

**TOWNSHIP OF MONROE**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2009**

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PART I  
REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA  
YEAR ENDED DECEMBER 31, 2009

# PETRONI & ASSOCIATES LLC

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Monroe  
County of Gloucester, New Jersey

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Township of Monroe as of December 31, 2009 and 2008, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds, as listed in the table of contents for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township of Monroe's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township of Monroe 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 the modified accrual basis, with certain exceptions, 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.

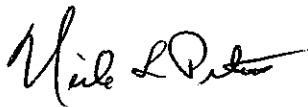
In our opinion, because of the effects of preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Monroe as of December 31, 2009 and 2008, or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Township of Monroe as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the years ended December 31, 2009 and 2008 on the modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2010 on our consideration of the Township of Monroe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of Monroe taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Monroe. The accompanying schedule of State Awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States Local Governments and Non-Profit Organizations*, and New Jersey Treasurer Circular Letter 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and is not a required part 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. The supplemental schedules have 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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

June 8, 2010

**CURRENT FUND**

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	6,818,942.77	7,610,124.61
Cash - Change Fund	A-6	750.00	750.00
		<u>6,819,692.77</u>	<u>7,610,874.61</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	2,693,992.12	2,554,436.75
Tax Title Liens Receivable	A-8	463,600.38	396,013.33
Property Acquired for Taxes - Assessed Valuation	A-9	1,292,500.00	1,293,700.00
Revenue Accounts Receivable	A-13	15,108.41	20,902.08
Assessments Receivable	A-10	13,361.00	13,361.00
Local Grants Receivable	A-11		3,575.00
Due from Municipal Open Space Trust		1,592.87	
Due from Tax Title Lien Premium Trust		5,200.00	
Due from Federal and State Grant Fund	A	325,317.32	245,407.95
		<u>4,810,672.10</u>	<u>4,527,396.11</u>
Deferred Charges:			
Special Emergency Authorization	A-12	360,000.00	540,000.00
		<u>360,000.00</u>	<u>540,000.00</u>
		<u>11,990,364.87</u>	<u>12,678,270.72</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-19	1,985,165.58	2,915,038.05
		<u>1,985,165.58</u>	<u>2,915,038.05</u>
		<u>13,975,530.45</u>	<u>15,593,308.77</u>

The accompanying notes to the financial statements are an integral part of this statement.



EXHIBIT A  
(Continued)

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>Regular Fund</u>			
Liabilities:			
Appropriation Reserves	A-3:A-15	1,876,151.13	1,401,315.28
Encumbrances Payable	A-16	755,589.90	932,758.99
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-14	34,214.54	41,429.39
Prepaid Taxes		543,329.05	397,091.55
Tax Overpayments		140,523.34	210,027.64
Due State - Marriage License Fees		885.00	1,590.00
Due State of New Jersey - DCA Fees		7,287.00	3,233.00
Payroll Taxes Payable		163,128.78	167,780.74
Due County for Added & Omitted Taxes		93,628.73	216,326.25
Reserve for Local Grants	A-18	33,245.90	48,999.47
Due Trust Fund			4,499.42
		<u>3,647,983.37</u>	<u>3,425,051.73</u>
Reserve for Receivables		4,810,672.10	4,527,396.11
Fund Balance	A-1	3,531,709.40	4,725,822.88
		<u>11,990,364.87</u>	<u>12,678,270.72</u>
<u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-20	1,620,876.11	2,580,970.20
Due Current Fund	A	325,317.32	245,407.95
Encumbrances Payable	A-21	38,972.15	88,659.90
		<u>1,985,165.58</u>	<u>2,915,038.05</u>
		<u>13,975,530.45</u>	<u>15,593,308.77</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Fund Balance Utilized	A-2	3,694,576.08	3,802,895.66
Miscellaneous Revenue Anticipated	A-2	8,710,502.34	9,091,920.45
Receipts from Delinquent Taxes	A-2	2,472,515.86	2,613,187.92
Receipts from Current Taxes	A-2	74,714,451.35	70,843,666.28
Non-Budget Revenue	A-2	642,443.22	725,274.41
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	1,305,144.17	1,722,074.74
Encumbrances Payable - Canceled	A-16	214,076.41	146,205.16
Interfund Loan Returned		39,168.76	500.00
Grant Reserve Balance Canceled	A-20	2,027.25	
Total Income		91,794,905.44	88,945,724.62
<u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	12,923,000.00	12,749,040.00
Other Expenses	A-3	11,906,075.00	11,386,925.00
Deferred Charges and Statutory Expenditures	A-3	2,230,000.00	635,000.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Other Expenses	A-3	1,296,965.70	2,713,181.85
Capital Improvements	A-3	375,000.00	481,100.00
Municipal Debt Service	A-3	2,269,594.96	1,869,101.95
Deferred Charges	A-3	180,000.00	418,000.00
Transfer to Board of Education	A-3	10,000.00	
County Taxes	A-7	17,027,803.10	16,008,233.07
Due County for Added Taxes	A-7	93,628.73	216,326.25
Municipal Open Space Tax	A-7	288,125.00	290,240.00
Local District School Tax	A-17	40,482,377.50	38,764,259.50
Grant Receivables Canceled	A-19	5,506.61	22,741.42
Interfund Loan Advanced		117,096.00	248,982.95
Local Grants Receivable Canceled	A-11	3,575.00	
Prior Year Deductions Disallowed			10,077.80
Refund of Prior Year Revenue	A-4	85,695.24	14,061.05
Total Expenditures		89,294,442.84	85,827,270.84

The accompanying notes to the financial statements are an integral part of this statement.

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

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Excess in Revenue		2,500,462.60	3,118,453.78
<u>Fund Balance</u>			
Balance January 1	A	4,725,822.88	5,410,264.76
		7,226,285.48	8,528,718.54
Decreased by:			
Utilization as Anticipated Revenue	A-1	3,694,576.08	3,802,895.66
Balance December 31	A	<u>3,531,709.40</u>	<u>4,725,822.88</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - REGULATORY BASIS

Ref.		Anticipated		Realized	Excess or (Deficit)
		Budget 2009	Special N.J.S.A. 40A:4-87		
	Fund Balance Anticipated	3,694,576.08		3,694,576.08	
	Miscellaneous Revenues:				
	Licenses:				
A-13	Alcoholic Beverages	32,000.00		33,250.00	1,250.00
A-13	Other	38,000.00		40,464.96	2,464.96
A-13	Fees and Permits	432,000.00		452,390.18	20,390.18
	Fines and Costs:				
A-13	Municipal Court	307,000.00		294,193.42	(12,806.58)
A-13	Interest and Costs on Taxes	475,000.00		505,513.12	30,513.12
A-13	Interest on Investments and Deposits	150,000.00		174,116.12	24,116.12
A-13	Insurance Reimbursements - Ambulance	803,000.00		838,067.70	35,067.70
A-13	Consolidated Municipal Property Tax Relief	511,830.00		511,830.00	
A-13	Energy Receipts Tax	4,545,361.00		4,545,361.00	
A-13	Garden State PILOT Trust	21,400.00		19,200.01	(2,199.99)
A-13	Pinelands Property Tax Stabilization Aid	196,292.00		196,292.00	
A-13	Uniform Construction Code Fees	400,000.00		409,456.00	9,456.00
A-13	Uniform Fire Safety Act	33,900.00		31,780.76	(2,119.24)
A-13	Franchise Fees-Cable TV	119,000.00		120,011.37	1,011.37
A-13	Engineering Review Fees	69,000.00		34,975.00	(34,025.00)
A-19	Click It or Ticket		4,000.00	4,000.00	
A-19	NJ Transportation Trust	250,000.00		250,000.00	
A-19	Municipal Alliance Youth Service	23,460.00		23,460.00	
A-19	Drunk Driving Enforcement		11,278.62	11,278.62	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

		Anticipated			
	Ref.	Budget 2009	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Clean Communities	A-19	50,274.89		50,274.89	
Police Over the Limit, Under Arrest	A-19	5,000.00	6,000.00	11,000.00	
Paving Program	A-11		25,000.00	25,000.00	
Recycling Tonnage Grant	A-19		54,005.19	54,005.19	
Safe and Secure	A-19	58,507.00		58,507.00	
Green Communities Grant	A-19	3,000.00		3,000.00	
Emergency Management Assistance	A-19	5,000.00		5,000.00	
JIF Safety Incentive Program	A-11		8,075.00	8,075.00	
Total Miscellaneous Revenues		8,529,024.89	108,358.81	8,710,502.34	73,118.64
Receipts from Delinquent Taxes	A-2	2,530,561.00		2,472,515.86	(58,045.14)
Subtotal General Revenues		14,754,161.97	108,358.81	14,877,594.28	15,073.50
Amount to be Raised by Taxation		19,248,875.00		19,673,672.10	424,797.10
Budget Totals		34,003,036.97	108,358.81	34,551,266.38	439,870.60
Non-Budget Revenue	A-2			642,443.22	
	Ref.	34,003,036.97	108,358.81	35,193,709.60	
		A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASISAnalysis of Realized Revenue

	<u>Ref.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-7	74,714,451.35
Allocated to:		
Municipal Open Space		288,125.00
School and County Taxes	A-7	57,603,809.33
Balance for Support of Municipal Budget Appropriations		16,822,517.02
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,851,155.08
Amount for Support of Municipal Budget Appropriations	A-2	19,673,672.10
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-7	2,464,619.87
Tax Title Liens	A-8	7,895.99
	A-2	2,472,515.86

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-13	15,089.96
JIF Dividends/Safety Incentive	A-13	222,896.70
Ads on Bus Shelters	A-13	4,000.00
Inspection Fees	A-13	13,348.17
In Lieu of Taxes	A-13	18,529.62
Tax Map Maintenance	A-13	1,530.00
Sale of Property	A-13	3,103.00
Administrative Fees Off-Duty Police	A-13	73,763.75
Administrative Fees - Senior Citizen Deductions	A-13	9,679.46
Street Opening Restoration	A-13	60.00
School Security Officers Reimbursement	A-13	189,000.00
Excess Dog Fees	A-13	12,592.46
Miscellaneous	A-13	11,743.54
Hotel/Motel Tax Revenue	A-13	56,918.63
Demolition/Boarding Up	A-13	772.02
Gypsy Moth Reimbursement	A-13	9,415.91
	A-2	642,443.22

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

OPERATIONS WITHIN "CAPS"  
GENERAL GOVERNMENT

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
General Administration						
Salaries & Wages	146,000.00	146,000.00	141,400.00		4,600.00	
Other Expenses	31,000.00	31,000.00	20,255.91	921.70	9,822.39	
Human Resources (Personnel)						
Salaries & Wages	114,900.00	114,900.00	110,705.40		4,194.60	
Other Expenses	22,000.00	22,000.00	18,507.50		3,492.50	
Mayor and Township Council						
Salaries & Wages						
Mayor	62,500.00	62,500.00	57,035.48		5,464.52	
Council	62,500.00	62,500.00	59,944.86		2,555.14	
Other Expenses						
Mayor	3,000.00	3,000.00	1,157.48		1,842.52	
Council	1,000.00	1,000.00	793.95		206.05	
Municipal Clerk						
Salaries & Wages	202,900.00	202,900.00	196,126.96		6,773.04	
Other Expenses	73,000.00	73,000.00	63,605.31		9,394.69	
Elections						
Salaries & Wages	4,100.00	4,100.00	1,018.65		3,081.35	
Other Expenses	20,500.00	20,500.00	19,004.06		1,495.94	
Financial Administration						
Salaries & Wages	230,400.00	230,400.00	213,379.80		17,020.20	
Other Expenses	52,000.00	52,000.00	42,408.46	682.00	8,909.54	
Audit Services						
Other Expenses	56,000.00	56,000.00	55,750.00		250.00	
Municipal Information Services (MIS)						
Salaries & Wages	114,700.00	114,700.00	106,486.38		8,213.62	
Other Expenses	67,000.00	67,000.00	59,967.47	4,372.02	2,660.51	
Revenue Administration (Tax Collection)						
Salaries & Wages	216,000.00	216,000.00	204,790.86		11,209.14	
Other Expenses	17,000.00	17,000.00	11,827.29		5,172.71	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" - (continued)</b>						
<b>GENERAL GOVERNMENT</b>						
Director of Real Estate						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Tax Assessment Administration						
Salaries & Wages	227,000.00	227,000.00	207,849.42		19,150.58	
Other Expenses	49,000.00	49,000.00	33,298.54	12,359.76	3,341.70	
Legal Services & Costs						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Other Expenses	275,000.00	275,000.00	191,933.67	39,749.54	43,316.79	
Engineering Services & Costs						
Other Expenses	175,000.00	175,000.00	85,850.51	7,152.50	81,996.99	
Economic Development						
Other Expenses	19,000.00	19,000.00	298.43		18,701.57	
Historical Society (40:48-2)						
Other Expenses	1,500.00	1,500.00	609.92		890.08	
<b>LAND USE ADMINISTRATION</b>						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	162,000.00	162,000.00	150,781.73		11,218.27	
Other Expenses	110,000.00	105,000.00	84,804.00	4,578.78	15,617.22	
Zoning Board and Board of Adjustment						
Salaries & Wages	5,000.00	5,000.00	2,620.00		2,380.00	
Other Expenses	26,000.00	31,000.00	26,903.71	1,150.00	2,946.29	
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>						
Code Enforcement Officer						
Salaries & Wages	187,700.00	187,700.00	175,781.14		11,918.86	
Other Expenses	17,000.00	17,000.00	7,341.53	62.00	9,596.47	
<b>INSURANCE</b>						
Insurance Safety Program	18,000.00	18,000.00	11,906.59	141.50	5,951.91	
Liability Insurance	605,000.00	605,000.00	605,000.00			
Workmens Compensation Insurance	825,000.00	825,000.00	819,954.00		5,046.00	
Group Plans for Employees	4,635,000.00	4,635,000.00	4,448,878.86		186,121.14	

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Director of Public Safety						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Police						
Salaries & Wages	6,770,000.00	6,770,000.00	6,363,993.83		406,006.17	
Other Expenses	480,000.00	480,000.00	428,337.81	51,631.06	31.13	
Office of Emergency Management						
Salaries & Wages	110,000.00	110,000.00	91,621.25		18,378.75	
Other Expenses	15,000.00	15,000.00	9,422.35	2,491.87	3,085.78	
First Aid Organization- Ambulances						
Cecil Ambulance	42,000.00	42,000.00	14,989.29	26,991.13	19.58	
Monroe Township Ambulance	61,500.00	61,500.00	21,631.10	23,317.75	16,551.15	
Fire						
Other Expenses						
Fire Hydrant Service	25,500.00	25,500.00	25,500.00			
Cecil Fire Company	63,500.00	63,500.00	43,478.97	20,021.03		
Williamstown Fire Company	52,300.00	52,300.00	49,923.96	2,372.85	3.19	
Uniform Fire Safety Act (P.L. 1983, C383)						
Salaries & Wages	56,000.00	56,000.00	49,903.50		6,096.50	
Other Expenses	5,500.00	5,500.00	4,339.15		1,160.85	
Ambulance						
Salaries & Wages	321,500.00	321,500.00	295,696.60		25,803.40	
Other Expenses	125,000.00	125,000.00	72,005.41	21,054.95	31,939.64	
Prosecutor						
Salaries & Wages	18,000.00	18,000.00	18,000.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs & Maintenance						
Salaries & Wages	856,000.00	856,000.00	779,112.72		76,887.28	
Other Expenses	31,000.00	31,000.00	27,917.60	1,084.27	1,998.13	
Snow Removal						
Other Expenses	40,000.00	40,000.00	40,000.00			
Garbage & Trash Removal						
Salaries & Wages	1,212,000.00	1,212,000.00	1,109,863.25		102,136.75	
Other Expenses	4,000.00	4,000.00	2,170.47	355.57	1,473.96	
Public Buildings & Grounds						
Salaries & Wages	315,000.00	315,000.00	296,910.14		18,089.86	
Other Expenses	110,000.00	110,000.00	99,363.14	8,812.04	1,824.82	
Vehicle Maintenance						
Salaries & Wages	314,000.00	314,000.00	298,749.40		15,250.60	
Other Expenses	382,000.00	382,000.00	359,952.60	20,691.91	1,355.49	
Community Services Act						
Condominium Trash Services	105,000.00	105,000.00	68,671.22	17,977.33	18,351.45	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Salaries & Wages	80,000.00	80,000.00	78,875.09		1,124.91	
Other Expenses	2,700.00	2,700.00	1,296.33	76.66	1,327.01	
Social Concerns						
Other Expenses	1,000.00	1,000.00	1,000.00			
Environmental Commission (40:56A et. seq.)						
Salaries & Wages	1,600.00	1,600.00	300.00		1,300.00	
Other Expenses	3,000.00	3,000.00	1,126.22	25.00	1,848.78	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>RECREATION FUNCTIONS</b>						
Parks & Recreation						
Salaries & Wages	260,000.00	260,000.00	240,798.76		19,201.24	
Other Expenses	85,000.00	85,000.00	78,215.08	6,749.08	35.84	
Community Center						
Salaries & Wages	189,700.00	189,700.00	180,964.14		8,735.86	
Other Expenses	7,500.00	7,500.00	4,829.24	450.86	2,219.90	
Community Transportation Service						
Salaries & Wages	65,100.00	65,100.00	55,265.99		9,834.01	
Other Expenses	500.00	500.00			500.00	
Senior Citizen Center						
Salaries & Wages	600.00	600.00	420.00		180.00	
Other Expenses	10,300.00	10,300.00	8,106.02		2,193.98	
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Accumulated Absence Management	60,000.00	60,000.00	60,000.00			
Celebration of Public Event						
Anniversary or Holiday						
Other Expenses	65,000.00	65,000.00	32,258.58	3,345.84	29,395.58	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	255,000.00	290,000.00	241,564.33	23,241.62	25,194.05	
Street Lighting	475,000.00	440,000.00	393,123.12	41,391.78	5,485.10	
Telephone and Telegraph	125,000.00	125,000.00	90,884.79	5,000.00	29,115.21	
Natural Gas	115,000.00	115,000.00	85,897.20	13,275.00	15,827.80	
Fuel Oil	7,000.00	7,000.00	2,068.09	931.91	4,000.00	
Gasoline	575,000.00	575,000.00	333,346.84	56,653.16	185,000.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Gloucester County Landfill						
Other Expenses	1,384,775.00	1,384,775.00	1,213,547.99	119,797.65	51,429.36	
<b>MUNICIPAL COURT FUNCTIONS</b>						
Municipal Court						
Salaries & Wages	257,800.00	257,800.00	243,676.51		14,123.49	
Other Expenses	21,000.00	21,000.00	16,742.98	2,655.57	1,601.45	
Public Defender						
Salaries & Wages	8,000.00	8,000.00	5,661.00		2,339.00	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	340,000.00	340,000.00	296,895.26	200.00	42,904.74	
Other Expenses	73,000.00	73,000.00	15,368.05	15,090.00	42,541.95	
Total Operations within "CAPS"	24,829,075.00	24,829,075.00	22,503,763.24	556,855.69	1,768,456.07	
Detail:						
Salaries & Wages	12,923,000.00	12,923,000.00	12,046,628.12	200.00	876,171.88	
Other Expenses	11,906,075.00	11,906,075.00	10,457,135.12	556,655.69	892,284.19	
<b>STATUTORY EXPENDITURES</b>						
Contribution to:						
Public Employees' Retirement System	475,000.00	475,000.00	473,657.00		1,343.00	
Social Security System (O.A.S.I.)	600,000.00	600,000.00	551,228.33		48,771.67	
Police and Firemen's Retirement System of NJ	1,140,000.00	1,140,000.00	1,133,631.00		6,369.00	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00			
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	2,230,000.00	2,230,000.00	2,173,516.33		56,483.67	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total General Appropriations for Municipal Purposes within "CAPS"	27,059,075.00	27,059,075.00	24,677,279.57	556,855.69	1,824,939.74	
<b>PUBLIC WORKS FUNCTIONS</b>						
Gypsy Moth						
Other Expenses	65,000.00	65,000.00	42,788.61		22,211.39	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Length of Service Awards Program (P.L. 1997, c. 388)	155,000.00	155,000.00		155,000.00		
<b>EDUCATION FUNCTIONS</b>						
Maintenance of Free Public Library	787,000.00	787,000.00	787,000.00			
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Recycling Tax						
Other Expenses	29,000.00	29,000.00			29,000.00	
Total Other Operations - Excluded from "CAPS"	1,036,000.00	1,036,000.00	829,788.61	155,000.00	51,211.39	
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFF-SET BY REVENUES</b>						
Click It or Ticket		4,000.00	4,000.00			
Municipal Alliance Youth Service	29,325.00	29,325.00	29,325.00			
Drunk Driving Enforcement		11,278.62	11,278.62			
Clean Communities	50,274.89	50,274.89	50,274.89			
Police Over the Limit, Under Arrest	5,000.00	11,000.00	11,000.00			
JIF Safety Incentive Program		8,075.00	8,075.00			
Paving Program		25,000.00	25,000.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
Recycling Tonnage Grant		54,005.19	54,005.19			
Safe and Secure	58,507.00	58,507.00	58,507.00			
Emergency Management Assistance Grant	5,000.00	5,000.00	5,000.00			
Green Communities	4,500.00	4,500.00	4,500.00			
Matching Funds for Grants	13,500.00	13,500.00				13,500.00
Total Operations Excluded from "CAPS"	1,202,106.89	1,310,465.70	1,090,754.31	155,000.00	51,211.39	13,500.00
Detail:						
Salaries and Wages	58,507.00	58,507.00	58,507.00			
Other Expenses	1,143,599.89	1,251,958.70	1,032,247.31	155,000.00	51,211.39	13,500.00
<b>CAPITAL IMPROVEMENTS - EXCLUDED</b>						
FROM "CAPS"						
Capital Improvement Fund	125,000.00	125,000.00	125,000.00			
NJ Transportation Trust	250,000.00	250,000.00	250,000.00			
Total Capital Improvements Excluded from "CAPS"	375,000.00	375,000.00	375,000.00			
<b>MUNICIPAL DEBT SERVICE - EXCLUDED</b>						
FROM "CAPS"						
Bond Principal	1,050,000.00	1,050,000.00	1,050,000.00			4,082.37
Interest on Bonds	530,000.00	530,000.00	525,917.63			62.17
Green Trust Loan Repayments - Principal & Interest	41,000.00	41,000.00	40,937.83			
Capital Lease Obligations Approved Prior to July 1, 2007						
Principal	526,100.00	526,100.00	526,100.00			51,960.50
Interest	178,600.00	178,600.00	126,639.50			
Total Municipal Debt Service Excluded From "CAPS"	2,325,700.00	2,325,700.00	2,269,594.96			56,105.04

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>DEFERRED CHARGES EXCLUDED FROM CAPS</b>						
Special Emergency Authorizations - 5 Years	180,000.00	180,000.00	180,000.00			
Total Deferred Charges Excluded from "CAPS"	180,000.00	180,000.00	180,000.00			
Transferred to Board of Education for Use of Local Schools	10,000.00	10,000.00	10,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,092,806.89	4,201,165.70	3,925,349.27	155,000.00	51,211.39	69,605.04
Subtotal General Appropriations	31,151,881.89	31,260,240.70	28,602,628.84	711,855.69	1,876,151.13	69,605.04
<b>RESERVE FOR UNCOLLECTED TAXES</b>	2,851,155.08	2,851,155.08	2,851,155.08			
<b>TOTAL GENERAL APPROPRIATIONS</b>	34,003,036.97	34,111,395.78	31,453,783.92	711,855.69	1,876,151.13	69,605.04
Ref.	A-2			A-16	A	
<b>Budget</b>						
Appropriations by 40A-4-87	Ref.	34,003,036.97				
	A-3	108,358.81				
	A-2	34,111,395.78				
<b>Reserve for Federal and State Grants</b>	Ref.		477,890.70			
Reserve for Uncollected Taxes	A-20		2,851,155.08			
Reserve for Local Grants	A-3		33,075.00			
Special Emergency	A-18		180,000.00			
Disbursed	A-12		27,911,663.14			
	A-4		31,453,783.92			

The accompanying notes to the financial statements are an integral part of this statement.

**TRUST FUND**



EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Trust Fund</u>			
Cash - Treasurer	B-1	3,066,739.08	2,576,858.78
Due Current Fund			4,499.42
Off-Duty Police Receivables		22,563.22	
		<u>3,089,302.30</u>	<u>2,581,358.20</u>
<u>Escrow Trust Fund</u>			
Cash - Treasurer	B-1	1,149,535.85	765,784.56
		<u>4,238,838.15</u>	<u>3,347,142.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B(Continued)COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Trust Fund</u>			
Encumbrances Payable	B-5	83,991.66	73,407.31
Due Current Fund		6,792.87	
Reserve for Dog Fund Expenditures	B-3	25,069.50	26,050.00
Reserve for Forfeited Funds		54,942.53	31,362.73
Reserve for Off-Duty Police Fees		28,672.50	38,988.03
Deposits for Redemption of Tax Sale Certificates	B-4	32,457.06	3,099.33
Reserve for Tax Sale Premiums	B-4	464,900.00	401,800.00
Reserve for Parks and Recreation		367,043.94	298,408.74
Reserve for Veterans Affair Donations		125.00	100.00
Reserve for POAA Fees		805.67	747.67
Reserve for Recycling Fees		42,383.86	15,699.48
Reserve for Sidewalk Trust Fund		110,657.65	125,230.44
Reserve for Snow Removal		61,938.84	63,983.10
Reserve for Accumulated Absences		290,000.00	230,000.00
Reserve for Basin Maintenance Trust		475,033.00	487,988.00
Reserve for Municipal Open Space		786,425.99	585,775.49
Reserve for COAH		199,766.55	154,956.61
Reserve for Unemployment Compensation		33,357.22	21,524.86
Reserve for Municipal Alliance Donations		6,927.91	4,225.86
Reserve for Historical Society Donations		18,010.55	18,010.55
		<u>3,089,302.30</u>	<u>2,581,358.20</u>
<u>Escrow Trust Fund</u>			
Encumbrances Payable	B-5	42,563.73	79,786.71
Reserve for Developers Escrow		1,106,972.12	685,997.85
		<u>1,149,535.85</u>	<u>765,784.56</u>
		<u>4,238,838.15</u>	<u>3,347,142.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

**GENERAL CAPITAL FUND**

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL- REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	Balance	Balance
		<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
Cash - Treasurer	C-1	506,574.07	2,488,347.61
Amount to be Provided by Lease Payments		3,875,000.00	4,401,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	14,969,197.28	15,959,934.29
Unfunded	C-5	577,000.00	
Due from GCIA-Capital Projects		195,267.59	488,228.68
		<u>20,123,038.94</u>	<u>23,337,510.58</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-9	14,736,000.00	15,691,000.00
Loan Payable - Green Trust	C-8	233,197.28	268,934.29
Encumbrances Payable	C-11	578,581.33	1,734,945.16
Obligations under Capital Lease	C-12	3,875,000.00	4,401,000.00
Capital Improvement Fund	C-6	19,321.08	321.08
Reserve for Payment of Bonds		7,624.03	
Improvement Authorizations:			
Funded	C-7	497,115.83	1,241,310.05
Unfunded	C-7	176,199.39	
		<u>20,123,038.94</u>	<u>23,337,510.58</u>

The accompanying notes to the financial statements are an integral part of this statement.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

EXHIBIT D

STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	<u>2009</u>	<u>2008</u>
Buildings	9,619,800.00	9,619,800.00
Land	4,067,750.00	4,067,750.00
Equipment	1,332,454.26	1,147,666.56
Vehicles	8,819,918.67	8,383,363.27
	<u>23,839,922.93</u>	<u>23,218,579.83</u>
Investment in General Fixed Assets	<u>23,839,922.93</u>	<u>23,218,579.83</u>
Ref.	D-1	D-1

The accompanying notes to the financial statements are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

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

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of Monroe included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Monroe, as required by N.J.S.A. 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 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 the taxes. The Township has no component units.

**B. Description of Funds and Account Groups**

The accounting policies of the Township of Monroe conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Monroe accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the three fund, two account group presentation as required by G.A.A.P.

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

Trust Fund – 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 capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Payroll/Payroll Agency Account – Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets – To account for fixed assets used in governmental operations.



TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

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

**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 accounting principles are as follows:

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

Revenues – are recorded when received in cash except for certain amounts which 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 the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. 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. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

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

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

Property 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 11<sup>th</sup> day of the 11<sup>th</sup> month in the year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 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. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

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

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

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. Under accounting principles generally accepted in the United States of America inter-funds are not reserved.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

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

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

Insurance – Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

General Fixed Assets – In accordance with N.J.A.C. 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

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 recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$1,000.

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

No depreciation has been provided for in the financial statements.

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

General Long Term Debt – General Long Term Debt is accounted for in the General Capital Fund. Accounting principles generally accepted in the United States of America require General Long Term Debt to be accounted for in the General Long Term Debt Account Group.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

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

**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 revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

**NOTE 2: BUDGETARY INFORMATION**

The Township must adopt an annual budget in accordance with N.J.S.A. 40A:4 et. al. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per N.J.S.A. 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per N.J.S.A. 40A:4-87. The following budget amendments were approved as follows:

Current Fund:

Special Items of Revenue:

Various grants as detailed on Exhibit A-2	\$108,358.81
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TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 3: CASH AND CASH EQUIVALENTS**

**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 able to recover the value of its deposits or investments. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2009 and 2008, the carrying amount of the Township's deposits was \$11,542,541.77 and \$13,441,865.56, respectively. As of December 31, 2009 and 2008, \$0 of the municipality's bank balance of \$11,882,474.61 and \$13,785,412.77, respectively, was exposed to custodial credit risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2009 or 2008 the Township did not have any investments.

Interest rate risk: The Township 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 N.J.S.A. 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit risk: New Jersey Statutes N.J.S.A. 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, 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 Township places no limit on the amount the Township may invest in any one issuer.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 5: FUND BALANCES APPROPRIATED**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2009	3,531,709.40	3,138,000.00
	2008	4,725,822.88	3,694,576.08
Current Fund	2007	5,410,264.76	3,802,895.66
	2006	6,323,062.94	3,958,903.30
	2005	3,798,546.52	2,613,569.43

**NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance Dec. 31, 2009</u>	<u>2010 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Special Emergency:			
Preparation of Reassessment	360,000.00	180,000.00	180,000.00
	<u>360,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>

**NOTE 7: RISK MANAGEMENT**

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 8: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2009.

	<u>Due From</u>	<u>Due To</u>
Current Fund		
Federal and State Grant Fund	325,317.32	
Municipal Open Space Trust	1,592.87	
Tax Title Lien Premiums	5,200.00	
Federal and State Grant Fund		
Current Fund		325,317.32
Tax Title Lien Premium Trust		
Current Fund		5,200.00
Municipal Open Space Trust		
Current Fund		1,592.87
	<u>332,110.19</u>	<u>332,110.19</u>

The amount due from Federal and State Grant Fund to Current Fund is due to the fact that there is only one bank account maintained.

**NOTE 9: ACCUMULATED ABSENCE BENEFITS**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2009 was \$1,519,512.06. The Township had appropriated \$60,000.00 in the 2010 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance of \$290,000.00 as of December 31, 2009.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 10: DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are held by an independent administrator, The NPC Group of Companies and Equitable.

**NOTE 11: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2009:

	Balance Dec. 31, 2008	Additions	Retirements	Balance Dec. 31, 2009
Buildings	9,619,800.00			9,619,800.00
Land	4,067,750.00			4,067,750.00
Equipment	1,147,666.56	227,015.73	42,228.03	1,332,454.26
Vehicles	8,383,363.27	436,555.40		8,819,918.67
	<u>23,218,579.83</u>	<u>663,571.13</u>	<u>42,228.03</u>	<u>23,839,922.93</u>

**NOTE 12: TAXES COLLECTED IN ADVANCE**

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

	Balance Dec. 31, 2009	Balance Dec. 31, 2008
Prepaid Taxes - Cash liability	<u>543,329.05</u>	<u>397,091.55</u>

**NOTE 13: ECONOMIC DEPENDENCY**

The Township of Monroe is not economically dependent on any one business or industry within the Township.



TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 14: LENGTH OF SERVICE AWARD PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township resolution which was approved in January 2002 in accordance with Chapter 338 of the Laws of 1997. LOSAP provides tax deferred income benefits to active volunteer firefighters. Amounts deferred under section 457 plans must be held in trust for the exclusive benefit of the participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements. The Township's budget appropriation for 2009 and 2008 are \$155,000.00 and \$148,000.00 respectively. The assets of the plan are held by an independent administrator, Lincoln Financial Group.

**NOTE 15: PENSION FUNDS**

Description of Plans - All eligible employees of the Township are covered by either the Public Employees' Retirement System or Police and Firemen's Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension 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 retirement systems. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archieve.htm](http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm).

Public Employees' Retirement System (P.E.R.S.) - This Public Employees' Retirement System was established as of January 1, 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 generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not a member of another State-administered retirement system or other state or local jurisdiction.

Police and Firemen's Retirement System (P.F.R.S.) - The Police and Firemen's Retirement System was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Plan members and employer contributions may be amended by State of New Jersey legislation.

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 members and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provides for employee contributions of 5.5% of employees' annual compensation, as defined. P.F.R.S. provides for employees contributions of 8 ½% of employees' annual compensation, as defined. Employers are required to contribute at an actuarial determined rate in P.E.R.S and P.F.R.S. The P.E.R.S.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 15: PENSION FUNDS (CONTINUED)**

and P.F.R.S. rates in effect for 2009 is 8.05% and 25.39% of covered payroll, respectively as reported on June 30, 2007. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Township's contributions to P.E.R.S for the years ending December 31, 2009, 2008 and 2007 were \$473,657.00, \$363,707.20 and \$202,831.20 respectively, equal to the required contributions for each year. The Township's contributions to P.F.R.S for the years ending December 31, 2009, 2008 and 2007 were \$1,133,631.00, \$1,038,832.00 and \$685,982.40 respectively, equal to the required contributions for each year.

Defined Contribution Retirement Program (D.C.R.P.) – The Township established Defined Contribution Retirement Program by ordinance on July 22, 2008 as required by Chapter 92 of the Laws of 2007 and N.J.S.A. 43:15C-1 et. seq. D.C.R.P. provides for employee contributions of 5 ½% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to D.C.R.P for the years ending December 31, 2009 and 2008 were \$0 and \$0 respectively, equal to the required contributions for each year.

**NOTE 16: POST-EMPLOYMENT HEALTHCARE PLAN**

In 2008, the Township implemented G.A.S.B. Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. G.A.S.B. Statement 45 requires governmental units to disclose the actuarially determined liability for all Other Post-Employment Benefits (O.P.E.B.). O.P.E.B. are non-pension benefits that a government has contractually or otherwise agreed to provide employees once they have retired.

*Plan Description.* Township of Monroe, New Jersey Postemployment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Southern NJ Regional Employee Benefits Fund. MRHIF provides fully-insured medical and prescription drug coverage to eligible retirees and their spouses.

*Funding Policy.* The contribution requirements of the Township healthcare plan are established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2009, the Township contributed \$1,098,396.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

*Funded Status and Funding Progress.* As of December 31, 2009, the Township is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 17: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

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

	Year 2009	Year 2008	Year 2007
Bonds, Notes and Loans Issued	14,969,197.28	15,959,934.29	12,443,967.07
Bonds and Notes Authorized but not Issued	577,000.00	0.00	1,957,000.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>15,546,197.28</u>	<u>15,959,934.29</u>	<u>14,400,967.07</u>

	Balance 12/31/2008	Issued/ Authorized	Retired/ Reduction	Balance 12/31/2009
Issued				
General:				
Serial Bonds Payable	15,691,000.00	2,840,000.00	3,795,000.00	14,736,000.00
Loan	268,934.29		35,737.01	233,197.28
Authorized But Not Issued				
General:				
Bonds and Notes		672,000.00	95,000.00	577,000.00
	<u>15,959,934.29</u>	<u>3,512,000.00</u>	<u>3,925,737.01</u>	<u>15,546,197.28</u>

\$8,755,000.00 General Obligation Bonds dated June 2003, payable in annual installments through June 2018. Interest is paid semi-annually at a rate of 3.25%-3.50% per annum. The balance remaining at December 31, 2009 was \$7,575,000.00.

\$4,436,000.00 General Obligation Bonds dated November 2008, payable in annual installments through November 2028. Interest is paid semi-annually at a rate of 4.75%-5.00% per annum. The balance remaining at December 31, 2009 was \$4,386,000.00.

\$2,840,000.00 General Obligation Refunding Bonds dated April 2009, payable in annual installments through June 2014. Interest is paid semi-annually at a rate of 2.00%-2.75% per annum. The balance remaining at December 31, 2009 was \$2,775,000.00.

\$262,201.22 Green Trust Loan dated April 1994, payable in semi-annual installments through 2011. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2009 was \$27,550.40.

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 17: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$67,500.00 Green Trust Loan dated January 1999, payable in semi-annual installments through 2012. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2009 was \$23,444.18.

\$144,441.99 Green Trust Loan dated April 2005, payable in semi-annual installments through 2020. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2009 was \$108,663.67.

\$11,290.02 Green Trust Loan dated March 2006, payable in semi-annual installments through 2018. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2009 was \$8,270.72.

\$75,000.00 Green Trust Loan dated September 2006, payable in semi-annual installments through 2026. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2009 was \$65,268.31.

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	1,051,455.24	524,513.82	1,575,969.06
2011	1,077,820.22	496,662.42	1,574,482.64
2012	1,098,917.93	467,171.83	1,566,089.76
2013	1,089,298.20	435,921.82	1,525,220.02
2014	1,134,686.09	402,634.93	1,537,321.02
2015-2019	5,847,019.96	1,364,519.12	7,211,539.08
2020-2024	1,727,141.77	737,439.44	2,464,581.21
2025-2028	1,942,857.87	251,337.64	2,194,195.51
	<u>14,969,197.28</u>	<u>4,680,201.02</u>	<u>19,649,398.30</u>

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 17: LONG-TERM DEBT (CONTINUED)**

**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 .52%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	67,751,894.72	67,751,894.72	
General Debt	15,546,197.28	7,624.03	15,538,573.25
	<u>83,298,092.00</u>	<u>67,759,518.75</u>	<u>15,538,573.25</u>

Net Debt \$15,538,573.25/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended  
\$2,968,790,529 = .52%

Borrowing Power Under N.J.S.A. 40:A2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	103,907,668.52
Net Debt	<u>15,538,573.25</u>
Remaining Borrowing Power	<u>88,369,095.27</u>

**NOTE 18: CAPITAL LEASE OBLIGATIONS**

The Township has lease agreements in effect at December 31, 2009 for various capital improvements. The leases are funded through Gloucester County Improvement Authority and were all approved by the Local Finance Board prior to July 1, 2007.

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest/Costs</u>	<u>Total</u>
2010	482,000.00	160,604.62	642,604.62
2011	496,000.00	142,625.67	638,625.67
2012	351,000.00	120,201.82	471,201.82
2013	356,000.00	105,090.60	461,090.60
2014	365,000.00	91,799.20	456,799.20
2015-2019	1,230,000.00	277,809.11	1,507,809.11
2020-2024	595,000.00	50,086.32	645,086.32
	<u>3,875,000.00</u>	<u>948,217.34</u>	<u>4,823,217.34</u>

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 19: PROPERTY TAX INFORMATION**

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	2.675	2.549	4.768
Apportionment of Tax Rate			
Municipal	0.668	0.618	1.123
Municipal Open Space	0.010	0.010	
County	0.592	0.562	1.015
Local School	1.405	1.359	2.630
Assessed Valuation	2,881,250,038	2,852,405,792	1,436,115,209

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Levy	77,466,362.90	73,547,157.90	69,375,626.05
Cash Collections	74,714,451.35	70,843,666.28	66,787,317.41
Percentage of Collections	96.45%	96.32%	96.27%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Amount of Tax Tile Liens	463,600.38	396,013.33	343,624.85
Delinquent Taxes	2,693,992.12	2,554,436.75	2,524,153.92
Total Delinquent	3,157,592.50	2,950,450.08	2,867,778.77
Percentage of Tax Levy	4.08%	4.01%	4.13%

TOWNSHIP OF MONROE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009 AND 2008

**NOTE 19: PROPERTY TAX INFORMATION (CONTINUED)**

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Property Acquired for Taxes			
(Assessed Valuation)	1,292,500.00	1,293,700.00	1,344,100.00

**NOTE 20: CONTINGENCIES**

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Township of Monroe Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Monroe that would have an adverse effect on the financial position in the future.

## **SUPPLEMENTARY DATA**



**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

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MEMBER: AMERICAN INSTITUTE OF  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members  
of the Township Council  
Township of Monroe  
County of Gloucester, New Jersey

We have audited the financial statements – regulatory basis of the Township of Monroe, State of New Jersey as of and for the year ended December 31, 2009, and have issued our report thereon dated June 8, 2010. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Township of Monroe 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 practices differ from 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township of Monroe'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 Monroe's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Monroe'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 misstatements on a timely basis. A material weakness is a deficiency, or a 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.

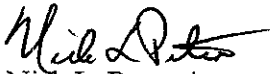
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not 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 Monroe's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni

Certified Public Accountant

Registered Municipal Accountant #252

June 8, 2010

# PETRONI & ASSOCIATES LLC

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE OF NEW JERSEY STATE TREASURY CIRCULAR LETTER 04-04 OMB

Honorable Mayor and Members  
of the Township Council  
Township of Monroe  
County of Gloucester, New Jersey

### Compliance

We have audited the compliance of the Township of Monroe with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the provisions of the *New Jersey State Aid/Grant Compliance Supplement Circular Letter 04-04 OMB*, that are applicable to each of its major state programs for the year ended December 31, 2009. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Township of Monroe 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 practices differ from accounting principles generally accepted in the United States of America. The Township of Monroe's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township of Monroe's management. Our responsibility is to express an opinion on the Township of Monroe's compliance based on our audit.

We conducted our audit of compliance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the State of New Jersey; and the provisions of the New Jersey State Treasury Circular Letter 04-04 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Those standards, OMB Circular A-133 and the New Jersey State Treasury Circular Letter 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the

Township of Monroe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of Monroe's compliance with those requirements.

In our opinion, the Township of Monroe complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.

#### Internal Control Over Compliance

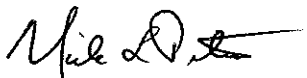
The management of the Township of Monroe is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township of Monroe's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Monroe's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni

Certified Public Accountant

Registered Municipal Accountant #252

June 8, 2010

SCHEDULE 1

TOWNSHIP OF MONROE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

State Funding Department/Program	State Grant Number	Program Amount	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
				From	To		
Department of Law and Public Safety:							
Drunk Driving Enforcement Program	1110-448-301020-60	10,470.66		1/1/08	12/31/08	4,707.67	4,707.67
Drunk Driving Enforcement Program	1110-448-301020-60	8,007.00		1/1/07	12/31/07	8,007.00	8,007.00
Safe & Secure Program	100-066-1020-232	56,298.00	14,073.00	1/1/08	12/31/08	14,073.00	56,298.00
Safe & Secure Program	100-066-1020-232	58,507.00	43,879.00	1/1/09	12/31/09	43,882.00	43,882.00
Police Body Armor	1020-718-066-1020-001-YCJS-6120	11,582.51		1/1/08	12/31/08	4,035.00	4,035.00
Department of Community Affairs:							
Municipal Alliance on Alcohol and Drugs	N/A	29,325.00	17,251.00	1/1/09	12/31/09	29,325.00	29,325.00
Department of Environmental Protection							
Clean Communities	4900-765-042-4900-004-VCMB-6020	39,179.66		1/1/08	12/31/08	17,790.20	39,092.42
Clean Communities	4900-765-042-4900-004-VCMB-6020	50,274.99	50,274.99	1/1/09	12/31/09	17,614.85	17,614.85
Green Communities Grant	N/A	4,500.00		1/1/09	12/31/09	3,000.00	3,000.00
Timberlakes Water Main Extension	N/A	2,086,643.00	828,026.50	1/1/07	12/31/07	828,026.50	828,026.50
Department of Transportation:							
NJ Transportation Trust	6320-480-078-6320-250-TCAP-6010	151,000.00		1/1/02	12/31/02	382.80	151,000.00
NJ Transportation Trust	6320-480-078-6320-250-TCAP-6010	50,000.00		1/1/07	12/31/07	4,600.00	40,763.66
NJ Transportation Trust	6320-480-078-6320-250-TCAP-6010	156,100.00		1/1/08	12/31/08	156,100.00	156,100.00
NJ Transportation Trust	6320-480-078-6320-250-TCAP-6010	200,000.00		1/1/08	12/31/08	3,288.75	3,288.75
NJ Transportation Trust	6320-480-078-6320-250-TCAP-6010	250,000.00	168,750.00	1/1/09	12/31/09	250,000.00	250,000.00
Department of Health:							
Hepatitis B Inoculation	N/A	2,904.00		1/1/07	12/31/07	409.00	2,904.00
Hepatitis B Inoculation	N/A	1,655.00		1/1/08	12/31/08	1,473.03	1,473.03
		3,166,446.82	1,122,254.49			1,386,714.80	1,639,517.88

The accompanying notes to schedule of expenditures of state awards is an integral part of this schedule.

## SCHEDULE 2

### TOWNSHIP OF MONROE NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2009

#### **NOTE 1: GENERAL**

The accompanying schedule of expenditures of state awards includes the state grant activity of the Township of Monroe. The Township is defined in Note 1 to the Township's financial statements. All state awards received directly from state agencies, as well as state awards passed through other government agencies, is included on the schedules of expenditures of state awards.

#### **NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state awards includes the state grant activity of the Township of Monroe and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular Letter 04-04-OMB. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **NOTE 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

SCHEDULE 3

TOWNSHIP OF MONROE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

*Section I – Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_yes   X  no

2) Significant deficiencies identified that are not  
considered to be material weaknesses? \_\_\_\_\_yes   X  no

Noncompliance material to general-purpose  
financial statements noted? \_\_\_\_\_yes   X  no

**Federal Awards**

N/A

**State Awards**

Dollar threshold used to distinguish between  
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_yes   X  no

Type of auditor's report issued on compliance for  
major programs: Unqualified

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_yes   X  no

2) Significant deficiencies identified that are not  
considered to be material weaknesses? \_\_\_\_\_yes   X  no

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_yes   X  no



TOWNSHIP OF MONROE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

*Section I – Summary of Auditor's Results (Cont'd)*

State Awards

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
N/A	Timberlakes Water Main Project
6320-480-078-6320-Z50-TCAP-6010	NJ Transportation Trust

*Section II– Financial Statement Findings*

None

*Section III– Federal and State Awards Findings and Questioned Costs*

Federal Awards

N/A

State Awards

None

SCHEDULE 4

TOWNSHIP OF MONROE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2009

None

**CURRENT FUND**

SCHEDULE OF CURRENT FUND CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2008	A		7,610,124.61
Increased by Receipts:			
Taxes Receivable	A-7	76,193,553.62	
Tax Title Liens	A-8	7,895.99	
Prepaid Taxes		543,329.05	
Tax Overpayments		251,306.74	
Grants Receivable	A-19	1,394,891.56	
Revenue Accounts Receivable	A-13	8,849,344.86	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-14	483,973.19	
Due State of New Jersey - DCA Fees		27,568.00	
Local Grants Receivable	A-11	33,075.00	
Due State - Marriage Licenses		4,535.00	
Payroll Taxes Payable		4,676,349.59	
Net Payroll		13,107,549.60	
Due from Trust Fund		500.00	
Due Monroe MUA		10,087.46	
Petty Cash		1,750.00	
Election Receipts		42,875.00	
			<hr/>
			105,628,584.66
			<hr/>
			113,238,709.27
Decreased by Disbursements:			
2009 Budget Appropriations	A-3	27,911,663.14	
2008 Appropriation Reserves	A-15	96,171.11	
Encumbrances Payable	A-16	680,965.61	
Federal & State Grant Encumbrances Payable	A-21	65,057.74	
Reserve for Grants - Appropriated	A-20	1,420,587.55	
Reserve for Local Grants	A-18	48,828.57	
Tax Overpayments		217,555.79	
County Taxes		17,027,803.10	
Due County Added & Omitted Taxes		216,326.25	

SCHEDULE OF CURRENT FUND CASH - TREASURER

	<u>Ref.</u>		
Due State of New Jersey - DCA Fees		23,514.00	
Municipal Open Space		289,717.87	
Local District School Tax	A-17	40,482,377.50	
Payroll Taxes Payable		4,681,001.55	
Net Payroll		13,107,549.60	
Election Worker Payments		42,875.00	
Refund of Prior Year Revenue	A-1	85,695.24	
Due Trust Fund		4,999.42	
Due Monroe MUA		10,087.46	
Due State - Marriage Licenses		5,240.00	
Petty Cash		1,750.00	
			<u>106,419,766.50</u>
Balance December 31, 2009	A		<u><u>6,818,942.77</u></u>

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	
Balance December 31, 2009	A-4	6,818,942.77
Increased by Receipts:		
Cash Receipts Record		62,763,583.72
		<u>69,582,526.49</u>
Decreased by Disbursements:		
Cash Disbursements Record		68,264,458.08
		<u>1,318,068.41</u>
Balance June 30, 2010	A-5	<u>1,318,068.41</u>
<u>Cash Reconciliation - June 30, 2010</u>		
Balance per Statement		
TD Bank		(1,088,047.08)
Monroe Savings Bank		2,130,887.66
Newfield National Bank		314,282.60
The Bank		9,305.18
Add: Deposit in Transit		35,526.59
Less: Outstanding Checks		83,886.54
Balance June 30, 2010	A-5	<u>1,318,068.41</u>

SCHEDULE OF CHANGE FUND

Balance December 31, 2008	Ref. A	<u>750.00</u>
Balance December 31, 2009	A	<u><u>750.00</u></u>

## SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2008	2009 Levy	Added Taxes	Collected	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2009
2002	477.96			477.96				398.27
2003	742.37			344.10				3,110.63
2004	3,889.85			779.22				3,645.27
2005	10,510.89			6,865.62				22,008.80
2006	21,279.35		4,688.78	3,959.33				34,113.82
2007	32,839.50		4,599.93	2,488.75		836.86		47,241.99
2008	2,484,696.83		21,754.73	2,449,704.89			9,504.68	
	2,554,436.75		31,043.44	2,464,619.87		836.86	9,504.68	110,518.78
2009		77,466,362.90		397,091.55	74,220,121.79	102,295.83	66,142.38	2,583,473.34
	2,554,436.75	77,466,362.90	31,043.44	397,091.55	74,220,121.79	103,132.69	75,647.06	2,693,992.12
Ref.	A						A-8	A
Cash - Treasurer								
Due State of New Jersey				Ref.				
				A-4	76,193,553.62			
				A-14	491,188.04			
					76,684,741.66			



SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVYAnalysis of Property Tax LevyTax Yield

## General Purpose Tax:

Business Personalty Tax

248,613.38

General Property Tax

76,825,111.49

77,073,724.87

Added Taxes (54:4-63.1 et seq.)

392,638.03

77,466,362.90Ref.Tax Levied

Local District School Tax (Abstract)

A-17

40,482,377.50

## County Taxes:

County Tax (Abstract)

15,788,272.37

Due County for Open Space

1,239,530.73

Due County for Added Taxes  
(54:4-63.1 et seq.)

93,628.73

Total County Taxes

17,121,431.83

Local Tax for Municipal Purposes

A-2

19,248,875.00

Local Municipal Open Space

288,125.00

Add: Additional Taxes Levied

325,553.57

19,862,553.5777,466,362.90

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2008	A		396,013.33
Increased by:			
Transfers from Taxes Receivable	A-7	75,647.06	
Interest and Costs		<u>1,450.73</u>	
			<u>77,097.79</u>
			473,111.12
Decreased by:			
Cash Receipts	A-4	7,895.99	
Transfer to Foreclosure	A-9	<u>1,614.75</u>	
			<u>9,510.74</u>
Balance December 31, 2009	A		<u><u>463,600.38</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>Ref.</u>		
Balance December 31, 2008	A		1,293,700.00
Increased by:			
Transfer from Liens	A-8	1,614.75	
Gain on Sale of Property		<u>603.00</u>	
			<u>2,217.75</u>
			1,295,917.75
Decreased by:			
Adjustment to Assessed Value		914.75	
Sale of Property		<u>2,503.00</u>	
			<u>3,417.75</u>
Balance December 31, 2009	A		<u><u>1,292,500.00</u></u>

SCHEDULE OF ASSESSMENTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2008	A	13,361.00
Balance December 31, 2009	A	<u>13,361.00</u>

SCHEDULE OF LOCAL GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u>		<u>Transferred from 2009 Budget Appropriation</u>	<u>Receipts</u>	<u>Canceled</u>
	<u>Dec. 31, 2008</u>				
JIF Safety Incentive	3,575.00		8,075.00	8,075.00	3,575.00
Paving Program			25,000.00	25,000.00	
	3,575.00		33,075.00	33,075.00	3,575.00
Ref.	A		A-2	A-4	A-1

## SCHEDULE OF SPECIAL EMERGENCY APPROPRIATION

PER N.J.S.A. 40A:4-55

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance Dec. 31, 2008</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
12/4/06	Preparation of Reassessment	900,000.00	540,000.00	180,000.00	360,000.00
			540,000.00	180,000.00	360,000.00
	Ref.		A	A-3	A

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2008	Accrued in 2009	Collected	Balance Dec. 31, 2009
<u>Miscellaneous Revenue Anticipated</u>				
Licenses:				
Alcoholic Beverages		33,250.00	33,250.00	
Other		40,464.96	40,464.96	
Fees and Permits		452,390.18	452,390.18	
Fines and Costs:				
Municipal Court	20,902.08	288,399.75	294,193.42	15,108.41
Interest and Costs on Taxes		505,513.12	505,513.12	
Interest on Investments and Deposits		174,116.12	174,116.12	
Insurance Reimbursements - Ambulance		838,067.70	838,067.70	
Consolidated Municipal Property Tax Relief		511,830.00	511,830.00	
Energy Receipts Tax		4,545,361.00	4,545,361.00	
Garden State PILOT Trust		19,200.01	19,200.01	
Pinelands Property Tax Stabilization Aid		196,292.00	196,292.00	
Uniform Construction Code Fees		409,456.00	409,456.00	
Uniform Fire Safety Act		31,780.76	31,780.76	
Franchise Fees-Cable TV		120,011.37	120,011.37	
Engineering Review Fees		34,975.00	34,975.00	
<u>Miscellaneous Revenue Not Anticipated</u>				
Refunds		15,089.96	15,089.96	
JIF Dividends/Safety Incentive		222,896.70	222,896.70	
Ads on Bus Shelters		4,000.00	4,000.00	
Inspection Fees		13,348.17	13,348.17	
In Lieu of Taxes		18,529.62	18,529.62	
Tax Map Maintenance		1,530.00	1,530.00	
Sale of Property		3,103.00	3,103.00	
Administrative Fees Off-Duty Police		73,763.75	73,763.75	
Administrative Fees - Senior Citizen Deductions		9,679.46	9,679.46	
Street Opening Restoration		60.00	60.00	
School Security Officers Reimbursement		189,000.00	189,000.00	
Excess Dog Fees		12,592.46	12,592.46	
Miscellaneous		11,743.54	11,743.54	
Hotel/Motel Tax Revenue		56,918.63	56,918.63	
Demolition/Boarding Up		772.02	772.02	
Gypsy Moth Reimbursement		9,415.91	9,415.91	
	20,902.08	8,843,551.19	8,849,344.86	15,108.41
Ref.	A		A-4	A

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY  
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2008	<u>Ref.</u> A		41,429.39
Increased by:			
Cash Receipts	A-4		483,973.19
			<hr/> 525,402.58
Decreased by:			
2009 Deductions Per Tax Duplicate		486,275.00	
2009 Deductions Allowed by Collector		15,090.36	
2009 Deductions Disallowed by Collector		(10,177.32)	
		<hr/>	
	A-7	491,188.04	
			<hr/> 491,188.04
Balance December 31, 2009	A		<hr/> <hr/> 34,214.54

SCHEDULE OF 2008 APPROPRIATION RESERVES

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses				
General Administration				
Municipal Clerk	10,585.17	10,585.17	511.89	10,073.28
Finance	4,317.79	4,317.79	748.42	3,569.37
Municipal Informations Services (MIS)	4,050.57	4,050.57	928.03	3,122.54
Legal Services	3,270.92	7,270.92	7,043.66	227.26
Engineering	47,186.19	47,186.19	41,454.01	5,732.18
Planning Board	11,821.28	11,821.28	2,197.62	9,623.66
Zoning Board	4,232.32	4,232.32	938.30	3,294.02
Cecil Fire Company	1,282.43	1,282.43	429.21	853.22
Park & Playgrounds	28,597.83	28,597.83	13,729.39	14,868.44
Celebration of Public Event, Anniversary or Holiday	3,440.68	3,440.68	547.50	2,893.18
Electricity	37,481.64	37,481.64	3,876.66	33,604.98
Telephone and Telegraph	8,592.39	8,592.39	5,038.66	3,553.73
Construction Code Official	43,020.36	43,020.36	685.02	42,335.34
Group Plan for Employees	30,836.29	30,836.29	18,042.74	12,793.55
Other Accounts - No Change	1,162,599.42	1,158,599.42		1,158,599.42
	<u>1,401,315.28</u>	<u>1,401,315.28</u>	<u>96,171.11</u>	<u>1,305,144.17</u>
Ref.	A		A-4	A-1



SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2008	A		932,758.99
Increased by:			
Charges to 2009 Appropriations	A-3	711,855.69	
Tax Overpayments		6,017.24	
			<hr/> 717,872.93
Decreased by:			
Payments	A-4	680,965.61	
Canceled	A-1	214,076.41	
			<hr/> 895,042.02
Balance December 31, 2009	A		<hr/> <hr/> 755,589.90

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
2009 Calendar Year School Levy		40,482,377.50
Decreased by:		
Payments	A-4	<hr/> 40,482,377.50
2009 Tax Liability for Local District School Tax:		
Tax Paid	A-17	<hr/> 40,482,377.50
Amount Charged to 2009 Operations	A-1	<hr/> <hr/> 40,482,377.50

SCHEDULE OF RESERVE FOR LOCAL GRANTS - APPROPRIATED

	Balance Dec. 31, 2008	Transferred from 2009 Budget Appropriation	Paid or Charged	Balance Dec. 31, 2009
Walmart Safe Grant	1,845.97		1,845.97	
Winslow Road	9,410.00		9,410.00	
Developers Donations	35,000.00		35,000.00	
JIF Safety Incentive	2,743.50	8,075.00	2,572.60	8,245.90
Paving Program		25,000.00		25,000.00
	<u>48,999.47</u>	<u>33,075.00</u>	<u>48,828.57</u>	<u>33,245.90</u>
Ref.	A	A-3	A-4	A

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2008	2009 Budget Revenue Realized	Received	Canceled	Balance Dec. 31, 2009
<u>Federal Grants</u>					
Emergency Management Assistance Grant		5,000.00			5,000.00
Click It or Ticket		4,000.00	4,000.00		
Community Development Block Grant	130,549.34		113,300.00		17,249.34
CDBG - Main Street Façade	4,500.00		2,920.00	1,580.00	
Bulletproof Vest Partnership	447.25			447.25	
Police Over the Limit, Under Arrest		11,000.00	11,000.00		
CDBG - Virginia Avenue Sidewalks	75,000.00				75,000.00
	210,496.59	20,000.00	131,220.00	2,027.25	97,249.34
<u>State Grants</u>					
NJ Transportation Trust - Radix Rd Phase II		250,000.00	168,750.00		81,250.00
NJ Transportation Trust - Winslow Rd	50,000.00				50,000.00
NJ Transportation Trust	25,000.00		25,000.00		
NJ Transportation Trust - Virginia Avenue	156,100.00				156,100.00
NJ DOT Bike Path	200,000.00				200,000.00
Green Communities Grant		3,000.00			3,000.00
NJ DEP Timberlake Water Main Project	2,086,643.00		828,026.50		1,258,616.50
Hazardous Discharge Site - Petro Kyrk Site	61,582.00				61,582.00
Hazardous Discharge Site - American Training	33,106.00				33,106.00
Municipal Alliance Youth Service	19,960.00	23,460.00	37,211.00		6,209.00
Drunk Driving Enforcement		11,278.62	11,278.62		
Clean Communities		50,274.89	50,274.89		
Recycling Tonnage Grant		54,005.19	54,005.19		
Delaware Valley Reg Planning Comm	12,003.83		8,524.47	3,479.36	23,424.74
Delaware Valley Reg Planning Comm	46,073.63		22,648.89		14,628.00
Safe and Secure	14,073.00	58,507.00	57,952.00		
	2,704,541.46	450,525.70	1,263,671.56	3,479.36	1,887,916.24
	2,915,038.05	470,525.70	1,394,891.56	5,506.61	1,985,165.58
Ref.	A	A-2	A-4	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2008	Transferred from 2009 Budget Appropriation	Paid or Charged	Encumbered	Refund	Canceled	Balance Dec. 31, 2009
<u>Federal Grants:</u>							
CDBG - Main Street Façade	1,580.00					1,580.00	
CDBG - Virginia Avenue Sidewalks	75,000.00		75,000.00				
CDBG	17,249.34						17,249.34
Emergency Management Assistance Click It or Ticket		5,000.00	5,000.00				
Police Over the Limit Grant		4,000.00	4,000.00				
Bullet Proof Vest	3,268.75	11,000.00	11,000.00				
		2,821.50	2,821.50			447.25	
	97,098.09	20,000.00	97,821.50			2,027.25	17,249.34
<u>State Grants:</u>							
NJ Transportation Trust-Piney Hollow	382.80		382.80				
NJ Transportation Trust - Virginia Avenue	156,100.00		154,635.03	1,464.97			9,236.34
NJ Transportation Trust-Winslow Rd	4,426.34	250,000.00	248,999.52	5,600.48	9,410.00		198,630.01
NJ DOT Bike Path	162,750.00		1,888.75	1,400.00	39,168.76		17,041.61
Drunk Driving Enforcement	18,477.66	11,278.62	10,164.67	2,550.00			1,500.00
Green Communities		4,500.00		3,000.00			34,465.64
Clean Communities	19,595.80	50,274.89	34,725.51	679.54			
Municipal Alliance		29,325.00	29,325.00				
Hazardous Discharge Site - Petro Kyrk Site	7,777.00						7,777.00
Body Armor Grant	11,582.51		3,360.00				7,547.51
Timberlakes Water Main Project	2,086,643.00		828,026.50				1,258,616.50
NJ Recycling Tonnage Grant		54,005.19					54,005.19
Safe & Secure	14,073.00	58,507.00	57,955.00				14,625.00
Hepatitis B Innoculation	2,064.00		1,882.03				181.97
	2,483,872.11	457,890.70	1,371,344.81	15,369.99	48,578.76		1,603,626.77
	2,580,970.20	477,890.70	1,469,166.31	15,369.99	48,578.76	2,027.25	1,620,876.11
Ref.	A	A-3	A-4	A-21	A-4	A-1	A

SCHEDULE OF FEDERAL AND STATE GRANT ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	A	88,659.90
Increased by:		
Charges to Reserve for Grants Appropriated	A-20	15,369.99
		<hr/>
		104,029.89
Decreased by:		
Payments	A-4	65,057.74
		<hr/>
Balance December 31, 2009	A	<hr/> <hr/> 38,972.15

**TRUST FUND**

EXHIBIT B-1SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Trust Fund	Escrow Trust Fund
Balance December 31, 2008	B	2,576,858.78	765,784.56
Increased by Receipts:			
Dog License Fees:			
Municipal Share	B-3	14,718.50	
State Share		2,574.00	
Forfeited Funds		71,354.60	
Off-Duty Police Fees		279,970.00	
Tax Sale Premiums	B-4	150,600.00	
Tax Sale Redemptions	B-4	550,591.15	
Park and Recreation Fees		295,055.89	
Veterans Affairs Donations		25.00	
POAA Fees		58.00	
Public Defender Fees		2,839.00	
Recycling Fees		64,064.28	
Sidewalk Trust		36,620.00	
Snow Removal		40,000.00	
Accumulated Absence		60,000.00	
Municipal Open Space		300,650.50	
Affordable Housing		80,586.45	
Unemployment Trust		32,840.14	
Municipal Alliance		29,325.00	
Escrow Fees			748,059.29
Due from Current Fund		6,092.29	4,408.20
		2,017,964.80	752,467.49
		4,594,823.58	1,518,252.05
Decreased by Disbursements:			
Due State of New Jersey		2,574.00	
Escrow Fees			284,521.29
Expenditures Under RS 4:19-15.11	B-3	15,699.00	
Forfeited Funds		45,315.80	
Off-Duty Police Fees		312,848.75	
Tax Sale Premiums	B-4	77,000.00	
Tax Sale Redemptions	B-4	507,436.83	
Park and Recreation Fees		215,455.12	
Public Defender Fees		2,839.00	
Recycling Fees		27,345.40	
Basin Maintenance		12,955.00	
Municipal Open Space		100,000.00	
Affordable Housing		34,340.51	
Sidewalk Trust		51,192.79	
Snow Removal		2,044.26	
Unemployment Compensation		21,007.78	
Municipal Alliance		26,622.95	
Encumbrances	B-5	73,407.31	79,786.71
Due Current Fund			4,408.20
		1,528,084.50	368,716.20
Balance December 31, 2009	B	3,066,739.08	1,149,535.85

EXHIBIT B-2

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Trust Fund</u>	<u>Escrow Trust Fund</u>
Balance December 31, 2009	B-1	3,066,739.08	1,149,535.85
Increased by Receipts:			
Cash Receipts Record		928,756.39	187,104.95
		<u>3,995,495.47</u>	<u>1,336,640.80</u>
Decreased by Disbursements:			
Cash Disbursements Record		765,514.41	173,898.94
		<u>765,514.41</u>	<u>173,898.94</u>
Balance June 30, 2010	B-2	<u>3,229,981.06</u>	<u>1,162,741.86</u>

Cash Reconciliation - June 30, 2010

Balance Per Statement			
TD Bank		2,449,355.14	1,154,165.81
Monroe Savings		780,625.92	
Add: Deposit in Transit			8,576.05
Balance June 30, 2010	B-2	<u>3,229,981.06</u>	<u>1,162,741.86</u>



SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2008	<u>Ref.</u> B	26,050.00
Increased by:		
Municipal Share of Dog License Fees	B-1	14,718.50
		<hr/> 40,768.50
Decreased by:		
Expenditures Under R.S.4:19-15.11	B-1	15,699.00
Balance December 31, 2009	B	<hr/> <hr/> 25,069.50

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	12,785.50
2008	12,302.00
	<hr/> 25,087.50
	<hr/> <hr/>

EXHIBIT B-4

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION AND PREMIUMS

	<u>Ref.</u>	<u>Premiums</u>	<u>Redemptions</u>
Balance December 31, 2008	B	401,800.00	3,099.33
Increased by:			
Receipts	B-1	150,600.00	550,591.15
		<u>552,400.00</u>	<u>553,690.48</u>
Decreased by:			
Disbursements	B-1	77,000.00	507,436.83
Encumbrances	B-5	5,300.00	13,796.59
Due Current Fund		5,200.00	
		<u>87,500.00</u>	<u>521,233.42</u>
Balance December 31, 2009	B	<u>464,900.00</u>	<u>32,457.06</u>

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2008	<u>Ref.</u> B		153,194.02
Increased by Charges for:			
Tax Sale Premiums	B-4	5,300.00	
Tax Sale Redemptions	B-4	13,796.59	
COAH		1,436.00	
Forfeited Funds		2,459.00	
Park & Recreation		10,965.57	
Recycling		10,034.50	
Escrow		42,563.73	
Snow Removal		<u>40,000.00</u>	
			<u>126,555.39</u>
			279,749.41
Decreased by:			
Cash Disbursements	B-1		<u>153,194.02</u>
Balance December 31, 2009	B		<u><u>126,555.39</u></u>

**GENERAL CAPITAL FUND**

EXHIBIT C-1SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2008	<u>Ref.</u> C		2,488,347.61
Increased by:			
Budget Appropriation	C-6	125,000.00	
Due from GCIA		1,833,322.61	
Due from Library		190,000.00	
Reserve for Payment of Bonds		7,624.03	
Due Trust Fund		142,000.00	
			<u>2,297,946.64</u>
			4,786,294.25
Decreased by:			
Improvement Authorizations	C-7	1,025,176.33	
Encumbrances Payable	C-11	1,714,182.33	
Due GCIA		1,540,361.52	
			<u>4,279,720.18</u>
Balance December 31, 2009	C		<u><u>506,574.07</u></u>

SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	
Balance December 31, 2009	C-1	506,574.07
Increased by:		
Cash Receipts Record		288,832.87
		<hr/> 795,406.94
Decreased by:		
Cash Disbursements Record		390,430.15
		<hr/>
Balance June 30, 2010	C-2	<hr/> 404,976.79 <hr/>
		<u>Cash Reconciliation - June 30, 2010</u>
Balance per Statement		
TD Bank	C-2	<hr/> 404,976.79 <hr/>



SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>Ref.</u>		
Balance December 31, 2008	C		15,959,934.29
Increased by:			
Serial Bonds Issued	C-9		2,840,000.00
			<u>18,799,934.29</u>
Decreased by:			
Payments on General Serial Bonds	C-9	3,795,000.00	
Payments on Green Trust Loans	C-8	35,737.01	
		<u></u>	<u>3,830,737.01</u>
Balance December 31, 2009	C		<u><u>14,969,197.28</u></u>



SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	<u>Improvement Description</u>	Analysis of Balances			
		Dec. 31, 2009	Balance Dec. 31, 2009	Expenditures	Unexpended Improvement Authorizations
22-09	Various Capital Improvements		463,000.00	287,917.61	175,082.39
24-09	Acquisition of Dump Truck		114,000.00	112,883.00	1,117.00
			577,000.00	400,800.61	176,199.39
Ref.		C-7	C	C-3	C-7

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	C	321.08
Increased by:		
Budget Appropriation	C-1	<u>125,000.00</u>
		125,321.08
Decreased by:		
Funding of Ordinance	C-7	<u>106,000.00</u>
Balance December 31, 2009	C	<u><u>19,321.08</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2009		2009		Encumbrance Cancelled	Reappropriation of Ordinance	Paid or Charged	Balance Dec. 31, 2009	
		Date	Amount	Funded	Unfunded	Funded	Unfunded				Funded	Unfunded
13-09	Various Capital Improvements	5-12-09	940,800.00	32,660.22					(32,660.22)			
18-02	Various Capital Improvements	10-22-02	2,143,581.74	130,757.46					(8.00)	53,775.00	76,974.46	
18-03	Various Capital Improvements	5-13-03	1,589,500.00	59,739.30					(12,000.00)	11,796.96	35,942.34	
8-05	Various Capital Improvements	5-24-05	47,985.00	5,000.00							5,000.00	
16-05	Development of Football Field	8-10-05	265,000.00	2,024.24				1,387.50		3,411.50	0.24	
22-05	Various Capital Improvements	8-25-05	150,000.00	30,260.30				125.85	(23,926.90)	125.85	6,333.40	
37-05	Various Capital Improvements	11-22-05	200,000.00	10,000.00							10,000.00	
17-06	Various Capital Improvements	4-25-06	30,000.00	97,328.51							5,756.33	
10-07	Various Capital Improvements	4-24-07	1,900,000.00	190,450.74					(32,399.88)	91,572.18	84,670.98	
53-07	Improvements to Mary Mazza Duffy Memorial Park	9-11-07	450,000.00					14,780.48		73,379.88		
3-08	Development of the Mary Mazza Duffy Memorial Park	2-12-08	950,000.00	1,500.00				1,535.00		16,006.68	273.80	
5-08	Dam Remediation Engineering and Survey	3-11-08	100,000.00	50,175.00				2,934.00		4,655.00	47,055.00	
8-08	Petro Kyrk and ATS Property Site Remediation	3-25-08	10,000.00	7,066.00						2,934.00	7,066.00	
18-08	Reconstruction and Refurbishment of the Municipal Library	6-24-08	2,500,000.00	533,026.11						528,151.52	4,874.59	
20-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment	7-22-08	360,000.00	84,317.17						22,273.50	62,043.67	
21-08	SCBA Bottle Replacement and Thermal Imaging Camera	9-9-08	20,000.00	7,005.00					(5.00)		7,000.00	
10-09	Library Furnishing Improvements	3-24-09	190,000.00			190,000.00				190,000.00		
17-09	Restoration of Farmhouse	5-26-09	20,000.00			20,000.00				5,700.00		
21-09	Septic Design - Mary Mazza Duffy Park	7-28-09	22,000.00			22,000.00				22,000.00		
22-09	Various Capital Improvements	7-28-09	563,000.00			563,000.00				387,917.61		175,082.39
23-09	Various Capital Improvements	7-28-09	101,000.00						101,000.00	71,174.98	29,825.02	
24-09	Acquisition of Dump Truck	8-25-09	120,000.00			120,000.00				118,883.00		1,117.00
29-09	Purchase of Real Estate	9-22-09	100,000.00			100,000.00					100,000.00	
			Ref.	1,241,310.05		1,015,000.00		20,762.83		1,603,757.66	497,115.83	176,199.39
				C		C-4		C-11			C	C
		Open Space	Ref.						Ref.			
		Capital Improvement Fund	C-1		100,000.00			Disbursed	C-1	1,025,176.33		
		Deferred Charges Unfunded	C-6		106,000.00			Encumbered	C-11	578,581.33		
		Developer's Donations	C-4		577,000.00					1,603,757.66		
		Grant			42,000.00							
					190,000.00							
					1,015,000.00							

SCHEDULE OF LOAN PAYABLE - GREEN TRUST

	<u>Ref.</u>	
Balance December 31, 2008	C	268,934.29
Decreased by:		
Payments	C-4	<u>35,737.01</u>
Balance December 31, 2009	C	<u><u>233,197.28</u></u>

## SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
			Outstanding Date	December 31, 2009 Amount					
General Improvement of 1999	06/01/99	6,845,000.00				3,295,000.00		3,295,000.00	
General Improvement of 2003	6/15/03	8,755,000.00	6/15/2010	385,000.00	3.25%				
			6/15/11	430,000.00	3.25%				
			6/15/12-2013	475,000.00	3.25%				
			6/15/14	540,000.00	3.25%				
			6/15/15	1,200,000.00	3.25%				
			6/15/16	1,300,000.00	3.50%				
			6/15/17	1,370,000.00	3.50%				
General Improvement of 2008			6/15/18	1,400,000.00	3.50%	7,960,000.00		385,000.00	7,575,000.00
	11/01/08	4,436,000.00	11/1/10-2018	50,000.00	4.75%				
			11/1/19-2022	300,000.00	4.75%				
			11/1/23-2025	400,000.00	4.75%				
			11/1/26-2027	500,000.00	5.00%				
			11/1/2028	536,000.00	5.00%	4,436,000.00		50,000.00	4,386,000.00
2009 General Obligation Refunding Bonds	04/23/09	2,840,000.00	6/1/2010	580,000.00	2.00%				
			6/1/2011	570,000.00	2.00%				
			6/1/2012	555,000.00	2.25%				
			6/1/2013	545,000.00	2.50%				
			6/1/2014	525,000.00	2.75%				
						15,691,000.00	2,840,000.00	65,000.00	2,775,000.00
						15,691,000.00	2,840,000.00	3,795,000.00	14,736,000.00
						Ref.	C-1	C-4	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Authorized	Bonds Issued	Balance Dec. 31, 2009
22-09	Various Capital Improvements	463,000.00		463,000.00
4-09	Costs of Issuance Refunding Bonds	95,000.00	95,000.00	
24-09	Acquisition of Dump Truck	114,000.00		114,000.00
		672,000.00	95,000.00	577,000.00
	Ref.	C-7		

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2008	C	1,734,945.16
Increased by:		
Charges	C-7	<u>578,581.33</u>
		2,313,526.49
Decreased by:		
Cancelled	C-7	20,762.83
Payments	C-1	<u>1,714,182.33</u>
		<u>1,734,945.16</u>
Balance December 31, 2009	C	<u><u>578,581.33</u></u>

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE

<u>Purpose</u>	<u>Lease Number</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
				<u>Principal</u>	<u>Interest</u>				
Various Capital Improvements	Series 2004C	12/07/04	20 Years	2,468,000.00	519,279.58	3%-4.5%	1,351,000.00	301,000.00	1,050,000.00
Various Capital Improvements	Series 2006	12/18/06	15 Years	3,405,000.00	1,079,650.02	3.75%-5%	3,050,000.00	225,000.00	2,825,000.00
						Ref.	4,401,000.00	526,000.00	3,875,000.00
							C		C



**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2009**

## GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states "Every contract or agreement awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

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

The minutes indicate that bids were requested by public advertisement for various items including:

- Exterior landscaping for the new Monroe Township library
- The revitalization of Virginia Avenue, Phase IV B
- Police uniforms
- One new cab and chassis with stainless steel (6 Yard) dump body, snow plow and sand spreader
- Two Dodge Durango sport utility vehicles
- New cab and chassis with dump body, snow plow and sand spreader
- Two Thirty-One (31) cubic yard expert T helping hand automated drop frame side loader
- Uniforms and uniform services for the Department of Public Works

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11.5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained.

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

Our examination of expenditures did reveal individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing 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.A. 40A:11-6.

N.J.S.A. 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

### 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 would become delinquent.

The governing body on January 13, 2009, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments and to fix a penalty to be charged to a taxpayer with a delinquency.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Monroe as follows: There shall be interest on delinquent taxes during the year 2008 to be charged at the rate of eight (8%) per annum up to \$1,500.00 and eighteen (18%) per annum over \$1,500.00, the same to be calculated from the date the tax was payable until the date of actual payment, provided however, that no interest shall be charged if payment of taxes is made within ten (10) days after the date upon the same became payable.

BE IT FURTHER RESOLVED, there shall also be a penalty of six (6%) percent to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. For the purpose of this paragraph, "delinquency" means the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters of years.

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

### Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 19, 2009 and was complete except for bankruptcies from prior years not sold.

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

<u>Year</u>	<u>Number of Liens</u>
2009	124
2008	113
2007	106

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

### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. A separate report will be rendered if any irregularities develop after the date of the audit.

### OTHER COMMENTS

#### Chief Financial Officer

The records maintained by the Chief Financial Officer were found to be in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements.

#### Tax Collector

The records maintained by the Tax Collector were found to be in compliance with requirements prescribed by the Division of Local Government Services.

#### Corrective Action Plan

A corrective action plan for the 2008 audit was filed with the Division of Local Government Services by the Chief Financial Officer.

### STATUS OF PRIOR RECOMMENDATIONS

#### Control Deficiencies:

- 1) Finding:  
The receipts for the Park and Recreation Department were not deposited within 48 hours or definite amounts as required by N.J.S.A. 40A:5-15.  
  
Status:  
This still occurred in 2009 however; new internal control procedures have been put into place in 2010 to correct this deficiency.
- 2) Finding:  
There were many exceptions noted during the audit of the Municipal Court with respect to case management processing.  
  
Status:  
Not corrected.

## FINDINGS AND RECOMMENDATIONS

### Control Deficiencies:

1) Finding:

The following exceptions were noted while reviewing the September 2009 Management Report:

- 5 Tickets issued, but not assigned.
- 38 local police tickets, 2 complaints and 2 state police tickets not entered on a timely basis.

Recommendation:

The Municipal Court reviews its procedures to insure that case management follow-up is completed in a timely manner.

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The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole. Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



Nick L. Petroni

Certified Public Accountant

Registered Municipal Accountant #252