</u>	<u>Pass-Through Entity ID #</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>
<u>U.S. Housing & Urban Development</u> Pass-Through County of Ocean Community Development Block Grant FY11 Projects			1/1/11 to 12/31/11	\$ -	\$ 21,972.15
Total Federal Assistance				<u>\$ -</u>	<u>\$ 21,972.15</u>

TOWNSHIP OF BASS RIVER
 Schedule of Expenditures of State Awards
 Year Ended December 31, 2011

<u>State Grantor/Pass-Through Grantor/Program</u>	<u>Pass-Through Entity ID#</u>	<u>State Account#</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>	
<u>NJ Department of Transportation</u> Trust Fund Authority Act			1/1/11 to 12/31/11	323,263.85	294,086.41	
<u>Department of Environmental Protection</u> Clean Communities		4900-765-178910-60	1/1/11 to 12/31/11	5,762.01	1,052.00	
<u>NJ Department of Treasury</u> Pass Through County of Ocean: Governor's Council on Alcoholism & Drug Abuse: Municipal Alliance Grant			Ocean County	1/1/11 to 12/31/11	11,055.84	5,213.27
NJ Department of Environmental Protection Municipal Stormwater Regulation Program				1/1/11 to 12/31/11	-	461.84
<u>NJ Department of Community Affairs</u> Alcohol Education & Rehabilitation Fund				1/1/11 to 12/31/11	1,456.24	1,555.00
Total State Assistance				<u>\$ 341,537.94</u>	<u>\$ 302,368.52</u>	

STATEMENT OF CURRENT FUND CASH

	<u>Ref.</u>		
Balance December 31, 2010	A		<u>\$ 1,381,153.17</u>
Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 83,155.05	
Taxes Receivable	A-5	2,871,684.08	
State of NJ - Tax Exemptions	A-11	21,500.00	
Revenue Accounts Receivable	A-7	409,605.22	
Prepaid Taxes	A-9	36,225.95	
Tax Overpayments	A-10	-	
Interest & Costs on Taxes	A-2	19,802.55	
Federal & State Grants	A-15&A-17	341,819.87	
Due from Trust Assessment Fund	B-5	5,027.50	
Due from Trust Other Fund	B-7	-	
Reserve for Due from Capital Fund	C-6	-	
Reserve for Garden State Trust Fund FY 2012			
In Lieu of Tax	A	160,491.00	
Contra		<u>1,296,364.74</u>	
Total Receipts			<u>5,245,675.96</u>
 Total Receipts & Balances			 <u>6,626,829.13</u>
Disbursements:			
2011 Budget Appropriations	A-3	873,764.39	
2010 Appropriation Reserves	A-8	31,009.37	
County Taxes	A-1	730,321.21	
Due County for Added Taxes	A-12	3,914.69	
Local District School Tax	A-13	1,202,771.50	
Regional School Tax	A-14	957,056.74	
Federal & State Grants	A-16	353,466.04	
Tax Overpayments	A-10	81.65	
Due from Payroll Fund	A	1,621.52	
Contra		<u>1,296,364.74</u>	
Total Disbursements			<u>5,450,371.85</u>
Balance December 31, 2011	A		<u>\$ 1,176,457.28</u>

STATEMENT OF CASH AND RECONCILIATION PER N.J.S. 40A:5-5

Balance December 31, 2011	\$ 1,176,457.28
Increased by Cash Receipts	<u>1,721,169.72</u>
	2,897,627.00
Decreased by Cash Disbursements	<u>2,474,324.65</u>
Balance July 31, 2012	<u>\$ 423,302.35</u>

Cash Reconciliation, July 31, 2012

Balance per Statement of:

Sun National Bank

Money Market Account

Add: Deposits in Transit

Less: Outstanding Checks

\$ 488,667.77
-
<u>65,365.42</u>
<u>\$ 423,302.35</u>

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY LEVY

Year	Balance Dec. 31, 2010	Added & Omitted	Levy	Collection 2010	2011	State's Share of Exemptions	Overpayments Applied	Cancelled	Transfer to Tax Title Lien	Balance Dec. 31, 2011
1994	\$ 472.22									472.22
1995	1,166.77									1,166.77
1996	721.80									721.80
2003	12,652.78								-	12,652.78
2004	2,349.10								-	2,349.10
2005	2,363.50							-	-	2,363.50
2006	2,523.97								-	2,523.97
2007	2,824.38								-	2,824.38
2008	2,163.30								-	2,163.30
2009	2,714.17									2,714.17
2010	132,847.18	-			124,001.98		2,519.46	244.10	4,197.01	1,884.63
	162,799.17	-	-	-	124,001.98	-	2,519.46	-	4,197.01	31,836.62
2011	-	-	2,954,269.41	32,883.56	2,747,682.10	22,985.50	1,785.77	4,250.79	35,547.42	109,134.27
	\$ 162,799.17	-	2,954,269.41	32,883.56	2,871,684.08	22,985.50	4,305.23	4,250.79	39,744.43	140,970.89

Ref.	A	A-9	A-4	A-11	A-10	A-6	A
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Analysis of 2011 Property Tax Levy:

Tax Yield:

General Purpose Tax:

Business Personal Tax \$ 16,775.41

General Property Tax 2,937,494.00

Added Taxes

\$ 2,954,269.41

Tax Levy:

Local District School Tax (abstract) 1,214,680.00

Regional High School Tax (abstract) 927,075.46

County Tax (abstract) \$ 596,470.25

County Library Tax (abstract) 56,689.50

County Open Space Tax 77,161.46

Due County for Added Taxes -

730,321.21

Tax for Municipal Purposes (abstract) 82,060.00

Add: Additional Tax Levied 132.74

82,192.74

\$ 2,954,269.41

STATEMENT OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 449,470.69
Increased by:			
Interest & Costs on Taxes		\$ 931.06	
Transfers from Taxes Receivable	A-5	<u>39,744.43</u>	
			<u>40,675.49</u>
Decreased by:			
Assignment of Township Liens Redeemed		<u>-</u>	
			<u>-</u>
Balance December 31, 2011	A		<u><u>\$ 490,146.18</u></u>

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clerk:				
Licenses:				
Alcoholic Beverage	\$ -	4,895.00	4,895.00	-
Campground	-	5,424.00	5,424.00	-
Other	-	500.00	500.00	-
Searches for Municipal Improvements	-	60.00	60.00	-
Trailer Park Fees	-	11,409.48	11,409.48	-
Municipal Court Fines & Costs	11,135.35	156,395.24	157,093.15	10,437.44
Energy Receipts Tax	-	131,357.00	131,357.00	-
Utility Maintenance	-	8,241.00	8,241.00	-
Interest on Investments & Savings	-	569.12	569.12	-
Consolidated Municipal Property Tax Relief	-	12,442.00	12,442.00	-
Tower Rent and Land Lease	-	74,614.47	74,614.47	-
Assessment Services	-	3,000.00	3,000.00	-
	<u>\$ 11,135.35</u>	<u>408,907.31</u>	<u>409,605.22</u>	<u>10,437.44</u>
<u>Ref.</u>	A		A-4	A

STATEMENT OF 2010 APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Expended</u>	<u>Balance</u> <u>Lapsed</u>
Administrative & Executive				
Other Expenses	2,897.38	2,897.38	523.49	2,373.89
Financial Administration				
Salaries & Wages	3,693.77	693.77	-	693.77
Other Expenses	1,307.54	1,307.54	738.39	569.15
Collection of Taxes				
Salaries & Wages	1,305.30	305.30	-	305.30
Other Expenses	604.63	604.63	450.00	154.63
Assessment of Taxes				
Salaries & Wages	2,046.40	46.40	-	46.40
Other Expenses	1,663.43	1,663.43	496.34	1,167.09
Legal Services OE				
Other Expenses	755.00	1,755.00	1,755.00	-
Planning Board				
Other Expenses	302.53	302.53	279.29	23.24
Environmental Commission				
Other Expenses	941.00	941.00	280.00	661.00
Sewer Systems				
Other Expenses	6,030.03	26.03	-	26.03
Convenience Center				
Salaries & Wages	5,407.59	7.59	-	7.59
Other Expenses	4,691.98	13,791.98	7,434.00	6,357.98
Public Buildings & Grounds				
Other Expenses	1,257.89	1,257.89	1,149.90	107.99
Streets & Roads:				
Other Expenses	322.65	10,022.65	9,765.86	256.79
Dog Regulation				
Other Expenses	783.75	983.75	936.00	47.75
Municipal Court				
Other Expenses	7,221.67	7,221.67	388.49	6,833.18
Public Defender				
Other Expenses	7,300.00	7,300.00	500.00	6,800.00
Emergency Management				
Other Expenses	509.90	509.90	500.00	9.90
Recreation				
Other Expenses	1,514.00	1,514.00	116.00	1,398.00
Fire				
Other Expenses	983.99	983.99	262.56	721.43
EMS First Responder				
Other Expenses	2,813.86	2,813.86	1,093.00	1,720.86

STATEMENT OF 2010 APPROPRIATION RESERVES (cont'd)

	Balance Dec. 31, 2010	Balance After Transfers	Expended	Balance Lapsed
Telephone	1,027.53	1,027.53	648.99	378.54
Electricity	-	-	-	-
Gas (Propane)	3,861.41	3,861.41	1,586.22	2,275.19
Gasoline	1,708.22	1,708.22	1,616.22	92.00
Uniform Construction Code Enforcement				
Salaries & Wages	1,825.05	25.05	-	25.05
Unemployment Compensation Insurance	1,241.20	141.20	-	141.20
Recycling Tax	1,052.16	1,052.16	131.52	920.64
Utility Maintenance				
Other Expenses	474.63	474.63	358.10	116.53
Other Accounts with No Change	40,668.93	40,668.93		40,668.93
	<u>\$ 106,213.42</u>	<u>105,909.42</u>	<u>31,009.37</u>	<u>74,900.05</u>
Reserves Balance	A	\$ 96,345.79		A-1
Encumbrances Payable	A	9,867.63		
		<u>\$ 106,213.42</u>		

STATEMENT OF EMERGENCY AUTHORIZATIONS
PER N.J.S. 40A:4-53

<u>Purpose</u>	<u>Date</u>	<u>Net Amount Authorized</u>	<u>1/5 of Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget</u>	<u>Balance Dec. 31, 2011</u>
Revision of Municipal Ordinances & Master Plan	11/20/08	\$ 15,000.00	5,000.00	15,000.00	5,000.00	10,000.00
		<u>\$ 15,000.00</u>	<u>5,000.00</u>	<u>15,000.00</u>	<u>5,000.00</u>	<u>10,000.00</u>
<u>Ref.</u>				A	A-3	A

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

<u>Year</u>	<u>Number Of Liens</u>
2011	135
2010	135
2009	132

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2012 Taxes	35
Payment of 2011 Taxes	35
Delinquent Taxes	40
Assessments	10
Tax Title Liens	15

The results of the test, which was made as of December 31, 2011, is not yet known, but a separate report will be filed if any irregularities are disclosed.

Follow-up of Prior Year Findings

In accordance with Government Auditing Standards, a review was made of all prior-year findings. There were no prior-year findings.

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Should any questions arise as to my comments or recommendations, please do not hesitate to contact me.

Respectfully submitted,



MICHAEL P. GROSS

Registered Municipal Accountant (No. 20CR000535)

Certified Public Accountant (No. CC025466)

Ship Bottom, New Jersey
September 10, 2012