

TOWNSHIP OF LOGAN
COUNTY OF GLOUCESTER
REPORT OF AUDIT
DECEMBER 31, 2011

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COUNTY OF GLOUCESTER
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TOWNSHIP OF LOGAN

COUNTY OF GLOUCESTER

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2011

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association
Certified Public Accountants

991 S. Black Horse Pike
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April 30, 2012

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Logan
County of Gloucester
Bridgeport, New Jersey 08014

Mesdames and Gentlemen:

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Logan, New Jersey, as of December 31, 2011, the related statements of operations and changes in fund balance - statutory basis for the year that ended, and the related statements of revenues - statutory basis and statement of expenditures – statutory basis for the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Township of Logan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 audits provide a reasonable basis for our opinions.

As described in Note 1, the Township of Logan, New Jersey, prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, 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. Such financial statements are not intended to be presented in accordance with the accounting principles generally accepted in the United States of America.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Logan as of December 31, 2011 or the results of its operations for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – statutory basis of the various funds and account groups of the Township of Logan, New Jersey, as of December 31, 2011, and the results of its operations and the changes in fund balance – statutory basis of such funds for the year then ended and the statement of revenues – statutory basis and statement of expenditures – statutory basis of the various funds of the year ended December 31, 2011 on the modified accrual basis of accounting described in Note 1.

In accordance with **Government Auditing Standards**, we have also issued a report dated April 30, 2012 on our consideration of the Township of Logan'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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Logan taken as a whole. The accompanying schedules of expenditures of federal and state awards and the supplemental schedules of the individual funds listed in the foregoing table of contents are presented for purposes of additional analysis and are not required parts of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A.
Registered Municipal Accountant

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

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April 30, 2012

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

The Honorable Mayor and
Members of the Township Council
Township of Logan
County of Gloucester
Bridgeport, New Jersey 08014

Mesdames and Gentlemen:

We have audited the financial statements of the Township of Logan, County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Logan, County of Gloucester, State of New Jersey, is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Township of Logan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Logan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the township of Logan'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 financial statements will not be prevented or detected and corrected on a timely basis.

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Logan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, the results of our procedures disclosed immaterial instances of noncompliance with the provisions referred to below, which are described in the accompanying Comments and Recommendations section of the audit.

This report is intended for the information of the governing body, management, state awarding agencies, and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A.
Registered Municipal Accountant

CURRENT FUNDCOMPARATIVE BALANCE SHEET

	Ref.	Balance December 31, 2011	Balance December 31, 2010
ASSETS			
Regular Fund :			
Cash - Chief Financial Officer	A-4	\$ 8,733,217.98	\$ 8,950,535.42
Cash - Tax Collector	A-5	(32.64)	(32.54)
Cash - Change Funds		205.00	205.00
		<hr/>	<hr/>
		8,733,390.34	8,950,707.88
		<hr/>	<hr/>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-8	309,974.36	356,502.98
Tax Title Liens Receivable	A-9	319,417.18	332,968.90
Property Acquired for Taxes - Assessed Valuation	A-10	347,633.56	135,733.56
Revenue Accounts Receivable	A-11	665,141.79	622,844.51
Other Accounts Receivable	A-25	2,732.40	1,146.95
Interfunds Receivable	A-6	1,488.01	65,977.64
	A(2)	<hr/>	<hr/>
		1,646,387.30	1,515,174.54
		<hr/>	<hr/>
		10,379,777.64	10,465,882.42
		<hr/>	<hr/>
Federal and State Grant Fund:			
Due from Current Fund	A-6	59,283.94	26,987.11
State Grants Receivable	A-12	13,277.16	170,849.87
		<hr/>	<hr/>
		72,561.10	197,836.98
		<hr/>	<hr/>
		\$ 10,452,338.74	\$ 10,663,719.40
		<hr/> <hr/>	<hr/> <hr/>

CURRENT FUND**COMPARATIVE BALANCE SHEET**

		Balance December 31, 2011	Balance December 31, 2010
LIABILITIES, RESERVES AND FUND BALANCE			
	Ref.		
Regular Fund			
Liabilities			
Encumbrances Payable	A-16	\$ 134,944.87	\$ 175,663.39
Appropriation Reserves	A-3,14	349,942.08	188,253.70
Interfunds Payable	A-6	59,283.94	56,136.79
Amount Due from State of New Jersey per c.20, P.L. 1971	A-7	3,294.21	3,544.21
Prepaid Taxes	A-18	374,959.28	111,454.77
Tax Overpayments	A-19	33,554.38	6,959.31
County Tax Payable	A-21		1,057.15
Amount Due County for Added and Omitted Taxes	A-21	230,734.24	94,551.41
Amount Due County for Cogeneration Facility Share	A-4		79,908.02
Amount Due to State of New Jersey: Local School District Taxes Payable	A-22	1,958,408.80	2,540,597.20
Construction Code Surcharge Fees	A-23	7,432.00	10,386.00
Marriage License Fees	A-23	425.00	350.00
Reserve for Sale of Municipal Assets	A-24	760,685.00	2,990.56
		<u>3,913,663.80</u>	<u>3,271,852.51</u>
Reserve for Receivables and Other Assets	A	1,646,387.30	1,515,174.54
Fund Balance	A-1	4,819,726.54	5,678,855.37
		<u>10,379,777.64</u>	<u>10,465,882.42</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-15	26,936.00	47,786.66
Reserve for State Grants - Appropriated	A-17	39,684.11	90,984.59
Reserve for State Grants - Unappropriated	A-13	5,940.99	59,065.73
		<u>72,561.10</u>	<u>197,836.98</u>
		<u>\$ 10,452,338.74</u>	<u>\$ 10,663,719.40</u>

CURRENT FUND**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

	Ref.	Year 2011	Year 2010
<u>Revenue and Other Income Realized:</u>			
Fund Balance	A-1,2	\$ 3,600,000.00	\$ 3,365,400.00
Miscellaneous Revenues Anticipated	A-2	3,940,967.61	4,000,687.99
Receipts from Delinquent Taxes	A-2	504,836.22	1,149,885.52
Receipts from Current Taxes	A-2	21,260,363.31	22,354,139.30
Non-Budget Revenue	A-2	473,180.43	427,344.44
Other Credits to Income:			
Interfunds Returned	A-6	62,904.18	60,982.26
Statutory Excess in Animal Control Fund			658.45
Cancellation of Escrow Accounts			21,671.75
Unexpended Balance of Appropriation Reserves	A-14	84,783.06	203,703.78
Cancellation of Prior Year Encumbrances Payable	A-16	4,487.52	4,449.16
Cancellation of Prior Year Payable	A-21	11,184.14	
Cancellation of Tax Overpayments			5.80
Total Income		29,942,706.47	31,588,928.45
<u>Expenditures:</u>			
Budget and Emergency Appropriations			
Appropriations			
Operations			
Salaries and Wages	A-3	3,264,140.00	3,105,595.00
Other Expenses	A-3	3,249,840.96	2,938,944.08
Capital Improvements	A-3	350,000.00	665,500.00
Deferred Charges and Statutory Expenditures	A-3	820,413.00	891,869.95
Debt Service	A-3	686,358.80	526,417.04
County Taxes	A-20	7,170,472.10	7,461,170.12
Amount Due to County for Added and Omitted Taxes	A-21	230,734.24	83,367.27
Local District School Taxes	A-22	11,305,912.00	12,004,146.00
Municipal Open Space Tax	A-4	61,451.20	61,830.96
Cancellation of Grant Appropriations	A-6	62,513.00	48.60
Total Expenditures		27,201,835.30	27,738,889.02
Excess in Revenue		2,740,871.17	3,850,039.43
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A		
Statutory Excess to Fund Balance		2,740,871.17	3,850,039.43
Fund Balance, January 1	A	5,678,855.37	5,194,215.94
		8,419,726.54	9,044,255.37
Decreased by			
Utilization as Anticipated Revenue	A-1	3,600,000.00	3,365,400.00
Fund Balance, December 31	A	\$ 4,819,726.54	\$ 5,678,855.37

CURRENT FUND**STATEMENT OF REVENUES**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 3,600,000.00	\$ 3,600,000.00	\$
Miscellaneous Revenues:				
Licenses: Alcoholic Beverage	A-11	5,000.00	8,120.00	3,120.00
Fines and Costs - Municipal Court	A-11	175,000.00	230,619.17	55,619.17
Interest and Costs on Taxes	A-11	20,000.00	68,072.81	48,072.81
Interest on Investments and Deposits	A-2(2)	75,000.00	63,967.74	(11,032.26)
Consolidated Municipal Property Tax Relief Aid	A-11	8,103.00	8,103.00	
Energy Receipts Tax (PL 1998, C162 & 167)	A-11	486,400.00	486,407.00	7.00
Uniform Construction Code Fees	A-11	146,000.00	220,269.00	74,269.00
Interlocal Trash Agreement	A-11	133,325.00	126,634.58	(6,690.42)
Special Items:				
Uniform Fire Safety Act	A-11	76,024.00	117,867.08	41,843.08
Reserve for Sale of Municipal Assets	A-24	2,990.56	2,990.56	
Logan Generation (Cogeneration Facility)	A-11	1,900,000.00	2,072,186.56	172,186.56
Soil Safe Revenue	A-11	300,000.00	240,974.20	(59,025.80)
Hotel Fee Revenue	A-11	140,000.00	148,531.95	8,531.95
Clean Communities Program	A-12	11,366.98	11,366.98	
Municipal Alliance Program	A-12	9,565.00	9,565.00	
Reserve for Recycling Tonnage Grant	A-13	59,065.73	59,065.73	
Recycling Tonnage Grant	A-12	66,226.25	66,226.25	
Total Miscellaneous Revenue	A-1	3,614,066.52	3,940,967.61	326,901.09
Receipts from Delinquent Taxes	A-1,2	200,000.00	504,836.22	304,836.22
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2,8	2,058,615.16	2,993,721.99	935,106.83
Budget Totals	A-3	\$ 9,472,681.68	11,039,525.82	\$ 1,566,844.14
Non-budget Revenue	A-1,2		473,180.43	
			\$ 11,512,706.25	

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUE

Ref.

Allocation of Current Tax Collections:

Revenue from Collections	A-1,8	\$	21,260,363.31
Allocated to School and County Taxes	A-4,20,21 A-22		19,368,569.54
			1,891,793.77
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		1,101,928.22
Amount for Support of Municipal Budget Appropriation	A-2	\$	2,993,721.99

Receipts from Delinquent Taxes

Delinquent Tax Collections	A-8	\$	503,908.41
Tax Title Liens	A-9		927.81
	A-1,2		\$ 504,836.22

ANALYSIS OF OTHER NON-BUDGET REVENUEMiscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Treasurer	A-11	\$	472,000.43
Due from Trust Fund	A-6		1,150.00
Tax Collector	A-11		30.00
	A-1,2	\$	473,180.43

Interest Income

Received	A-11	\$	54,716.44
Interfunds Receivable	A-6		9,251.30
	A-2	\$	63,967.74

CURRENT FUND**STATEMENT OF EXPENDITURES****GENERAL APPROPRIATIONS****OPERATIONS WITHIN "CAPS"****GENERAL GOVERNMENT FUNCTIONS**

General Administration:

Salaries and Wages

Other Expenses

Mayor and Council:

Salaries and Wages

Other Expenses

Municipal Clerk:

Salaries and Wages

Other Expenses

Financial Administration (Treasury):

Salaries and Wages

Other Expenses

Audit Services:

Other Expenses

Revenue Administration (Tax Collection):

Salaries and Wages

Other Expenses

Tax Assessment Administration:

Salaries and Wages

Other Expenses

Legal Services:

Other Expenses

Engineering Services:

Other Expenses

Economic Development Agency:

Other Expenses

Historical Sites Office:

Other Expenses

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
General Administration:					
Salaries and Wages	\$ 90,000.00	\$ 78,000.00	\$ 74,928.75	\$ 3,071.25	\$
Other Expenses	26,000.00	15,000.00	12,687.29	2,312.71	
Mayor and Council:					
Salaries and Wages	45,760.00	45,760.00	45,760.00		
Other Expenses	10,000.00	10,000.00	7,843.54	2,156.46	
Municipal Clerk:					
Salaries and Wages	89,000.00	93,000.00	92,657.11	342.89	
Other Expenses	33,500.00	33,500.00	30,847.66	2,652.34	
Financial Administration (Treasury):					
Salaries and Wages	92,000.00	92,000.00	90,940.00	1,060.00	
Other Expenses	28,000.00	28,000.00	24,191.16	3,808.84	
Audit Services:					
Other Expenses	37,000.00	37,000.00	37,000.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	61,260.00	61,260.00	59,500.00	1,760.00	
Other Expenses	11,500.00	11,500.00	9,701.76	1,798.24	
Tax Assessment Administration:					
Salaries and Wages	37,000.00	37,000.00	36,080.00	920.00	
Other Expenses	12,000.00	10,000.00	5,633.67	4,366.33	
Legal Services:					
Other Expenses	150,000.00	110,000.00	84,518.72	25,481.28	
Engineering Services:					
Other Expenses	105,000.00	99,000.00	87,168.24	11,831.76	
Economic Development Agency:					
Other Expenses	3,000.00	3,000.00	1,478.67	1,521.33	
Historical Sites Office:					
Other Expenses	500.00	500.00		500.00	

CURRENT FUND**STATEMENT OF EXPENDITURES****GENERAL APPROPRIATIONS****OPERATIONS WITHIN "CAPS" (Cont'd)****PUBLIC SAFETY (Cont'd)**

Fire Department:

	Appropriations		Expended		Cancelled
	Budget	Modified	Paid or Charged	Reserved	
Salaries and Wages	\$ 10,500.00	\$ 10,500.00	\$ 10,000.00	\$ 500.00	\$
Other Expenses	8,000.00	8,000.00	3,300.00	4,700.00	
Fire Hydrant Fees	70,000.00	74,000.00	67,837.17	6,162.83	

Fire Department (Uniform Code):

Salaries and Wages	57,000.00	57,000.00	56,136.41	863.59	
Other Expenses	25,000.00	25,000.00	24,364.50	635.50	

Municipal Prosecutor's Office:

Other Expenses	20,000.00	20,000.00	18,000.00	2,000.00	
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Safety Training Program:

Salaries and Wages	4,500.00	4,500.00	4,500.00		
Other Expenses	5,000.00	5,000.00	2,918.68	2,081.32	

Municipal Court:

Salaries and Wages	100,550.00	100,550.00	93,760.53	6,789.47	
Other Expenses	23,700.00	23,700.00	16,375.82	7,324.18	

Public Defender (P.L. 1997, c. 256):

Other Expenses	3,200.00	3,200.00	2,725.00	475.00	
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PUBLIC WORKS FUNCTION

Streets and Road Maintenance:

Other Expenses	65,000.00	85,000.00	74,333.46	10,666.54	
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Solid Waste Collection and Disposal:

Salaries and Wages	170,000.00	170,000.00	162,159.64	7,840.36	
Other Expenses	60,000.00	60,000.00	59,708.44	291.56	
Other Expenses - Miscellaneous (Recycling)	175,000.00	175,000.00	171,640.63	3,359.37	

Buildings and Grounds:

Salaries and Wages	388,000.00	388,000.00	375,201.05	12,798.95	
Other Expenses	62,000.00	76,000.00	70,517.01	5,482.99	

Vehicle Maintenance:

Other Expenses	50,000.00	62,000.00	58,608.01	3,391.99	
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CURRENT FUND**STATEMENT OF EXPENDITURES****GENERAL APPROPRIATIONS****OPERATIONS WITHIN "CAPS" (Cont'd)****INSURANCE**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
General Liability	\$ 121,000.00	\$ 130,000.00	\$ 128,000.41	\$ 1,999.59	\$
Workers Compensation	155,000.00	155,000.00	154,439.00	561.00	
Employee Group Health	720,000.00	706,000.00	699,461.42	6,538.58	

HEALTH AND HUMAN SERVICES**Public Health Services (Board of Health):**

Salaries and Wages	500.00	500.00	500.00		
Other Expenses	500.00	500.00		500.00	

Environmental Health Services:

Salaries and Wages	6,000.00	6,000.00	3,360.00	2,640.00	
Other Expenses	12,000.00	12,000.00	8,416.21	3,583.79	

Animal Control Services:

Salaries and Wages	2,000.00	2,000.00	2,000.00		
Other Expenses	500.00	500.00	100.60	399.40	

Contribution to Senior Citizen Center

	3,000.00	3,000.00	3,000.00		
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Senior Citizens:

Salaries and Wages	4,000.00	4,000.00	2,560.40	1,439.60	
Other Expenses	8,000.00	8,000.00	4,674.99	3,325.01	

PARK AND RECREATION FUNCTIONS**Recreation Services and Programs:**

Salaries and Wages	3,600.00	3,600.00	3,600.00		
Other Expenses	42,000.00	42,000.00	38,638.82	3,361.18	

Maintenance of Parks:

Other Expenses	30,000.00	35,000.00	33,842.80	1,157.20	
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OTHER COMMON OPERATING FUNCTIONS**Celebration of Public Events:**

Other Expenses	25,000.00	25,000.00	24,980.89	19.11	
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CURRENT FUND**STATEMENT OF EXPENDITURES****GENERAL APPROPRIATIONS****OPERATIONS WITHIN "CAPS" (Cont'd)****UTILITY EXPENSES AND
BULK PURCHASING**

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Electricity	\$ 55,000.00	\$ 46,000.00	\$ 45,462.93	\$ 537.07	\$
Street Lighting	95,000.00	91,000.00	88,674.15	2,325.85	
Telephone	45,000.00	40,000.00	39,183.91	816.09	
Water	12,000.00	7,000.00	6,392.58	607.42	
Natural Gas	12,000.00	10,000.00	6,569.45	3,430.55	
Telecommunications Costs	20,000.00	15,000.00	12,015.33	2,984.67	
Sewage Processing and Disposal	3,500.00	3,500.00	2,565.00	935.00	
Gasoline	150,000.00	165,000.00	148,134.88	16,865.12	

Uniform Construction Code - Appropriations Offset
by Dedicated Revenues (N.J.A.C. 5:23-4.17)

**CODE ENFORCEMENT AND
ADMINISTRATION****Construction Code Official:**

Salaries and Wages	107,010.00	107,010.00	101,240.32	5,769.68	
Other Expenses	51,500.00	51,500.00	30,404.10	21,095.90	

Sub code Official:

Building Inspector:					
Salaries and Wages	30,400.00	30,400.00	23,903.79	6,496.21	

Plumbing Inspector:

Salaries and Wages	13,515.00	13,515.00	13,515.00		
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Fire Protection Official:

Salaries and Wages	11,360.00	11,360.00	7,864.74	3,495.26	
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Electrical Inspector:

Salaries and Wages	23,225.00	23,225.00	23,225.00		
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Housing Inspector

Salaries and Wages	4,160.00	4,160.00	4,160.00		
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CURRENT FUND**STATEMENT OF EXPENDITURES**GENERAL APPROPRIATIONSOPERATIONS WITHIN "CAPS" (Cont'd)

Total Operations Within "CAPS"

Detail:

Salaries and Wages
Other ExpensesDeferred Charges and Statutory Expenditures
Municipal Within "CAPS"DEFERRED CHARGESSTATUTORY EXPENDITURES

Contribution to:

Public Employees' Retirement System
Social Security System (O.A.S.I.)
Police and Firemen's Retirement System
Unemployment Compensation Insurance
(N.J.S.A. 43:21-3 et. seq.)Total Deferred Charges and Statutory
Expenditures - Municipal Within "CAPS"Total General Appropriations for
Municipal Purposes Within "CAPS"

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Total Operations Within "CAPS"	\$ 6,151,040.00	\$ 6,151,040.00	\$ 5,865,354.12	\$ 285,685.88	\$
Detail:					
Salaries and Wages	3,247,140.00	3,254,140.00	3,178,234.35	75,905.65	
Other Expenses	2,903,900.00	2,896,900.00	2,687,119.77	209,780.23	
Deferred Charges and Statutory Expenditures <u>Municipal Within "CAPS"</u>					
<u>DEFERRED CHARGES</u>					
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Public Employees' Retirement System	89,293.00	89,293.00	89,293.00		
Social Security System (O.A.S.I.)	245,000.00	245,000.00	244,998.09	1.91	
Police and Firemen's Retirement System	396,120.00	396,120.00	396,120.00		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	15,000.00	15,000.00	15,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	745,413.00	745,413.00	745,411.09	1.91	
Total General Appropriations for Municipal Purposes Within "CAPS"	6,896,453.00	6,896,453.00	6,610,765.21	285,687.79	

CURRENT FUND
STATEMENT OF EXPENDITURES

GENERAL APPROPRIATIONS**OPERATIONS EXCLUDED FROM "CAPS"**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Council on Affordable Housing [N.J.S.A. 40A:4-45.3(t)] Other Expenses	\$ 60,000.00	\$ 60,000.00	\$ 42,611.43	\$ 17,388.57	\$
NJPDES/Stormwater Municipal Stormwater [N.J.S.A. 40A:4-45.3(cc)] Streets and Roads Division:					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
Other Expenses	10,000.00	10,000.00	9,975.62	24.38	
Shared Service Agreements: Township of Logan-Borough of Swedesboro Interlocal Trash Agreement	<u>133,325.00</u>	<u>133,325.00</u>	<u>87,483.66</u>	<u>45,841.34</u>	
Total Other Operations Excluded from "CAPS"	<u>213,325.00</u>	<u>213,325.00</u>	<u>150,070.71</u>	<u>63,254.29</u>	

CURRENT FUND
STATEMENT OF EXPENDITURES

GENERAL APPROPRIATIONSOPERATIONS EXCLUDED FROM "CAPS"Public and Private Programs Offset by Revenues

	Appropriations		Expended		Cancelled
	Budget	Modified	Paid or Charged	Reserved	
Matching Funds for Grants	\$ 1,000.00	\$ 1,000.00	\$	\$ 1,000.00	\$
Clean Communities Program:					
Other Expenses	11,366.98	11,366.98	11,366.98		
Municipal Alliance Program (PL 1989, c.74):					
State Share	9,565.00	9,565.00	9,565.00		
Local Share	2,392.00	2,392.00	2,392.00		
Reserve for Recycling Tonnage Grant	59,065.73	59,065.73	59,065.73		
Recycling Tonnage Grant	66,226.25	66,226.25	66,226.25		
Total Public and Private Programs Offset by Revenues	149,615.96	149,615.96	148,615.96	1,000.00	
Total Operations Excluded from "CAPS"	362,940.96	362,940.96	298,686.67	64,254.29	
Detail:					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
Other Expenses	352,940.96	352,940.96	288,686.67	64,254.29	

CURRENT FUND

STATEMENT OF EXPENDITURES

GENERAL APPROPRIATIONS

OPERATIONS EXCLUDED FROM "CAPS" (Cont'd)

Capital Improvements Excluded from "CAPS"

	<u>Appropriations</u>		<u>Expenditures</u>		
	<u>Budget</u>	<u>Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$	
Acquisition of Public Works Equipment		-			
Purchase of Computers, Communication Equipment and Office Building Equipment	50,000.00	50,000.00	50,000.00		
Municipal Building Improvements Alarms and Furnishing	50,000.00	50,000.00	50,000.00		
Purchase of Municipal Vehicle and Office Equipment	25,000.00	25,000.00	25,000.00		
Refurbishing of HVAC System	75,000.00	75,000.00	75,000.00		
Acquisition of Public Works Equipment	75,000.00	75,000.00	75,000.00		
Total Capital Improvements Excluded from "CAPS"	350,000.00	350,000.00	350,000.00		
<u>Municipal Service Excluded from "CAPS"</u>					
Payment of Bond Principal	260,000.00	260,000.00	260,000.00		
Payment of Bond Anticipation and Capital Notes	350,000.00	350,000.00	350,000.00		
Interest on Bonds	30,975.00	30,975.00	30,975.00		
Interest on Notes	31,533.20	31,533.20	31,532.50		0.70
Green Trust Loan Program: Loan Repayments for Principal and Interest	13,851.30	13,851.30	13,851.30		
Total Municipal Debt Services Excluded from "CAPS"	686,359.50	686,359.50	686,358.80		0.70

**CURRENT FUND
STATEMENT OF EXPENDITURES**

GENERAL APPROPRIATIONS

	Appropriations		Expenditures		
	Budget	Modified	Paid or Charged	Reserved	Cancelled
<u>Deferred Charges and Statutory Expenditures - Municipal -Excluded from "CAPS"</u>					
DEFERRED CHARGES:					
Ord. 25-2008: Purchase of Municipal Sanitation Equipment Municipal Complex	\$ 11,500.00	\$ 11,500.00	\$ 11,500.00		\$
Ord. 19-2008: Floodgate Reconstruction and Levee Improvement Project	63,500.00	63,500.00	63,500.00		
Total Deferred Charges and Statutory Expenditures - Municipal - Excluded from "CAPS"	75,000.00	75,000.00	75,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,474,300.46	1,474,300.46	1,410,045.47	64,254.29	0.70
Subtotal General Appropriations	8,370,753.46	8,370,753.46	8,020,810.68	349,942.08	0.70
Reserve for Uncollected Taxes	1,101,928.22	1,101,928.22	1,101,928.22		
Total General Appropriations	\$ 9,472,681.68	\$ 9,472,681.68	\$ 9,122,738.90	\$ 349,942.08	\$ 0.70

Ref.

A-2

A-1

A:A-1

Ref.

Original Budget
Added by Chapter 159, 40A:4-87

\$ 9,395,088.45
77,593.23

Reserve for Uncollected Taxes
Disbursed
Capital Improvements
Encumbrances Payable
Transfer to Reserve for State Grants
Matching Share on State Grants

A-2
A-4
A-6
A-16
A-17
A-6,17

\$ 1,101,928.22
7,474,884.32
263,967.15
133,343.25
146,223.96
2,392.00

Total Paid or Charged

\$ 9,472,681.68 \$ 9,122,738.90

TRUST FUND
COMPARATIVE BALANCE SHEET

	Ref.	Balance December 31, 2011	Balance December 31, 2010
<u>ASSETS</u>			
<u>Animal Control Fund:</u>			
Cash - Chief Financial Officer	B-1	\$ 13,113.30	\$ 14,393.96
<u>Other Trust Funds:</u>			
Cash - Chief Financial Officer	B-1	3,073,175.59	3,074,559.96
		<u>3,073,175.59</u>	<u>3,074,559.96</u>
		<u>\$ 3,086,288.89</u>	<u>\$ 3,088,953.92</u>
<u>Animal Control Fund:</u>			
Amount Due to Current Fund	B-3	\$ 3.25	\$ 1,074.66
Due To NJ Department of Health	B-2	48.40	5.80
Reserve for Animal Control Fund			
Expenditures	B-4	13,061.65	13,313.50
		<u>13,113.30</u>	<u>14,393.96</u>
<u>Other Trust Funds:</u>			
Amount Due to Current Fund	B-5	574.43	64,496.79
Amount Due to Current Fund (Payroll)	B-19	734.00	406.19
Payroll Deductions Payable	B-18	73,304.11	23,411.67
Reserved For:			
Municipal Open Space Preservation	B-6	719,084.82	655,542.47
Utility Escrow Deposits	B-7	57,027.91	65,129.84
Unemployment Compensation	B-8	7,868.02	9,699.76
Developers' Escrow Deposits	B-9	1,570,150.23	1,635,705.13
Developers' Recreation Trust	B-10	119,583.13	119,350.50
Developers' Performance Deposits	B-11	36,306.79	36,306.79
Tax Title Lien Redemptions	B-12	202.78	202.68
Premiums Received at Tax Sale	B-13	6,800.00	13,400.00
Canine Unit	B-14	336.52	2,205.67
Forfeiture	B-15	332.93	5,207.87
Fire Penalty Fees	B-16	2,754.52	2,154.52
COAH Fees	B-17	478,115.40	441,340.08
		<u>3,073,175.59</u>	<u>3,074,559.96</u>
		<u>\$ 3,086,288.89</u>	<u>\$ 3,088,953.92</u>

GENERAL CAPITAL FUND**COMPARATIVE BALANCE SHEET**

	Ref.	Balance December 31, 2011	Balance December 31, 2010
ASSETS			
Cash - Chief Financial Officer	C-2	\$ 1,030,438.94	\$ 789,048.87
Amount Due from Current Fund	C-4		29,149.68
Deferred Charges to Future Taxation			
Unfunded	C-6	6,005,046.29	5,131,833.84
Funded	C-5	366,930.88	638,568.72
		<u>\$ 7,402,416.11</u>	<u>\$ 6,588,601.11</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-11	\$ 265,000.00	\$ 525,000.00
Capital Improvement Fund	C-7	635,758.38	878,758.38
Improvement Authorizations			
Funded	C-8	292,735.15	87,534.99
Unfunded	C-8	1,532,665.73	1,244,107.18
Bond Anticipation Notes	C-12	3,848,250.00	3,153,250.00
Green Acres Loan Payable	C-9	101,930.88	113,568.72
Contracts and Encumbrances Payable	C-10	480,621.20	476,374.07
Amount Due to Current Fund	C-4	176.33	
Reserve for:			
HVAC System	C-14	75,000.00	
Acquisition of Vehicles and Equipment	C-14	19,996.84	14,045.30
Municipal Building Improvements	C-14	43,839.70	30,000.00
Purchase of Computers, Communication Equipment and Office Building Equipment	C-14	30,798.42	455.00
Fund Balance	C-1	75,643.48	65,507.47
		<u>\$ 7,402,416.11</u>	<u>\$ 6,588,601.11</u>

There were bonds and notes authorized but not issued on December 31, 2011 in the amount of \$2,188,583.84 as compared to \$1,978,583.34 on December 31, 2010 (Exhibit C-13)

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance, December 31, 2010	C	\$ 65,507.47
Increased by:		
Cancellation of Ordinance # 10-08	C-8	<u>10,136.01</u>
Balance, December 31, 2011	C	<u><u>\$ 75,643.48</u></u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

Except as noted below, the financial statements of the Township of Logan include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Logan, as required by **N.J.S.** 40A:5-5. The Township does not operate a municipal library.

The Township has a 5 member Council form of government, as defined by revised statutes 40: et seq. The voters separately elect the Mayor every four years.

The financial statements do not contain any component units of the Township of Logan, as defined by Governmental Accounting Standards Board, State No. 14, since none exist at December 31, 2011.

B. Description of Funds

The accounting policies of the Township of Logan 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 accounts for its financial transactions through the following separate funds; which differs from the funds required by generally accepted accounting principles?

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.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. The activities of the public assistance office were transferred to Gloucester County as of January 1, 1998.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

B. Description of Funds - Continued

Account Group - In addition to the funds listed above, the Township maintains one account group, which is as follows:

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

C. Basis of Accounting

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

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

Revenues - are recorded 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.

Expenditures - are to be recorded on the "budgetary" basis of accounting. Generally, expenditures are required to be recorded when an amount is encumbered for goods and services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are required to be reported as a cash liability in the financial statements as encumbrances payable. 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 cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

C. Basis of Accounting - Continued

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

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

Property Tax Revenue - Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Logan Township school district. Operations are charged for the full amount required to be raised from taxation to operate the school district for the fiscal period ending June 30.

County Taxes - The municipality is responsible for levying, collecting and remitting County taxes for the County of Gloucester. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 1 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

C. Basis of Accounting - Continued

General Fixed Assets - In accordance with Technical Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed asset accounting and reporting system.

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, in accordance with the State of New Jersey's Technical Accounting Directive 85-2. However, land and improvements are recorded at their assessed value, which is a departure from the aforementioned directive.

Property acquired for taxes (foreclosed property) and by purchase is recorded in the Current Fund at the assessed valuation when such property is acquired or purchased and concurrently fully reserved.

No depreciation has been provided for in the financial statements.

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

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

Tax Appeals and Other Contingent Losses - Losses, which arise from tax appeals, and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Insurance - Insurance costs for all funds are recorded as expenditures at the time of payment and are not chargeable to future periods as prepayments.

Deferred Charges to Future Taxation Funded and Unfunded - Upon authorization of a capital project, the Township establishes deferred charges for the costs of the project to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized capital project costs. The Township may levy taxes on taxable property within the local unit to repay any debt per NJSA 40A:2-4. The annual debt service requirements are raised in the current fund budget and deferred charges are reduced as funds are raised.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles or the statutory 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.

E. 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 data have not been presented in many of the supplemental schedules since their inclusion would make the statements unduly complex and difficult to read.

F. Departures from Generally Accepted Accounting Principles

The accounting principles and practices followed by the Township of Logan differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such differences.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

G. Budgets and Budgetary Accounting

The Township of Logan must adopt an annual budget in accordance with the **N.J.S.A. 40A: et al. N.J.S.A. 40A:4-5** requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for public hearing on the budget and must advertise the time and place in a newspaper published and circulated in the municipality at least 10 days prior to the hearing. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with **N.J.S.A. 40A:4-9**.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Township Council. There were no significant budget transfers approved in 2011, other than the following:

Legal Services	(\$ 40,000)
Aid to Volunteer Fire Companies	26,000
Police – Salaries and Wages	15,000
Employee Group Insurance	(14,000)
Street and Road Maintenance	20,000
Gasoline	15,000

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption.

While there were no significant budget insertions approved during 2011, the total amount of budget amendments was \$77,593.23.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

G. Budgets and Budgetary Accounting - Continued

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose, which was not foreseen at the time, the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. No emergency appropriations were approved during 2011.

2. **Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classified certificates of deposit, which have original maturity dates of more than three months as investments.

The Township is permitted to invest municipal funds in accordance with **N.J.S.A. 40A:5-15.1(a)**. The permitted investments include:

- a. Bonds or other obligations of the United States.
- b. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- c. Government money market mutual funds.
- d. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factor.
- e. Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- f. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

2. **Cash, Cash Equivalents and Investments** - Continued

- g. New Jersey State Cash Management Fund.
- h. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in **N.J.S.A.** 40A:5-15.1(a).

The Township is also required to have a cash management plan that lists the GUDPA approved depository banks, any brokers/dealers and the approved investment instruments selected by the Township's governing body. The cash management plan is adopted by resolution, usually at the reorganization meeting, or first meeting of the year. It may also be amended at any time during the year to reflect changes due to changes in laws, depositories, funds or investments. The Chief Financial Officer is charged with the administration of the plan.

As of December 31, 2011, cash and cash equivalents and investments of the Township consisted of the following:

Cash and Cash Equivalents	\$ 8,632,877.82
Money Market Fund	2,447,465.74
Certificate of Deposit	3,500,000.00

New Jersey municipal units are required by **N.J.S.A.** 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act, P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository and provides that a governmental unit shall deposit funds only in a public depository unless such funds are secured in accordance with this act. C.17:9-44 provides that every public depository having public funds on deposit shall, as security, maintain eligible collateral.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

2. **Cash, Cash Equivalents and Investments** – Continued

In the event of a default, the Commissioner of Banking, within 20 days after the default occurrence, shall ascertain the amount of public funds on deposit in the defaulting depository and the amount covered by Federal deposit insurance and certify the amounts to each affected governmental unit. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units. If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30 and December 31, with the Commissioner of Banking. Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Township should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Custodial Credit Risk

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as credit risk.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the Township deposits may not be returned to it. Although the Township does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act.

The Township Council designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of December 31, 2011, \$13,682,360.22 of the municipals bank balance of \$14,580,343.56 was exposed to custodial credit risk and are covered by GUDPA.

All certificates of deposit are recorded as cash regardless of the date of maturity.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

3. Retirement Systems

Those employees who are eligible for pension coverage participates in the State of New Jersey Public Employees Retirement System, a cost sharing multiple employer contributory defined benefit plan. This 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. Membership in the system is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the system. According to 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 State of New Jersey Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to New Jersey Division of Pensions and Benefits, State of New Jersey, 50 West State Street, Trenton, N.J. 08625-0295.

Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving 8 to 10 years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The System provides specified medical benefits for members who retire after achieving 25 years of qualified service, as defined under the disability provisions of the System.

Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Contributions Required and Made - Employee contributions are remitted quarterly to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, who is the administrator for the funds. The System provides for employee contributions of 5.5% of employees' base salary. The Authority is required to contribute at an actuarially determined rate. The annual contribution required by the Township includes funding for basic retirement allowances, cost-of-living adjustments, the cost of medical premiums after retirement for qualified retirees, and noncontributory death benefits. Plan member and employer contributions may be amended by State of New Jersey legislation.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

3. **Retirement Systems** - Continued

During 1997, legislation was enacted (C. 114, P.L. 1997) authorizing the issuance of bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State's retirement systems. On June 30, 1997, bonds were issued pursuant to this legislation and the proceeds were included as employer contributions in the System's financial statements.

Additional legislation was enacted during 1997 (Chapter 115, P.L. 1997), which contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available.

As a result of the Pension Security Proposal Act of 1997, the Township will not be liable for its normal contribution and accrued liability pension contribution, which would normally be due on - April 1, 1998. The Act allowed the use of excess pension assets that have accumulated in the fund to satisfy in total the existing unfunded accrued liability. The Act also allows for a reduction in normal costs in future years.

Information regarding contributions made by the State of New Jersey on behalf of the Board is not available.

Trend Information - Ten year historical trend information presenting the various systems progress in accumulating sufficient assets to pay benefits as they come due is available from the New Jersey Division of Pensions and Benefits.

Related Party Investments - During the year ended December 31, 2011, the PERS held no securities issued by the Township or other related parties.

4. **Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required PERS to fund post retirement medical benefits for those State employees who retire after reaching age 60. As of June 30, 2006, there were 67,930 employees Statewide eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 which will increase the medical reserve by one half of 1% of the active State payroll.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

5. Long-Term Debt

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 .55%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local District School Debt	\$5,000,000.00	\$5,000,00.00	\$ - 0 -
General	<u>6,403,764.72</u>	<u>None</u>	<u>6,403,764.72</u>
	<u>\$11,403,764.72</u>	<u>\$5,000,000.00</u>	<u>\$6,403,764.72</u>

Equalized Valuation Basis:

2009	\$	1,203,001,130.00
2010		1,137,826,734.00
2011		1,135,404,149.00
Average	\$	<u>1,158,745,004.33</u>

Net Debt \$6,403,764.72 divided by Equalized Valuation Basis per **N.J.S.** 40A:2-2 as Amended, \$1,158,745,004.33 = .55%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$40,556,075.15
Net Debt	<u>6,403,764.72</u>
Remaining Borrowing Power	<u>\$34,152,310.43</u>

<u>Summary of Municipal Debt</u>	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds and Notes	\$4,215,180.84	\$3,153,250.00	\$3,738,227.00
Authorized but Not Issued:			
General:			
Bonds and Notes	<u>2,188,583.88</u>	<u>2,058,500.00</u>	<u>1,203,500.00</u>
Net of Bonds and Notes Issued and Authorized but Not Issued	<u>\$6,403,764.72</u>	<u>\$5,211,750.00</u>	<u>\$4,941,727.00</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

5. **Long-Term Debt** - Continued

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

<u>Calendar Year</u>	<u>General Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ <u>265,000.00</u>	\$ <u>15,635.00</u>	\$ <u>280,635.00</u>
	<u>\$265,000.00</u>	<u>\$15,635.00</u>	<u>\$280,635.00</u>

Schedule of Annual Debt Service for Principal and Interest for Green Acres Loan Issued and Outstanding

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 11,871.75	\$ 1,979.56	\$ 13,851.31
2013	12,110.37	1,740.93	13,851.30
2014	12,353.80	1,497.52	13,851.32
2015	12,602.10	1,249.20	13,851.30
2016	12,855.40	995.90	13,851.30
2017	13,113.80	737.50	13,851.30
2018	13,377.39	473.92	13,851.31
2019	<u>13,646.29</u>	<u>205.03</u>	<u>13,851.32</u>
	<u>\$101,930.90</u>	<u>\$8,879.56</u>	<u>\$110,810.46</u>

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

6. **Fund Balance Appropriated**

Current Fund balance at December 31, 2011, which was appropriated and included as anticipated revenue in the introduced budget of its own respective fund for the year ending December 31, 2012 was \$3,100,000.00.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

7. **Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 there were no deferred charges on the various balance sheets and the appropriations in the 2011 budget are not less than that required by statute.

8. **School Taxes**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The maximum amount permitted to be deferred by Logan Township as of December 31, 2011, under those regulations, was \$5,952,956.00. The Township, in prior years, elected to defer school taxes and accumulation of such deferrals amounted to \$2,803,956.00. Local District Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>	
	Balance December <u>31, 2011</u>	Balance December <u>31, 2010</u>
Balance of Tax	\$4,762,364.80	\$4,744,553.20
Deferred	<u>2,803,956.00</u>	<u>2,203,956.00</u>
Tax Payable	<u>\$1,958,408.80</u>	<u>\$2,540,597.20</u>

9. **Taxes Collected in Advance**

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

	Balance December <u>31, 2011</u>	Balance December <u>31, 2010</u>
Prepaid Taxes Collected	\$ <u>374,959.28</u>	<u>\$111,454.77</u>

10. **Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains insurance coverage for property, liability, and surety bonds.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

11. Deferred Compensation

Employees of the Township of Logan may participate in a deferred compensation plan adopted under the provision of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

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

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of the IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is not a part of the financial statements of the Township.

12. Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund

The Township is a member of the Municipal Joint Insurance Fund and the Municipal Excess Liability Fund, which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Municipal Joint Insurance Fund if there is a catastrophic insurance claim for any member of the fund. The Township has a liability limit of \$10,000,000 under MEL.

13. Interfund Balances

As of December 31, 2011 there were Interfunds included on the balance sheets of the various funds of the Township, which were not considered material, with the exception of the following:

Due from Current Fund	Due to Grant Fund	\$ 59,283.94
Due from Animal Control	Due to Current Fund	3.25
Due from Payroll Fund	Due to Current Fund	734.00
Due from Trust Other Fund	Due to Current Fund	574.43
Due from General Capital	Due to Current Fund	176.33

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

14. **Accrued Sick and Vacation Benefits**

Employees of the Township are entitled to paid vacation and sick days depending on the policy in force and other factors. It is not practical to estimate the amount of future compensation arising from compensated absences and accordingly, no liability is required to be recorded in the accompanying financial statements as governed by state statute and directive of the Director of the Division of Local Government Services. The current policy of the Division of Local Government Services and the Township is to recognize the costs of compensated absences in the budget of the year paid. The estimated amount of uncompensated accumulated sick and vacation benefits as of December 31, 2011 is \$108,066.48.

15. **Leases**

The Township currently has open leases for six copy machines. The minimum lease payments are as follows:

\$ 826.77

16. **Contingent Liabilities**

As per confirmation from the Solicitor, there are several pending litigation items, including two Council on Affordable Housing (COAH) issues, which are being defended by various insurance companies. In addition, various taxpayers have filed tax appeals. There were not any known material contingencies noted by the Solicitor, which would not be covered substantially by Township insurance policies.

17. **Subsequent Events**

There were no material events between December 31, 2011 and April 30, 2012.

In addition, the Township is continuing with formulating a plan to address the financial and compliance aspects regarding COAH requirements. While the potential funding requirements to resolve the COAH issue are not known at this time, the amount is anticipated to be material.

SUPPLEMENTARY DATA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF LOGAN

COUNTY OF GLOUCESTER

N/A

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
TOWNSHIP OF LOGAN
COUNTY OF GLOUCESTER**

State Grantor/ Program Title	State GMIS Number	Grant Award Amount	Matching Share	Grant Period		Balance December 31, 2010		Cash Receipts	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled		Balance December 31, 2011	
				From	To	A/R	Reserve				A/R	Reserve	A/R	Reserve
Department of Community Affairs														
Municipal Alliance Program	15-0661-6299-08-22213-000	\$ 11,957.00 9,565.00	\$ 2,392.00	1/1/10 1/1/11	12/31/10 12/31/11	\$ 1,798.00	\$ 52.32	\$ 1,798.00 3,287.84	\$ 9,565.00 2,392.00	\$ 11,956.74	\$	\$ 52.32	\$ 6,277.16	\$ 0.26
Department of Environmental Protection														
Clean Communities Grant	4900-765-042-4900-004-VCMC-6020	11,309.65 11,366.98		1/1/10 1/1/11	12/31/10 12/31/11		10,409.65	11,366.98	11,366.98	10,409.65 10,083.75				1,283.23
Stormwater Regulation Grant Solid Waste Administration	N/A	8,468.00		1/31/05	12/31/05									
Recycling Grant	4900-752-042-4900-001-V42Y-6020	82,977.49 66,226.25		1/1/09 1/1/11 1/1/10 1/1/06	12/31/09 12/31/11 12/31/10 12/31/06		30,348.88	66,226.25	66,226.25 59,065.73	66,226.25 59,065.73				30,348.88
Administrative Office of the Courts														
Municipal Court Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	1,106.01 394.66		7/1/09 7/1/06	6/30/10 6/30/07		1,106.01 1,007.16			1,106.01 1,007.16				
Body Armor Replacement	N/A	2,986.45 1,948.71		1/1/10 1/1/09	12/31/10 12/31/09		1,525.04			1,525.04				
Department of Transportation														
N.J. Transportation Trust Fund Authority Act: Main Street Cedar Swamp Road	6320-480-60139-61	175,000.00 200,000.00		2010 2009	Closing Closing	73,351.34 88,700.53	35,021.79	32,863.20 31,601.56			40,488.14 57,098.97	35,021.79		
N.J. Stimulus Trust Fund	NA	7,000.00		2010	Closing	7,000.00	3,290.00						7,000.00	3,290.00
Department of Law and Public Safety														
Drunk Driving Enforcement Fund	6400-100-78-6400-YYY	6,384.97 7,443.92		2010 2009	Closing Closing		6,384.97 1,838.77			1,623.23 1,838.77				4,761.74
						\$ 170,849.87	\$ 90,984.59	\$ 147,143.83	\$ 148,615.96	\$ 164,842.33	\$ 97,587.11	\$ 35,074.11	\$ 13,277.16	\$ 39,684.11

(1) The amount shown as expenditures for the Municipal Alliance Program, Stormwater Regulation Grant, Municipal Court Alcohol Education and Rehabilitation, Drunk Driving Enforcement, Buffer Zone Protection, and Clean Communities Program on this schedule versus Exhibit A-3 is different because Exhibit A-3 appropriated the entire grant amount from the current fund operating budget into the federal and state grant fund. In addition, the NJ Transportation Trust Fund Authority Act expenditures are reflected in the General Capital Fund rather than through the Current Fund budget.

TOWNSHIP OF LOGAN

COUNTY OF GLOUCESTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2011

NONE

TOWNSHIP OF LOGAN**SCHEDULE OF CASH AND RECONCILIATION PER N.J.S 40A:5-5**

	<u>Current Fund</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>	<u>Payroll Fund</u>	<u>General Capital Fund</u>
Balance, December 31, 2011	\$ 8,733,185.34	\$ 13,113.30	\$ 2,999,137.48	\$ 74,038.11	\$ 1,030,438.94
Increased by Receipts:					
Cash Receipts Record	6,268,873.76	3,535.53	62,429.83	1,012,769.84	76,301.39
	15,002,059.10	16,648.83	3,061,567.31	1,086,807.95	1,106,740.33
Decreased by Disbursements:					
Cash Disbursements Record	7,403,397.17	1,506.40	64,106.26	103,181.31	88,375.27
Balance, March 31, 2012	<u>\$ 7,598,661.93</u>	<u>\$ 15,142.43</u>	<u>\$ 2,997,461.05</u>	<u>\$ 983,626.64</u>	<u>\$ 1,018,365.06</u>
Balance on Deposit per Certification of:					
Colonial Bank	\$ 2,452,930.06	\$	\$	\$	\$
Sun National Bank			147,019.95		
Fulton Bank	1,724,077.48	15,142.43	3,138,039.94	119,560.27	1,018,365.06
TD Bank					
Century Bank	3,500,000.00				
Add: Deposits in Transit	2,127.50				
Less: Outstanding Checks	80,473.11		287,598.84	64,564.63	
Balance, March 31, 2012	<u>\$ 7,598,661.93</u>	<u>\$ 15,142.43</u>	<u>\$ 2,997,461.05</u>	<u>\$ 54,995.64</u>	<u>\$ 1,018,365.06</u>

CURRENT FUNDSCHEDULE OF CASH - CHIEF FINANCIAL OFFICER

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	8,950,535.42
Increased by Receipts			
Tax Collector	A-5	\$	22,091,596.95
Interfunds	A-6		225,746.07
State of New Jersey - Veteran and Senior Citizen Deductions	A-7		61,636.30
Revenue Accounts Receivable	A-11		4,186,429.41
State Share of Construction Fees	A-23		36,521.00
State Share of Marriage License Fees	A-23		675.00
Proceeds from Sale of Water Lines	A-24		760,685.00
			<hr/> 27,363,289.73
			<hr/> 36,313,825.15
Decreased by Disbursements			
Budget Appropriations	A-3		7,474,884.32
2010 Appropriation Reserves	A-14		103,470.64
Interfunds	A-6		476,580.14
Encumbrances Payable - Current Fund	A-16		169,574.25
Refund for Tax Overpayments	A-19		30,081.23
County Taxes Payable	A-20		7,171,529.25
Amount Due County for Added and Omitted Taxes	A-21		83,367.27
Local District School Taxes	A-22		11,888,100.40
Amount Paid to State of New Jersey - Fees	A-23		40,075.00
County Cogeneration Facility Share	A		79,908.02
Miscellaneous Accounts Receivable	A-25		1,585.45
Transfer to Municipal Open Space Trust Account	A-1		61,451.20
			<hr/> 27,580,607.17
Balance, December 31, 2011	A	\$	<hr/> <hr/> 8,733,217.98

CURRENT FUND**SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	(32.54)
Increased by:			
Taxes Receivable	A-8	\$ 21,647,606.95	
Tax Title Liens	A-9	927.81	
Revenue Accounts Receivable	A-11	68,102.81	
Prepayment of 2011 Taxes	A-18	374,959.28	
		<hr/>	22,091,596.85
			<hr/>
			22,091,564.31
Decreased by:			
Amount Paid to Chief Financial Officer	A-4		<hr/>
			22,091,596.95
Balance, December 31, 2011	A	\$	<hr/> <hr/> (32.64)

CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE

	Ref.	Total	Animal Control Fund	Federal and State Grant Fund	Payroll Fund	Trust Other Fund	General Capital Fund
Balance, December 31, 2010	A	\$ 9,840.85	\$ 1,074.66	\$ (26,987.11)	\$ 406.19	\$ 64,496.79	\$ (29,149.68)
Increased by							
Interest Earned	A-2(2)	9,251.30	49.66		327.81	6,467.82	2,406.01
State Grant Expenditures	A-4,17	157,606.60		157,606.60			
Cancellation of Grant Reserves	A-17	35,074.11		35,074.11			
Payments	A-4	290,887.15					290,887.15
Application Fees	A-2(2)	1,150.00				1,150.00	
Grant Fund Encumbrances Paid	A-4,15	28,086.39		28,086.39			
		<u>531,896.40</u>	<u>1,124.32</u>	<u>193,779.99</u>	<u>734.00</u>	<u>72,114.61</u>	<u>264,143.48</u>
Decreased by							
State Grant Funds Deposited in Current Fund	A-4,12	147,143.83		147,143.83			
Receipt	A-4	72,661.25	1,121.07			71,540.18	
Matching Share on State Grants	A-3,17	2,392.00		2,392.00			
Receipt of Unappropriated Reserves	A-4,13	5,940.99		5,940.99			
Cancellation of Grant Receivables	A-12	97,587.11		97,587.11			
2011 Budget Appropriations	A-3	263,967.15					263,967.15
		<u>589,692.33</u>	<u>1,121.07</u>	<u>253,063.93</u>		<u>71,540.18</u>	<u>263,967.15</u>
Balance, December 31, 2011	A	\$ <u>(57,795.93)</u>	\$ <u>3.25</u>	\$ <u>(59,283.94)</u>	\$ <u>734.00</u>	\$ <u>574.43</u>	\$ <u>176.33</u>
Interfunds Receivable		\$ 1,488.01					
Interfunds Payable		<u>(59,283.94)</u>					
		\$ <u>(57,795.93)</u>					

CURRENT FUND**SCHEDULE OF DUE TO STATE OF NEW JERSEY - SENIOR CITIZENS****AND VETERANS DEDUCTIONS PER CH. 20 P.L. 1971**

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	3,544.21
Increased by:			
Collection	A-4		61,636.30
			<u>65,180.51</u>
Decreased by:			
Senior Citizens' Deductions per Tax Billing		\$	15,250.00
Veterans' Deductions per Tax Billing			46,750.00
Sr. Citizen - Deduction Allowed by Tax Collector			1,250.00
Veterans' Deductions Allowed by Tax Collector			1,500.00
			<u>64,750.00</u>
Less: Senior Citizens' Deductions			
Disallowed by Tax Collector - 2011			(250.00)
Disallowed by Tax Collector - 2010			(2,044.52)
Disability Deductions			
Disallowed by Tax Collector - 2010			(569.18)
	A-8		<u>61,886.30</u>
Balance, December 31, 2011	A	\$	<u><u>3,294.21</u></u>

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

Year	Balance December 31, 2010	2011 Levy	Collected		State Share of Senior Citizens and Veterans Deductions	Overpayments Applied	Cancellations and Adjustments	Transferred to Tax Title Liens	Balance December 31, 2011
			2010	2011					
1992	\$ 22,754.97								\$ 22,754.97
1993	29,877.94								29,877.94
1994	233.10								233.10
1995	19,338.60								19,338.60
1996	297.58								297.58
1999	591.58								591.58
2000	1,417.88								1,417.88
2001	1,432.05								1,432.05
2003	1,593.94								1,593.94
2004	759.82								759.82
2005	1,604.29								1,604.29
2006	126.23								126.23
2008		29,380.79		29,380.79					
2009	4,040.55	36,411.46		40,307.73		175.70			319.98
2010	272,434.45	295,457.25		567,042.41	(2,613.70)	130,033.12	(129,830.05)	3,238.62	427.44
	356,502.98	361,249.50		636,730.93	(2,613.70)	130,208.82	(129,830.05)	3,238.62	80,775.40 *
2011		21,529,206.87	111,454.77	21,010,876.02	64,500.00	(73,532.52)	(16,331.09)	23,313.51	229,198.96
	\$ 356,502.98	\$ 21,890,456.37	\$ 111,454.77	\$ 21,647,606.95	\$ 61,886.30	\$ 56,676.30	\$ (146,161.14)	\$ 26,552.13	\$ 309,974.36
Ref.	A		A-1,2,18	A-1,2,5	A-1,2,7	A-1,2,19	A-19	A-9	A

*Represents arrears under bankruptcy

ANALYSIS OF 2011 PROPERTY TAX LEVY

Tax Yield		Ref.
General Purpose	\$ 21,139,212.40	
Municipal Open Space Tax	61,451.20	
Added by County Board Judgment	12,009.45	
Added and Omitted Taxes (54:5-63 et seq.)	307,661.80	
Rollback Taxes	8,872.02	
	<u>\$ 21,529,206.87</u>	A-8
<u>Tax Levy</u>		
Local District School Tax	\$ 11,905,912.00	A-22
County Tax	\$ 6,176,494.58	A-20
County Library Tax	501,156.21	A-20
County Open Space Preservation	492,821.31	A-20
Amount Due for Added, Omitted and Rollback Taxes	230,734.24	A-21
Total County Taxes	7,401,206.34	
Municipal Open Space Tax	61,451.20	
Local Tax for Municipal Purposes	2,058,615.16	A-2
Add Additional Tax Levied	102,022.17	
Local Tax for Municipal Purposes Levied	2,160,637.33	
	<u>\$ 21,529,206.87</u>	A-8

CURRENT FUND**SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$ 332,968.90
Increased by:			
Interest and Costs on Tax Sale of November 15, 2011		\$ 665.48	
Transfer from Taxes Receivable	A-8	26,552.13	
		<hr/>	27,217.61
			<hr/>
			360,186.51
Decreased by:			
Collections	A-5	927.81	
Transferred to Foreclosed Property	A-10	39,841.52	
		<hr/>	40,769.33
			<hr/>
Balance, December 31, 2011	A		\$ <u>319,417.18</u>

CURRENT FUND**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES****ASSESSED VALUATION**

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$ 135,733.56
Increased by:			
Transferred from Tax Title Liens	A-9	\$ 39,841.52	
Adjustment to Assessment		172,058.48	
		<hr/>	211,900.00
			<hr/>
Balance, December 31, 2011	A		<u>347,633.56</u>

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>Anticipated Revenue:</u>	Ref.	Balance December 31, 2010	Accrued in 2011	Collected by		Balance December 31, 2011
				Collector	Chief Financial Officer	
Township Clerk:						
Licenses:						
Alcoholic Beverages	A-2	\$	\$ 8,120.00	\$	8,120.00	\$
Municipal Court:						
Fines and Costs	A-2	21,534.43	223,483.37		230,619.17	14,398.63
Interest and Costs on Taxes	A-2		68,072.81	68,072.81		
Interest on Investments	A-2(2)	5,284.94	49,431.50		54,716.44	
Consolidated Municipal Property						
Tax Relief Aid	A-2		8,103.00		8,103.00	
Energy Receipts Tax	A-2		486,407.00		486,407.00	
Construction Code Official:						
Fees and Permits	A-2		220,269.00		220,269.00	
Interlocal Trash Agreement	A-2		137,873.84		126,634.58	11,239.26
Uniform Fire Safety Act Fees	A-2		117,867.08		117,867.08	
Logan Generating (Cogeneration Facility)	A-2	532,838.72	2,088,759.96		2,072,186.56	549,412.12
Soil Safe Revenue	A-2	52,525.15	261,654.68		240,974.20	73,205.63
Hotel Fee Revenue	A-2	7,450.41	150,577.50		148,531.95	9,495.96
Total Anticipated Revenue	A-2	\$ 619,633.65	\$ 3,820,619.74	\$ 68,072.81	\$ 3,714,428.98	\$ 657,751.60

CURRENT FUND**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance December 31, 2010	Accrued in 2011	Collected by		Balance December 31, 2011
				Collector	Chief Financial Officer	
Miscellaneous Revenue Not Anticipated						
Tax Search Officer		\$	\$ 30.00	\$ 30.00	\$	\$
Payment in Lieu of Taxes			179,689.80		179,689.80	
Municipal Improvement Search Fees			30.00		30.00	
Housing Inspection Fees/Fines			4,820.00		4,820.00	
Youth Park Events			2,065.00		2,045.00	20.00
Cable Television			22,174.22		22,174.22	
Senior Citizen Admin Fee			1,232.73		1,232.73	
Tennis Court Fees			45.00		45.00	
Copies, Lists, Etc.			253.81		253.81	
Clerk - Licenses, Other			1,721.00		1,721.00	
Voided Outstanding Checks			1,842.64		1,842.64	
Homestead Benefit Processing			411.00		411.00	
Waste Revenue			46,843.03		41,849.30	4,993.73
Insurance Refunds			11,267.17		11,267.17	
State Forestry Reimbursement			3,000.00		3,000.00	
Motor Vehicle Inspection			5,964.59		5,964.59	
Use of Township Vehicles		480.00	800.00		1,040.00	240.00
Police Administration Fees		2,123.50	1,484.50		3,207.50	400.50
Miscellaneous Refunds		107.36	5,585.07		3,956.47	1,735.96
Miscellaneous Other			1,109.96		1,109.96	
Miscellaneous Donations		500.00	8,472.00		8,972.00	
Non Budgeted Fees and Permits			10,686.24		10,686.24	
Clean Earth Dredging			88,136.00		88,136.00	
Hepatitis B			3,450.00		3,450.00	
Property Lists			460.00		460.00	
Solar Renewable Energy Certificates			41,650.00		41,650.00	
Weeks Marine Monitoring			31,426.00		31,426.00	
Department of Justice: Police Vests			1,560.00		1,560.00	
Total Unanticipated	A-2	3,210.86	476,209.76	30.00	472,000.43	7,390.19
Total		\$ 622,844.51	\$ 4,296,829.50	\$ 68,102.81	\$ 4,186,429.41	\$ 665,141.79
	Ref.	A		A-5	A-4	A

FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, 2010	2011 Grants	Receipts	Cancelled	Balance December 31, 2011
Clean Communities	\$	\$ 11,366.98	\$ 11,366.98	\$	\$
Municipal Alliance Program:					
2010	1,798.00		1,798.00		
2011		9,565.00	3,287.84		6,277.16
NJ Transportation Trust Fund - Cedar Swamp Rd	88,700.53		31,601.56	57,098.97	
NJ Transportation Trust Fund - Main Street	73,351.34		32,863.20	40,488.14	
Recycling Tonnage Grant		66,226.25	66,226.25		
NJ Business Stimulus Fund Grant	7,000.00				7,000.00
	<u>\$ 170,849.87</u>	<u>\$ 87,158.23</u>	<u>\$ 147,143.83</u>	<u>\$ 97,587.11</u>	<u>\$ 13,277.16</u>
<u>Ref.</u>	A	A-2	A-6	A-6	A

FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED

<u>Grant</u>	Balance December 31, 2010	2011 Receipts	Anticipated in 2011 Budget	Balance December 31, 2011
Recycling Tonnage Grant	\$ 59,065.73	\$	\$ 59,065.73	\$ -
Drunk Driving Enforcement Fund		3,822.05		3,822.05
Body Armor Fund		2,118.94		2,118.94
	<u>\$ 59,065.73</u>	<u>\$ 5,940.99</u>	<u>\$ 59,065.73</u>	<u>\$ 5,940.99</u>
<u>Ref.</u>	A	A-6	A-2	A

EXHIBIT A-14

CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES

<u>Appropriation</u>	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries & Wages:				
Municipal Clerk	\$ 6,694.63	\$ 694.63	\$	\$ 694.63
Financial Administration	2,492.25	492.25		492.25
Tax Assistance Admin	2,180.00	180.00		180.00
Public Buildings and Grounds	11,159.49	159.49		159.49
Police	6,667.05	1,167.05		1,167.05
Garbage and Trash	9,794.26	794.26		794.26
Senior Citizens	1,168.30	168.30		168.30
Other Expenses:				
Mayor and Council	469.45	469.45	191.20	278.25
Municipal Clerk's Office	5,900.58	4,600.58	3,103.38	1,497.20
Financial Administration	3,507.08	1,507.08	53.42	1,453.66
Engineering Services	4,276.80	46,276.80	45,461.45	815.35
Tax Assistance Admin	3,592.53	1,592.53	250.00	1,342.53
Legal Services	3,665.09	14,665.09	14,368.57	296.52
Public Buildings and Grounds	2,368.65	8,968.65	6,650.80	2,317.85
Planning Board	2,020.71	20.71		20.71
Zoning Board	1,898.78	1,898.78	33.26	1,865.52
Group Insurance	91.86	2,091.86	1,855.90	235.96
Other Insurance	1,662.99	1,662.99	662.99	1,000.00
Economic Development	3,602.80	602.80		602.80
Fire - Hydrant	397.51	797.51	633.94	163.57
Fire - BVFC	62.15	62.15	24.50	37.65
Fire - Logan	719.50	719.50	700.00	19.50
Fire -Repauno	1,813.56	1,813.56	274.30	1,539.26
Police	12,140.77	1,140.77	260.63	880.14
Fire Official	3,876.81	3,876.81	149.94	3,726.87
Road Repair	748.84	3,748.84	3,665.64	83.20
Garbage and Trash - Contractual	1,390.54	1,390.54	322.02	1,068.52
Garbage and Trash - Miscellaneous	16,854.13	1,854.13	600.00	1,254.13
Vehicle Maintenance	700.45	18,700.45	18,655.46	44.99
Senior Citizens	4,070.29	70.29		70.29
Environmental Health Services	1,419.54	1,419.54	109.20	1,310.34
Recreation	6,406.56	1,406.56	601.53	805.03
Construction Official	4,467.60	4,467.60	1,500.00	2,967.60
Natural Gas	2,099.69	99.69		99.69
Telephone	34.90	834.90	818.08	16.82
Social Security	2,581.44	2,581.44	2,524.43	57.01
Other Accounts No Changes	55,256.12	55,256.12		55,256.12
	<u>\$ 188,253.70</u>	<u>\$ 188,253.70</u>	<u>\$ 103,470.64</u>	<u>\$ 84,783.06</u>
<u>Ref.</u>	A		A-4	A-1

FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	47,786.66
Increased by:			
Charges to 2011 Grants:			
State Grants	A-17		7,235.73
			<u>55,022.39</u>
Decreased by:			
Payment	A-6		28,086.39
Balance, December 31, 2011	A	\$	<u><u>26,936.00</u></u>

CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	175,663.39
Increased by:			
Charges to 2011 Budget	A-3		133,343.25
			<u>309,006.64</u>
Decreased by:			
Payment	A-4	\$	169,574.25
Cancellation of Prior Year Orders	A-1		4,487.52
			<u>174,061.77</u>
Balance, December 31, 2011	A	\$	<u><u>134,944.87</u></u>

FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF RESERVES FOR STATE GRANTS - APPROPRIATED

Grant Period	Grant	Balance December 31, 2010	Transferred from 2011 Budget Appropriation	Expended by Current Fund	Cancelled	Balance December 31, 2011
2010	Clean Communities Program	\$ 10,409.65	\$	\$ 10,409.65	\$	\$
2011	Clean Communities Program		11,366.98	10,083.75		1,283.23
2010	Municipal Alliance Program	52.32			52.32	
2011	Municipal Alliance Program		11,957.00	11,956.74		0.26
2010	NJ Transportation Trust Fund	35,021.79			35,021.79	
2010	Rehabilitation Fund	1,106.01		1,106.01		
2003	Rehabilitation Fund	1,007.16		1,007.16		
2010	NJ Stimulus Trust Fund - Main Street	3,290.00				3,290.00
2009	Recycling Tonnage Grant	30,348.88				30,348.88
2010	Reserve for Recycling Tonnage Grant		59,065.73	59,065.73		
2011	Recycling Tonnage Grant		66,226.25	66,226.25		
2010	Body Armor Replacement	1,525.04		1,525.04		
2010	Drunk Driving Enforcement Fund	6,384.97		1,623.23		4,761.74
2009	Drunk Driving Enforcement Fund	1,838.77		1,838.77		
		<u>\$ 90,984.59</u>	<u>\$ 148,615.96</u>	<u>\$ 164,842.33</u>	<u>\$ 35,074.11</u>	<u>\$ 39,684.11</u>
		Ref. A			A-6	A
Matching Share - Township		A-3,6	\$ 2,392.00			
State Grant Funding		A-3	146,223.96			
			<u>\$ 148,615.96</u>			
Cash		A-4,6		\$ 157,606.60		
Encumbrances Payable		A-15		7,235.73		
				<u>\$ 164,842.33</u>		

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$ 111,454.77
Increased by		
Collection of 2012 Taxes	A-5	374,959.28
		<u>486,414.05</u>
Decreased by		
Application to 2011 Taxes Receivable	A-8	111,454.77
Balance, December 31, 2011	A	\$ <u>374,959.28</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$ 6,959.31
Increased by:		
Overpayments in 2011	A-8	56,676.30
		<u>63,635.61</u>
Decreased by:		
Refunds	A-4	30,081.23
Balance, December 31, 2011	A	\$ <u>33,554.38</u>

CURRENT FUND**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$ 1,057.15
2011 Tax Levy			
County Tax	A-8	\$ 6,176,494.58	
County Library Tax	A-8	501,156.21	
County Open Space Preservation	A-8	492,821.31	
	A-1,2	<u> </u>	7,170,472.10
			<u>7,171,529.25</u>
Decreased by			
Payments	A-4		<u>7,171,529.25</u>
Balance, December 31, 2011	A		<u><u>\$ -</u></u>

CURRENT FUND**SCHEDULE OF AMOUNT DUE COUNTY FOR ADDED TAXES**

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$ 94,551.41
Increased by			
County Share of:			
Added Taxes (R.S. 64:4-63.1 et seq.):			
2011	A-1,2,8		<u>230,734.24</u>
			325,285.65
Decreased by			
Payments	A-4	\$ 83,367.27	
Cancellation	A-1	11,184.14	
		<u> </u>	94,551.41
Balance, December 31, 2011	A		<u><u>\$ 230,734.24</u></u>

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

	<u>Ref.</u>		
Balance, December 31, 2010			
School Tax Payable	A	\$ 2,540,597.20	
School Tax Deferred		2,203,956.00	
		<hr/>	
			\$ 4,744,553.20
Increased by			
Levy - School Year July 1, 2011 to June 30, 2012	A-2,8		11,905,912.00
			<hr/>
			16,650,465.20
Decreased by			
Payments	A-4		11,888,100.40
			<hr/>
Balance, December 31, 2011			
School Tax Payable	A	\$ 1,958,408.80	
School Tax Deferred		2,803,956.00	
		<hr/>	
			\$ 4,762,364.80
			<hr/> <hr/>
2010 Liability for Local District Tax:			
Tax Paid		\$ 11,888,100.40	
Tax Payable December 31, 2011		1,958,408.80	
		<hr/>	
			\$ 13,846,509.20
Less Tax Payable December 31, 2010			<hr/>
			2,540,597.20
Amount Charged to 2011 Operations	A-1		<hr/> <hr/>
			\$ 11,305,912.00

CURRENT FUND**SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY**

	<u>Ref.</u>	<u>Total</u>	<u>Construction Code Surcharge Fees</u>	<u>Marriage License Fees</u>
Balance, December 31, 2010	A	\$ 10,736.00	\$ 10,386.00	\$ 350.00
Increased by:				
State Share of License Fees				
Training Fees for New				
Construction	A-4	37,196.00	36,521.00	675.00
		<u>47,932.00</u>	<u>46,907.00</u>	<u>1,025.00</u>
Decreased by:				
Disbursements	A-4	40,075.00	39,475.00	600.00
Balance, December 31, 2011	A	\$ <u>7,857.00</u>	\$ <u>7,432.00</u>	\$ <u>425.00</u>

CURRENT FUND**SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS**

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	2,990.56
Increased by:			
Receipt	A-4		760,685.00
			<u>763,675.56</u>
Decreased by			
Anticipated as Revenue	A-2		2,990.56
Balance, December 31, 2011	A	\$	<u><u>760,685.00</u></u>

CURRENT FUND**SCHEDULE OF MISCELLANEOUS ACCOUNTS RECEIVABLE**

	<u>Ref.</u>		
Balance, December 31, 2010	A	\$	1,146.95
Increased by:			
Payment	A-4		1,585.45
Balance, December 31, 2011	A	\$	<u><u>2,732.40</u></u>

TRUST FUND**SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	Ref.	Animal Control Fund	Other Trust Fund
Balance, December 31, 2010	B	\$ 14,393.96	\$ 3,074,559.96
Increased by Receipts			
State Dog License Fees	B-2	1,660.20	
Interest Earned	B-3	49.66	
State Dog License Fees	B-4	6,867.00	
Interest Earned - Trust Other	B-5		7,617.82
Prior Year Expenditure Refund	B-4	456.40	
Municipal Open Space Tax	B-6		63,542.35
Utility Escrow Deposits	B-7		17,643.07
Unemployment Compensation Receipts	B-8		15,034.56
Reserve for Developers' Escrow Fund	B-9		494,865.13
Developers' Recreation Deposits	B-10		232.63
Tax Title Lien Redemption	B-12		26,495.23
Tax Sale Premium	B-13		530.45
Canine Unit	B-14		650.00
Forfeiture Account	B-15		5.06
Fire Penalty Fees	B-16		600.00
COAH Fees	B-17		38,897.32
Reserve for Payroll Deductions Payable	B-18		3,530,766.78
Amount Due to Payroll	B-19		327.81
		<u>23,427.22</u>	<u>7,271,768.17</u>
Decreased by Disbursements			
State Dog License Fees	B-2	1,617.60	
Expenditures Made Under R. S. 4:19-15.11	B-4	7,575.25	
Amount Due to Current Fund	B-3	1,121.07	
Amount Due to Current Fund	B-5		71,540.18
Utility Escrow Deposits	B-7		25,745.00
Unemployment Compensation	B-8		16,866.30
Reserve for Developers' Escrow Deposits	B-9		560,420.03
Tax Title Lien Redemptions	B-12		26,495.13
Tax Sale Premium	B-13		7,130.45
Reserve for Canine Unit	B-14		2,519.15
Forfeiture Account	B-15		4,880.00
Fire Penalty Fees	B-16		
COAH Fees	B-17		2,122.00
Reserve for Payroll Deductions Payable	B-18		3,480,874.34
		<u>10,313.92</u>	<u>4,198,592.58</u>
Balance, December 31, 2011	B	\$ <u>13,113.30</u>	\$ <u>3,073,175.59</u>

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

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	5.80
Increased by:			
Collection of State License Fees	B-1		1,660.20
			<u>1,666.00</u>
Decreased by:			
Payments	B-1		1,617.60
			<u>1,617.60</u>
Balance, December 31, 2011	B	\$	<u><u>48.40</u></u>

TRUST FUND**SCHEDULE OF AMOUNT DUE TO CURRENT FUND****ANIMAL CONTROL FUND**

	<u>Ref.</u>		
Balance December 31, 2010	B	\$	1,074.66
Increased by:			
Interest Earned	B-1		49.66
			<u>49.66</u>
Decreased by:			
Payment to Current Fund	B-1		1,121.07
			<u>1,121.07</u>
Balance December 31, 2011	B	\$	<u><u>3.25</u></u>

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

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	13,313.50
Increased by:			
Prior Year Expenditure Refund	B-1	\$	456.40
Dog License Fees Collected	B-1		6,867.00
			<u>7,323.40</u>
			20,636.90
Decreased by:			
Expenditures Under R. S. 4:19-5.11:			
Cash	B-1		7,575.25
Balance, December 31, 2011	B	\$	<u><u>13,061.65</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2010	\$ 7,575.00
2009	6,788.40
	<u>\$ 14,363.40</u>

TRUST FUND**SCHEDULE OF AMOUNT DUE FROM CURRENT FUND****TRUST OTHER FUND**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ (64,496.79)
Increased by:		
Payment	B-1	71,540.18
		<u>7,043.39</u>
Decreased by:		
Interest Earned - Trust other	B-1	7,617.82
Balance December 31, 2011	B	\$ <u><u>574.43</u></u>

EXHIBIT B-6**TRUST FUND****SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE PRESERVATION**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 655,542.47
Increased by:		
Receipts:		
2011 Tax Levy		\$ 61,451.20
Interest Earned		2,091.15
	B-1	<u>63,542.35</u>
Balance December 31, 2011	B	\$ <u><u>719,084.82</u></u>

TRUST FUND**SCHEDULE OF RESERVE FOR UTILITY ESCROW DEPOSITS**

	<u>Ref.</u>	
Balance, December 31, 2010	B	\$ 65,129.84
Increased by:		
Utility Deposits	B-1	17,643.07
		<u>82,772.91</u>
Decreased by:		
Disbursements	B-1	25,745.00
		<u>25,745.00</u>
Balance, December 31, 2011	B	<u>\$ 57,027.91</u>

TRUST FUND**SCHEDULE OF RESERVE FOR UNEMPLOYMENT****COMPENSATION INSURANCE TRUST FUND**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 9,699.76
Increased by:		
Deposits	B-1	15,034.56
Decreased by:		
Expenditure	B-1	16,866.30
		<u>16,866.30</u>
Balance December 31, 2011	B	<u>\$ 7,868.02</u>

TRUST FUND**SCHEDULE OF RESERVE FOR INSPECTION ESCROW AND SITE PLAN DEPOSITS**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 1,635,705.13
Increased by:		
Deposits	B-1	494,865.13
		<u>2,130,570.26</u>
Decreased by:		
Payments	B-1	560,420.03
		<u>1,570,150.23</u>
Balance December 31, 2011	B	\$ <u><u>1,570,150.23</u></u>

TRUST FUND**SCHEDULE OF RESERVE FOR DEVELOPERS' RECREATION TRUST FUND**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 119,350.50
Increased by:		
Developer Deposits	B-1	232.63
		<u>119,583.13</u>
Balance December 31, 2011	B	\$ <u><u>119,583.13</u></u>

TRUST FUND**SCHEDULE OF RESERVE FOR DEVELOPERS' PERFORMANCE DEPOSITS**

	<u>Ref.</u>	
Balance, December 31, 2010 & 2011	B	\$ <u>36,306.79</u>
 <u>Analysis of Deposits</u>		
Biochemical Sciences, Inc.		\$ 6,802.06
Freightliner		21,206.91
R.E. Pierson		8,297.82
		<u>36,306.79</u>

TRUST FUND**SCHEDULE OF TAX TITLE LIEN REDEMPTIONS PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	202.68
Increased by:			
Receipt	B-1		26,495.23
			<u>26,697.91</u>
Decreased by:			
Disbursements	B-1		26,495.13
Balance, December 31, 2011	B	\$	<u><u>202.78</u></u>

TRUST FUND**SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	13,400.00
Increased by:			
Receipt	B-1		530.45
			<u>13,930.45</u>
Decreased by:			
Disbursements	B-1		7,130.45
Balance, December 31, 2011	B	\$	<u><u>6,800.00</u></u>

Analysis of Balance:

<u>Block</u>	<u>Lot</u>		
1404	5		200.00
1902	30		2,200.00
2004	17		900.00
2401	3		2,000.00
2601	66		1,100.00
2606	21		200.00
2701	11		200.00
			<u>6,800.00</u>
		\$	<u><u>6,800.00</u></u>

TRUST FUNDSCHEDULE OF RESERVE FOR CANINE UNIT

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	2,205.67
Increased by:			
Due to Current	B-1		650.00
			<u>2,855.67</u>
Decreased by:			
Payment	B-1		2,519.15
Balance, December 31, 2011	B	\$	<u><u>336.52</u></u>

TRUST FUNDSCHEDULE OF RESERVE FOR FORFEITURE ACCOUNT

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	5,207.87
Increased by:			
Receipts	B-1		5.06
			<u>5,212.93</u>
Decreased by:			
Payment	B-1		4,880.00
Balance, December 31, 2011	B	\$	<u><u>332.93</u></u>

TRUST FUND**SCHEDULE OF RESERVE FOR FIRE PENALTY FEES**

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	2,154.52
Increased by:			
Receipt	B-1		600.00
Balance, December 31, 2011	B	\$	<u>2,754.52</u>

TRUST FUND**SCHEDULE OF RESERVE FOR COAH FEES**

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	441,340.08
Receipts	B-1		38,897.32
			<u>480,237.40</u>
Decreased by:			
Payment	B-1		2,122.00
Balance, December 31, 2011	B	\$	<u>478,115.40</u>

TRUST FUND**SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2010	B	\$	23,411.67
Increased by:			
Deposits	B-1		3,530,766.78
			<u>3,554,178.45</u>
Decreased by:			
Payment	B-1	\$	3,480,874.34
Due to Current Fund	B-19		
			<u>3,480,874.34</u>
Balance, December 31, 2011	B	\$	<u><u>73,304.11</u></u>
<u>Analysis of Deposits</u>			
PERS		\$	15,349.68
PFRS			36,412.52
Logan PBA			304.00
Unallocated			21,237.91
			<u>73,304.11</u>
		\$	<u><u>73,304.11</u></u>

TRUST OTHER FUND**SCHEDULE OF AMOUNT DUE TO CURRENT FUND - PAYROLL**

	<u>Ref.</u>		
Balance December 31, 2010 (Due From)	B	\$	406.19
Increased by:			
Interest	B-1		327.81
Balance December 31, 2011 (Due To)	B	\$	<u><u>734.00</u></u>

GENERAL CAPITAL FUND**SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	<u>Ref.</u>		
Balance, December 31, 2010	C: C-3		\$ 789,048.87
Increased by Receipts			
Due from Current fund	C-4	\$ 290,887.15	
Interest Earned	C-4	2,406.01	
Bond Anticipation Note	C-12	1,045,000.00	
2011 Budget Appropriation:			
Capital Improvement Fund	C-7	75,000.00	
Deferred Charges	C-6	75,000.00	
		<hr/>	1,488,293.16
			<hr/> 2,277,342.03
Due to Current Fund	C-4	94,332.19	
Contracts Payable	C-10	445,607.52	
Improvement Authorizations	C-8	706,963.38	
		<hr/>	1,246,903.09
Balance, December 31, 2011	C: C-3		<hr/> <hr/> \$ 1,030,438.94

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	Balance December 31, 2010	Receipts			Disbursements				Balance December 31, 2011	
		Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorization	Miscellaneous	Transfers			
							To	From		
Fund Balance	\$ 65,507.47								\$ 75,643.48	
Capital Improvement Fund	878,758.38	75,000.00					10,136.01		635,758.38	
Contracts Payable	476,374.07					445,607.52	449,854.65		480,621.20	
Amount Due Current Fund	(29,149.68)		293,293.16			94,332.19		169,634.96	176.33	
Reserve for :										
Acquisition of Vehicles and Equipment	14,045.30						19,996.84	14,045.30	19,996.84	
Equipment and Office Building Equipment	455.00						30,798.42	455.00	30,798.42	
Building and Improvements	30,000.00						43,839.70	30,000.00	43,839.70	
HVAC System							75,000.00		75,000.00	
IMPROVEMENT AUTHORIZATIONS:										
<u>GENERAL IMPROVEMENTS:</u>										
<u>Ord. No.</u>										
2003-10	Installation of Water Lines	31,787.55								31,787.55
	Various Improvements to Township									
	Line Road Park	94,901.25								94,901.25
2008-19	Floodgate Reconstruction and Levee									
	Improvement Project	(63,500.00)	63,500.00							
2008-10	Acquisition of Land	12,136.01						12,136.01		
2008-25	Improvements to Municipal Complex	(515,618.24)	11,500.00							(504,118.24)
2009-16	Improvements to Various Streets and Roads	77,465.17				28,255.12		49,210.05		
2009-06	Solar Energy Project	45,000.00						45,000.00		
2010-17	Improvements to Various Streets and Roads	(371,648.40)				14,797.39		88,554.21		(475,000.00)
2010-9	Purchase of Motor Vehicles and Office Equipment	22,704.20				22,704.20				
2010-10	Purchase of Computers, Communication Equipment, and Office Building Equip	11,972.49				11,972.49				
2010-11	Municipal Building Improvements	7,858.30								7,858.30
2011-4	Purchase of Computers, Communication					455.00		455.00		
2011-5	Municipal Building Improvements					1,987.30		30,000.00		28,012.70
2011-6	Acquisition of Vehicles and Equipment					14,045.30		14,045.30		
2011-7	Installation of Lighting for the Township Line							50,000.00	47,264.85	2,735.15
2011-8	Acquisition of Public Works Equipment					5,871.00		200,000.00		194,129.00
2011-9	Improvements to Various Streets and Roads			475,000.00	59,185.48		25,000.00	264,825.54		175,988.98
2011-9	Acquisition of Fire Equipment						40,000.00			40,000.00
2011-9	Construction of Public Works Building						20,000.00			20,000.00
2011-10	Purchase of Municipal Sanitation Equipment			570,000.00	547,690.10		30,000.00			52,309.90
		\$ 789,048.87	\$ 150,000.00	\$ 293,293.16	\$ 1,045,000.00	\$ 706,963.38	\$ 539,939.71	\$ 1,086,125.92	\$ 1,086,125.92	\$ 1,030,438.94
Ref.		C-2	C-2	C-4	C-12	C-8	C-2			C-2

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

	<u>Ref.</u>		
Balance, December 31, 2010 (Due from)	C		\$ 29,149.68
Increased by:			
Payment	C-2	\$ 94,332.19	
Transfer from 2011 Budget:			
HVAC System	C-14	75,000.00	
Acquisition of Vehicles and Equipment	C-14	19,996.84	
Building and Improvements	C-14	43,839.70	
Purchase of Computers, Equipment, and Office Building Equipment	C-14	30,798.42	
		<hr/>	263,967.15
			<hr/> 293,116.83
Decreased by:			
Interest Earned	C-2	2,406.01	
Receipt	C-2	290,887.15	
		<hr/>	293,293.16
Balance, December 31, 2011 (Due to)	C		\$ <u><u>176.33</u></u>

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

	<u>Ref.</u>		
Balance, December 31, 2010	C		\$ 638,568.72
Decreased by:			
2011 Budget Appropriation:			
Municipal Bonds	C-11	\$ 260,000.00	
Green Acres Loan	C-9	11,637.84	
		<hr/>	271,637.84
Balance, December 31, 2011	C		\$ <u><u>366,930.88</u></u>

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

Ord. Number	Improvement Description	Balance December 31, 2010	2011 Improvement Authorization	Authorizations Cancelled	Funded by Budget Appropriation	Balance December 31, 2011	Analysis of Balance December 31, 2011		
							Unexpended Improvement Authorization	Expenditures	Bond Anticipation Notes
General Improvements:									
2003-10	Improvements to Various Streets and Roads	\$ 200,000.00	\$	\$	50,000.00	\$ 150,000.00	\$	\$	150,000.00
2003-10	Installation of Water Lines	260,000.00		31,787.55	60,000.00	168,212.45			168,212.45
2003-10	Various Improvements to Township Line Road Park	170,000.00			50,000.00	120,000.00			120,000.00
2006-17	Improvements to Various Streets and Roads	387,500.00			50,000.00	337,500.00			337,500.00
2008-10	Purchase of Sanitation Equipment	855,000.00			45,000.00	810,000.00			810,000.00
2008-10	Acquisition of Land	38,000.00			38,000.00				
2008-10	Improvements to Various Streets and Roads	475,000.00			25,000.00	450,000.00			450,000.00
2008-19	Floodgate Reconstruction and Levee Improvement Project	356,250.00			85,500.00	270,750.00			270,750.00
2008-25	Improvements to Municipal Complex	285,000.00			11,500.00	273,500.00		273,500.00	
2008-25	Purchase of Municipal Sanitation Equipment	300,083.84				300,083.84	69,465.60	230,618.24	
2009-16	Improvements to Various Streets and Roads	475,000.00			10,000.00	465,000.00			465,000.00
2009-06	Solar Energy Project	855,000.00		855,000.00					
2010-17	Improvements to Various Streets and Roads	475,000.00				475,000.00		475,000.00	
2011-09	Improvements to Various Streets and Roads		475,000.00			475,000.00			475,000.00
2011-09	Construction of Public Works Storage Building		380,000.00			380,000.00	380,000.00		
2011-09	Acquisition of Fire Equipment		760,000.00			760,000.00	760,000.00		
2011-10	Purchase of Municipal Sanitation Equipment		570,000.00			570,000.00			570,000.00
		<u>\$ 5,131,833.84</u>	<u>\$ 2,185,000.00</u>	<u>\$ 886,787.55</u>	<u>425,000.00</u>	<u>\$ 6,005,046.29</u>	<u>\$ 1,209,465.60</u>	<u>\$ 979,118.24</u>	<u>\$ 3,816,462.45</u>
		C				C			
	Deferred Charge Raised in Budget Bonds and Notes Authorized but Not Issued		\$	\$	75,000.00				
	Notes Paid by Budget Appropriation			1,140,000.00		350,000.00			
			<u>\$ 1,140,000.00</u>	<u>\$</u>	<u>425,000.00</u>				
	Bond anticipation Notes								\$ 3,848,250.00
	Cash on Hand								(31,787.55)
									<u>\$ 3,816,462.45</u>

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

	<u>Ref.</u>		
Balance, December 31, 2010	C	\$	878,758.38
Increased by:			
Improvement Authorization Cancelled	C-8	47,000.00	
2011 Budget Appropriation	C-2	<u>75,000.00</u>	
			<u>122,000.00</u>
			1,000,758.38
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8		<u>365,000.00</u>
Balance, December 31, 2011	C	\$	<u><u>635,758.38</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord No.	Improvement Description	Ordinance		Balance December 31, 2010		2011 Authorizations	Paid or Charged	Authorization Cancelled	Balance December 31, 2011	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
General Improvements:										
2003-10	Installation of Water Lines	6-4-03	\$ 500,000	\$	\$ 31,787.55	\$	\$	\$ 31,787.55	\$	-
	Various Improvements to Township Line Road Park	6-4-03	247,000		94,901.25					94,901.25
2008-10	Acquisition of Land	6-4-08	40,000		12,136.01			12,136.01		
2008-25	Purchase of Municipal Sanitation Equipment	11-17-08	400,000		69,465.60					69,465.60
2009-06	Solar Energy Project	11-16-09	900,000	45,000.00	855,000.00			900,000.00		
2009-16	Improvements to Various Streets and Roads	10-27-09	500,000		77,465.17		77,465.17			
2010-9	Purchase of Motor Vehicles and Office Equipment	8-17-10	22,704.20	22,704.20			22,704.20			
2010-10	Purchase of Computers, Communication Equipment and Office Building Equipment	8-17-10	11,972.49	11,972.49			11,972.49			
2010-11	Purchase of Computers, Communication Equipment, and Office Building Equipment	8-17-10	7,858.30	7,858.30					7,858.30	
2010-17	Improvements to Various Streets and Roads	12-7-10	500,000.00		103,351.60		103,351.60			
2011-4	Purchase of Computers, Communication Equipment and Office Building Equipment	8-16-11	455.00			455.00	455.00			
2011-5	Municipal Building Improvements	8-16-11	30,000.00			30,000.00	1,987.30		28,012.70	
2011-6	Acquisition of Vehicles and Equipment	8-16-11	14,045.30			14,045.30	14,045.30			
2011-7	Installation of Lighting for the Township Line Road Park Walkway	8-16-11	50,000.00			50,000.00	47,264.85		2,735.15	
2011-8	Acquisition of Public Works Equipment	8-16-11	200,000.00			200,000.00	5,871.00		194,129.00	
2011-9	Improvements to Various Streets and Roads	8-16-11	500,000.00			500,000.00	324,011.02			175,988.98
	Acquisition of Fire Equipment	8-16-11	800,000.00			800,000.00			40,000.00	760,000.00
	Construction of Public Works Building	8-16-11	400,000.00			400,000.00			20,000.00	380,000.00
2011-10	Purchase of Municipal Sanitation Equipment	8-16-11	600,000.00			600,000.00	547,690.10			52,309.90
				\$ 87,534.99	\$ 1,244,107.18	\$ 2,594,500.30	\$ 1,156,818.03	\$ 943,923.56	\$ 292,735.15	\$ 1,532,665.73
	Ref.		C	C				C-6,8	C	C
	Cash Disbursements	C-2,3				\$	\$ 706,963.38	\$		
	Capital Improvement Fund Appropriated	C-7				365,000.00				
	Reserve for Improvements	C-15				44,500.30				
	Cancelled to Capital Fund Balance	C-1						10,136.01		
	Cancelled to Capital Improvement Fund	C-7						47,000.00		
	Deferred Charges to Future Taxation Cancelled	C-6						31,787.55		
	Bonds and Notes Issued	C-12				1,045,000.00				
	Bonds and Notes Authorized but not Issued	C-13				1,140,000.00		855,000.00		
	Encumbrances Payable	C-9					449,854.65			
						\$ 2,594,500.30	\$ 1,156,818.03	\$ 943,923.56		

GENERAL CAPITAL FUND**SCHEDULE OF GREEN ACRES LOAN PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2010	C	\$	113,568.72
Decreased by:			
Payment	C-5		11,637.84
Balance December 31, 2011	C	\$	<u>101,930.88</u>

EXHIBIT C-10

GENERAL CAPITAL FUND**SCHEDULE OF CONTRACTS AND ENCUMBRANCES PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2010	C	\$	476,374.07
Increased by:			
2011 Encumbrance Payable	C-8		449,854.65
			<u>926,228.72</u>
Decreased by:			
Payment	C-2		445,607.52
Balance, December 31, 2011	C	\$	<u>480,621.20</u>

Analysis of Balance:

American Asphalt	\$	10,531.03
Atlantic Electric		47,264.85
Asphalt Paving Systems		14,188.62
Asphalt Paving Systems		4,838.50
GranTruck Equip. Co		1,208.40
SMB Paving, LLC		402,589.80
		<u>480,621.20</u>
	\$	<u>480,621.20</u>

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

Purpose	Date of Issue	Original Issue	Maturities At December 31, 2011		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Various General Improvements	11/1/1992	\$ 4,395,000	11/1/12	\$ 265,000	5.90 %	\$ 525,000.00		\$ 260,000.00	\$ 265,000.00
					Ref.	C		C-5	C

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

Ord No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
2003-10	Improvements to Various Streets and Roads	11-26-03	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	\$ 200,000.00	\$ 150,000.00	\$ 200,000.00	\$ 150,000.00
2003-10	Various Improvements to Township Line Road Park	11-26-03	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	170,000.00	120,000.00	170,000.00	120,000.00
2003-10	Installation of Water Lines	11-22-05	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	260,000.00	200,000.00	260,000.00	200,000.00
2006-17	Improvements to Various Streets and Roads	11-8-06	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	387,500.00	337,500.00	387,500.00	337,500.00
2008-10	Improvements to Various Streets and Roads	11-13-08	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	475,000.00	450,000.00	475,000.00	450,000.00
2008-10	Purchase of Sanitation Equipment	11-13-08	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	855,000.00	810,000.00	855,000.00	810,000.00
2008-10	Acquisition of Land	11-13-08	12-7-10	11-8-11	1.00 %	38,000.00		38,000.00	
2008-10	Floodgate Reconstruction / Levee Project	11-12-09	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	292,750.00	270,750.00	292,750.00	270,750.00
2009-16	Improvements to Various Streets and Roads	12-7-10	12-7-10 11-7-11	11-8-11 11-6-12	1.00 % 1.29 %	475,000.00	465,000.00	475,000.00	465,000.00
2011-9	Improvements to Various Streets and Roads	11-7-11	11-7-11	11-6-12	1.29 %		475,000.00		475,000.00
2011-10	Acquisition of Municipal Sanitation Equipment	11-7-11	11-7-11	11-6-12	1.29 %		570,000.00		570,000.00
						\$ 3,153,250.00	\$ 3,848,250.00	\$ 3,153,250.00	\$ 3,848,250.00
					Ref.	C			C
	Paid by Budget Appropriation	C-6					\$	\$ 350,000.00	
	Issued	C-4					1,045,000.00		
	Reissued	C-12					2,803,250.00	2,803,250.00	
							\$ 3,848,250.00	\$ 3,153,250.00	

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

Ordinance Number	Improvement Description	Balance December 31, 2010	Bond Anticipation Notes Issued	Amount Raised in 2011 Budget	Bond Anticipation Notes Authorized	Bond Anticipation Notes Cancelled	Balance December 31, 2011
2008-19	Floodgate Reconstruction and Levee Improvement Project	\$ 63,500.00	\$	\$ 63,500.00	\$	\$	-
2008-25	Purchase of Municipal Sanitation Equipment Improvements to Municipal Complex	300,083.84 285,000.00		11,500.00			300,083.84 273,500.00
2010-17	Improvements to Various Streets and Roads	475,000.00					475,000.00
2009-06	Solar Energy Project	855,000.00				855,000.00	
2011-9	Acquisition of Fire Equipment				760,000.00		760,000.00
2011-9	Construction of Public Works Storage Building				380,000.00		380,000.00
		<u>\$ 1,978,583.84</u>	<u>\$ -</u>	<u>\$ 75,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 855,000.00</u>	<u>\$ 2,188,583.84</u>
<u>Ref.</u>		C	C-6	C-12	C-6	C-2	C

GENERAL CAPITAL FUND
SCHEDULE OF RESERVES FOR IMPROVEMENTS

	<u>Ref.</u>	<u>Total</u>	<u>HVAC System</u>	<u>Purchase of Vehicles and Equip.</u>	<u>Municipal Building Improvements</u>	<u>Purchase of Computers and Other Equipment</u>
Balance, December 31, 2010	C	\$ 44,500.30	\$	\$ 14,045.30	\$ 30,000.00	\$ 455.00
		-				
Increased by:		-				
Due from Current Fund	C-4	169,634.96	75,000.00	19,996.84	43,839.70	30,798.42
		139,135.26	75,000.00	34,042.14	73,839.70	31,253.42
Decreased by:						
Appropriated to Fund Capital Ordinances	C-2	44,500.30		14,045.30	30,000.00	455.00
Balance, December 31, 2011	C	\$ 169,634.96	\$ 75,000.00	\$ 19,996.84	\$ 43,839.70	\$ 30,798.42

ADDITIONAL DATA

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

	Year 2011		Year 2010	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,600,000.00	12.02	\$ 3,365,400.00	10.65
Miscellaneous from Other Than Local Property Tax Levies	4,577,506.94	15.29	4,719,503.63	14.94
Collection of Delinquent Taxes and Tax Title Liens	504,836.22	1.69	1,149,885.52	3.64
Collection of Current Tax Levy	21,260,363.31	71.00	22,354,139.30	70.77
	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	29,942,706.47	100.00	31,588,928.45	100.00
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	8,370,752.76	30.77	8,128,326.07	29.30
County Taxes	7,401,206.34	27.21	7,544,537.39	27.20
Local School Taxes	11,305,912.00	41.56	12,004,146.00	43.28
Municipal Open Space Tax	61,451.20	0.23	61,830.96	0.22
Other Expenditures	62,513.00	0.23	48.60	0.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	27,201,835.30	100.00	27,738,889.02	100.00
	<hr/>	<hr/>	<hr/>	<hr/>
Excess in Revenue	2,740,871.17		3,850,039.43	
Fund Balance, January 1	5,678,855.37		5,194,215.94	
	<hr/>		<hr/>	
	8,419,726.54		9,044,255.37	
	<hr/>		<hr/>	
Less: Utilization as Anticipated Revenue	3,600,000.00		3,365,400.00	
	<hr/>		<hr/>	
Fund Balance, December 31	\$ 4,819,726.54		\$ 5,678,855.37	
	<hr/>		<hr/>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate:</u>	\$3.370	\$3.375	\$3.155
Apportionment of Tax Rate:			
Municipal	0.335	0.335	0.335
County	1.006	1.043	0.975
County Library	0.082	0.083	0.079
Local School	1.937	1.941	1.928
Open Space	0.080	0.082	0.077
Local Open Space	0.010	0.010	0.010

Assessed Valuation:

2011	\$614,511,988		
2010		\$618,309,615	
2009			\$629,724,959

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>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$21,529,206.87	\$21,260,363.31	98.75%
2010	22,649,888.33	22,354,139.30	98.69%
2009	22,516,757.41	22,068,110.81	98.01%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>December 31, Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$319,417.18	\$309,974.36	\$629,391.54	2.92%
2010	332,968.90	356,502.98	689,471.88	3.04%
2009	308,483.59	380,514.06	688,997.65	3.06%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATIONS

There were four properties were acquired in 2011 by foreclosure or by deed as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2011	\$	347,633.56
2010		135,733.56
2009		135,733.56
2008		135,733.56
2007		113,655.00
2006		113,655.00
2005		113,655.00

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>		<u>Balance December 31</u>		<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2011	\$	4,819,726.54	\$	3,100,000.00
	2010		5,678,855.37		3,600,000.00
	2009		5,194,215.94		3,365,400.00
	2008		5,181,810.14		2,845,000.00
	2007		5,050,116.02		2,695,000.00
	2006		4,665,250.22		3,225,000.00
	2005		4,633,477.04		2,720,000.00
	2004		4,412,903.78		2,650,000.00
	2003		5,159,843.80		2,700,000.00
	2002		5,080,041.33		2,295,500.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Frank W. Minor	Mayor	(A)
Doris Hall	Deputy Mayor	(A)
Stephen Dougherty	Councilperson	(A)
Christopher Morris	Councilperson	(A)
Bernadine Jackson	Councilperson	(A)
Robert L. Best, CPA	Chief Financial Officer	\$ 20,000 (B)
	Land Use Administrative Officer	
Lyman Barnes (From 1/18/11)	Administrator	
Rosanne Pyle	Tax Collector, Tax Search Collector	(A)
Beth A. Walls	Deputy Tax Collector-Tax Search Collector	(A)
Margaret Smith	Assistant Treasurer	(A)
	Land Use Administrative Officer	
Linda L. Oswald	Township Clerk, Dog Registrar Municipal Search Officer, and Registrar of Vital Statistics	(A)
Brian Schneider	Tax Assessor	(A)
Brian Duffield	Solicitor	(A)
Charles Bastow	Construction Official	(A)
Thomas M. North	Magistrate	(A)
Lori Zane	Court Administrator	(A)
Rita Weber	Deputy Court Administrator	(A)
Remington and Vernick	Engineer	(A)
Barbara McGill	Construction Office Control Person	(A)
David McCormick	Superintendent of Public Works	(A)
Phyllis Atkinson	Fire Official	(A)

- (A) \$950,000 Blanket Position Employees Bond - The Hartford ITT Group
- (B) Harleysville Mutual Insurance Company

TOWNSHIP OF LOGAN

COUNTY OF GLOUCESTER

PART II

INTERNAL CONTROL COMMENTS

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

INTERNAL CONTROL COMMENTS

Payment of Claims

N.J.S.A. 40A:5-16 requires that the governing body of any local unit shall not pay out any of its monies unless the person claiming the same shall first present a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct and unless it carries a certification of a Township employee having knowledge of the facts that the goods have been received, or the services rendered, to the Township. The Township is using the voucher system in compliance with statutory requirements during the audit year.

Payroll

Internal control is enhanced by the approval of all time sheets. While it is recognized that such approvals may be difficult to obtain and provide limited assurance, it is suggested that such internal control procedures be followed.

Municipal Court

The municipal court was converted to ATS in 1995 and ACS in 1996. While the records appear to be in good condition, the State-formatted output reports for receipts and disbursements do not include all miscellaneous transactions such as overpayments. As a result, a manual analysis documenting adjustments between the State-required reports and cash transactions reflected on the monthly bank reconciliation is maintained to enhance internal control.

Quotation Forms for Expenditures \$3,150

At this time, the standard form used by Township personnel to document the solicitation of quotations is being completed with specific details such as dates, contact person, method of contact, department, and the name of the person obtaining the quotation. Such detail enhances the level of internal control, which is instrumental in assuring the most beneficial vendor, all factors considered. It appears that the appropriate form is being used in all cases.

Land Development Ordinance

As a result of the number of Escrow and Developers Accounts with open invoices, it is suggested that the adequacy of the required initial deposits be reviewed on an ongoing basis to provide assurance that sufficient funds are available to pay for the related invoices.

Planning and Zoning Boards Escrow Funds

An in-house computer is currently being used to maintain the accounting records as well as to provide related internal controls for planning and zoning board escrow funds. The volume of escrow transactions requires continued monitoring, including periodic reconciliation with the cash balances and analysis for proper disposition.

INTERNAL CONTROL COMMENTS (Continued)

Planning and Zoning Boards Escrow Funds (Continued)

The current escrow software program and related procedures appears to provide for the necessary backup of escrow files as dictated by proper internal control. A checklist of computer runs to be processed should be reviewed on an ongoing basis to simplify the selection of necessary reports to be processed, including a year-end trial balance of open escrow balances, which reconciles with the various bank accounts.

While the existing program possesses the capability to calculate interest, it continues to require monitoring, to ensure that interest earned on escrow deposits is computed in compliance with **N.J.S.A.** 40:55D-53.1 and that, interest allocated to the Current Fund should be transferred periodically on a timely basis from the escrow accounts to the general account.

Tax Office - Resolutions for Overpayments

As required by Statute, resolutions were approved authorizing refund or application of tax overpayments in order to provide internal control over tax transactions. Refunds of overpayments recorded in the tax office computer system are in agreement with refunds paid through the separate finance office computer accounting system.

Accumulated Sick Pay

In order to document proper internal control over accumulated sick pay, time sheets or a similar report are reviewed and verified. It is also suggested that the Township consider establishing a reserve for accumulated absences through budget appropriation in order to address the amount of unfounded sick pay.

Contractual Revenue – Soil Safe Contract

An agreement exists between Logan Township and Gloucester County reflecting a host fee be allocated to Logan Township out of the contractual payments due from Soil Safe to the County. The receipt of revenue is expected to continue at least through 2012.

Dog License Fees

It was noted during the year under audit that internal control over the accounting and reporting of Dog License fees appeared to be adequate.

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the costs 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 a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has a prior negative experience with the bidder." No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate of \$21,000 except by contract or agreement.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory 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.

Our examination of bids revealed no exceptions as to the required procedures for solicitation of bids.

N.J.S. 40A:11-5 provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services, which include but are not limited to solicitors, engineers and accountants. However, in lieu of requiring formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (**N.J.S. 40A:11-5(1) (a) (i)**):

"The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file ."

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER
N.J.S. 40A:11-4 (Continued)**

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

Engineer	Solicitor	Auditor	Special Counsel
Magistrate	Public Defender		Prosecutor

Inasmuch as the system of records did not provide for an accumulation of payments for categories or materials and supplies or related work or labor, 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 revealed that individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the hiring of any material 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** were bid.

**AWARDS OR PURCHASES, CONTRACTS OR AGREEMENTS BY QUOTATIONS
N.J.S. 40A:11-6.1**

All contracts enumerated in this section shall be awarded as follows:

- a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, which is \$3,150 and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.
- b. When in excess of the bid threshold, and after documented effort by the contracting agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body.
- c. If authorized by the governing body by resolution or ordinance, all contracts that are in the aggregate less than 15 percent of the bid threshold may be awarded by the contracting agent without soliciting competitive quotations.

AWARDS OR PURCHASES, CONTRACTS OR AGREEMENTS BY QUOTATIONS
N.J.S. 40A:11-6.1 (Continued)

- d. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.

Our examination of expenditures revealed that the Township was in compliance as to the required solicited quotes, in accordance with the Local Public Contracts Law, with one minor exception.

STATE CONTRACT PURCHASES

It was noted that during the year under review, the Township made purchases, including Computers and Fertilizing Township Property, utilizing the state contract system. Resolutions awarding said contract were approved by the governing body as required by **N.J.A.C. 5:34-1.2**.

COLLECTION OF INTEREST ON DELINQUENT TAXES

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 4, 2011, adopted the following resolutions authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township of Logan, County of Gloucester and State of New Jersey:

Section 1. Interest shall be charged at the rate of eight (8%) percent per annum on the first \$1,500.00 of delinquent taxes and at the rate of eighteen (18%) percent per annum on any amount of delinquent taxes in excess of \$1,500.00.

Section 2. Interest shall be charged on all taxes due for February 1, May 1, August 1, and November 1, if those taxes shall not have been paid on or before those dates. However, no interest shall be charged on any such delinquent accounts until the taxes are more than ten (10) days late. In addition, a penalty of six percent (6%) shall be charged to a taxpayer with a delinquency in excess of ten thousand dollars (\$10,000) who fails to pay the delinquency prior to the end of the calendar year. Delinquency shall mean the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters of years.

COLLECTION OF INTEREST ON DELINQUENT TAXES (Continued)

Section 3. The collector of taxes of the Township of Logan shall be charged with the responsibility of collecting such interest, as aforesaid, with such payments of all delinquent taxes for the year 2011.

Section 4. In the event of the delinquency leading to tax sale, such sale shall be made in fee to such person as will purchase the property, subject to redemption at the lowest rate of interest, but in no case in excess of eighteen (18%) percent per annum. If at the sale a person shall offer to purchase subject to redemption at a rate of interest less than one (1%) percent, he may, in lieu of any rate of interest to redeem, offer a premium over and above the amount of taxes, assessments of other charges due to the Township, and the property shall be struck off and sold to the bidder who offers to pay the amount of such taxes, assessments or charges, plus the highest amount of premium.

Section 5. Pursuant to N.J.S.A. 54:5-34, the officer at a tax sale which has resulted in a purchase by the municipality shall strike off and sell to the municipality in fee for redemption any parcel of real estate purchased in accordance with a successful bid made pursuant to a Resolution of the governing body or at eighteen (18%) percent any parcel of real estate for which there shall be no other purchaser, and the municipality shall have the same remedies and rights as other purchasers, including the right to bar or foreclose the right of redemption.

Section 5A. In accordance with N.J.S.A. 54:5-61, interest shall be charged on account of a tax sale certificate at the rate of two percent (2%) of the amount paid for the tax title when the taxes, interest and costs exceed the sum of Two Hundred Dollars (\$200). When the taxes, interest and costs exceed the sum of Five Thousand Dollars (\$5,000), such additional sum shall be equal to four percent (4%) of the amount paid; and when that sum exceeds Ten Thousand Dollars (\$10,000), such additional sum shall be equal to six percent (6%) of such amount paid.

Section 6. A certified copy of this resolution shall be furnished to the collector of Taxes and to the Township Auditor to be retained by them as evidence of the authority herein given.

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

The last tax sale was held on November 14, 2011, and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2011	35
2010	49
2009	40

DELINQUENT TAXES AND TAX TITLE LIENS (Continued)

It is essential to good management that all means provided by statute be utilized to liquidate tax liens by seriously undertaking foreclosure proceedings on appropriate properties in order to get such properties back on a taxpaying basis. In 1996, a foreclosure of four properties was completed.

There existed several old outstanding delinquent taxes under bankruptcy dating back to 1992, which were pursued for proper disposition during 2011. In addition, there exists one material tax title lien, which is involved with environmental issues and continues to be evaluated as to tax assessment, foreclosure or cancellation.

TAX OVERPAYMENTS

Tax overpayments appear to be maintained on a current basis and refunded or applied appropriately, including 2010 overpayments applied to 2011 taxes by resolution. This is regarded as a necessary internal control approval procedure.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2012 Taxes	80
Payment of 2011 Taxes	80
Delinquent Taxes	50
Tax Title Liens	16

The result of the test, which was made as of November 30, 2011 and December 31, 2011, did not reveal any irregularities as determined by audit of each returned notice and evaluation of results.

OTHER COMMENTS

Municipal Court

A separate report of the municipal court transactions was filed in accordance with the requirements of the Local Finance Board. As part of the test of the records, no attempt was made to differentiate between fines due the Township, County or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

OTHER COMMENTS (Continued)

Planning and Zoning Boards Escrow Funds

An in-house computer is currently being used to maintain the accounting records as well as provide related internal controls for planning and zoning board escrow funds. A trial balance of open escrow accounts was processed as of December 31, 2011, which included a formal reconciliation of the escrow account balances to the appropriate bank accounts.

Interest earned on prior year escrow deposits should also be evaluated to ensure compliance with **N.J.S.A.** 40:55D-53.1. An allocation of interest between the Township and Escrow accounts was generally made and the interest due to the Township was transferred to the Current Fund in 2005. The balance in interest due to the current fund is in the process of being totaled for the appropriate transfer of cash.

Improvement was noted in the area of analyzing escrow deposits and the older escrow deposits are being reviewed for proper disposition.

Pension Enrollment

Pension enrollment eligibility for Township employees was evaluated per the parameters for enrollment as mandated by the New Jersey Division of Pensions. It appears that enrollment is in accordance with the required parameters.

Accounts Receivable and Reserves

There exists various older accounts receivable and reserve balances in the grant and general capital funds, which are being reviewed for proper disposition by collection, expenditure, cancellation, or refund to the proper grantor.

Payroll

Various procedures covering payroll and payroll deductions appeared to be followed in accordance with Township policy and state statute.

Assignment of Duties

Due to the limited number of Township employees, it is difficult to provide what would be considered an adequate segregation of duties in the maintenance of accounting records, cash receipts, cash disbursements, preparation of bank reconciliation's, and the review, approval, and distribution of payroll checks. The Township Council, however, does not believe that the potential benefit of hiring additional employees would outweigh the cost of doing so at this time. Management and council members, charged with governance, do perform monitoring procedures that constitute effective compensating controls to help mitigate the control deficiencies identified above. Examples are reviewing significant fluctuations between actual and budgeted results of operations, reviewing other monthly reports and initiating various inquiries.

FINDINGS AND RECOMMENDATIONS

Finding 1-2011 – Encumbrance Method of Expenditures

Condition

A computer system with a full encumbrance package is available. However, not all expenditures in 2011 were recorded on the encumbrance method.

Criteria

Technical Directive No. 1 of the Director of the Division of Local Government Services requires that budget expenditures be maintained through a full encumbrance system of accounting

Effect

Expenditures were not recorded in the budget expenditure accounting system when incurred but rather when paid.

Cause

Adequate time does not appear to be expended in the performance of this procedure.

Corrective Action

Township Officials need to pursue the implementation of a fully functional encumbrance expenditure accounting system.

Recommendation

The encumbrance method of recording expenditures should be fully implemented in accordance with Technical Accounting Directive No. 85-1 of the Division of Local Government Services.

FOLLOW-UP ON PRIOR YEAR'S RECOMMENDATIONS

In accordance with governmental auditing standards, our procedures included a review of the prior year's recommendations, which were corrected during the year with the exception of the following:

1. The encumbrance method of recording expenditures should be fully implemented in accordance with Technical Accounting Directive No. 85-1 of the Division of Local Government Services.