

TOWNSHIP OF EGG HARBOR

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

TOWNSHIP OF EGG HARBOR

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TOWNSHIP OF EGG HARBOR

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2010

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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, 2010 and 2009, 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, 2010. 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, 2010 and 2009 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, 2010 and 2009 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, 2010 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2011 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

July 11, 2011

EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
ASSETS			
Regular Fund:			
Cash - Treasurer	A-4	\$11,524,332	9,234,281
- Payroll		267	2,935
- Petty Cash Funds		1,800	1,800
- Change Funds		900	900
		<u>11,527,299</u>	<u>9,239,916</u>
Amount Due from State of New Jersey			
Veterans and Senior Citizens		54,109	62,074
		<u>54,109</u>	<u>62,074</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	84,070	82,612
Tax Title Liens Receivable	A-8	248,309	136,324
Property Acquired for Taxes-Assessed Valuation		7,646,596	7,731,121
Revenue Accounts Receivable	A-9	308,519	312,325
Due From:			
Animal Control Fund	B	3,092	3,905
Municipal Utilities Authority		108	0
		<u>8,290,694</u>	<u>8,266,287</u>
Deferred Charges:			
Special Emergency Authorization	A-3	1,500,000	0
Emergency Authorization		0	100,000
Overexpenditures of Appropriation Reserves	A-10	2,059	2,059
	A	<u>1,502,059</u>	<u>102,059</u>
		<u>21,374,161</u>	<u>17,670,336</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
ASSETS			
Federal and State Grant Fund:			
Cash	A-4	\$1,074,934	592,798
Deferred Charge to Future Taxation - Funded		1,327,309	1,408,772
Due from Current Fund	A	2,507,828	2,783,161
Federal and State Grants Receivable	A-12	3,181,536	3,797,625
Expenditure without an Appropriation		<u>129,310</u>	<u>0</u>
		<u>8,220,917</u>	<u>8,582,356</u>
		<u>\$29,595,078</u>	<u>26,252,692</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$597,653	880,008
Reserve for Encumbrances/Accounts Payable		963,586	786,422
Taxes Collected in Advance		543,965	634,710
Tax Overpayments		0	64,151
Payroll Taxes Payable		4,219	18,845
Special Emergency Note Payable		1,500,000	0
Due to:			
Third Party Inspectors		9,442	61,766
DCA Training Fees		11,046	0
County - Added Taxes		106,811	146,668
Grant Fund	A	2,507,828	2,783,161
General Capital Fund	C	2,284,406	1,415,193
Open Space Trust	B	3,413	4,706
State of NJ-Domestic Partner Fees		25	0
Surety Bond Payable		368,383	0
Reserve for:			
Road Construction		100,999	100,999
Curb and Sidewalk Surety Deposits		97,830	103,830
Curb and Sidewalk In Lieu		225,933	205,533
Street Opening Surety		111,172	161,878
In Lieu - Other		30,800	30,800
State Tax Appeals Pending		319,810	909,912
Garden State Preservation Fund		9,001	13,501
Property Sales		105,304	269,080
Property Revaluation		1,373,304	0
		11,274,930	8,591,163

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Reserves for Receivables and Other Assets	A	8,290,694	8,266,287
Fund Balance	A-1	<u>1,808,537</u>	<u>812,886</u>
		<u>21,374,161</u>	<u>17,670,336</u>
Federal and State Grant Fund:			
Reserve for Encumbrances/Accounts Payable	A-13	51,231	156,231
Green Trust Program Loan Payable	A-15	1,327,309	1,408,772
Due to General Capital	C	3,649,354	3,637,304
Reserve for Federal and State Grants			
- Appropriated	A-13	3,166,789	3,299,858
- Unappropriated	A-14	<u>26,234</u>	<u>80,191</u>
		<u>8,220,917</u>	<u>8,582,356</u>
		<u><u>\$29,595,078</u></u>	<u><u>26,252,692</u></u>

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

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$648,753	2,765,269
Miscellaneous Revenue Anticipated	A-2	15,216,367	15,324,777
Receipts from Delinquent Taxes	A-2	97,907	105,333
Receipts from Current Taxes	A-2	101,988,858	97,953,624
Non Budget Revenue	A-2	378,215	341,319
Other Credits to Income:			
Cancellation of Prior Year Liabilities			
State Tax Appeals		590,102	0
Payments in Lieu of Taxes on Real Property	A-4	546,492	0
Interfund Returned		3,904	298,714
Unexpended Balance of Approp Reserves	A-11	477,063	40,429
		<u>119,947,661</u>	<u>116,829,465</u>
Total Income			
Expenditures			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	13,763,107	14,574,886
Other Expenses	A-3	13,734,804	11,187,539
Deferred Charges and Statutory			
Expenditures	A-3	2,397,466	2,511,906
Capital Improvements	A-3	730,000	850,000
Municipal Debt Service	A-3	4,133,720	4,119,910
Local District School Tax	A-11	68,257,423	66,270,066
Municipal Open Space Tax		518,968	518,435
County Tax		16,129,991	16,029,420
County Share of Added Taxes		106,816	146,668
Refund of Prior Year Revenue		30,854	27,976
Interfund Created		108	0
		<u>119,803,257</u>	<u>116,236,806</u>
Total Expenditures			
Excess in Revenue		<u>144,404</u>	<u>592,659</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 2010</u>	<u>Year 2009</u>
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		<u>1,500,000</u>	<u>100,000</u>
Statutory Excess to Fund Balance		1,644,404	692,659
Fund Balance January 1	A	<u>812,886</u>	<u>2,885,496</u>
		2,457,290	3,578,155
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>648,753</u>	<u>2,765,269</u>
Balance December 31	A	<u><u>\$1,808,537</u></u>	<u><u>812,886</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	\$648,753		648,753	
Miscellaneous Revenues:					
Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	91,564		90,814	(750)
Other	A-9	813,942		807,240	(6,702)
Fees and Permits	A-9	122,180		180,003	57,823
Fines and Costs:					
Municipal Court	A-9	869,962		776,570	(93,392)
Interest and Costs on Taxes	A-9	251,549		270,476	18,927
Interest on Investments and Deposits	A-9	139,945		38,631	(101,314)
Hotel Occupancy Tax	A-9	425,127		430,010	4,883
Ambulance Fees	A-9	976,834		881,149	(95,685)
Total Section A		3,691,103	0	3,474,893	(216,210)
Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax	A-9	6,013,285		6,013,285	
Garden State Pilot Trust	A-9	13,502		13,502	
Total Section B		6,026,787	0	6,026,787	0

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

	Ref.	ANTICIPATED 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	460,413		487,876	27,463
Total Section C		460,413	0	487,876	27,463
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	176,575		176,575	
Egg Harbor Township Board of Education					
Solid Waste Disposal	A-4	110,000		114,655	4,655
State of New Jersey - MVC	A-4	116,000		91,833	(24,167)
EHT Board of Education Resource Officer	A-4	160,000		255,300	95,300
County of Atlantic Nutruition Site	A-4	12,375		12,114	(261)
Total Section D		574,950	0	650,477	75,527
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		23,352		23,352	
Clean Communities Program		71,047		71,047	
Municipal Alliance on Alcoholism and Drug Abuse		23,570		23,570	
Alcohol, Education Rehab & Enforcement Fund			5,279	5,279	

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		60,000		60,000	
Fast and Furious Grant		23,400		23,400	
N.J. Transportation Trust Fund Authority Act		150,000		150,000	
Recycling Tonnage Grant		23,937		23,937	
NJDL&PS Division of Highway Safety					
Over the Limit Under Arrest Year End Crackdown			5,000	5,000	
Body Armor Fund - 2010			7,439	7,439	
COPS in Shops					
College/Fall Initiative		400	2,800	3,200	
USDOJ/City of Atlantic City-Edward Byrne Memorial					
Justice Assistance Grant - ARRA		65,877		65,877	
Body Armor Replacement Fund Program		2,771		2,771	
Atlantic County Improvement Authority - CDBG			44,163	44,163	
Stormwater Grant		5,155		5,155	
		<u>449,509</u>	<u>64,681</u>	<u>514,190</u>	<u>0</u>
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		75,000		70,999	(4,001)
Host Community Fees		1,641,619		1,629,453	(12,166)

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

	Ref.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL NJS 40A:4-87		
Appropriation of Authority Assets		242,250		242,609	359
Cell Tower Leases		66,243		74,771	8,528
Recreation Developers Fund		125,000		125,000	
Cable Franchise Fees		138,357		139,919	1,562
Environmental Trust Account		153,426		153,426	
Military Leave Reimbursements		34,235		34,185	(50)
Reserve for Property Sales		269,080		269,080	
Sale of Property		980,920		980,920	
MUA Various Services		250,000		250,000	
Towing Fees		69,105		91,782	22,677
Total Section G		4,045,235	0	4,062,144	16,909
Total Miscellaneous Revenues	A-1	15,247,997	64,681	15,216,367	(96,311)
Receipts from Delinquent Taxes	A-1:A-2	82,041		97,907	15,866
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	17,671,868		17,431,902	(239,966)
Budget Totals		33,650,659	64,681	33,394,929	(320,411)
Non-Budget Revenues: Other Non-Budget Revenue	A-2			378,215	378,215
		\$33,650,659	64,681	33,773,144	57,804
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

Ref.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1:A-6	\$101,988,858
Less: Reserve for State Tax Appeals Pending		<u>0</u>

101,988,858

Allocated to:

School, County Taxes		<u>85,013,198</u>
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Balance for Support of Municipal Budget Appropriations

16,975,660

Increased by:

Appropriation "Reserve for Uncollected Taxes"	A-3	<u>456,242</u>
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Amount for Support of Municipal

Budget Appropriations	A-2	<u><u>17,431,902</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-7	80,421
Tax Title Lien Collections	A-8	<u>17,486</u>

\$97,907

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

Ref.

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:

Tax Searches	A-9	\$2,210	
Total			2,210

Treasurer:

Municipal Utilities Authority (MUA) Rental		29,000	
Egg Harbor Township MUA Fuel		4,187	
Cygnus Arts Center Janitorial Services		14,644	
Golf Course Rentals		12,065	
Atlantic County Radio System		12,990	
Motor Vehicle Inspection Fund		13,274	
Watershed Moratorium Offset		16,779	
Workers Comp Reim		10,267	
Police Department		20,485	
Retiree Cobra Payments		7,988	
FEMA Reimbursements - December 2009 Storms		93,524	
Other Miscellaneous		19,282	
Total	A-4		254,485

Clerk:

Insurance Reimbursements		114,467	
Total	A-6		114,467

Tax Collector:

Other Miscellaneous	A-5	7,053	
	A-1:A-2		\$378,215

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	\$111,022	121,922	119,454	2,340	128		
Other Expenses	7,850	7,850	6,319	796	735		
DEPARTMENT OF ADMINISTRATION AND FINANCE							
Administrator's Office							
Salaries and Wages	291,968	288,968	277,363	11,599	6		
Other Expenses	16,000	14,900	14,480	207	213		
Office of Township Clerk							
Salaries and Wages	289,513	287,513	281,159	5,973	381		
Other Expenses	51,700	47,200	38,025	2,856	6,319		
Division of the Treasury							
Salaries and Wages	252,173	253,373	248,576	4,644	153		
Other Expenses	52,700	50,385	43,396	2,987	4,002		
Auditor							
Other Expenses	57,500	56,500	56,500		0		
Division of Collections							
Salaries and Wages	242,832	227,832	223,242	4,363	227		
Other Expenses	47,450	47,450	42,885	4,083	482		
Division of Assessments							
Salaries and Wages	122,270	120,570	116,560	1,557	2,453		
Other Expenses							
Miscellaneous Other Expenses	50,790	50,790	48,891	1,010	889		
Property Revaluation		1,500,000	1,500,000				
Division of Law							
Other Expenses	295,000	316,000	284,198	18,986	12,816		
Rent Leveling Board							
Other Expenses	18,100	33,100	22,953	577	9,570		

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	562,090	534,090	489,558	10,332	34,200		
Other Expenses	127,600	119,600	63,966	28,204	27,430		
Snow Removal							
Other Expenses	41,000	41,000	33,356		7,644		
Division of Buildings and Grounds							
Salaries and Wages	611,143	616,943	585,998	12,772	18,173		
Other Expenses	28,500	45,000	22,494	17,774	4,732		
Division of Equipment Maintenance							
Salaries and Wages	311,279	304,279	284,180	6,051	14,048		
Other Expenses	216,600	212,600	172,682	26,660	13,258		
Division of Solid Waste							
Salaries and Wages	830,662	792,662	767,155	11,579	13,928		
Other Expenses	31,000	30,500	26,334	960	3,206		
Landfill/Solid Waste Disposal Costs							
Other Expenses	1,310,733	1,310,733	1,176,737	118,461	15,535		
Animal Control							
Other Expenses	22,200	22,200	20,350	1,850			
Engineering Services							
Other Expenses	60,000	46,000	27,420		18,580		
DEPARTMENT OF RECREATION							
Salaries and Wages	110,011	111,811	110,246	1,565	0		
Other Expenses	52,975	50,975	43,960	2,980	4,035		
Celebration of Events							
Other Expenses	2,500	2,500	2,116	337	47		
16 Parks and Playgrounds							
Other Expenses	125,000	125,000	109,858	12,783	2,359		

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	7,835,347	8,088,014	7,803,194	186,897	97,923		
Other Expenses	479,915	488,248	338,374	114,961	34,913		
DEPARTMENT OF POLICE DISPATCH/911							
Salaries and Wages	578,928	596,928	582,696	10,477	3,755		
Other Expenses	37,100	34,600	20,936	7,703	5,961		
DEPARTMENT OF FIRE							
Other Expenses	147,000	147,000	105,156	39,680	2,164		
Aid	150,000	150,000	150,000				
Ambulance Services							
Salaries and Wages	494,974	441,974	434,802	6,515	657		
Other Expenses	107,000	97,500	76,069	9,337	12,094		
EMERGENCY MANAGEMENT SERVICE							
Other Expense	500	500	0		500		
Municipal Court							
Salaries and Wages	447,806	438,806	427,928	8,986	1,892		
Other Expenses	51,700	43,815	29,669	6,886	7,260		
Public Defender							
Other Expenses	5	5	0		5		
DEPARTMENT OF COMMUNITY DEVELOPMENT							
Division of Planning							
Salaries and Wages	75,970	71,070	69,576	1,204	290		
Other Expenses	26,725	7,725	1,970	378	5,377		

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	54,720	53,720	1,000			
Other Expenses	7,275	2,875	793		2,082		
ACCUMULATED LEAVE COMPENSATION							
Salaries and Wages	75,000	75,000	74,975		25		
Insurance							
Other Insurance Premiums (JIF)	482,891	527,891	490,847	12,293	24,751		
Worker Compensation Insurance (JIF)	940,953	940,953	940,464		489		
Group Insurance for Employees	2,726,059	2,533,816	2,473,254		60,562		
Group Insurance Opt-Out Payments	268,153	268,153	268,153				
Division of Inspections							
Salaries and Wages	224,573	224,573	201,822	5,974	16,777		
Other Expenses	42,300	42,300	10,353	2,671	29,276		
Uniform Fire Safety Act (PL 1983, CH383)							
Fire Prevention Program							
Salaries and Wages	112,059	112,059	110,462	1,059	538		
Other Expenses	4,370	4,370	3,349		1,021		
UNCLASSIFIED							
Electricity	330,000	367,000	364,893		2,107		
Street Lighting	245,000	252,500	229,535	1,142	21,823		
Telephone	104,000	104,000	76,705	18,198	9,097		
Water	12,000	15,000	12,064		2,936		
Gas	44,500	58,500	56,811	1,600	89		
Sewerage	3,000	3,000	2,226		774		
Gasoline	375,000	375,000	338,052	34,452	2,496		
Fire Hydrant Service	276,000	272,000	246,979		25,021		
Accumulated Absences	500	500	500				
Condominium Services Act PL 1989 CH 299	170,000	170,000	147,812	22,188			
TOTAL OPERATIONS WITHIN "CAPS"	23,281,484	24,800,641	23,404,550	807,887	588,204	0	0
Detail:							
Salaries and Wages	13,634,340	13,763,107	13,262,666	294,887	205,554	0	0
Other Expenses	9,647,144	11,037,534	10,141,884	513,000	382,650	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		
DEFERRED CHARGES AND STATUTORY EXPENDITURES:							
(1) Deferred Charges:							
None							
(2) Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	277,898	277,898	277,898				
Social Security (O.A.S.I.)	1,113,933	1,088,933	1,080,842		8,091		
Consolidated Police and Firemen's Pension Fund	879,135	879,135	879,135				
Unemployment Comp Ins.	46,000	51,500	50,640		860		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	2,316,966	2,297,466	2,288,515	0	8,951	0	0
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	25,598,450	27,098,107	25,693,065	807,887	597,155	0	0
OPERATIONS - EXCLUDED FROM "CAPS"							
Public Employee Retirement System	317,835	317,835	317,835				
Consolidated Police and Firemen's Pension Fund	982,844	982,844	982,844				
Group Insurance for Employees	265,025	265,025	265,025				
Recycling Tax	43,533	43,533	43,533				
Length of Service Award Program	143,000	143,000	0	142,905	95		
City of Northfield Dispatch Service	176,575	176,575	176,125	50	400		
Egg Harbor Township Board of Education Solid Waste Disposal	110,000	110,000	97,256	12,744			
State of New Jersey Motor Vehicle Commission	116,000	116,000	116,000				
County of Atlantic - Nutrition Site	12,375	12,375	12,375				
19 EHTBOE School Resource Officer	160,000	160,000	159,997		3		

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		
Public and Private Programs Offset by Revenues							
State of NJ - Division of Motor Vehicles Drunk Driving Enforcement Fund	23,352	23,352	23,352				
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	23,937	23,937				
Fast and Furious Grant	23,400	23,400	23,400				
Clean Communities Act (NJSA 13:13-99.1 et. seq.)	71,047	71,047	71,047				
Alcohol Education/Rehabilitation Program	5,279	5,279	5,279				
Atlantic County Improvement Authority Community Development Block Grant Construction of Sidewalks & Curbs	44,163	44,163	44,163				
Donations - Safe and Secure Communities Program	60,000	60,000	60,000				
Body Armor Replacement Fund Program	2,771	2,771	2,771				
NJDL&PS Body Armor Fund	7,439	7,439	7,439				
Stormwater Grant	5,155	5,155	5,155				
Department of Highway Safety Over the Limit Under Arrest	5,000	5,000	5,000				
COPS in Shops College/Fall Initiative	3,200	3,200	3,200				
ARRA - Edward Byrne Justice Assistance Grant	65,877	65,877	65,877				
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	2,697,270	2,697,270	2,541,073	155,699	498	0	0
Detail:							
Salaries and Wages	0	0	0	0	0	0	0
Other Expenses	2,697,270	2,697,270	2,541,073	155,699	498	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	580,000	580,000	580,000				
NJ Transportation Trust Fund Authority Act Reconstruction of Tremont Avenue	150,000	150,000	150,000				
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	730,000	730,000	730,000	0	0	0	0
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	2,600,000	2,600,000	2,600,000				
Interest on Bonds	1,404,144	1,404,144	1,404,144				
Interest on Notes	20,000	20,343	20,342				
Green Trust Loan Program: Loan Repayments for Principal and Interest	109,234	109,234	109,234				
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,133,378	4,133,721	4,133,720	0	0	0	0
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM CAPS							
(1) Deferred Charges Emergency Authorizations	100,000	100,000	100,000				
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	100,000	100,000	100,000	0	0	0	0
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	7,660,648	7,660,991	7,504,793	155,699	498	0	0
SUBTOTAL GENERAL APPROPRIATIONS	33,259,098	34,759,098	33,197,858	963,586	597,653	0	0

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
Reserve for Uncollected Taxes	456,242	456,242	456,242				
TOTAL GENERAL APPROPRIATIONS	\$33,715,340	35,215,340	33,654,100	963,586	597,653	0	0
	A-2		A-1		A:A-1		
Budget as Adopted	A-3	33,650,659					
Special Emergency Authorization NJSA 40A:4-53		1,500,000					
Appropriations by 40A:4-87		64,681					
		<u>\$35,215,340</u>					

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS**

	<u>Ref.</u>	<u>PAID OR CHARGED</u>
Federal and State Grants		\$520,083
Deferred Charges		100,000
Capital Improvements		580,000
Reserve for Revaluation		1,500,000
Reserve for Uncollected Taxes	A-2	456,242
Disbursed	A-4	<u>31,122,841</u>
		34,279,166
Less Appropriation Refunds	A-4	<u>625,066</u>
		<u><u>\$33,654,100</u></u>

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EXHIBIT B - TRUST FUND

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**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	BALANCE <u>DEC 31, 2010</u>	BALANCE <u>DEC 31, 2009</u>
ASSETS			
Animal Control Fund:			
Cash	B-1	<u>\$16,363</u>	<u>14,807</u>
		<u>16,363</u>	<u>14,807</u>
Assessment Trust Fund:			
Assessments Receivable	B-3	<u>10,221</u>	<u>10,221</u>
Assessment Liens		<u>2,589</u>	<u>2,589</u>
		<u>12,810</u>	<u>12,810</u>
Length of Service Award Program (LOSAP) (unaudited)			
Investments			
Money Market Funds		<u>38,035</u>	<u>33,277</u>
Mutual Funds		<u>841,618</u>	<u>678,864</u>
Employer Contribution Receivable		<u>146,704</u>	<u>142,905</u>
		<u>1,026,357</u>	<u>855,046</u>
Other Funds:			
Cash - Treasurer	B-1	<u>9,688,873</u>	<u>9,394,287</u>
Cash - Collector	B-2	<u>356,525</u>	<u>205,978</u>
Due from Atlantic County Utilities Authority		<u>17,303</u>	<u>12,005</u>
Environmental Trust Fund		<u>17,303</u>	<u>12,005</u>
Amount Due from Current Fund -			
Open Space Tax	A	<u>3,413</u>	<u>4,706</u>
Third Party Inspections	A	<u>9,442</u>	<u>61,766</u>
		<u>10,075,556</u>	<u>9,678,742</u>
		<u>\$11,131,086</u>	<u>\$10,561,405</u>

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	<u>BALANCE DEC 31, 2010</u>	<u>BALANCE DEC 31, 2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Due to Current Fund	A	\$3,092	3,905
Due to State of NJ		4	0
Reserve for Expenditures	B-4	<u>13,267</u>	<u>10,902</u>
		<u>16,363</u>	<u>14,807</u>
Assessment Trust Fund:			
Reserve for Liens and Costs		2,589	2,589
Reserve for Assessments Receivable		<u>10,221</u>	<u>10,221</u>
		<u>12,810</u>	<u>12,810</u>
Length of Service Award Program (LOSAP) (unaudited)			
Net Assets Available for Benefits		<u>1,026,357</u>	<u>855,046</u>

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	Ref.	BALANCE <u>DEC 31, 2010</u>	BALANCE <u>DEC 31, 2009</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates	B-6	10,389	5,648
Premiums on Tax Sale Deposits	B-2	346,136	200,330
Reserve for Escrow Fees	B-7	747,049	681,027
Due to General Capital	C	795,000	795,000
Due to State of NJ-VCCB		0	10,278
Reserves for -			
Small Cities Loan Repayments		62,942	60,863
Recreation Expenditures		56,603	36,286
Contributions Towards Costs of Improvements for Public Safety & Recreation		0	196,413
Environmental Trust	B-9	142,544	165,431
Accumulated Absences		2,759	2,259
POAA Fines		1,090	1,080
Council on Affordable Housing (COAH)		135,810	134,172
Basin Maintenance		1,792,342	1,751,729
Law Enforcement	B-11	63,768	34,094
Law Enforcement - Federal Funds	B-10	4,968	4,955
Performance Bond Guarantees	B-12	3,766,589	3,934,881
Open Space Land Acquisition	B-13	1,770,339	1,254,766
Other Trusts	B-8	377,228	409,530
		<u>10,075,556</u>	<u>9,678,742</u>
		<u><u>\$11,131,086</u></u>	<u><u>10,561,405</u></u>

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EXHIBIT C - CAPITAL FUND

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
ASSETS			
Due from Current Fund	C-3	\$2,284,406	1,415,193
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	3,649,354	3,637,304
Due from NJDEP Bureau of Dam Safety and Flood Control		627,195	627,195
Deferred Charges to Future Taxation			
Funded	C-4	32,661,000	35,111,000
Unfunded	C-5	2,875,500	810,500
		<u>42,892,455</u>	<u>42,396,192</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	32,661,000	35,111,000
Bond Anticipation Notes Payable	C-10	2,875,000	810,000
Encumbrances Payable		554,631	863,054
Reserve for Sidewalk Construction Improvement Authorizations		70,585	70,585
Funded	C-7	4,079,819	4,689,568
Unfunded	C-7	2,494,934	816,514
Capital Improvement Fund	C-6	142,495	31,196
Fund Balance	C-1	13,991	4,275
		<u>\$42,892,455</u>	<u>42,396,192</u>

There were bonds and notes authorized but not issued at December 31, 2010 and 2009 of \$500 and \$500, respectively (C-9)

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

	<u>Ref.</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Balance at beginning of the year	C	\$4,275	3,935
Increased by:			
Premium on Note Sale	C-2	<u>9,716</u>	<u>340</u>
Balance at the end of the year	C	<u><u>\$13,991</u></u>	<u><u>4,275</u></u>

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

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**STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS**

	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2009</u>
General Fixed Assets:		
Construction in Process	\$1,011,297	825,714
Land	2,902,953	2,902,953
Buildings	22,824,568	22,494,568
Improvements Other than Buildings	348,512	348,512
Machinery and Equipment	12,490,406	12,673,815
Vehicles	<u>13,420,538</u>	<u>12,642,660</u>
	<u>52,998,274</u>	<u>51,888,222</u>
 Investment in General Fixed Assets	 <u>\$52,998,274</u>	 <u>\$51,888,222</u>

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 2010 is 43,323. 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, 2010 AND 2009**

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, 2010 AND 2009**

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, 2010.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Balance As of 12-31-09	Additions/ Transfers	Disposals/ Transfers	Balance As of 12-31-10
Construction in Progress	\$825,714	185,583		1,011,297
Buildings	22,494,568	330,000		22,824,568
Land	2,902,953			2,902,953
Improvements other Than buildings	348,512			348,512
Vehicles	12,642,660	777,878		13,420,538
Machinery and Equipment	12,673,815	178,650	362,059	12,490,406
	<u>51,888,222</u>	<u>1,472,111</u>	<u>362,059</u>	<u>52,998,274</u>

	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 updated their complete inventory of fixed assets during the 2010 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

**EGG HARBOR TOWNSHIP
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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.

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 2010 and 2009 statutory budgets included a reserve for uncollected taxes in the amount of \$456,242 and \$376,729. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2010 and 2009 statutory budgets was \$648,753 and \$2,765,269.

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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Committee. The following significant budget transfers were approved in the 2010 and 2009 calendar years:

<u>Budget Category</u>	<u>2010</u>	<u>2009</u>
Division of Law		
Other Expenses	0	50,000
Insurance		
Other Insurance Premiums	45,000	(48,750)
Group Insurance	(192,243)	(171,000)
Department of Police		
Salaries and Wages	252,667	193,542
Division of Roads		
Salaries and Wages	(28,000)	0
Ambulance Services		
Salaries and Wages	(53,000)	0
Sanitation		
Salaries and Wages	(38,000)	(124,945)
Electricity	37,000	
Gasoline		(81,101)
Social Security	(25,000)	78,000

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 2010, the Township Committee approved total budget insertions in the amount of \$64,681. The Township Committee approved total budget insertions in the amount of \$168,855 during the 2009 calendar year. The following schedule details the significant budget insertions:

<u>Budget Category</u>	<u>2010</u>	<u>2009</u>
Small Cities Community Development Grant- Atlantic County Improvement Authority Curbs & Sidewalks-Pleasant Woods	44,163	107,100

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 2010 calendar year, \$1,500,000 was approved as a special emergency for a Revaluation and \$0 was approved for emergency appropriations. During the 2009 calendar year, the Township approved \$0 for special emergency appropriations and \$100,000 for an emergency appropriation for the Division of Law, Other Expenses.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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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, 2010 and 2009 amounted to \$879,653 and \$712,141, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Advisors on December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Fixed Income	390,216	332,328
Growth & Income	47,824	42,142
All Others	441,613	337,671
Total	\$ <u>879,653</u>	<u>712,141</u>

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.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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As of December 31, 2010, \$0 of the municipality's bank balance of \$22,831,378 was exposed to custodial credit risk. As of December 31, 2009, \$0 of the municipality's bank balance of \$20,320,278 was exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2010 consisted of the following:

	<u>Balance</u> <u>12/31/09</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/10</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds payable:					
General	35,111,000		2,450,000	32,661,000	2,495,000
Other liabilities:					
Compensated					
Absences Payable	3,771,394	1,561,174	1,938,561	3,394,007	105,460
Total long-term liabilities	<u>38,882,394</u>	<u>1,561,174</u>	<u>4,388,561</u>	<u>36,055,007</u>	<u>2,600,460</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, 2010 was \$7,150,000.

\$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, 2010 was \$16,506,000.

\$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, 2010 was \$9,005,000.

\$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, 2010 was \$64,664.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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\$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, 2010 was \$95,750.

\$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, 2010 was \$330,244.

\$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, 2010 was \$211,963.

\$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, 2010 was \$624,688.

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	
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	89,986	19,246	109,232	2,730,000	891,912	3,621,912
2016-2020	454,011	68,840	522,851	9,715,000	3,117,723	12,832,723
2021-2025	340,516	28,492	369,008	8,486,000	1,186,554	9,672,554
2026-2027	100,239	647	100,886	1,400,000	30,625	1,430,625
	<u>1,327,309</u>	<u>211,601</u>	<u>1,538,910</u>	<u>32,661,000</u>	<u>9,849,879</u>	<u>42,947,812</u>

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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As of December 31, 2010, the carrying value of the above bonds approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
Bonds & Notes Issued	36,863,309	37,329,772	38,929,633
Bonds & Notes Authorized But Not Issued	500	500	500
Net Bonds & Notes Issued and Authorized But Not Issued	<u>36,863,809</u>	<u>37,330,272</u>	<u>38,930,133</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 0.74%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$108,130,357	108,130,357	0
General Debt	46,593,809	9,730,000	36,863,809
	<u>\$154,724,166</u>	<u>117,860,357</u>	<u>36,863,809</u>

Net Debt \$36,863,809 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$4,996,708,449 = 0.74%.

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

3 ½ % of Equalized Valuation Basis (Municipal)	\$174,884,796
Net Debt	<u>36,863,809</u>
Remaining Borrowing Power	<u>\$138,020,987</u>

Note 6: SHORT TERM FINANCING

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes	\$810,000	2,065,000		\$2,875,000
Special Emergency Notes	0	1,500,000		1,500,000
Tax Anticipation Note	0	800,000	800,000	0
	<u>\$810,000</u>	<u>4,365,000</u>	<u>800,000</u>	<u>4,375,000</u>

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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The Township has outstanding at December 31, 2010 the following short term notes:

<u>Bank</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest</u>
Current Fund:				
Janney Montgomery	<u>\$1,500,000</u>	3/30/10	3/29/11	1.5%
General Capital Fund:				
Oppenheimer & Co.	\$810,000	9/30/10	9/29/11	1.75%
Oppenheimer & Co.	<u>2,065,000</u>	7/16/10	7/15/11	2.00%
	<u>2,875,000</u>			
	<u>\$4,375,000</u>			

The Township renewed the special emergency note upon maturity, after a pay down of \$300,000, for an additional one year period. The interest rate on this note is 2.25% per annum. It is the intent of the Township to renew the general capital notes for an additional one year period upon maturity.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2010 and 2009 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2011 and 2010 were as follows:

		<u>2010</u>	<u>2010</u>
Current Fund	\$	1,065,000	692,642

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, 2010, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance 12/31/10</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorization	\$1,500,000	300,000	1,200,000
Overexpenditure of Appropriation Reserves	2,059	2,059	0
	<u>1,502,059</u>	<u>302,059</u>	<u>1,200,000</u>
State and Federal Grant Fund			
Expenditure without an Appropriation	129,310	129,310	0
	<u>\$129,310</u>	<u>129,310</u>	<u>0</u>

The appropriations in the 2011 Budget are not less than that required by statute.

**EGG HARBOR TOWNSHIP
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YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 9: SCHOOL TAXES

Local District School Tax in the amount of \$68,257,423 has been raised for the 2010 calendar year and \$68,257,423 was remitted to the school district. Local District School Tax in the amount of \$66,270,066 was raised for the 2009 calendar year and \$66,270,066 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.

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 12/31/10	Balance 12/31/09
Prepaid Taxes	543,965	634,710
Cash Liability for Taxes Collected in Advance	<u>\$543,965</u>	<u>634,710</u>

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.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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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.

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, 2010, 2009, and 2008 were \$595,733, \$262,985, and \$357,205.

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, 2010, 2009, and 2008 were \$1,861,979, \$849,406, and \$1,578,066.

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.

**EGG HARBOR TOWNSHIP
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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 2010 and 2009, \$2,184,312 and \$2,871,912, respectively, was paid by the Township for health care of employees.

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, 2010, the Township's employees are organized in three collective bargaining units. The contracts with the Policeman's Benevolent Association (PBA) and Government Workers Union (GWU) expire December 31, 2012. The contract with the Communications Workers Union (CWA) expired December 31, 2010 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
GWU	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

**EGG HARBOR TOWNSHIP
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current cost of such unpaid compensation at December 31, 2010 would approximate \$3,394,007. The estimated cost of unpaid compensation as of December 31, 2009 was \$3,771,394. 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 GWU 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, 2010 and 2009 the total amount accumulated was \$2,759 and \$2,259, 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, 2010 through December 31, 2010, 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>12/31/10</u>
2/28/96	Town Hall Sewer Service	878,668	10,221
		\$ <u>878,668</u>	<u>10,221</u>

**EGG HARBOR TOWNSHIP
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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.

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 2010 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, 2010 and 2009 was \$50,640 and \$43,790.

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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, 2010 is as follows:

<u>Contract</u>	<u>Funding Source</u>	<u>Balance at 12/31/10</u>
High School Drive Extension	Bond Ordinance #23-08	30,795
Reconstruction of Tremont Avenue Phase IV	NJ Trans Trust Fund & Bond Ordinance #28-09	56,373
Construction of Veteran's Park Field House	Bond Ordinance #28-09	225,066
West Atlantic City Gabion Installation Project	Bond Ordinance #16-2010	655,222

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 2010 and 2009 calendar years, the Township budgeted and paid \$150,000 towards the Golf Corporation principal and interest payment. As of December 31, 2010, the accumulated debt service payments made by the Township on behalf of the Golf Corporation was \$300,000.

As of December 31, 2010, the Golf Corporation had outstanding notes in the amount of \$9,730,000.

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.

**EGG HARBOR TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 2010 was \$515,555 and \$513,873 was levied in 2009. The unexpended amount of \$1,770,339 is reserved for future use.

Note 24: INTERFUND BALANCES

As of December 31, 2010, the following interfunds were included on the balance sheets of the various funds of the Township of Egg Harbor:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Animal Control Fund	\$3,092	
Third Party Inspectors		9,442
Grant Fund		2,507,828
Open Space Trust		3,413
General Capital		2,284,406
Grant Fund:		
Current Fund	2,507,828	
General Capital		3,649,354
Trust Fund:		
Current -		
Animal Control Fund		3,092
Open Space Trust	3,413	
Third Party Inspections	9,442	
General Capital		795,000
General Capital:		
Environmental Trust	695,000	
Recreation Trust	100,000	
Grant Fund	3,649,354	
Current Fund	2,284,406	
	<u>\$9,252,535</u>	<u>9,252,535</u>

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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: 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 \$143,000 and \$135,000 in 2010 and 2009 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.

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 26: SUBSEQUENT EVENTS

During 2011 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 Adopted</u>
8-2011	Purchase of Fire Truck	\$515,000	465,000	2/13/11
9-2011	Purchase of Public Works Truck	275,000	225,000	3/9/11
19-2011	Various General Improvements	2,425,000	1,865,000	6/22/11

Capital ordinance #19-2011 includes improvements to roads, public works vehicle/equipment, police department vehicles/equipment, fire department vehicles/equipment, recreation improvements, communications equipment, and computers.

In June 2011, Township Committee adopted Ordinance #20-2011 which appropriated \$15,000 from the Capital Improvement Fund for the purchase of office equipment.

In addition, on June 22, 2011, Township Committee introduced an ordinance authorizing the issuance of up to \$5,000,000 aggregate principal amount of general obligation refunding bonds of the Township. The issue will refund \$4,775,000 in aggregate principal amount of the Township's General Obligation Bonds, Series 2002, constituting the bonds that mature on and after February 15, 2013.

The Township has evaluated subsequent events through July 11, 2011, the date which the financial statements were available to be issued and no additional items were noted for disclosures.

SUPPLEMENTARY DATA

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

The Honorable Mayor and
Members of 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, 2010, and have issued our report thereon dated July 11, 2011. 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 July 11, 2011.

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

July 11, 2011

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	CFDA # or Pass-Through Grantor's #	Program or Award Amount	Balance 1/1/10	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance 12/31/10	Total Cumulative State Expenditures
Federal:									
U. S. Department of Justice									
Save Our Streets	1/1/08 - 12/31/08	16.592	13,389	\$9,373		9,367		6	
Body Armor Fund	1/1/08 - 12/31/08	16.592	49,231	2,672		0	14,616	17,288	
Atlantic County - E. Byrne Memorial Juvenile Assistance Grant	1/1/09 - 12/31/09	16.592	12,904	3,537		3,537			
	1/1/10 - 12/31/10	16.592	65,877		65,877	65,877			
				<u>15,582</u>	<u>65,877</u>	<u>78,781</u>	<u>14,616</u>	<u>17,294</u>	
NJ Division of Traffic Safety									
Fast & Furious Enforcement	1/1/10 - 12/31/10	20.609	23,400		23,400	22,805		595	
Over the Limit Under Arrest	1/1/09 - 12/31/09	20.601	5,000	3,846		3,046	(800)		
Over the Limit Under Arrest	1/1/10 - 12/31/10	20.601	5,000		5,000	1,247		3,753	
				<u>3,846</u>	<u>28,400</u>	<u>27,098</u>	<u>(800)</u>	<u>4,348</u>	
Small Cities Community Develop Block Grant									
Construction of Community Center	1/1/08 - 12/31/08	14.218	142,721	15,038		12,050	(2,988)		
Curbs & Sidewalks - Pleasant Woods	1/1/10 - 12/31/10	14.218	44,163		44,163			44,163	
				<u>15,038</u>	<u>44,163</u>	<u>12,050</u>	<u>(2,988)</u>	<u>44,163</u>	
Total Federal Assistance				<u>34,466</u>	<u>138,440</u>	<u>117,929</u>	<u>10,828</u>	<u>65,805</u>	
State of New Jersey									
NJ Department of Environmental Protection									
Clean Communities Act	1/1/09 - 12/31/09	4900-765-178920	68,340	35,480		35,480			68,340
Clean Communities Act	1/1/10 - 12/31/10	4900-765-178920	71,047		71,047	15,551		55,496	15,551
Recycling Tonnage Grant	1/1/09 - 12/31/09	NA	44,649	31,623		31,623			44,649
Recycling Tonnage Grant	1/1/10 - 12/31/10	NA	23,937		23,937	7,233		16,704	7,233
Stormwater Grant	1/1/10 - 12/31/10	NA	5,155		5,155			5,155	
				<u>67,103</u>	<u>100,139</u>	<u>89,887</u>	<u>0</u>	<u>77,355</u>	
Department of Transportation									
Transportation Trust Fund Authority Act Reconstruction of Tremont Avenue	1/1/10 - 12/31/10	480-078-6320-162-6010	150,000		150,000			150,000	
				<u>0</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	
Department of Community Affairs									
Safe & Secure Communitas	1/1/09 - 12/31/09	100-066-1020-107-090940	57,643	3,222		3,222			57,643
Safe & Secure Communitas	1/1/10 - 12/31/10	100-066-1020-107-090940	60,000		60,000	53,076		6,924	53,076
Cops in Shops Summer Shore Initiative	1/1/09 - 12/31/09	NA	2,400	31				31	2,369
Cops in Shops College Fall Initiative	1/1/08 - 12/31/08	NA	3,200	113		113			3,200
Cops in Shops College Fall Initiative	1/1/09 - 12/31/09	NA	2,800	2,800		2,675		125	2,675
Cops in Shops College Fall Initiative	1/1/10 - 12/31/10	NA	3,200		3,200			3,200	
				<u>6,166</u>	<u>63,200</u>	<u>59,086</u>	<u>0</u>	<u>10,280</u>	

SEE ACCOMPANYING AUDITOR'S REPORT

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's #	Program or Award Amount	Balance 1/1/10	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance 12/31/10	Total Cumulative State Expenditures
NJ Department of Health									
Alcohol Education Rehabilitation	1/1/09 - 12/31/09	4250-760-050000-63-260	1,392	1,392				1,392	
Alcohol Education Rehabilitation	1/1/10 - 12/31/10	4250-760-050000-63-260	5,279		5,279			5,279	
				<u>1,392</u>	<u>5,279</u>	<u>0</u>	<u>0</u>	<u>6,671</u>	
NJ Division of Law and Public Safety									
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1/1/09 - 12/31/09	1110-101-030000- 129040290064	21,441	14,651		12,061		2,590	18,851
Drunk Driving Enforcement Fund	1/1/10 - 12/31/10	1110-101-030000- 129040290064	23,352		23,352			23,352	
Safe Corridor	1/1/07 - 12/31/07	NA	146,000	6,552		6,552			146,000
Safe Corridor	1/1/09 - 12/31/09	NA	47,041	47,041		15,083		31,958	15,083
Body Armor Fund	1/1/04 - 12/31/04	NA	8,455	251		130	2,496	2,617	5,838
Body Armor Fund	1/1/06 - 12/31/06	NA	1,134	1,134				1,134	
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	
Body Armor Fund	1/1/10 - 12/31/10	NA	10,210		10,210			10,210	
Office of Information Telecommunication Services-Enhanced 911 Grant	1/1/08 - 12/31/08	NA	41,321	4,609		4,095		514	40,807
				<u>105,752</u>	<u>33,562</u>	<u>37,921</u>	<u>(12,120)</u>	<u>89,273</u>	
Loan Program									
New Jersey Department of Environmental Protection - Green Acres Trust Loan Program	6/22/99 - 6/22/18	# 4800-533-851000-60	64,664						
	7/11/03 - 7/11/21	# 4800-533-851000-60	95,750						
	7/11/03 - 7/11/21	# 4800-533-851000-60	330,244						
	11/26/07 - 11/26/26	# 4800-533-851000-60	211,963						
	8/13/08 - 8/13/27	# 4800-533-851000-60	624,688						
				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total State Assistance				<u>180,413</u>	<u>352,180</u>	<u>186,894</u>	<u>(12,120)</u>	<u>333,579</u>	
Total Federal and State Financial Assistance				<u>\$214,879</u>	<u>490,620</u>	<u>304,823</u>	<u>(1,292)</u>	<u>399,384</u>	

- total of all loans for which the state government is at risk

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2010**

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	\$ 186,894	117,929
(Add)/Deduct: Encumbrances, net	7,991	(110,580)
Expenditures reported in Basic Financial Statements	\$ <u>178,903</u>	<u>228,509</u>

The Balance remaining on the New Jersey Department of Environmental Protection, Green Acres Trust Loans as of December 31, 2010 amounted to \$1,327,309.

**TOWNSHIP OF EGG HARBOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Qualified - GAAP; Unqualified - Regulatory</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no	
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____ no	
Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ <u>X</u> _____ 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, 2010**

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

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2009		\$9,234,281	592,798
Increased by Receipts:			
Collector	A-5	102,888,134	
Revenue Accounts Receivable	A-9	10,256,974	
Other Special Items of Revenue	A-2	958,266	
State of New Jersey -			
Senior Citizens and Veterans		345,780	
Garden State Trust Fund		9,001	
In Lieu of Taxes		546,492	
Motor Vehicle Commission	A-2	91,833	
Uniform Fire Safety Fees		70,999	
DCA Training Fees		11,046	
Miscellaneous Revenue	A-2	254,485	912,421
Township Clerk	A-6	610,389	
Appropriation Refunds	A-3	625,066	
Tax Anticipation Note		800,000	
Special Emergency Note		1,500,000	
Due from Animal Control Fund		3,905	
Due from Environmental Trust Fund		153,426	
Due from Public Defender Fees		32,400	
Due from General Capital		2,884,716	
Surety Bond Posted		368,383	
Reserve for Property Sales		1,086,224	
Reserve for Street Opening Surety		34,294	
Reserve for Curb and Sidewalk Surety		56,000	
Curb and Sidewalk Surety In Lieu		15,900	
Third Party Inspection Fees		444,995	
City of Northfield Dispatch Service	A-2	176,575	
County of Atlantic-Nutrition Site	A-2	12,114	
Egg Harbor Township Board of Education -			
Solid Waste Disposal	A-2	114,655	
Resource Officer	A-2	255,300	
Local Unit Green Trust-Interest earned			<u>13</u>
		<u>124,607,352</u>	<u>912,434</u>
		133,841,633	1,505,232

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:			
Current Year Appropriations	A-3	31,122,841	430,285
Appropriation Reserves	A-11	1,187,774	
Due to Local Open Space Trust Fund		520,261	
Due to Public Defender		32,400	
Due to General Capital		1,935,504	
Due to State of New Jersey			
DCA Training Fees		58,346	
Marriage License Fees		6,225	
Payment of Bond Anticipation Notes		810,000	
Refund of Tax Overpayments		113,938	
Reserve for Curb & Sidewalk Surety Deposits		57,500	
Reserve for Property Revaluation		126,696	
Reserve for Street Opening Surety		85,000	
Due to Municipal Utilities Authority		354,949	
Tax Anticipation Note Payable		800,000	
County Taxes		16,129,991	
Added and Omitted County Taxes		146,672	
Local District School Tax	A-10	68,257,423	
Third Party Inspection Fees		497,319	
Other Miscellaneous		74,462	
Due to Current Fund			13
		<u>122,317,301</u>	<u>430,298</u>
Balance December 31, 2010	A	<u><u>\$11,524,332</u></u>	<u><u>1,074,934</u></u>

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

	<u>Ref.</u>	
Increased by Receipts:		
Prepaid Taxes - 2011		\$543,965
Taxes Receivable	A-7	101,109,677
Tax Title Liens	A-8	17,486
Revenue Accounts Receivable	A-9	854,821
Sewer Charges		355,132
Other Miscellaneous	A-2	<u>7,053</u>
		<u>102,888,134</u>
 Payment to Treasurer	 A-4	 <u>\$102,888,134</u>

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

Balance December 31, 2009	<u>Ref.</u> A		\$0
Increased by:			
Revenue Accounts Receivable	A-9	495,922	
Miscellaneous Revenue Not Anticipated	A-2	<u>114,467</u>	
			<u>610,389</u>
			610,389
Decreased by:			
Disbursed to Current Fund	A-4		<u>610,389</u>
Balance December 31, 2010	A		<u><u>\$0</u></u>

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

YEAR	BALANCE DEC. 31, 2009	2010 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, 2010
Arrears	82,612		12,250					80,421				37,688	52,129
	82,612	0	12,250	0	0	0		80,421	0	0	0	37,688	52,129
2010		103,273,476			95,884	634,710	101,378,756	71,276	1,088,675	126,314		(37,688)	31,941
	<u>\$82,612</u>	<u>103,273,476</u>	<u>12,250</u>	<u>0</u>	<u>95,884</u>	<u>634,710</u>	<u>101,459,177</u>	<u>71,276</u>	<u>1,088,675</u>	<u>126,314</u>	<u>0</u>	<u>0</u>	<u>84,070</u>
Ref.	A									A-8			A
			Cash Collected			A-6	\$101,109,677						
			Senior Citizen & Veteran Allowances				<u>349,500</u>						
							<u>\$101,459,177</u>						

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

Analysis of 2010 Property Tax Levy

Tax Yield			
General Property Tax		\$102,595,461	
Added Taxes (54:4-63.1,63.12 et.seq.)		<u>678,015</u>	
			<u><u>103,273,476</u></u>
Tax Levy	<u>Ref.</u>		
Local District School Tax (Abstract)	A-12	68,257,423	
Municipal Open Space Tax		518,968	
County Tax (Abstract)		16,129,991	
Due County for Added and Omitted Taxes (54:4-63.1,63.12 et. seq.)		<u>106,816</u>	
			85,013,198
Local Tax for Municipal Purposes	A-2	17,671,868	
Add: Additional Tax Levied		<u>588,410</u>	
Local Tax for Municipal Purposes Levied			<u>18,260,278</u>
			<u><u>\$103,273,476</u></u>

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$136,324
Increased by:			
Transfers from Taxes Receivable	A-7	126,314	
Interest and Costs Accrued by Sale of December 15, 2010		<u>8,791</u>	
			<u>135,105</u>
			271,429
Decreased by:			
Foreclosed in 2010		5,634	
Collection	A-6	<u>17,486</u>	
			<u>23,120</u>
Balance December 31, 2010	A		<u><u>\$248,309</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	BALANCE DEC. 31, 2009	ACCRUED IN 2010	COLLECTED BY			BALANCE DEC. 31, 2010
			COLLECTOR	TREASURER	CLERK	
Clerk:						
Licenses						
A-2		90,814			90,814	
Tax Collector:						
		2,210	2,210			
		270,476	270,476			
Treasurer:						
Licenses:						
A-2		225,105			225,105	
A-2	127,222	576,189	582,135			121,276 4th qtr. 2010
A-2		487,876		487,876		
A-2		180,003			180,003	
A-2	54,764	774,383		776,570		52,577 Dec. 2010
A-2		6,013,285		6,013,285		
A-2	118,859	1,629,584		1,629,453		118,990 Nov. & Dec. 2010
A-2		38,631		38,631		
A-2		881,149		881,149		
A-2	11,480	434,206		430,010		15,676 Dec. 2010
	<u>\$312,325</u>	<u>11,603,911</u>	<u>854,821</u>	<u>10,256,974</u>	<u>495,922</u>	<u>308,519</u>
Ref.	A	Res.	A-5	A-4	A-6	A

SEE ACCOMPANYING AUDITOR'S REPORT

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2009

	<u>BALANCE DEC. 31, 2009</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	\$2,584	2,584	2,249	335	
Other Expenses	1,649	1,649	1,003	646	
Administrators Office					
Salaries and wages	10,010	13,455	13,283	172	
Other Expenses	5,280	1,835	1,041	794	
Office of Township Clerk					
Salaries and Wages	5,391	5,391	4,541	850	
Other Expenses	10,540	10,540	7,153	3,387	
Division of Treasury					
Salaries and Wages	579	3,885	3,549	336	
Other Expenses	9,785	6,591	6,590	1	
Division of Collections					
Salaries of Wages	4,197	4,197	3,424	773	
Other Expenses	10,852	10,852	8,310	2,542	
Division of Assessments					
Salaries of Wages	1,953	1,953	1,865	88	
Other Expenses	1,056	6,231	6,085	146	
Division of Law					
Other Expenses	69,259	69,259	57,974	11,285	
Division of Engineering					
Other Expenses	14,510	15,510	15,501	9	

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2009**

	<u>BALANCE DEC. 31, 2009</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	18,635	26,635	20,552	6,083	
Other Expenses	38,874	38,874	36,105	2,769	
Division of Buildings and Grounds					
Salaries and Wages	10,220	14,746	14,020	726	
Other Expenses	25,015	24,989	19,070	5,919	
Division of Equipment Maintenance					
Salaries and Wages	6,282	9,282	8,969	313	
Other Expenses	55,676	55,676	29,272	26,404	
Division of Solid Waste					
Salaries and Wages	19,804	32,404	31,199	1,205	
Other Expenses	2,370	2,370	2,370	0	
Landfill/Solid Waste Disposal Costs					
Other Expenses	302,918	252,526	194,997	57,529	
Animal Control					
Other Expenses	1,850	1,850	1,850	0	
DEPARTMENT OF RECREATION					
Salaries and Wages	8,159	8,159	7,958	201	
Other Expenses	20,584	20,584	16,156	4,428	

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2009**

	<u>BALANCE DEC. 31, 2009</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
DEPARTMENT OF POLICE					
Salaries and Wages	184,370	184,370	178,742	5,628	
Other Expenses	109,968	109,968	101,177	8,791	
DEPARTMENT OF POLICE DISPATCH/911					
Salaries and Wages	15,438	15,438	13,136	2,302	
Other Expenses	27,420	27,420	3,740	23,680	
DEPARTMENT OF FIRE					
Other Expenses	44,406	44,406	42,399	2,007	
Ambulance Services					
Salaries and Wages	15,536	17,403	17,403	0	
Other Expenses	30,288	28,421	15,022	13,399	
Municipal Court					
Salaries and Wages	2,530	8,930	8,156	774	
Other Expenses	13,744	13,744	12,026	1,718	
DEPARTMENT OF COMMUNITY DEVELOPMENT					
Division of Planning					
Salaries and Wages	3,986	3,986	2,359	1,627	
Other Expenses	1,683	1,683	300	1,383	
Division of Zoning					
Salaries and Wages	877	877	736	141	
Other Expenses	3,722	3,722	365	3,357	

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2009**

	<u>BALANCE DEC. 31, 2009</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVER- EXPENDED</u>
Bureau of Fire Inspections					
Salaries and Wages	2,269	2,269	1,871	398	
Insurance					
Other Insurance premiums	59,816	59,816	30,692	29,124	
UNIFORM FIRE SAFETY ACT					
Fire Prevention Program					
Salaries and Wages	3,067	3,067	2,376	691	
Other Expenses	312	312	250	62	
UNCLASSIFIED:					
Street Lighting	1,848	2,199	945	1,254	
Telephone	12,565	14,265	8,840	5,425	
Water	6,047	6,047	3,923	2,124	
Gas	1,887	1,887	1,489	398	
Gasoline	117,732	117,732	34,704	83,028	
Fire Hydrant Service	22,549	22,198	22,058	140	
Condominium Services Act	19,600	19,600	19,600	0	
Egg Harbor Township Board of Education					
Solid Waste Disposal	10,000	10,000	10,000	0	
Length of Service Award Program	135,000	142,905	140,379	2,526	
Other Accounts - No Changes	<u>160,145</u>	<u>160,145</u>		<u>160,145</u>	
	<u>\$1,664,837</u>	<u>1,664,837</u>	<u>1,187,774</u>	<u>477,063</u>	<u>0</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, 2009	A	\$0
Increased By:		
Levy - Calendar Year 2010	A-1:A-7	<u>68,257,423</u>
		68,257,423
Decreased By:		
Payments	A-4	<u>68,257,423</u>
Balance December 31, 2010	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, 2009</u>	<u>Transferred from Revenues</u>	<u>Received</u>	<u>Adjust/ Cancelled</u>	<u>Balance Dec. 31, 2010</u>
State of New Jersey:					
NJ Transportation Trust Fund Authority Act of 1984 Reconstruction of Tremont Avenue	\$37,500	150,000	150,000		37,500
Body Armor Replacement Fund Program 2008	14,616	2,771	10,209		7,178
NJ Division of Motor Vehicles Drunk Driving Enforcement Fund		23,352	21,824		1,528
Clean Communities Act (NJSA 13:1E-99.1)		71,047	71,047		
Recycling Tonnage Grant		23,937			23,937
NJ Department of Public Safety Safe Corridor	26,000				26,000
Cops in Shops Summer Shore Initiative	2,400		2,400		
College Fall Initiative Grant	2,800	3,200	6,000		
Bulletproof Vest Partnership Program	8,696		1,160		7,536
Safe and Secure Communities Program	26,979	60,000	54,672		32,307
Alcohol Education Rehabilitation Program		5,279	5,279		
NJDCA Livable Communities Grant	25,000				25,000
Stormwater Grant		5,155	5,155		
NJ Dept of Law & Public Safety Body Armor Fund 2010		7,439			7,439
Total State Funds	143,991	352,180	327,746	0	168,425

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, 2009</u>	<u>Transferred from Revenues</u>	<u>Received</u>	<u>Adjust/ Cancelled</u>	<u>Balance Dec. 31, 2010</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	2,945,285				2,945,285
Atlantic County Municipal Drug Alliance	<u>23,600</u>	<u>23,570</u>	<u>23,493</u>	<u>(77)</u>	<u>23,600</u>
Total Local Funds	<u>3,537,185</u>	<u>23,570</u>	<u>423,493</u>	<u>(168,377)</u>	<u>2,968,885</u>
Federal:					
U.S. Department of Justice Atlantic County - E. Byrne Memorial JAG		65,877	53,212		12,665
Body Armor Fund	1,423				1,423
New Jersey Law & Public Safety - Division of Traffic Safety					
Click It or Ticket	1,188		1,188		
Fast & Furious Enforcement	1,738	23,400			25,138
Over the Limit Under Arrest	5,000	5,000	4,200	(800)	5,000
Small Cities					
Atlantic County Improvement Authority - Curbs and Sidewalks - Pleasant Woods Area	<u>107,100</u>	<u>44,163</u>	<u>151,263</u>		
Total Federal Funds	<u>116,449</u>	<u>138,440</u>	<u>209,863</u>	<u>(800)</u>	<u>44,226</u>
	<u><u>\$3,797,625</u></u>	<u><u>514,190</u></u>	<u><u>961,102</u></u>	<u><u>(169,177)</u></u>	<u><u>3,181,536</u></u>

Ref.	A	A-2	A-4	A
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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, 2009</u>	<u>Transferred from 2010 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, 2010</u>
State of New Jersey:								
State of New Jersey - Drunk Driving Enforcement Fund	\$14,651	23,352		6,003	(1,144)	7,202		25,942
NJ Transportation Trust Fund Authority Act of 1984 Reconstruction of Tremont Avenue		150,000	150,000					
Alcohol Education Rehabilitation	1,392	5,279						6,671
Clean Communities (NJSA 13:1E-99.1) (PL 1986, ch. 187)	35,480	71,047		49,140	(414)	2,305		55,496
Bulletproof Vest Partnership Program	5,628			3,545	(3,480)			5,563
Body Armor Fund	15,151	10,210		65				25,296
Safe and Secure Communities Program	3,222	60,000		56,298				6,924
Safe Corridor	53,593			21,635				31,958
COPS In Shops - Summer Shore Program	31							31
College/Fall Initiative	2,913	3,200		2,788				3,325
Recycling Tonnage Grant	31,623	23,937		35,334		3,522		16,704
Stormwater Grant		5,155						5,155
Office of Information Telecommunications Services - Enhanced 911 Grant	4,609			4,095	(15,496)	15,496		514
Total State Funds	168,293	352,180	150,000	178,903	(20,534)	28,525	0	183,579
Local:								
Donations - PD K-9	310			310				
Keep Kids Alive Signs	365			365				
Emergency Medical Technicians	43							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, 2009</u>	<u>Transferred from 2010 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, 2010</u>
CRDA - West Atlantic City	2,916,202				(21,537)	21,537		2,916,202
Atlantic County Improvement Development Grant	168,300						168,300	
Atlantic County Municipal Drug Alliance	76	23,570		25,134	(2,599)	1,030	77	4
Municipal Share	5	5,893		5,754	(981)	139		986
Total Local Funds	<u>3,085,471</u>	<u>29,463</u>	<u>0</u>	<u>31,563</u>	<u>(25,117)</u>	<u>22,706</u>	<u>168,377</u>	<u>2,917,405</u>
Federal:								
U. S. Department of Justice								
ARRA-Atlantic County - E. Byrne Memorial JAG	3,537	65,877		69,414				
Save Our Streets	9,373			9,367				6
Body Armor Fund	17,288			3,480	(3,480)			17,288
New Jersey Law & Public Safety - Division of Traffic Safety								
Over the Limit Under Arrest	3,846	5,000		4,293			800	3,753
Fast and Furious Enforcement		23,400		22,805				595
Small Cities Grant - Community Center	12,050			12,050				
Small Cities Community Development Block Grant								
Atlantic County Improvement Authority								
Curbs and Sidewalks - Pleasant Woods		44,163		107,100	(107,100)			44,163
Total Federal Funds	<u>46,094</u>	<u>138,440</u>	<u>0</u>	<u>228,509</u>	<u>(110,580)</u>	<u>0</u>	<u>800</u>	<u>65,805</u>
	<u>\$3,299,858</u>	<u>520,083</u>	<u>150,000</u>	<u>438,975</u>	<u>(156,231)</u>	<u>51,231</u>	<u>169,177</u>	<u>3,166,789</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, 2009</u>	<u>Received</u>	<u>Transferred to 2010 Budget Appropriation</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2010</u>
Stormwater Grant	\$5,155		5,155		
Juvenile Assistance Grant	53,212		53,212		
Drunk Driving Enforcement Fund	21,824	21,199	21,824		21,199
Cops in Ships-Summer Shore Initiative		2,385			2,385
Click It or Ticket		2,650			2,650
	<u>\$80,191</u>	<u>26,234</u>	<u>80,191</u>	<u>0</u>	<u>26,234</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, 2010
			Dec. 31, 2010 Date	Amount		Dec. 31, 2009	Increased Decreased	
Tony Canale Park (Pine Oak Park)	1/22/99	150,000	6/22/11	4,017	2.00%			
			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				
					\$72,579	7,915	64,664	
Regional Park, Part 1	10/9/02	150,000	1/11/11	3,913	2.00%			
			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							

**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, 2010
			Dec. 31, 2010 Date	Amount		Dec. 31, 2009	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		103,460	7,710	95,750
Regional Park, Part 2	10/11/02	500,000	1/11/11	12,243	2.00%			
			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				

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**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		
			Dec. 31, 2010 Date	Dec. 31, 2010 Amount		Dec. 31, 2009	Increased	Decreased
			7/11/21	15,089				
			1/11/22	15,239				
			7/11/22	15,392		354,368		24,124
								330,244
Bargaintown Park	11/7/07	700,000	2/13/11	15,517	2.00%			
			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, 2010
			Dec. 31, 2010 Date	Dec. 31, 2010 Amount		Dec. 31, 2009	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		655,263	30,575	624,688
Tony Canale Park, Phase II	11/26/07	250,000	5/26/11	5,653	2.00%			
			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			
			Dec. 31, 2010 Date	Dec. 31, 2010 Amount		Dec. 31, 2009	Increased	Decreased	Dec. 31, 2010
			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					
						223,102		11,139	211,963
						<u>\$1,408,772</u>	0	81,463	<u>1,327,309</u>
						A			A

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2009	B	\$14,807	9,394,287
Increased By:			
State Dog License Fees	B-5	1,286	
Municipal Dog License Fees	B-4	6,721	
Escrow Fees	B-7		523,171
Recreation Fees			214,998
Third Party Inspection Fees	B-8		435,553
Interest	B-4,6-8,10-13	4	14,023
Police Detail	B-8		110,197
Snow Removal Trust	B-8		1,000
Due to Current Fund			
Third Party Inspectors			61,766
Public Defender Fees	B-8		32,400
Open Space Trust			4,706
Accumulated Absences Trust			500
Environmental Trust-Host Community	B-9		113,236
Environmental Trust-Host Community			
Prior Year Receivable			12,004
Fire Safety Fees	B-8		1,375
Municipal Court-POAA Fines			10
Law Enforcement Trust Fund	B-11		37,302
Small Cities Trust			4,914
Council on Affordable Housing			
Non-residential Development Fee			11,233
Basin Maintenance Fees			127,383
Performance Bonds Posted	B-12		303,534
Sale of Property - Open Space Trust	B-13		45,000
Open Space Tax Levy	B-13		515,555
		<u>8,011</u>	<u>2,569,860</u>
		22,818	11,964,147

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	<u>Animal Control</u>	<u>Other</u>
Decreased By:			
Paid to State of NJ	B-5	1,282	10,278
Dog Fund Expenditures	B-4	1,264	
Escrow Expenditures	B-7		459,003
Public Defender Fees	B-8		22,429
Police Detail	B-8		100,000
Due to Current Fund			
Animal Control Fund		3,905	
Interest Earned on Bank Accounts	B-4	4	517
Recreation Expenditures			391,093
Environmental Trust Fund-Host Community			153,426
Third Party Inspection Fees	B-8		499,840
Performance Bonds Returned	B-12		481,360
Small Cities Trust			2,835
Maintenance of Basins			88,875
Council on Affordable Housing			9,595
Acquisition of Land	B-13		48,395
Law Enforcement Trust Fund	B-11		7,628
		<u>6,455</u>	<u>2,275,274</u>
Balance December 31, 2010	B	<u>\$16,363</u>	<u>9,688,873</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

B-1
Sheet 3

Ref.	<u>Dog Licenses</u>	<u>Other</u>
Analysis of December 31, 2010 Balance		
Developer's Escrow		747,049
Recreation Commission Dedicated Trust		56,603
Environmental Trust Fund		820,241
Law Enforcement Trust Fund		63,768
Law Enforcement Trust-Federal Funds		4,968
Parking Offenses Adjudication Act		1,090
Police Detail		31,646
Municipal Evidence		40,457
Public Defender Fees		35,218
Third Party Inspection Fees		230,304
Fire Safety Fines		19,300
Small Cities Trust		62,942
Open Space Trust Fund		1,866,926
Accumulated Absences		2,759
Snow Removal Trust		10,861
Council on Affordable Housing (COAH) Trust		135,810
Basin Maintenance		1,792,342
Performance Guarantee Trust		<u>3,766,589</u>
		<u><u>9,688,873</u></u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

	Ref.		
Balance December 31, 2009	B		\$205,978
Increased by Receipts:			
Deposits for Redemption of Tax Sale Certificates	B-6	1,720,641	
Premiums Received at Tax Sale		274,300	
Interest Earned		652	
		<u> </u>	<u>1,995,593</u>
			2,201,571
Decreased by Disbursements:			
Tax Sale Redemptions	B-6	1,716,146	
Premiums Returned		128,900	
		<u> </u>	<u>1,845,046</u>
Balance December 31, 2009	B		<u><u>\$356,525</u></u>

ANALYSIS OF BALANCE - DECEMBER 31, 2010

Tax Title Lien Redemption	\$10,389
Tax Sale Premium	<u>346,136</u>
	<u><u>\$356,525</u></u>

**TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE**

Ordinance Number	Improvement Description	Date of Confirmation	Installments		Balance Dec. 31, 2009	Collected	Adjustments	Balance Dec. 31, 2010	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, 2009	B		\$10,902
Increased by:			
Dog License Fees Collected	B-1	6,721	
Interest Earned	B-1	4	
		6,725	6,725
			17,627
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:			
Cash	B-1	1,264	
Interest to Current Fund	B-1	4	
Statutory Excess to Current Fund		3,092	
		4,360	4,360
Balance December 31, 2010	B		\$13,267

License Fees Collected

<u>Year</u>	<u>Amount</u>
2008	6,627
2009	6,640
	\$13,267
	\$13,267

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

	Ref.		
Balance December 31, 2009	B		\$0
Increased By:			
Collected in 2010:			
State License Fees		772	
Pilot Clinic Fund Fees		154	
Animal Population Control Fees		360	
	B-1	1,286	1,286
Decreased By:			
Payments	B-1		1,282
Balance December 31, 2010	B		\$4

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

	Ref.		
Balance December 31, 2009	B		\$5,648
Increased By:			
Deposits Received	B-2	1,720,641	
Interest Earned		<u>246</u>	
			<u>1,720,887</u>
			1,726,535
Decreased By;			
Refunds - Tax Sale Certificates Redeemed	B-2	<u>1,716,146</u>	
			<u>1,716,146</u>
Balance December 31, 2010	B		<u><u>\$10,389</u></u>

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

	Ref.	
Balance December 31, 2009	B	\$681,027
Increased By:		
Interest Earned		1,854
Inspection & Planning Fees		<u>523,171</u>
	B-1	<u>525,025</u>
		1,206,052
Decreased By:		
Fees Paid from Developers Account		<u>459,003</u>
	B-1	<u>459,003</u>
Balance December 31, 2010	B	<u><u>\$747,049</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUSTS**

	Ref.		
Balance December 31, 2009	B		\$409,530
Increased by:			
Interest earned		86	
Police Detail		110,197	
Fire Safety Fines		1,375	
Snow Removal Trust		1,000	
Due from Current Fund			
Third Party Inspection Fees		9,442	
Public Defender Fees		32,400	
Third Party Inspection Fees		435,553	
	B-1	590,053	590,053
			999,583
Decreased by:			
Interest Paid to Current Fund		86	
Paid to Third Party Inspectors	B-1	499,840	
Paid to Public Defenders	B-1	22,429	
Paid to Police for Special Detail	B-1	100,000	
		622,355	622,355
Balance December 31, 2010			\$377,228
Analysis of Balance:			
Fire Safety		19,300	
Municipal Evidence		40,457	
Third Party Inspection Fees		239,746	
Public Defender Fees		35,218	
Police Detail		31,646	
Snow Removal		10,861	
	B	\$377,228	\$377,228

TRUST FUND
SCHEDULE OF RESERVE FOR ENVIRONMENTAL TRUST

	Ref.		
Balance December 31, 2009	B		\$165,431
Increased by:			
Atlantic County Utilities Authority Special Environmental Trust	B-1	113,236	
Due from Atlantic County Utilities Authority		17,303	
			130,539
			295,970
Decreased by:			
Due to Current Fund	B-1	153,426	
			153,426
Balance December 31, 2010	B		\$142,544

TRUST FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT
FEDERAL FUND

	Ref.		
Balance December 31, 2009	B		\$4,955
Increased by:			
Interest Earned		13	
			13
Balance December 31, 2010	B		\$4,968

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

	Ref.		
Balance December 31, 2009	B		\$34,094
Increased by:			
Confiscated Funds		37,302	
	B-1		37,302
			71,396
Decreased by:			
Law Enforcement Expenditures		7,628	
	B-1		7,628
Balance December 31, 2010	B		\$63,768

B-12

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

	Ref.		
Balance December 31, 2009	B		\$3,934,881
Increased by:			
Interest Earned		9,534	
Performance Bonds Posted		303,534	
	B-1		313,068
			4,247,949
Decreased by:			
Performance Bonds Returned		481,360	
	B-1		481,360
Balance December 31, 2010	B		\$3,766,589

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND**

	Ref.		
Balance December 31, 2009	B		\$1,254,766
Increased by:			
Interest Earned		431	
Sale of Property		45,000	
Tax Levy Received		515,555	
Added and Omitted Tax Levy		3,413	
	B-1	564,399	564,399
			1,819,165
Decreased by:			
Interest Paid to Current Fund		431	
Acquisition of Land		48,395	
	B-1	48,826	48,826
Balance December 31, 2010	B		\$1,770,339

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	BALANCE DEC. 31, 2009	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DEC. 31, 2010
		MISC.	SERIAL BONDS	IMPROVEMENT AUTHORIZATIONS	MISC.	FROM	TO	
Fund Balance	\$4,275						9,716	13,991
Capital Improvement Fund	31,196					480,000	591,299	142,495
Due from Current Fund	(1,415,193)					2,654,716	1,785,503	(2,284,406)
Due from Environmental Trust Fund	(695,000)							(695,000)
Due from Recreation Trust Fund	(100,000)							(100,000)
Due from Grant Fund	(3,637,304)					150,000	137,950	(3,649,354)
Due from NJDEP Bureau of Dam Safety & Flood Control	(627,195)							(627,195)
Encumbrances Payable	863,054					863,054	554,631	554,631
Reserve for Sidewalk Construction	70,585							70,585
Improvement Authorizations								
#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	6,014					6,014		
#26-02 Various General Improvements	108,018					7,370		100,648
#15-03 Various General Improvements	4,304							4,304
#37-04 Various General Improvements	114,631					14,826	6,283	106,088
#50-04 Public Works Vehicle and Equipment	25,000							25,000
#31-05 Various General Improvements	18,514					7,754		10,760
#50-05 Various General Improvements	112,546							112,546
#60-05 Design and Construction of Community Center	61,631					9,090	24,815	77,356
#35-06 Various General Improvements	618,213					1,097		617,116
#36-06 Various General Improvements	11,478					13,501	10,582	8,559
#39-07 Various General Improvements	440,095					483,376	485,380	442,099
#40-07 Various General Improvements	5,202					1,977	249	3,474
#22-08 Various General Improvements	23,851					80,687	79,308	22,472
#23-08 Various General Improvements	2,337,021					281,597	224,174	2,279,598
#28-09 Various General Improvements	1,605,067					1,207,896	32,263	429,434
#16-10 Various General Improvements						253,601	2,575,000	2,321,399
#17-10 Various General Improvements						106,600	120,000	13,400
	\$0	0	0	0	0	6,637,153	6,637,153	0

Ref. C

C-7

C

**GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE FROM CURRENT FUND**

	<u>Ref.</u>		
Balance December 31, 2009	C:A		\$1,415,193
Increased by:			
Bond Anticipation Notes	C-10	2,065,000	
Premium on Sale of Notes	C-1	9,716	
Current Budget Appropriations	C-6	<u>580,000</u>	
			<u>2,654,716</u>
			4,069,909
Decreased by:			
Payment of Improvement Authorizations	C-7	<u>1,785,503</u>	
			<u>1,785,503</u>
Balance December 31, 2010	C:A		<u><u>\$2,284,406</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2009	C	\$35,111,000
Decreased by:		
2010 Budget Appropriation to Pay Serial Bonds	C-8	<u>2,450,000</u>
Balance December 31, 2010	C	<u>\$32,661,000</u>

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

Ordinance #	Improvement Description	Balance Dec. 31, 2009	2010 Authorization	Funded by Bond Issue	Cancelled	Paid by Budget Appropriation	Balance Dec. 31, 2010	Analysis of Balance - December 31, 2010		
								Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
23-08	Various General Improvements	500					500			500
28-09	Various General Improvements	810,000					810,000	810,000		
16-10	Various General Improvements		2,065,000				2,065,000	2,065,000		
		<u>\$810,500</u>	<u>2,065,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,875,500</u>	<u>2,875,000</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, 2009	C		\$31,196
Increased by:			
2010 Budget Appropriation	A-3:C-3	580,000	
Improvement Authorizations Canceled	C-7	<u>11,299</u>	
			<u>591,299</u>
			622,495
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-7		<u>480,000</u>
Balance December 31, 2010	C		<u><u>\$142,495</u></u>

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. #	IMPROVEMENT DESCRIPTION	ORD. DATE	AMOUNT	2010 AUTHORIZATIONS										
				DEC. 31, 2009 FUNDED	DEC. 31, 2009 UNFUNDED	DOWNPAYMENTS ON IMP/CAPITAL IMP FUND	GRANTS AND OTHER TRUST FUNDS	DEFERRED CHARGES TO FUTURE TAXATION	CANCEL PRIOR YEAR ENCUMBRANCE	PAID OR CHARGED	ENCUMBERED	BALANCES CANCELLED	DEC. 31, 2010 FUNDED	DEC. 31, 2010 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							2,699		4,800	
14-00	Various General Improvements			590									590	
19-01	Various General Improvements	5/23/01	3,732,500		6,014						6,014			
26-02	Various General Improvements	5/8/02	2,536,329	108,018							7,370			100,648
15-03	Various General Improvements	4/23/03	481,000	4,304										4,304
37-04	Various General Improvements	7/14/04	3,875,600	114,631					6,283	14,826				106,088
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	18,514							2,579	5,175		10,760
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	61,631					24,815	9,090				77,356
35-06	Various General Improvements	8/9/06	6,141,000	618,213							1,097			617,116
36-06	Various General Improvements	8/9/06	446,000	11,478					10,582	13,501				8,559
39-07	Various General Improvements	7/11/07	3,219,000	440,095					485,380	483,376				442,099
40-07	Various General Improvements	7/11/07	308,000	5,202					249			1,977		3,474
22-08	Various General Improvements	6/11/08	325,500	23,851					79,308	78,886		1,801		22,472
23-08	Various General Improvements	6/11/08	5,240,000	2,337,021	500				224,174	281,597				2,279,598
28-09	Various General Improvements	8/12/09	1,660,000	795,067	810,000				32,263	839,155	368,740		1	429,434
16-10	Various General Improvements	6/23/10	2,575,000			360,000	150,000	2,065,000		166,849	86,752			256,399
17-10	Various General Improvements	6/23/10	120,000			120,000				16,414	90,186			13,400
				<u>\$4,689,568</u>	<u>816,514</u>	<u>480,000</u>	<u>150,000</u>	<u>2,065,000</u>	<u>863,054</u>	<u>1,923,453</u>	<u>554,631</u>	<u>11,299</u>	<u>4,079,819</u>	<u>2,494,934</u>
				C	C	C-6		C-5:C-9		C-3	C		C	C
								Due to Grant Fund		137,950				
								Due to Current Fund	C-3	<u>1,785,503</u>				
										<u>1,923,453</u>				

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT					
Various General Improvements	8/15/02	14,053,000	2/15/11	1,200,000					
			2/15/12-13	1,175,000					
			2/15/14-16	1,200,000	3.900%	\$8,350,000		1,200,000	7,150,000
Various General Improvements	2/1/06	19,406,000	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%	17,256,000		750,000	16,506,000
Various General Improvements	9/1/08	9,885,000	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%	9,505,000		500,000	9,005,000
						<u>\$35,111,000</u>	<u>0</u>	<u>2,450,000</u>	<u>32,661,000</u>
						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, 2009	2010 AUTHORIZATIONS	NOTES ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DEC. 31, 2010
23-08	Various General Improvements	\$500				500
16-10	Various General Improvements		2,065,000	2,065,000		
		<u>\$500</u>	<u>2,065,000</u>	<u>2,065,000</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, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
28-09	Various General Improvements	10/1/09	10/1/09	9/29/11	1.75%	\$810,000			810,000
16-10	Various General Improvements	7/16/10	7/16/10	7/15/11	2.00%		2,065,000		2,065,000
						<u>\$810,000</u>	<u>2,065,000</u>	<u>0</u>	<u>2,875,000</u>
					Ref.	C	C-3; C-9	C-5	C

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TOWNSHIP OF EGG HARBOR

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

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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 \$21,000, except by contract or agreement". Effective July 1, 2010 the bid threshold was increased to \$26,000.

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$21,000 (between January 1, 2010 and June 30, 2010) or \$26,000 (effective July 1, 2010) 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: Purchase of Ambulance, Reconstruction of Tremont Avenue, Construction of Veterans Park Field House, Construction of Curbs and Sidewalks in Pleasant Woods Area, West Atlantic City Gabion Installation Project, Purchase of Diesel Powered Trash Pump, and Purchase of Hoof Lift Mounted Leaf Collector.

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 15, 2010 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>
2010	227
2009	123
2008	165

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 2010 and 2011 Taxes	10
Municipal Court	20

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>
2010	\$103,273,476	101,988,858	98.75%
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%

Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	3.98	3.81	3.72	3.58	3.36
Apportionment of Tax Rate:					
Municipal	0.69	0.58	0.50	0.43	0.34
Local Open Space	0.02	0.02	0.02	0.02	0.02
County	0.62	0.63	0.60	0.60	0.64
Local School	2.65	2.58	2.60	2.53	2.36
Assessed Valuation	2,577,775,392	2,561,624,700	2,520,668,104	2,422,334,498	2,288,674,400

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>
2010	\$248,309	84,070	332,379	0.32%
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%

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