

TOWNSHIP OF GLOUCESTER
County of Camden

Report of Audit of Financial Statements

For the Period July 1, to December 31, 2010

TOWNSHIP OF GLOUCESTER
COUNTY OF CAMDEN

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TOWNSHIP OF GLOUCESTER

PART I

Report of Audit of Financial Statements

For the Period July 1, to Decmeber 31, 2010

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Gloucester
County of Camden
Blackwood, New Jersey

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2010, and the related statements of operations and changes in fund balance - regulatory basis for the six month period then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis for the six month period ended December 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township of Gloucester, in the County of Camden, State of New Jersey, prepares its financial statements using accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2010, or the results of its operations and changes in fund balance for the six month period then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2010, and the results of its operations and changes in fund balance - regulatory basis of such funds for the six month period then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the six month period ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2011 on our consideration of the Township of Gloucester, in the County of Camden, State of New Jersey'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 our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Gloucester's financial statements as a whole. The supplemental exhibits presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the financial statements. The supplemental exhibits for the various funds and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
April 21, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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

The Honorable Mayor and
Members of the Township Council
Township of Gloucester
County of Camden
Blackwood, New Jersey

We have audited the financial statements (regulatory basis) of the Township of Gloucester, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2010, which collectively comprise the Township of Gloucester basic financial statements and have issued our report thereon dated April 21, 2011. Our report indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Gloucester'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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the management, the governing body, others within the Township of Gloucester and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read "R A Stewart". The signature is written in a cursive, somewhat stylized font.

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
April 21, 2011

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Statutory Basis
As of December 31, 2010

	<u>REFERENCE</u>	<u>2010</u>
<u>ASSETS</u>		
Current Fund:		
Cash	A-4	\$ 5,136,733.67
Cash - Change Fund	A-5	850.00
		<hr/>
Sub-total Cash		5,137,583.67
Due from State of New Jersey:		
Federal Emergency Management Aid		291,612.35
Senior Citizens' and Veterans Deductions	A-6	88,267.20
		<hr/>
		5,517,463.22
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	A-7	1,558,007.87
Tax Title Liens Receivable	A-8	205,967.52
Property Acquired for Taxes - Assessed Valuation	A-9	2,080,941.73
Revenue Accounts Receivable	A-10	230,711.65
Miscellaneous Liens Receivable		6,680.00
Tax Abatements Receivable	A-12	73,035.16
Miscellaneous Accounts Receivable		9,048.33
Police Outside Services Receivable		77,932.77
Due from Federal and State Grant Fund	A	239,223.16
Due from Capital Fund	C	141.67
Due from Trust -- Animal Control Fund	B	61.59
Due from Trust - Other Funds	B	6,594.82
		<hr/>
		4,488,346.27
Deferred Charges:		
Special Emergency Authorizations	A-13	978,000.00
		<hr/>
		978,000.00
		<hr/>
Total Current Fund		10,983,809.49
Federal and State Grant Fund:		
Cash	A-4	
Federal and State Grants Receivable	A-14	1,063,400.10
		<hr/>
Total Federal and State Grant Fund		1,063,400.10
		<hr/>
Total Assets		\$ 12,047,209.59
		<hr/> <hr/>

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TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Statutory Basis
As of December 31, 2010

	<u>REFERENCE</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	A-3	\$ 1,082,764.58
Reserve for Encumbrances	A-3	128,015.29
Accounts Payable		1,727.50
Special Emergency Note Payable		1,014,000.00
Reserve for Cost of Revaluation		86,713.74
Prepaid Taxes	A-4	469,983.31
Tax Overpayments		17.90
Due to Local School District		34,492.75
Due State of New Jersey – Marriage Licenses		1,700.00
Due State of New Jersey – State Training Fees		9,693.00
Due to Trust Other Fund	B	<u>793,394.65</u>
		3,622,502.72
Reserve for Receivables and Other Assets	A	4,488,346.27
Fund Balance	A-1	<u>2,872,960.50</u>
		<u>10,983,809.49</u>
Federal and State Grant Fund:		
Contracts Payable	A-17	1,048.24
Due to Current Fund	A	239,223.16
Reserve for Federal and State Grants:		
Unappropriated Reserves	A-15	40,313.17
Appropriated Reserves	A-16	<u>782,815.53</u>
Total Federal and State Grant Fund		<u>1,063,400.10</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,047,209.59</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

EXHIBIT A-1

Current Fund

Statement of Operations and Changes In Fund Balance - Statutory Basis
For the Six Month Period Ended December 31, 2010

Revenue and Other Income Realized

Fund Balance Utilized	\$ 191,196.00
Miscellaneous Revenue Anticipated	7,400,884.57
Receipts from Delinquent Taxes	13,343.33
Receipts from Current Taxes	69,437,007.69
Non-Budget Revenues	313,416.57
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	271,982.88
Prior Year Tax Overpayments Canceled	62,502.08
Prior Year Regional School Taxes Canceled	43,847.59
Prior Year Tax Abatements Liquidated	106,014.76
Liquidation of Prior Year Interfunds	3,173.52
	<hr/>
Total Revenue and Other Income Realized	77,843,368.99

Expenditures

Operations Within "CAPS":	
Salaries and Wages	9,650,478.00
Other Expenses	9,377,493.61
Deferred Charges and Statutory Expenditures Within "CAPS"	723,786.39
Operations Excluded from "CAPS":	
Salaries and Wages	
Other Expenses	224,767.14
Municipal Debt Service Excluded from "CAPS"	2,355,544.52
Deferred Charges Excluded "CAPS"	338,000.00
County Taxes	15,740,339.75
Fire District Taxes	2,837,801.50
Local District School Tax	21,362,332.00
Regional High School Tax	11,573,120.18
Municipal Open Space Tax	661,889.50
Interfunds Created	178,327.67
	<hr/>
Total Expenditures	75,023,880.26
Statutory excess to fund balance	2,819,488.73
Fund Balance July 1, 2010	244,667.77
	<hr/>
Total	3,064,156.50
Decreased by - Utilized as Revenue	191,196.00
	<hr/>
Fund Balance December 31, 2010	\$ 2,872,960.50

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Revenues - Statutory Basis
For the Period July 1, to December 31, 2010

	<u>Budget</u>	<u>Special NJS</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess</u> <u>(Deficit)</u>
<i>Fund Balance Anticipated</i>	\$ 191,196.00		\$ 191,196.00	
<i>Miscellaneous Revenues:</i>				
<i>Local Revenues:</i>				
Licenses:				
Other	5,000.00		7,963.00	\$ 2,963.00
Fees and Permits	25,000.00		21,135.00	(3,865.00)
Fines and Costs - Municipal Court	300,000.00		928,156.33	628,156.33
Interest and Costs on Taxes	50,000.00		69,021.87	19,021.87
Interest on Investments and Deposits	26,156.00		81,694.48	55,538.48
Recreation Fees	30,000.00		51,675.44	21,675.44
Payment in Lieu of Taxes for Senior Citizen				
Housing Complex	79,250.00		79,250.00	
Municipal Pool Fees	10,000.00		8,930.00	(1,070.00)
Lease of Public Building	6,600.00		3,000.06	(3,599.94)
Tax Abatement in Lieu of Billings	725,000.00		748,837.50	23,837.50
Police Department Fees	6,000.00		10,208.75	4,208.75
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Act	932,037.00		932,037.00	
Energy Receipts Tax	4,008,006.00		4,008,006.00	
Offset with Appropriations:				
Construction Code Fees	210,000.00		291,066.00	81,066.00
State and Federal Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund		\$ 46,217.20	46,217.20	
Clean Communities Program		99,222.97	99,222.97	
Body Armor Grant		3,185.97	3,185.97	
DWI Over the Limit Under Arrest		4,400.00	4,400.00	
School Transportation Safety Grant		6,877.00	6,877.00	
<i>Total Miscellaneous Revenues</i>	6,413,049.00	159,903.14	7,400,884.57	\$ 827,932.43
<i>Receipts from Delinquent Taxes</i>			13,343.33	13,343.33
<i>Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes</i>	18,672,032.00		18,111,694.69	(560,337.31)
<i>Budget Totals</i>	25,276,277.00	159,903.14	25,717,118.59	280,938.45
<i>Non-Budget Revenues</i>			313,416.57	313,416.57
<i>Grand Total</i>	\$ 25,276,277.00	\$ 159,903.14	\$ 26,030,535.16	\$ 594,355.02

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

**Statement of Revenues - Statutory Basis
For the Period July 1, to December 31, 2010**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 69,437,007.69
Allocated to:	
Local School, Regional School, Special District and County Taxes	<u>52,175,483.00</u>
Sub-Total	17,261,524.69
Add: Appropriation "Reserve for Uncollected Taxes"	<u>850,170.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 18,111,694.69</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 13,343.33
Tax Title Lien Collections	
	<u>\$ 13,343.33</u>
Licenses -- Other:	
Mercantile	\$ 1,870.00
Board of Health/Marriage	538.00
Landlord Registration	2,400.00
Peddler	100.00
Raffle/Bingo	3,020.00
Service Station	<u>35.00</u>
	<u><u>\$ 7,963.00</u></u>
Fees and Permits:	
Burial Permits	\$ 280.00
Gun Permits	644.00
Alarm Permits	90.00
Sub-Division Fees	5,500.00
Towing Contract Fees	270.00
Encroachment Permit Fees	5,460.00
Variance Fees	6,225.00
Rent Stabilization Fees	2,246.00
Clerk Search	40.00
Tax Searches	<u>380.00</u>
	<u><u>\$ 21,135.00</u></u>

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Revenues - Statutory Basis
For the Period July 1, to December 31, 2010**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Alcoholic Beverage Fees	\$ 600.00
Tax Sale Fees	12,141.63
Sale of Used Equipment	44,729.21
Vending Machine	10,771.15
Community Development Advertising Fees	1,050.00
Township Pool Snack Bar	8,333.26
Photocopies	4,187.45
Basin Maintenance	20,400.00
Cancel Prior Year Outstanding Checks	4,502.37
Senior citizen and veteran deduction administrative fee	14,084.27
cell phone tower fees	13,462.30
motor vehicles fees	5,060.98
Gazebo rental	3,622.09
Administrative Fee	7,073.75
Fuel Reimbursement	71,542.36
Electronic Tax Filing Fee	1,250.00
Scrap Metal/Recycling/Used Oil	36,748.49
Insurance Refund	50,188.28
Miscellaneous	3,668.98
	<u>\$ 313,416.57</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
GENERAL GOVERNMENT						
Administrative and Executive:						
Office of Business Administrator						
Salaries and Wages	\$ 71,783.00	\$ 71,783.00	\$ 71,376.71		\$ 406.29	
Other Expenses	1,300.00	1,300.00	1,052.04		247.96	
Office of Administrative Support Services:						
Salaries and Wages	42,433.00	42,433.00	29,197.45		13,235.55	
Other Expenses	15,800.00	15,800.00	11,192.79		4,607.21	
Office of Grants Administration:						
Other Expenses	175.00	175.00	174.29		0.71	
Office of Human Resources:						
Salaries and Wages	70,209.00	75,809.00	75,784.74		24.26	
Other Expenses	27,700.00	27,700.00	13,421.16	\$ 5,206.84	9,072.00	
Office of Mayor:						
Salaries and Wages	64,347.00	66,847.00	66,814.53		32.47	
Other Expenses	1,950.00	1,950.00	682.64		1,267.36	
Office of Township Council:						
Salaries and Wages	27,988.00	27,988.00	27,967.38		0.62	
Other Expenses	250.00	350.00	275.20		74.80	
Office of Public Information:						
Other Expenses	29,700.00	29,700.00	8,380.70		21,319.30	
Office of Township Clerk:						
Salaries and Wages	70,811.00	84,611.00	84,556.97		54.03	
Other Expenses	20,800.00	20,800.00	18,231.17	984.72	1,584.11	
Office of Treasury:						
Salaries and Wages	61,681.00	61,681.00	61,381.75		299.25	
Other Expenses	12,600.00	12,600.00	5,665.67		6,934.33	
Audit Services:						
Other Expenses	30,000.00	30,000.00			30,000.00	
Office of Data Processing:						
Salaries and Wages	42,797.00	42,807.00	42,803.19		3.81	
Other Expenses	18,100.00	23,100.00	21,262.56	1,302.00	535.44	
Office of Tax Collector:						
Salaries and Wages	109,647.00	109,647.00	107,745.74		1,901.26	
Other Expenses	35,800.00	35,800.00	31,532.92	346.00	3,921.08	
Office of Tax Assessment:						
Salaries and Wages	80,945.00	80,945.00	76,395.39		4,549.61	
Other Expenses	8,700.00	8,700.00	6,648.06		2,053.94	
Office of Township Attorney:						
Salaries and Wages	53,915.00	71,015.00	71,009.88		5.12	
Other Expenses	7,375.00	32,375.00	29,708.88	1,001.50	1,664.62	

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
GENERAL APPROPRIATIONS (CONT'D):						
<i>Operations Within "CAPS" (Cont'd):</i>						
GENERAL GOVERNMENT						
Administrative and Executive:						
Office of Township Engineer:						
Other Expenses	\$ 25,000.00	\$ 25,000.00	\$ 10,139.25		\$ 14,860.75	
Rent Stabilization Board:						
Salaries and Wages	4,015.00	4,015.00	2,742.66		1,272.34	
Other Expenses	725.00	725.00	124.29		600.71	
Office of Community Development:						
Salaries and Wages	91,550.00	71,550.00	66,743.15		4,806.85	
Other Expenses	9,750.00	9,750.00	2,693.96		7,056.04	
Land Use Administration:						
Planning Board:						
Salaries and Wages	4,015.00	4,015.00	3,156.53		858.47	
Other Expenses	27,800.00	27,800.00	7,293.71		20,506.29	
Zoning Board of Adjustments:						
Salaries and Wages	4,015.00	4,015.00	3,572.53		442.47	
Other Expenses	9,000.00	9,000.00	5,773.61		3,226.39	
Office of Zoning:						
Salaries and Wages	20,643.00	20,643.00	19,050.26		1,592.74	
Insurance:						
Liability Insurance	283,900.00	283,900.00	188,303.37	\$ 22,025.10	23,571.53	\$ 50,000.00
Workman's Compensation	435,500.00	435,500.00	392,187.22		43,312.78	
Employee Group Insurance	4,373,158.00	4,373,158.00	3,545,199.96		52,958.04	775,000.00
Unemployment Insurance	5,000.00	5,000.00	5,000.00			
Disability Insurance	10,000.00	10,000.00	10,000.00			
Public Safety:						
Police Department:						
Salaries and Wages	5,729,456.00	5,686,456.00	5,577,822.01		108,633.99	
Other Expenses	425,700.00	425,700.00	200,857.68	13,704.24	11,138.08	200,000.00
Police Communications:						
Salaries and Wages	383,992.00	363,992.00	359,044.49		4,947.51	
Other Expenses	116,862.61	116,862.61	98,912.50	3,335.38	14,614.73	
Office of Prosecutor:						
Salaries and Wages	17,221.00	17,222.00	17,221.10		0.90	
Public Works:						
Office of Director:						
Salaries and Wages	67,353.00	67,353.00	56,514.27		10,838.73	
Other Expenses	69,475.00	69,475.00	45,956.32	1,272.72	22,245.96	

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL APPROPRIATIONS (CONT'D):						
<i>Operations Within "CAPS" (Cont'd):</i>						
Public Works:						
Streets and Road Maintenance:						
Salaries and Wages	\$ 737,339.00	\$ 708,428.00	\$ 611,804.09		\$ 96,623.91	
Other Expenses	211,400.00	311,400.00	55,723.54	\$ 941.80	129,734.66	\$ 125,000.00
Sanitation:						
Contractual	1,936,312.00	1,896,312.00	1,725,699.59	3,794.89	16,817.52	150,000.00
Public Buildings and Grounds:						
Salaries and Wages	306,445.00	306,445.00	268,682.79	4,783.67	32,978.54	
Other Expenses	87,700.00	87,700.00	57,615.46		30,084.54	
Vehicle Maintenance:						
Salaries and Wages	143,386.00	144,986.00	144,976.77		9.23	
Other Expenses	132,400.00	132,400.00	63,517.02	11,918.20	56,964.78	
Health and Human Services:						
Office of Community Services and Information:						
Salaries and Wages	21,720.00	21,720.00	17,678.11		4,041.89	
Other Expenses	850.00	850.00	7.53	437.77	404.70	
Board of Health:						
Salaries and Wages	2,647.00	2,647.00	2,646.80		0.20	
Other Expenses	2,350.00	2,350.00	106.28		2,243.72	
Animal Control:						
Other Expenses	10,000.00	10,000.00	10,000.00			
Parks and Recreation:						
Office of Director:						
Salaries and Wages	244,202.00	256,202.00	241,839.89		14,362.11	
Other Expenses	22,895.00	22,895.00	1,303.53	1,799.90	19,791.57	
Office of Community Activities:						
Other Expenses	5,900.00	5,900.00	4,082.27		1,817.73	
Municipal Pool:						
Salaries and Wages	60,000.00	60,000.00	54,177.32		5,822.68	
Other Expenses	11,900.00	11,900.00	7,814.48	344.45	3,741.07	
Maintenance of Parks and Playgrounds:						
Salaries and Wages	446,789.00	446,789.00	426,595.66		20,193.34	
Other Expenses	68,600.00	68,600.00	44,442.67	1,410.26	22,747.07	
Other Common Operating Functions:						
Office of Senior Citizens:						
Salaries and Wages	25,486.00	25,486.00	17,284.17		8,201.83	
Other Expenses	4,350.00	4,350.00			4,350.00	
Utility Expenses						
Electricity	165,500.00	165,500.00	162,027.96		3,472.04	
Street Lights	385,000.00	385,000.00	372,404.09	2,127.25	10,468.66	
Telephone	98,800.00	98,800.00	84,118.44	12,303.57	2,377.99	
Water	42,800.00	64,800.00	64,213.60		586.40	

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL APPROPRIATIONS (CONT'D):						
<i>Operations Within "CAPS" (Cont'd):</i>						
Utility Expenses						
Natural Gas	\$ 39,000.00	\$ 39,000.00	\$ 10,288.94	\$ 334.33	\$ 28,376.73	
Sewerage	4,190.00	4,190.00	3,907.50		282.50	
Gasoline	250,000.00	250,000.00	197,318.32	38,640.70	14,040.98	
Landfill Disposal Costs:						
Other Expenses	1,026,366.00	1,046,366.00	1,045,279.12		1,086.88	
Municipal Court:						
Salaries and Wages	218,017.00	218,017.00	206,109.73		11,907.27	
Other Expenses	26,610.00	26,610.00	18,989.91		7,620.09	
Construction Code Enforcement:						
Salaries and Wages	291,171.00	281,171.00	255,604.50		5,566.50	
Other Expenses	8,350.00	10,350.00	10,022.87		327.13	
Unclassified:						
Compensated Absences Leave	423,780.00	423,780.00	170,069.90		53,710.10	\$ 200,000.00
Total Operations Including Contingent - Within "CAPS"	20,482,971.61	20,527,971.61	17,837,921.53	128,015.29	1,082,034.79	1,500,000.00
Detail:						
Salaries and Wages	9,939,578.00	9,850,478.00	9,238,370.46	4,783.67	407,323.87	200,000.00
Other Expenses	10,543,393.61	10,677,493.61	8,599,551.07	123,231.62	654,710.92	1,300,000.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
DEFERRED CHARGES:						
Overexpenditure of Appropriation Reserves	3,786.39	3,786.39	3,786.39			
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	765,000.00	720,000.00	699,270.21		20,729.79	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	768,786.39	723,786.39	703,056.60		20,729.79	
Total General Appropriations - For Municipal Purposes Within "CAPS"	21,251,758.00	21,251,758.00	18,540,978.13	128,015.29	1,082,764.58	1,500,000.00

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Operations Excluded from "CAPS":						
Sanitation - Recycling Tax	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00			
Supplemental Fire Services Program	27,364.00	27,364.00	27,364.00			
State and Federal Programs Offset By Revenues:						
Over The Limit Under Arrest (NJSA 40A:4-87)		4,400.00	4,400.00			
Drunk Driving Enforcement Grant (NJSA 40A:4-87)		46,217.20	46,217.20			
School Transportation Safety (NJSA 40A:4-87)		6,877.00	6,877.00			
Clean Communities Grant NJSA 40A:4-87)		99,222.97	99,222.97			
Body Armor Grant (NJSA 40A:4-87)		3,185.97	3,185.97			
Total Operations - Excluded From "CAPS"	64,864.00	224,767.14	224,767.14			
Detail:						
Salaries and Wages						
Other Expenses	64,864.00	224,767.14	224,767.14			
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	1,485,000.00	1,485,000.00	1,485,000.00			
Interest on Bonds	874,485.00	874,485.00	759,608.44			\$ 114,876.56
Interest on Notes	29,000.00	29,000.00	28,702.14			297.86
Green Trust Loan Program:						
Principal	63,000.00	63,000.00	62,652.57			347.43
Interest	20,000.00	20,000.00	19,581.37			418.63
Total Municipal Debt Service - Excluded from "CAPS"	2,471,485.00	2,471,485.00	2,355,544.52			115,940.48
Deferred Charges - Excluded from "CAPS"						
Special Emergency Authorization (NJSA 40A:4-55)	338,000.00	338,000.00	338,000.00			
Total Deferred Charges - Excluded from "CAPS"	338,000.00	338,000.00	338,000.00			

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Expenditures - Statutory Basis
For the Period July 1, to December 31, 2010

	Appropriations		Paid or Charged	Expended		
	Budget	Budget After Modification		Encumbered	Reserved	Canceled
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)	\$ 300,000.00	\$ 300,000.00				\$ 300,000.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,174,349.00</u>	<u>3,334,252.14</u>	<u>\$ 2,918,311.66</u>			<u>415,940.48</u>
Subtotal General Appropriations	24,426,107.00	24,586,010.14	21,459,289.79	\$ 128,015.29	\$ 1,082,764.58	1,915,940.48
Reserve for Uncollected Taxes	<u>850,170.00</u>	<u>850,170.00</u>	<u>850,170.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 25,276,277.00</u>	<u>\$ 25,436,180.14</u>	<u>\$ 22,309,459.79</u>	<u>\$ 128,015.29</u>	<u>\$ 1,082,764.58</u>	<u>\$ 1,915,940.48</u>
Appropriation by 40A:4-87 Budget		\$ 159,903.14 <u>25,276,277.00</u>				
		<u>\$ 25,436,180.14</u>				

Detail of Paid or Charged

Reserve for Federal and State Grants -- Appropriated	\$ 159,903.14
Deferred Charges	3,786.39
Reserve for Uncollected Taxes	850,170.00
Disbursed	<u>21,295,600.26</u>
Total	<u>\$ 22,309,459.79</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

TRUST FUND

Statement of Assets, Liabilities and Reserves - Statutory Basis
As of December 31, 2010

	<u>REFERENCE</u>	<u>2010</u>
<u>ASSETS</u>		
Animal Control Fund:		
Cash	B-1	\$ 58,725.17
Other Funds:		
Cash		3,418,982.10
Change Fund		100.00
Total Cash	B-2	<u>3,419,082.10</u>
Accounts Receivable:		
Due from Current Fund - Lien Redemption	A	658,451.65
Due from Current Fund	A	134,943.00
Due from Gloucester Twp. MUA		12,064.30
Rehabilitation Mortgages Receivable		905,471.46
Metro Cities Receivable		383,070.74
Camden County Home Consortium Program Receivable		<u>163,370.00</u>
Total Accounts Receivable	B-2	<u>2,257,371.15</u>
Total Other Funds		<u>5,676,453.25</u>
Total		<u>\$ 5,735,178.42</u>

(Continued)

TOWNSHIP OF GLOUCESTER

TRUST FUND

Statement of Assets, Liabilities and Reserves - Statutory Basis (Cont'd)
As of December 31, 2010

	<u>REFERENCE</u>	<u>2010</u>
<u>LIABILITIES AND RESERVES</u>		
Animal Control Fund:		
Due to Current Fund	B-3, A	\$ 61.59
Due to State of New Jersey	B-4	28.80
Reserve for Animal Control Fund Expenditures	B-5	<u>58,634.78</u>
Total Animal Control Fund		<u>58,725.17</u>
Other Funds:		
Due to Current Fund	A	6,594.82
Contracts Payable		4,383.70
Reserve for Recycling Funds		330,456.08
Reserve for Unemployment Compensation Insurance Trust		16,618.75
Reserve for Encroachment Escrow Deposits		16,052.89
Reserve for Revolving Loan Fund		262,883.55
Reserve for Multiple Dwelling Emergency Escrows		38,425.61
Reserve for Special Recreation Open Space Land Funds		66,587.00
Reserve for Workman's Compensation		37,906.73
Reserve for Disability Insurance Claims		38,582.67
Reserve for Payroll Expenditures		315,536.84
Reserve for Affordable Housing Expenditures		581,620.57
Reserve for Redemption of Privately Held Liens		354,503.25
Reserve for Grading Escrows		22,542.15
Reserve for Metro Cities		285,066.58
Reserve for Engineering Escrows - Subdivisions		555,161.59
Reserve for Sidewalk Improvements		31,283.34
Reserve for Neighborhood Preservation		44,769.52
Reserve for Developer's Interest on Escrows		2,272.86
Reserve for Police Forfeited Property		50,066.36
Reserve for Sloan's Legacy		2,925.85
Reserve for Tax Sale Premium		357,100.00
Reserve for Cash Performance Guarantees		199,597.33
Reserve for Municipal Alliance Contribution		66,426.92
Reserve for Municipal Open Spqce		870,394.18
Reserve for Home Consortium		36,034.00
Reserve for Compensated Absences		54,817.61
Reserve for Public Defender		38,859.66
Reserve for Miscellaneous Grant Escrows		11,091.28
Reserve for Seasonal Cleanups		1,031.00
Reserve for POAA		14.00
Reserve for School Bus GPS System		2,232.20
Reserve for K-9 Schultz		69,142.90
Reserve for Rehabilitation Mortgages Accounts Receivable		<u>905,471.46</u>
Total Other Funds	B-2	<u>5,676,453.25</u>
Total		<u>\$ 5,735,178.42</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

**Statement of Assets, Liabilities, Reserves and Fund Balance - Statutory Basis
As of December 31, 2010**

	<u>Reference</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Treasurer	C-2	\$ 4,751,416.69
State Aid Receivable	C-4	1,500.00
Deferred Charges to Future Taxation:		
Funded	C-6	36,816,485.56
Unfunded	C-7	<u>10,024,205.00</u>
		<u>\$ 51,593,607.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds	C-11	\$ 34,921,000.00
Bond Anticipation Notes Payable	C-9	6,685,152.00
Green Acres Loan Payable	C-12	1,895,485.56
Encumbrances Payable	C-8	439,414.43
Improvement Authorizations:		
Funded	C-8	488,950.03
Unfunded	C-8	5,810,398.79
Reserve for Payment of Debt	C-2	19,373.28
Due to Current Fund	C-5, A	141.67
Capital Improvement Fund	C-10	23,705.69
Fund Balance	C-1	<u>1,309,985.80</u>
Total		<u>\$ 51,593,607.25</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GLOUCESTER

ACCOUNT GROUP

**Statement of General Fixed Assets Group of Accounts
For the Six Month Period Ended December 31, 2010**

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2010
General Fixed Assets:				
Buildings and building Improvements	\$ 6,659,186.00			\$ 6,659,186.00
Machinery and Equipment	10,627,750.00	\$ 65,522.00	\$ 991,998.00	9,701,274.00
Land	6,366,275.00			6,366,275.00
Land Improvements	6,473,926.00	132,982.00		6,606,908.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 30,127,137.00</u>	<u>\$ 198,504.00</u>	<u>\$ 991,998.00</u>	<u>\$ 29,333,643.00</u>
Total Investment in General Fixed Assets	<u>\$ 30,127,137.00</u>	<u>\$ 198,504.00</u>	<u>\$ 991,998.00</u>	<u>\$ 29,333,643.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Gloucester (hereafter referred to as the "Township") is located in the southwestern portion of the County of Camden, State of New Jersey. The estimated population at December 31, 2010 according to the New Jersey Department of Labor and Workforce Development is 64,700.

The Township was incorporated in 1695 and is governed by a Mayor and seven-member Township Council form of government. The Mayor is elected for a four-year term and serves as the full-time, chief executive officer of the Township. Members of the Township Council are elected to four-year terms on a staggered basis and function as the legislative body of the Township. The Township Administrator and the Township Clerk are appointed by the Mayor and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Change of Fiscal Year – Pursuant to N.J.S.A. 40A:4-3.1 the Township adopted an ordinance dated March 22, 2010 converting its accounting period from a fiscal year to a calendar beginning with the calendar year 2011. In order to accomplish this conversion a transition period for budgetary and accounting purposes was created for the six month period July, 1 to December 31, 2010. This conversion has been approved by the State of New Jersey, Local Finance Board, Department of Community Affairs.

Component Units – The financial statements of the component units of the Township of Gloucester are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Gloucester Township Sewerage Authority
71 Landing Road, PO Box 216
Blackwood, New Jersey, 08012

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the "Requirements" 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds which are described as follows.

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

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

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

Budgets and Budgetary Accounting - The Township must adopt an transitional year budget for its Current Fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the transitional year municipal budget no later than August 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Township. 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. Amendments to the adopted budget, if any, are detailed in the statements of revenues and expenditures.

Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The 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 statements of assets, liabilities, reserves and fund balances.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000 the maximum amount allowed by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

No depreciation of general fixed assets is recorded.

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

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the Township until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenues from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the Gloucester Township School District, the Black Horse Pike Regional High School District, the Gloucester Township Fire District and the County of Camden. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Gloucester Township School District and the Black Horse Pike Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the school districts for the period from July 1 to December 31, 2010.

County Taxes - The Township is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the six month period July 1 to December 31, 2010, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year.

Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fire District Taxes - The Township is responsible for levying, collecting and remitting fire district taxes for the Gloucester Township Fire Districts. Operations are charged for the full amount required to be raised to support the districts for the six month period July 1 to December 31, 2010.

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, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Custodial credit is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, 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 Deposit Protection Act. As of December 31, 2010, the Township's bank balances of \$14,872,976.10 were not exposed to custodial credit risk.

New Jersey Cash Management Fund - During the fiscal year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial risk as defined above. At December 31, 2010, the Township's deposits with the New Jersey Cash Management Fund were \$311,136.52.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the six month period ended December 31, 2010 and previous four fiscal years ending June 30.

<u>Comparative Schedule of Tax Rates</u>	<u>December 31,</u>		<u>Ending June 30</u>		<u>2007</u>
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	
Total Tax Rate (Excluding Fire Districts)	\$2.990	\$2.990	\$5.004	\$ 5.004	\$ 5.035
Apportionment of Tax Rate:					
Municipal	.867	.867	1.428	\$ 1.096	\$ 1.020
Municipal - Open Space	.020	.020	.020	.020	.020
County	.682	.682	1.239	1.257	1.287
Local School	.922	.922	1.667	1.692	1.727
Regional High School	.499	.499	0.888	0.939	0.981

Assessed Valuation

<u>Period Ended</u>	<u>Amount</u>
December 31, 2010	\$ 4,535,602,750
June 30, 2010	4,535,602,750
June 30, 2009	2,452,313,140
June 30, 2008	2,445,316,031
June 30, 2007	2,425,179,677

Comparison of Tax Levies and Collections

<u>Period Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
December 31, 2010	\$ 71,035,074	\$ 69,437,008	97.75 %
June 30, 2010	136,906,690	136,524,059	99.72
June 30, 2009	130,408,167	130,261,119	99.89
June 30, 2008	129,983,336	129,807,272	99.86
June 30, 2007	131,301,265	131,017,034	99.78

Delinquent Taxes and Tax Title Liens

<u>Period Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
December 31, 2010	\$ 205,968	\$ 1,558,008	\$ 1,763,976	2.48 %
June 30, 2010	157,687	174,690	332,377	.24
June 30, 2009	121,632	214,773	336,405	.26
June 30, 2008	54,277	258,722	312,999	.24
June 30, 2007	43,096	344,496	387,592	.29

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 3. PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable for the six month period ended December 31, 2010 and previous four fiscal years ending June 30.

<u>Period Ended</u>	<u>Number of Liens</u>
December 31, 2010	69
June 30, 2010	69
June 30, 2009	91
June 30, 2008	76
June 30, 2007	26

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on the basis of the last valuation of such properties, for the six month period ended December 31, 2010 and previous four fiscal years ending June 30 was as follows:

<u>Period Ended</u>	<u>Amount</u>
December 31, 2010	\$ 2,080,942
June 30, 2010	2,080,942
June 30, 2009	2,080,942
June 30, 2008	2,080,942
June 30, 2007	2,080,942

NOTE 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the six month period ended December 31, and previous four fiscal years ending June 30 and the amounts utilized in the subsequent year's budgets.

<u>Period Ended</u>	<u>Balance</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
December 31, 2010	\$ 2,886,624	\$ 2,080,558	72.07 %
June 30, 2010	244,668	191,196	78.14
June 30, 2009	0	0.00	0.00
June 30, 2008	684,195	684,195	100.00
June 30, 2007	2,829,830	2,829,733	99.99

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 246,021.24	\$ 793,394.65
Federal and State Grant Fund		239,223.16
Trust Fund:		
Animal Control Fund		61.59
Other Funds	793,394.65	6,594.82
General Capital Fund		141.67
	<u>\$ 1,039,415.89</u>	<u>\$ 1,039,415.89</u>

NOTE 7. PENSION PLANS

The Township of Gloucester contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, the Township adopted an ordinance to participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Public Employees' Retirement System - The PERS was established in 1955 and provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Township</u>
2010	\$ 208,661	\$ 268,105	\$ 66,116	\$ 542,882		\$ 542,882
2009	214,170	247,715	57,413	519,298		(1) 288,356
2008	277,320	213,714		491,034	\$ 98,207	392,827

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 7. PENSION PLANS (CONT'D)

Police and Firemen's Retirement System – The PFRS was established in 1944 and provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability</u>	<u>Paid by Township</u>
2010	\$ 1,169,026	\$ 832,852	\$ 101,776	\$ 2,103,654	\$ 2,103,654
2009	1,155,904	799,788	80,417	2,036,109	(1) 1,058,263
2008	1,178,539	103,417		1,874,971	1,874,971

(1) In accordance with P.L.2009, C.19 (S-21) municipalities have the option to defer 50% of their regular PERS and PFRS contribution due on April 1, 2009. The Township chose to defer \$230,942 of PERS and \$977,846 of PFRS contributions during the year and will repay these two amounts plus interest over a 15 year period beginning April 1, 2012. The amount to be repaid will fluctuate each year based on the pension system investment earnings on the unfunded liabilities. Since the Township is permitted to pay off the deferred amount at any time, the deferred amounts have not been recorded as a long-term liability and will be funded on a pay-as-you-go basis.

Early Retirement Incentive Program - Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These Programs which were subject to the approval of the Township's governing body (within a limited period of time) were available to employees who met certain minimum requirements. The governing body of the Township approved the 1991 Program for eligible members of the PERS and has elected a payment schedule of twenty-seven years with the initial payment made on April 1, 1995. Since no accrual has been made for the additional costs related to the Program, the Township will fund such costs in an annual budget appropriation on a pay-as-you-go basis. The accrued liability for employees in the Public Employees Retirement System as of December 31, 2010 was \$302,981 payable in annual installments of \$19,736 with the last installment due on April 1, 2022.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the Township contributes 3% of the employees' base salary.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2010, 2009 and 2008.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Township.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION)

For the year ended December 31, 2010, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, (OPEB) prospectively (no beginning Net OPEB Obligation).

Plan Description – The Township administers a single-employer defined benefit healthcare plan. The plan provides postretirement healthcare benefits through the Township’s group health insurance plan, which covers both active and retired members. Benefit provisions are established through Township policy as approved by the Township Council. To be eligible the employee must retire from the Township and have 25 years of service in either the State of New Jersey Public Employees Retirement System or the Police Firemen’s Retirement System. The Township’s group health insurance plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are set by Township policy as approved by the Township Council. The Township contributes 100% of the cost of the benefits. GASB Statement No. 45 does not mandate the prefunding of postemployment benefits liability. The Township currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation – The Township’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liabilities over a period not to exceed thirty (30) years. The following table shows the components of the Township’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township’s net OPEB obligation. Because the 2010 is the first year of implementation of GASB Statement No. 45, the OPEB obligation at the beginning of the year is zero and the OPEB cost (expense) is equal to the ARC.

Normal cost		\$ 1,870,709
Amortization of unfunded actuarial accrued liability		5,282,024
Annual required contribution		<u>\$ 7,152,734</u>
Interest on net OPEB obligation		-
Adjustment to the ARC		-
Annual OPEB cost		<u>\$ 7,152,734</u>
Contributions made		<u>2,075,528</u>
Increase in net OPEB obligation		<u>\$ 5,077,206</u>
Net OPEB obligation, beginning of the year		-
Net OPEB obligation, end of the year		<u><u>\$ 5,077,206</u></u>

The Township’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>Period Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Pay as You Go Cost (Existing Retirees)</u>	<u>Net OPEB Obligation</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2010	\$ 7,152,734	\$ 2,075,528	\$ 5,077,205	29.01%

Funding Status and Funding Progress – As of September 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$94,990,420, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$24,545,183, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 25.8%.

Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION) (CONT'D)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the program and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (only one year presented in this year of implementation).

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage Of Covered Payroll</u>
6/30/10	-	\$ 94,880,420	\$ 94,880,420	-	\$ 24,545,183	25.8%

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the Township and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010 actuarial valuation, the projected unit credit cost actuarial method was used. The actuarial assumptions included a 4 percent investment rate of return (discount rate) and an annual health care cost trend rate of 12 percent initially (2009), reduced by decrements of 1.2 percent per year till it reaches an ultimate trend rate of 7.2% in 2013. The unfunded actuarial liability is being amortized over a closed 30 year period using a level percentage of payroll with an assumption that payroll increases by 3 percent per year. The remaining amortization period at For the Six Month Period Ended December 31, 2010, was thirty years.

NOTE 9. COMPENSATED ABSENCES

Full-time Township employees are granted vacation and sick leave in varying amounts in accordance with the Township's personnel policies and collective bargaining agreements. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year. Employees who retire from the Township shall be paid for unused sick leave and vacation days in accordance with the Township's agreement or personnel policy.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2010, accrued benefits for compensated absences are valued at \$5,870,545. Actual payment for compensated absences occurs through the Accumulated Leave Trust Fund at the time the employee terminates employment. The Trust Fund is funded through the annual budget appropriation of the Current Fund budget. The balance in the Trust Fund as of December 31, 2010 is \$54,817.61.

NOTE 10. DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees one deferred compensation plan created in accordance with Internal Revenue Code Section 457 and which has been approved by the Director of the Division of Local Government Services. The plan, which is administered by the entity listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to participants until termination, retirement, death or unforeseeable emergency. The plan administrator is Lincoln Investments

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Township does not have a fiduciary relationship with the plan, the balances and activities of the plan are not reported in the Township's financial statements.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 11. 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.

Commercial Insurance Coverage - The Township maintains commercial insurance coverage for property and general liability, health benefits, boiler and machinery, surety bonds, crime, public officials' liability, and excess liability coverage for workers compensation and disability benefits.

Self- Insurance Plan - The Township is self-insured for the following:

Workers Compensation - Self-insured up to \$250,000 per incident with an aggregate of \$500,000. A commercial policy is maintained for claims in excess of \$250,000 per occurrence. The Gloucester Township Municipal Utilities Authority is also covered under this policy and reimburses the Township for claims applicable to their employees. The Trust Fund balance for the Reserve for Workers Compensation as of December 31, 2010 is \$37,906.73. No estimate of the required reserve for claims has been made.

Temporary Disability Insurance - This program is a mirror image of the State of New Jersey Temporary Disability Insurance Plan, whereby an employee who becomes temporarily disabled within fourteen (14) days of their last day of work is covered. Each employee must contribute 1/2 of a percent on the first \$20,200 of covered wages up to a maximum of \$101.00. The Township is required to contribute at a variable rate. The Trust Fund balance for the Reserve for Disability Insurance as of December 31, 2010 is \$38,582.67. No estimate of the required reserve for claims has been made.

NOTE 12. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the six month period ended December 31 and previous two fiscal years ended June 30:

<u>Period Ended</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
December 31, 2010	\$ 5,221	\$ 37,402	\$ 54,742	\$ 16,619
June 30, 2010	10,000	0	25,725	28,738
June 30, 2009	0	10,092	0	44,463

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>December 31, 2010</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Issued:			
General Bonds	\$ 34,921,000	\$ 36,431,000	40,791,000
Notes	6,685,152	6,685,152	890,645
Green Trust Loans	1,895,486	1,958,138	2,089,938
Authorized But Not Issued:			
General - Bonds and Notes	<u>3,339,053</u>	<u>3,339,053</u>	<u>2,757,587</u>
 Net Bonds and Notes Issued and Authorized But Not Issued	 <u>\$ 46,840,691</u>	 <u>\$ 48,413,343</u>	 <u>\$ 46,529,170</u>

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 13. CAPITAL DEBT (CONT'D)

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2010 consisted of the following issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General Bonds of 2003	3.85%	\$ 6,708,000
Refunding Bonds of 2009	3.00 – 4.00%	5,200,000
General Bonds of 2005	3.70 – 4.00%	7,403,000
General Bonds of 2007	3.625 - 3.800%	5,150,000
Refunding Bonds of 2010	2.50%	6,880,000
Revenue Lease Bonds of 2001	4.95%	<u>3,580,000</u>
 Total		 <u>\$ 34,921,000</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .99%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 26,827,368	\$ 26,827,368	
Regional High School Debt	20,658,382	20,658,382	
General Debt	<u>46,840,691</u>		<u>\$ 46,840,691</u>
 Total	 <u>\$ 94,326,441</u>	 <u>\$ 47,485,750</u>	 <u>\$ 46,840,691</u>

Summary of Statutory Debt Condition - Annual Debt Statement

Net Debt, \$46,940,691 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,701,945,828 equals .99%.

Equalized Valuation Basis:

2008	\$ 4,815,068,877
2009	4,682,981,432
2010	<u>4,607,787,177</u>
 Average	 <u>\$ 4,701,945,828</u>

Borrowing Power under N.J.S.A. 40A:2-6

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 164,568,103
Net Debt	<u>46,840,691</u>
 Remaining Borrowing Power	 <u>\$ 117,727,412</u>

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 13. CAPITAL DEBT (CONT'D)

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

<u>Year Ending Dec. 31,</u>	<u>General Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,950,000	\$ 1,256,402	\$ 5,206,402
2012	4,705,000	1,102,130	5,807,130
2013	4,825,000	940,793	5,765,793
2014	5,035,000	774,645	5,809,645
2015	2,470,000	640,631	3,110,631
2016 – 2020	11,098,000	1,745,909	12,843,909
2021 – 2023	2,838,000	226,285	3,064,285
Total	<u>\$ 34,921,000</u>	<u>\$ 6,686,795</u>	<u>\$ 41,607,795</u>

Green Trust Loan Payable

The Township has received \$1,895,486 in nine separate loan proceeds from the State of New Jersey Green Trust Loan Program. All loans have a stated interest rate of 2.00% with a final maturity on April 18, 2028. The repayment schedule of this debt is as follows:

<u>Year Ending Dec. 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 124,342	\$ 37,277	\$ 161,619
2012	123,963	34,806	158,769
2013	126,457	32,315	158,772
2014	128,996	29,773	158,769
2015	131,589	27,180	158,769
2016-2020	660,446	96,148	756,594
2021-2025	516,376	33,260	549,636
2026-2028	83,317	2,083	85,400
Total	<u>\$ 1,895,486</u>	<u>\$ 292,842</u>	<u>\$ 2,188,328</u>

Bond Anticipation Notes Payable

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the Notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2010, the Township had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$ 890,645	1.24%	July 26, 2011
General Capital	5,794,507	1.75%	June 1, 2011

Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010

NOTE 14. LEASE OBLIGATIONS

At For the six month period ended December 31, 2010, the Township had lease agreements in effect for the following:

- Capital:
 - Ten (10) 2010 Ford Crown Victoria Police Vehicles
 - Six (6) 2008 Ford Crown Victoria Police Vehicles
 - Eleven (11) 2009 Ford Crown Victoria Police Vehicles
- Operating:
 - Copiers
 - Postage Meter

The following capital fixed assets were acquired by capital lease:

	<u>Balance</u>	
	<u>December 31, 2010</u>	<u>June 30, 2010</u>
Police Vehicles	<u>\$ 658,628</u>	<u>\$ 658,628</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 158,847	\$ 22,053	\$ 180,900
2012	113,023	11,708	124,731
2013	<u>55,438</u>	<u>4,480</u>	<u>59,918</u>
	<u>\$ 327,308</u>	<u>\$ 38,241</u>	<u>\$ 365,549</u>

Operating Leases – Rental payments under operating leases for the six month period ended December 31, 2010 and the fiscal year ended June 30, 2009 were \$3,360 and \$5,364, respectively.

Future minimum lease payments under operating lease agreements are as follows

<u>Year Ended</u>	<u>Amount</u>
<u>Dec. 31,</u>	
2011	\$ 5,784
2012	5,784
2013	<u>2,844</u>
	<u>\$ 8,628</u>

NOTE 15. CONTINGENCIES

The Township participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

NOTE 16. LITIGATION

The Township is a defendant in several legal proceedings that are in various stages of litigation. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Township's counsel and Township's management that resolution of these matters will not have a material adverse effect on the financial condition of the Township.

**Township of Gloucester
Notes to Financial Statements
For the Six Month Period Ended December 31, 2010**

NOTE 17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At For the Six Month Period Ended December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance December 31, 2010</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency Authorization	\$ 978,000	\$ 338,000	\$ 640,000

The appropriations in the 2011 Budget as introduced are not less than that required by the statutes.

NOTE 18. SUBSEQUENT EVENTS

Subsequent to December 31, 2010, the Township of Gloucester authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Various Capital Improvements	02/14/11	<u>\$6,538,713</u>

NOTE 19. TAX APPEALS

The Township has eleven tax appeals pending before the New Jersey State Tax Court as of December 31, 2010. The complaints in these cases are requesting a reduction in their real estate tax assessment value totaling \$52,608,400. Any reduction in assessed valuation will result in a refund of current years' taxes in the year of the settlement, which may be funded from the Township's tax levy or through the issuance of refunding bonds per N.J.S.A. 40A:2-51.

GASB Statement No. 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," requires the Township to charge the Current Fund operations all state board judgments rendered during the fiscal year, which will be paid from expendable available financial resources. The Township has not established a reserve as the outcome of these claims are not presently determinable, and it is the opinion of the Township management that, based on state statutes, these matters will not have a material adverse effect on the financial condition of the Township

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of Cash - Treasurer
For the Period July 1, to December 31, 2010

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance July 1, 2010	\$ 2,308,824.50	\$ (22,145.18)
Increased by Receipts:		
Due from State of New Jersey - Tax Deductions	\$ 704,213.60	
Taxes Receivable	68,899,813.36	
Tax Abatement Receivables	905,560.59	
Due from Federal Emergency Management Aid	366,669.59	
Miscellaneous Revenue Not Anticipated	313,416.57	
Miscellaneous Liens Receivable	1,225.00	
Police Outside Services Receivable	94,425.00	
Revenue Accounts Receivable	6,492,143.93	
Prepaid Taxes	469,983.31	
Due to State of New Jersey:		
Marriage License Fees	4,150.00	
Construction Code Fees	19,512.00	
Due from Trust -- Other Funds	152,593.12	
Contra Receipts with Disbursements	300,166.72	
Federal and State Grants Receivable		\$ 383,119.06
Transfer from Current Fund		<u>239,223.16</u>
Total Receipts	<u>78,723,872.79</u>	<u>622,342.22</u>
Subtotal	81,032,697.29	600,197.04
Decreased by Disbursements:		
Transitional Year Appropriations	21,295,600.26	
Miscellaneous Receivables	9,048.33	
Miscellaneous Liens Receivable	7,905.00	
Police Outside Services Receivable	129,405.00	
Prior Year Appropriation Reserves/Encumbrances	173,565.96	
Cost of Revaluation	129,078.78	
Refund of Tax Overpayments	88,451.10	
Due to State of New Jersey:		
Marriage License Fees	4,800.00	
Construction Code Fees	17,328.00	
County Taxes Payable	15,740,339.75	
Local District School Taxes	21,352,332.98	
Regional High School District Taxes	11,573,120.18	
Fire District Taxes	2,837,801.50	
Municipal Open Space Taxes	661,889.50	
Due to Local Board of Education	125,107.25	
Due to Trust -- Other Funds	13,170.14	
Due to General Capital Fund	1,197,630.01	
Contra Disbursements with Receipts	300,166.72	
Transfer to Grant Funds	239,223.16	
Reserve for Federal and State Grants - Appropriated		591,035.46
Contracts Payable		<u>9,161.58</u>
Total Disbursements	<u>75,895,963.62</u>	<u>600,197.04</u>
Balance December 31, 2010	<u>\$ 5,136,733.67</u>	<u>\$ -</u>

TOWNSHIP OF GLOUCESTER

EXHIBIT A-5

Current Fund

Schedule of Change Funds
For the Period Ended December 31, 2010

Balance June 30, 2010 and December 31, 2010	<u>\$ 850.00</u>
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OFFICE

Tax Collector	\$ 400.00
Municipal Court Clerk	200.00
Municipal Alliance Department	100.00
Township Clerk	100.00
Mayor's Office	<u>50.00</u>
Total	<u>\$ 850.00</u>

TOWNSHIP OF GLOUCESTER

Current Fund

**Schedule of Due From State of New Jersey - Senior Citizen and Veterans' Deductions
For the Period July 1, to December 31, 2010**

Balance July 1, 2010		\$ 445,340.54
Increased by:		
Deductions per Tax Billing	\$ 344,375.00	
Adjustments during period July 1 to December 31, 2010:		
Deductions Allowed by Tax Collector	14,524.43	
Deductions Disallowed by Tax Collector	<u>(11,759.17)</u>	
		<u>347,140.26</u>
		792,480.80
Decreased by:		
Collections		<u>704,213.60</u>
Balance December 31, 2010		<u>\$ 88,267.20</u>

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Period July 1, to December 31, 2010

Year	Balance July 1, 2010	Levy	Collections		Due from State of New Jersey	Transfer To Bankruptcies	Canceled	Transferred To Tax Title Liens	Balance June 30, 2010
			Prior to June 30, 2010	From July 1, To Dec. 31, 2010					
Properties in Bankruptcies	\$ 174,690.47			\$ 13,343.33		\$ 91,552.71			\$ 252,899.85
Period July 1 to Dec. 31, 2010		\$ 71,035,074.26	\$ 203,397.40	68,886,470.03	\$ 347,140.26	(91,552.71)	\$ 153,115.52	\$ 48,290.32	1,305,108.02
Total	\$ 174,690.47	\$ 71,035,074.26	\$ 203,397.40	\$ 68,899,813.36	\$ 347,140.26	\$ -	\$ 153,115.52	\$ 48,290.32	\$ 1,558,007.87

Analysis of Property Tax Levy for the Period July 1, to December 31, 2010

Tax Yield:	
General Purpose Tax	\$ 71,035,074.26
Added Taxes (54:4-63.1 et seq.)	
Total	<u>\$ 71,035,074.26</u>
Tax Levy:	
Local District School Tax	\$ 21,362,332.00
Regional High School District Tax	11,573,120.18
Fire Districts' Tax	2,837,801.50
Open Space Tax	661,889.50
County Tax	\$ 14,784,481.10
County Library Tax	955,858.65
County Open Space Preservation	
Due County for Added Taxes (54:4-63.1 et seq.)	<u>15,740,339.75</u>
	52,175,482.93
Local Tax for Municipal Purposes	18,672,032.00
Additional Tax Levies	<u>187,559.33</u>
	18,859,591.33
Total	<u>\$ 71,035,074.26</u>

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of Tax Title Liens
For the Period July 1, to December 31, 2010

Balance July 1, 2010		\$ 157,687.46
Increased by:		
Transfers from Taxes Receivable	\$ 48,290.32	
Interest and Costs Accrued by Tax Sale of June 21, 2010		<u>48,290.32</u>
		205,977.78
Decreased by:		
Collections		
Canceled	<u>10.26</u>	<u>10.26</u>
Balance December 31, 2010		<u>\$ 205,967.52</u>

Schedule of Property Acquired for Taxes (Assessed Valuation)
For the Period July 1, to December 31, 2010

Balance July 1, 2010		\$ 2,080,941.73
Increased by:		
Transfer from Tax Title Liens		
Transfers from Taxes Receivable		<u>-</u>
		2,080,941.73
Decreased by:		
Cash Sale		
Adjustment to Assessed Valuation		<u>-</u>
Balance December 31, 2010		<u>\$ 2,080,941.73</u>

TOWNSHIP OF GLOUCESTER
Current Fund
Schedule of Revenue Accounts Receivable
For the Period Ended December 31, 2010

	Balance June 30, 2010	Accrued	Collected	Balance December 31, 2010
Licenses:				
Other:				
Amusement				
Mercantile		\$ 1,870.00	\$ 1,870.00	
Board of Health/Marriage		538.00	538.00	
Landlord Registration		2,400.00	2,400.00	
Peddler		100.00	100.00	
Raffle/Bingo		3,020.00	3,020.00	
Service Station		35.00	35.00	
Fees and Permits:				
Burial Permits		280.00	280.00	
Gun Permits		644.00	644.00	
Alarm Permits		90.00	90.00	
Sub-Division Fees		5,500.00	5,500.00	
Towing Contract Fees		270.00	270.00	
Encroachment Permit Fees		5,460.00	5,460.00	
Variance Fees		6,225.00	6,225.00	
Rent Stabilization Fees		2,246.00	2,246.00	
Clerk Search		40.00	40.00	
Tax Searches		380.00	380.00	
Municipal Court:				
Fines and Costs		1,158,867.98	928,156.33	\$ 230,711.65
Interest and Costs on Taxes		69,021.87	69,021.87	
Interest on Investments and Deposits		81,694.48	81,694.48	
Recreation Fees		51,675.44	51,675.44	
Payments in Lieu of Senior Citizen Housing Complex		79,250.00	79,250.00	
Municipal Pool Fees		8,930.00	8,930.00	
Rental of Municipal Property		3,000.06	3,000.06	
Police Department Fees		10,208.75	10,208.75	
Energy Receipts Tax		4,008,006.00	4,008,006.00	
Consol. Municipal Prop. Tax Relief Act		932,037.00	932,037.00	
Construction Code Fees		291,066.00	291,066.00	
Total	\$ -	\$ 6,722,855.58	\$ 6,492,143.93	\$ 230,711.65

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of 2009/10 Appropriation Reserves
For the Period July 1, to December 31, 2010

	Balance June 30, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS":					
Administrative and Executive:					
Office of Business Administrator					
Salaries and Wages	\$ 256.90		\$ 256.90		\$ 256.90
Other Expenses	510.09		510.09		510.09
Office of Administrative Support Services					
Salaries and Wages	316.79		316.79		316.79
Other Expenses	232.44	\$ 770.00	1,002.44	\$ 631.79	370.65
Office of Grant Administration:					
Other Expenses	24.17		24.17		24.17
Office of Human Resources:					
Salaries and Wages	36.36		36.36		36.36
Other Expenses	1,038.72	5,475.00	6,513.72	3,513.95	2,999.77
Office of Mayor					
Salaries and Wages	631.24		631.24		631.24
Other Expenses	304.07	28.00	332.07	140.50	191.57
Office of Township Council					
Salaries and Wages	83.28		83.28		83.28
Other Expenses	13.21	28.00	241.21	140.50	100.71
Office of Public Information:					
Other Expenses	166.56		166.56		166.56
Office of Township Clerk					
Salaries and Wages	983.11		983.11		983.11
Other Expenses	284.12	12,025.67	12,309.79	8,501.43	3,808.36
Office of Treasury					
Salaries and Wages	264.86		264.86		264.86
Other Expenses	777.06		777.06		777.06
Office of Data Processing					
Salaries and Wages	88.40		88.40		88.40
Other Expenses	700.69	99.00	799.69	99.00	700.69
Office of Tax Collection					
Salaries and Wages	362.35		362.35		362.35
Other Expenses	925.32		15,925.32	13,958.77	1,966.55
Office of Tax Assessment:					
Salaries and Wages	1,765.33		1,765.33		1,765.33
Other Expenses	1,978.97		1,978.97		1,978.97
Office of Township Attorney:					
Salaries and Wages	298.12		298.12		298.12
Other Expenses	689.48	198.00	1,387.48	1,257.50	129.98
Office of Township Engineer					
Other Expenses	9,655.00	5,130.00	14,785.00	8,482.00	6,303.00
Rent Stabilization Board:					
Salaries and Wages	99.74		99.74		99.74
Other Expenses	1,037.05		1,037.05	885.00	152.05
Office of Community Development					
Salaries and Wages	287.71		287.71		287.71
Other Expenses	4,243.68	130.00	4,373.68	130.00	4,243.68
Planning Board:					
Salaries and Wages	1,229.34		1,229.34	832.00	397.34
Other Expenses	1,078.61	81.19	16,159.80	15,524.23	635.57
Zoning Board of Adjustments					
Salaries and Wages	3.94		1,103.94	1,008.00	95.94
Other Expenses	1,775.80	510.31	1,186.11	935.31	250.80
Office of Zoning:					
Salaries and Wages	183.82		183.82		183.82
Insurance:					
Liability	2,120.49	627.80	2,748.29	2,748.29	
Workers Compensation	47,314.52		314.52	15.06	299.46
Employee Group Insurance	3,816.30		2,116.30	(13,978.87)	16,095.17

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of 2009/10 Appropriation Reserves
For the Period July 1, to December 31, 2010

	Balance June 30, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS" (Cont'd):					
Public Safety:					
Police Department					
Salaries and Wages	\$ 20,875.87		\$ 20,875.87	\$ (19,287.60)	\$ 40,163.47
Other Expenses	17,035.72	\$ 36,526.97	53,562.69	33,442.37	20,120.32
Police Communications					
Salaries and Wages	2,458.56		2,458.56		2,458.56
Other Expenses	1,540.19	1,510.34	3,050.53	1,320.34	1,730.19
Office of Prosecutor:					
Salaries and Wages	1,010.85		1,010.85		1,010.85
Public Works:					
Office of Director					
Salaries and Wages	1,290.41		1,290.41		1,290.41
Other Expenses	4,797.59	3,329.83	8,127.42	5,994.35	2,133.07
Streets and Road Maintenance					
Salaries and Wages	4,786.50		4,786.50		4,786.50
Other Expenses	6,319.66	5,380.34	11,700.00	10,031.00	1,669.00
Sanitation					
Other Expenses	120.46	7,590.61	11,211.07	10,690.60	520.47
Public Buildings and Grounds					
Salaries and Wages	3,839.29		3,839.29		3,839.29
Other Expenses	1,004.74	15,441.15	16,445.89	14,376.18	2,069.71
Vehicle Maintenance					
Salaries and Wages	153.55		153.55		153.55
Other Expenses	8,325.60	11,751.17	20,076.77	15,941.41	4,135.36
Health and Human Services:					
Office of Community Services and Information:					
Salaries and Wages	1,231.92		1,231.92		1,231.92
Other Expenses	788.83		788.83	11.65	777.18
Board of Health					
Salaries and Wages	1.40		1.40		1.40
Other Expenses	432.38		432.38	172.70	259.68
Parks and Recreation					
Office of Director:					
Salaries and Wages	6,920.54		6,920.54		6,920.54
Other Expenses	4,198.08		7,198.08	6,991.12	206.96
Office of Community Activities:					
Other Expenses	890.73	2,110.59	3,001.32	2,187.04	814.28
Municipal Pool:					
Salaries and Wages	154.72		154.72		154.72
Other Expenses	395.95	1,181.33	2,077.28	1,685.17	392.11
Maintenance of Parks and Playgrounds:					
Salaries and Wages	7,896.35		7,896.35		7,896.35
Other Expenses	6,693.35	4,996.52	11,689.87	5,436.38	6,253.49
Other Common Operating Functions:					
Office of Senior Citizens					
Salaries and Wages	382.99		382.99		382.99
Other Expenses	318.43	4,000.00	4,318.43	4,014.04	304.39
Utility Expenses:					
Electric	373.81		373.81		373.81
Street Lights	937.76	6,984.32	7,922.08	6,262.83	1,659.25
Telephone	464.78		464.78	11.47	453.31
Water	116.92		116.92		116.92
Heating	3.42		3.42		3.42
Sewer	27.98		27.98		27.98
Gasoline	2,237.18	18,231.06	30,468.24	29,386.05	1,082.19
Landfill Disposal Costs					
Other Expenses	4,278.33		4,278.33		4,278.33

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of 2009/10 Appropriation Reserves
For the Period July 1, to December 31, 2010

	Balance June 30, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS" (Cont'd):					
Municipal Court					
Salaries and Wages	\$ 786.69		\$ 786.69		\$ 786.69
Other Expenses	257.10	\$ 612.45	1,869.55	\$ 1,572.90	296.65
Construction Code Enforcement					
Salaries and Wages	2,097.72		2,097.72		2,097.72
Other Expenses	389.16	229.00	618.16	229.00	389.16
Compensated Absences					
Other Expenses	491.45		491.45		491.45
Public Employees Retirement System	304.20		304.20		304.20
Total Within "CAPS"	202,208.80	144,978.65	347,187.45	175,293.46	171,893.99
Operations - Excluded from "CAPS":					
Streets and Road Maintenance:					
Other Expenses	100,088.89		100,088.89		100,088.89
Total Operations - Excluded from "CAPS"	100,088.89		100,088.89		100,088.89
GRAND TOTAL	\$ 302,297.69	\$ 144,978.65	\$ 447,276.34	\$ 175,293.46	\$ 271,982.88

Analysis of Paid or Charged

Contracts Payable	\$ 1,727.50
Cash Disbursements	173,565.96
	<u>\$ 175,293.46</u>

TOWNSHIP OF GLOUCESTER

Current Fund

Schedule of Tax Abatements Receivable
For the Period July 1, to December 31, 2010

Balance July 1, 2010	\$ 229,758.25
Increased by:	
Billings	<u>748,837.50</u>
	978,595.75
Decreased by:	
Cash Collected	<u>905,560.59</u>
Balance December 31, 2010	<u>\$ 73,035.16</u>

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Deferred Charges
 N.J.S. 40A:4-55 Special Emergency
 For the Period July 1, to December 31, 2010

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance July 1, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
08/11/09	Cost of Revaluation	\$ 1,690,000.00	\$ 338,000.00	\$1,316,000.00		\$ 338,000.00	\$ 978,000.00
	Total	<u>\$ 1,690,000.00</u>	<u>\$ 338,000.00</u>	<u>\$ 1,316,000.00</u>	<u>\$ -</u>	<u>\$ 338,000.00</u>	<u>\$ 978,000.00</u>

GLOUCESTER TOWNSHIP

FEDERAL & STATE GRANT RECEIVABLE

As of December 31, 2010

	Balance July 1, 2010	Accrued	Received	Canceled	Balance December 31, 2010
Federal Grants:					
Data Collection Grant	\$ 8,031.14				\$ 8,031.14
ARRA - Energy Efficiency & Conservation Block Grant	564,900.00		51,596.00		513,304.00
Bullet Proof Vest Program	12,106.25		10,462.50		1,643.75
Total Federal Grants	585,037.39		62,058.50		522,978.89
State Grants:					
Municipal Alliance for Alcoholism and Drug Abuse	30,528.00		28,692.00		1,836.00
NJ Transportation Trust Fund Authority Act Year 2006	27,722.42				27,722.42
Davistown Road	265,053.21		149,808.39		115,244.82
Bike Path	163,853.67				163,853.67
Peters Lane	125,132.30				125,132.30
Drunk Driving Enforcement Fund		2,000.00	2,000.00		
Safe and Secure Communities	91,847.00	31,140.00	122,987.00		
EDA Grant - Nike Missile Base Site	4,741.00				4,741.00
Body Armor Grant		9,173.17	9,173.17		
Records Management PARIS grant	19,305.00				19,305.00
Civil Preparedness Grant	5,000.00				5,000.00
Sobriety Checkpoint	2,250.00				2,250.00
Over the Limit and Under Arrest		4,400.00	4,400.00		
Domestic Violence	376.00				376.00
Enhanced 911 State Grant	60,960.00				60,960.00
Click It or Ticket	4,000.00		4,000.00		
Youth Program	14,000.00				14,000.00
Total State Grants	814,768.60	46,713.17	321,060.56		540,421.21
Total	\$ 1,399,805.99	\$ 46,713.17	\$ 383,119.06	\$ -	\$ 1,063,400.10

TOWNSHIP OF GLOUCESTER

Federal and State Grant Fund

Schedule of Reserve For Federal And State Grants - Unappropriated
For the Period July 1, to December 31, 2010

	Balance July 1, 2010	Federal and State Grant Receivable	Budget Appropriation	Canceled	Balance December 31, 2010
Federal Grants:					
School Transportation Safety Grant	\$ 6,877.00		\$ 6,877.00		
Total Federal Grants	6,877.00		6,877.00		
State Grants:					
Clean Communities	99,222.97		99,222.97		
Drunk Driving Enforcement Fund	44,217.20	\$ 2,000.00	46,217.20		
Body Armor Grant	3,185.97	9,173.17	3,185.97		\$ 9,173.17
EDA Grant - Nike Missile Base Site Over the Limit and Under Arrest		31,140.00 4,400.00	4,400.00		31,140.00
Total State Grants	146,626.14	46,713.17	153,026.14		40,313.17
Total	\$ 153,503.14	\$ 46,713.17	\$ 159,903.14	\$ -	\$ 40,313.17

TOWNSHIP OF GLOUCESTER

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Appropriated
For the Period July 1, to December 31, 2010

	Balance July 1, 2010	Transferred Budget Appropriation	Expended	Encumbered	Balance December 31, 2010
Federal Grants:					
School Transportation Safety Grant	\$ 12,992.62	\$ 6,877.00			\$ 19,869.62
ARRA - Energy Efficiency & Conservation Block Grant	510,072.13		\$ 268,771.28		241,300.85
Data Collection Grant	36,011.88				36,011.88
Total Federal Grants	559,076.63	6,877.00	268,771.28		297,182.35
State Grants:					
Municipal Alliance for Alcoholism and Drug Abuse	32,522.54		5,585.47		26,937.07
Drunk Driving Enforcement Fund	1,474.54	46,217.20	23,797.30		23,894.44
Alcohol Education Rehabilitation and Enforcement Fund	3,714.54		2,897.54		817.00
Clean Communities	42,877.86	99,222.97	75,055.17	\$ 885.77	66,159.89
State Police Defense Civil Preparedness Grant	1,101.78				1,101.78
NJ Economic Development Authority Grant	28,835.45				28,835.45
Body Armor Fund	475.54	3,185.97	780.00		2,881.51
NJ DCA - Blackwood/Clementon Road Community Center	94,360.13				94,360.13
Over the Limit and Under Arrest		4,400.00	4,400.00		
NJ Transportation Trust Fund Authority Act Year 2006	125.45				125.45
Peters Lane	13,837.30				13,837.30
Davistown Road	186,145.24		121,217.19		64,928.05
Bike Path	148,283.91		86,414.60		61,869.31
Exercise Improvement Grant	486.50		369.15	91.76	25.59
Records Management PARIS grant	19,305.00				19,305.00
Domestic Violence	376.00				376.00
Emergency Management Grant	7,283.41		353.91	70.71	6,858.79
Domestic Preparedness Equipment	476.34				476.34
Enhanced 911 State Grant	31,376.83		1,393.85		29,982.98
Special Purpose Grant - Community Center	2,131.10				2,131.10
Camden County Open Space	25,000.00				25,000.00
Youth Program	14,000.00				14,000.00
Hepatitis B Grant	1,730.00				1,730.00
Total State Grants	655,919.46	153,026.14	322,264.18	1,048.24	485,633.18
Total	\$ 1,214,996.09	\$ 159,903.14	\$ 591,035.46	\$ 1,048.24	\$ 782,815.53

TOWNSHIP OF GLOUCESTER

Federal and State Grant Fund

Schedule of Contracts Payable
For the Period July 1, to December 31, 2010

Balance July 1, 2010	\$ 9,161.58
Increased by:	
Contracts payable	<u>1,048.24</u>
	10,209.82
Decreased by:	
Disbursed	<u>9,161.58</u>
Balance December 31, 2010	<u>\$ 1,048.24</u>

TRUST FUND

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

TOWNSHIP OF GLOUCESTER

TRUST FUND

Schedule of Cash - Treasurer
For the Period July 1 to December 31, 2010

		ANIMAL CONTROL FUND
Balance July 1, 2010		\$ 115,283.27
Increased by Receipts:		
Dog License Fees	\$ 2,163.40	
Cat License Fees	192.00	
Late Fees and Rabies Clinic	105.00	
Budget Appropriation	10,000.00	
Fees Due to State Board of Health	237.60	
Interest Received	278.32	
Total Receipts	12,976.32	12,976.32
		128,259.59
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15	69,055.17	
Fees Paid State Board of Health	242.40	
Transfer to Current Fund	236.85	
Total Disbursements	69,534.42	69,534.42
Balance December 31, 2010		\$ 58,725.17

TOWNSHIP OF GLOUCESTER

TRUST FUND

Schedule of Reserve Balances
For the Period July 1 to December 31, 2010

Account Title	Cash	Accounts	Cash		Cash	Accounts	Payables/
	Balance	Receivable	Receipts	Disbursements	Balance	Receivable	Reserve
	July 1, 2010	July 1, 2010			December 31, 2010	December 31, 2010	Balance December 31, 2010
Reserve for Housing and Community Development Act:							
2009/10 Metro Cities Grant	(143,313.09)	\$ 316,606.74	\$ 310,116.00	\$ 85,663.55	\$ 81,139.36	\$ 6,490.74	\$ 87,630.10
2010/11 Metro Cities Grant				179,143.52	(179,143.52)	\$ 376,580.00	197,436.48
CC Home Consortium Program FY10		75,000.00		38,966.00	(38,966.00)	75,000.00	36,034.00
CC Home Consortium Program FY08	(29,675.00)	37,271.00		7,596.00	(37,271.00)	37,271.00	-
CC Home Consortium Program FY07	(18,473.00)	51,099.00		32,626.00	(51,099.00)	51,099.00	-
Reserve for Neighborhood Preservation Program:	(19,579.24)	134,943.00		70,594.24	(90,173.48)	134,943.00	44,769.52
Reserve for Recycling Funds	365,982.99		1,566.60	37,093.51	330,456.08		330,456.08
Reserve for Grading Escrows	26,012.90		5,126.25	8,597.00	22,542.15		22,542.15
Reserve for Engineering Escrows	580,205.80		198,204.01	223,248.22	555,161.59		555,161.59
Reserve for Sidewalk Improvements	31,283.34				31,283.34		31,283.34
Reserve for Developers Interest on Escrows	2,272.86				2,272.86		2,272.86
Reserve for Disposal of Forfeited Property	48,541.11		32,607.00	31,081.75	50,066.36		50,066.36
Reserve for Cash Performance Guarantees	211,501.63		27,111.30	39,015.60	199,597.33		199,597.33
Reserve for Municipal Alliance Funds	79,882.82		14,045.68	27,501.58	66,426.92		66,426.92
Reserve for Accumulated Absences	54,817.61				54,817.61		54,817.61
Reserve for Public Defender	37,640.07		10,610.00	9,390.41	38,859.66		38,859.66
Reserve for Misc. Grant Escrows.	16,605.78			5,514.50	11,091.28		11,091.28
Reserve for Seasonal Cleanup Escrows	1,031.00				1,031.00		1,031.00
Reserve for POAA	2.00		12.00		14.00		14.00
Reserve for School Bus GPS System	(7,633.86)	7,633.86	12,255.18	2,389.12	2,232.20		2,232.20
Reserve for Unemployment Compensation Insurance	28,737.73		42,402.50	54,521.48	16,618.75		16,618.75
Reserve for Encroachment Escrows	17,149.89		200.00	1,297.00	16,052.89		16,052.89
Reserve for Revolving Loan Fund	278,073.55		10,810.00	26,000.00	262,883.55		262,883.55
Reserve for Multiple Dwelling Escrows	38,425.61				38,425.61		38,425.61
Reserve for Special Recreation	66,587.00				66,587.00		66,587.00
Reserve for Workman's Compensation	19,756.81	12,064.30	295,263.20	299,861.07	15,158.94	12,064.30	27,223.24
Reserve for Workman's Compensation - Sal. & Wages	631.40		40,000.00	29,947.91	10,683.49		10,683.49
Reserve for Disability Claims	38,228.51		16,146.50	15,792.34	38,582.67		38,582.67
Reserve for Payroll Fund	303,430.28		10,344,619.51	10,332,512.95	315,536.84		315,536.84

(continued)

TOWNSHIP OF GLOUCESTER

TRUST FUND

Schedule of Reserve Balances
For the Period July 1 to December 31, 2010

Account Title	Cash	Accounts	Cash		Cash	Accounts	Payables/
	Balance	Receivable	Receipts	Disbursements	Balance	Receivable	Reserve
	July 1, 2010	July 1, 2010			December 31, 2010	December 31, 2010	Balance December 31, 2010
Reserve for Municipal Open space	\$ 421,091.13		761,374.75	\$ 312,071.70	\$ 870,394.18		\$ 870,394.18
Reserve for Affordable Housing Trust	555,733.47		25,887.10		581,620.57		581,620.57
Reserve for Rehabilitation Mortgages Receivable		\$ 905,471.46			-	\$ 905,471.46	905,471.46
Reserve for Redemption of Privately held Liens	430,172.76		1,779,320.51	1,854,990.02	354,503.25		354,503.25
Reserve for Tax Sale Premium	(51,826.65)	657,826.65	625.00	250,150.00	(301,351.65)	658,451.65	357,100.00
Reserve for Sloan's Legacy	2,925.85				2,925.85		2,925.85
Reserve for K-9 Schultz			69,142.90		69,142.90		69,142.90
Due to Current Fund	5,650.02		6,012.23	5,067.43	6,594.82		6,594.82
Due from Current Fund	(60,214.03)	60,214.03	60,214.03		-		-
Contracts Payable	4,383.70				4,383.70		4,383.70
Due to Capital Fund - Open Space Trust	105,000.00			105,000.00	-		-
							-
Total	\$ 3,441,042.75	\$ 2,258,130.04	\$ 14,063,672.25	\$ 14,085,632.90	\$ 3,419,082.10	\$ 2,257,371.15	\$ 5,676,453.25

TOWNSHIP OF GLOUCESTER

ANIMAL CONTROL

**Schedule of Due to Current Fund
For the Period July 1 to December 31, 2010**

Balance July 1, 2010		\$ 20.09
Increased by:		
Interest Earnings	\$ 278.32	
Excess in Reserve	<u>0.03</u>	
		<u>278.35</u>
		298.44
Decreased by:		
Disbursed to Current Fund		<u>236.85</u>
Balance December 31, 2010		<u><u>\$ 61.59</u></u>

**Schedule of Due to State of New Jersey
For the Period July 1 to December 31, 2010**

Balance July 1, 2010		\$ 33.60
Increased by:		
State Share of License Fees Collected		<u>237.60</u>
Sub-total		271.20
Decreased by:		
Payments to State of New Jersey		<u>242.40</u>
Balance December 31, 2010		<u><u>\$ 28.80</u></u>

TOWNSHIP OF GLOUCESTER

ANIMAL CONTROL FUND

Schedule of Reserve For Animal Control Fund Expenditures
For the Period July 1 to December 31, 2010

Balance July 1, 2010		\$ 115,229.58
Increased by:		
Dog License Fees Collected	\$ 2,163.40	
Cat License Fees Collected	192.00	
Other Fees	105.00	
Budget Appropriation	<u>10,000.00</u>	
		<u>12,460.40</u>
		127,689.98
Decreased by:		
Expenditures Under R.S. 4:19-15.11	69,055.17	
Transfer to Current Fund	<u>0.03</u>	
		<u>69,055.20</u>
Balance December 31, 2010		<u>\$ 58,634.78</u>

License Fees Collected

<u>Year</u>	
2008/2009	\$ 88,456.00
2009/2010	<u>91,235.20</u>
Total	<u>\$ 179,691.20</u>

GENERAL CAPITAL FUND

The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired by the Current Fund.

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Cash - Treasurer
For the Period July 1, to December 31, 2010

Balance July 1, 2010		\$ 6,421,573.15
Increased by receipts:		
Due from Trust Other Fund	\$ 105,000.00	
Reserve for Payment of Debt	19,373.28	
Due to Current fund	1,197,630.01	
Interest on investments	14,022.46	
Contra receipts with disbursements	<u>1,600,000.00</u>	
		<u>2,936,025.75</u>
		9,357,598.90
Decreased by Disbursements:		
Due to Current Fund	13,880.79	
Improvement authorizations	2,992,301.42	
Contra disbursements with receipts	<u>1,600,000.00</u>	
		<u>4,606,182.21</u>
Balance December 31, 2010		<u>\$ 4,751,416.69</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

**Analysis of General Capital Cash and Investments
For the Period Ended December 31, 2010**

Fund balance	\$ 1,309,985.80	
Capital improvement fund	23,705.69	
Due to Current fund	141.67	
Reserve for Payment of Debt	19,373.28	
State Grant receivable	(1,500.00)	
Encumbrances payable	439,414.43	
Bond anticipation note payable	6,685,152.00	
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
00-19	Various capital improvements	(1,800.00)
02-34	Acquisition of various vehicles	(951.00)
03-26	Acquisition of vehicles	(119.00)
03-36	Various capital improvements	9,465.47
04-19	Various capital improvements	(133.00)
04-26	Acquisition of vehicles	(228.00)
05-14	Various capital improvements	67,437.96
06-30	Various capital improvements	40,690.33
07-24	Various capital improvements	360,708.99
08-16	Various capital improvements	(791,071.44)
09-12	Various capital improvements	(196,967.19)
09-15	Various capital improvements	(313,473.67)
09-17	Various capital improvements	(22,319.72)
09-21	Various capital improvements	(20,920.87)
10-09	Acquisition of copiers and computer software	10,578.28
10-17	Construction of street hockey rinks	(1,332,209.39)
10-23	Various capital improvements	(1,533,543.93)
		<u>\$ 4,751,416.69</u>

TOWNSHIP OF GLOUCESTER

EXHIBIT C-4

GENERAL CAPITAL FUND

Schedule of State Grant Funds Receivable
For the Period July 1, to December 31, 2010

Balance July 1, 2010	\$ 1,500.00
Balance December 31, 2010	<u>\$ 1,500.00</u>

Analysis of Balance

NJ Dept of Transportation 2006 Allotment	<u>\$ 1,500.00</u>
	<u>\$ 1,500.00</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

**Schedule of Due From (To) Current Fund
For the Period July 1, to December 31, 2010**

Balance July 1, 2010		\$ 1,197,630.01
Increased by:		
Cash disbursed		<u>13,880.79</u>
		1,211,510.80
Decreased by:		
Interest earned on deposits	\$ 14,022.46	
Cash received	<u>1,197,630.01</u>	
		<u>1,211,652.47</u>
Balance December 31, 2010 (Due To)		<u>\$ (141.67)</u>

**Schedule of Deferred Charges to Future Taxation - Funded
For the Period July 1, to December 31, 2010**

Balance July 1, 2010		\$ 38,389,138.13
Increased by:		
Refunding Bonds		<u>6,880,000.00</u>
		45,269,138.13
Decreased by:		
July 1, 2010 to December 31, 2010 Budget appropriations:		
Serial bonds paid	\$ 1,485,000.00	
Green acres loan paid	62,652.57	
Refunding Bonds	<u>6,905,000.00</u>	
		<u>8,452,652.57</u>
Balance December 31, 2010		<u>\$ 36,816,485.56</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule Of Deferred Charges To Future Taxation - Unfunded
For the Period July 1, to December 31, 2010

Ordinance Number	Improvement Description	Balance July 1, 2010	July 1, 2010 to December 31, 2010 Authorizations	Balance December 31, 2010	Analysis of Balance	
					Expenditures	Unexpended Improvement Authorizations
00-19	Various Capital Improvements	\$ 1,800.00		\$ 1,800.00	\$ 1,800.00	
02-34	Acquisition of various vehicles	951.00		951.00	951.00	
03-36	Various capital improvements	119.00		119.00	119.00	
04-19	Acquisition of vehicles	133.00		133.00	133.00	
04-26	Acquisition of vehicles	228.00		228.00	228.00	
05-14	Various capital improvements	69.00		69.00	69.00	
07-24	Various capital improvements	217.00		217.00		\$ 217.00
08-16	Various capital improvements	890,645.00		890,645.00	791,071.44	99,573.56
09-12	Various capital improvements	254,070.00		254,070.00	196,967.19	57,102.81
09-17	Various capital improvements	2,500,000.00		2,500,000.00	22,319.72	2,477,680.28
09-15	Various capital improvements	481,345.00		481,345.00	313,473.67	167,871.33
09-21	Various capital improvements	60,121.00		60,121.00	20,920.87	39,200.13
10-17	Construction of street hockey rinks	1,995,000.00		1,995,000.00	1,332,209.39	662,790.61
10-23	Various capital improvements	3,839,507.00		3,839,507.00	1,533,543.93	2,305,963.07
		<u>\$ 10,024,205.00</u>	<u>\$ -</u>	<u>\$ 10,024,205.00</u>	<u>\$ 4,213,806.21</u>	<u>\$ 5,810,398.79</u>
				Improvement authorizations unfunded		\$5,810,398.79
						<u>\$5,810,398.79</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Improvement Authorizations
For the Period July 1 to December 31, 2010

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount		Balance July 1, 2010		Authorizations					Balance December 31, 2010		
			Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded	Paid or Charged	Prior Period Encumbrances Payable	Current Year Encumbrances Payable	Canceled	Funded	Unfunded
00-32	Recreation improvements	01/13/00	\$ 1,025,000.00	\$ 1,526.75										
02-11	Public works facility - GLRB	03/25/02	5,000,000.00	2,667.51										
02-25	Acquisition of various properties	06/24/02	1,500,000.00	12,367.24										
03-02	Various capital improvements	01/27/03	3,759,570.00	15,373.63				\$ 10,468.71		\$ 830.00				
03-36	Various capital improvements	11/24/03	3,118,375.00	341,653.66				48,725.64	\$ 20,321.75	987.76			9,465.47	
04-14	Acquisition of real properties	06/28/04	800,000.00	15,745.00										
05-03	Township property site improvements	01/24/05	200,000.00	82,451.84				341.46	20,071.25					
05-14	Various capital improvements	04/04/05	4,167,523.00	497,016.60				56,832.26	11,743.42	52.89			67,506.96	
05-39	Various recreational improvements	09/28/05	1,000,000.00	45,807.93										
06-14	Acquisition of Recycling Truck and Dump Truck	04/24/06	278,200.00	14,890.95										
06-15	Various recreational improvements	05/22/06	800,000.00	48,858.57										
06-30	Various capital improvements	10/11/06	2,735,711.00	444,170.84										
07-24	Various capital improvements	10/10/07	3,450,216.00	281,592.48	\$ 217.00			53,736.67	133,489.83	636.63			360,708.99	\$ 217.00
08-16	Various capital improvements	07/07/08	935,180.00			82,538.56								99,573.56
09-12	Various capital improvements	05/27/09	266,775.00			57,102.81								57,102.81
09-17	Various capital improvements	04/27/09	2,500,000.00			2,482,581.03		4,900.75						2,477,680.28
09-15	Various capital improvements	07/27/09	505,415.00			153,061.33		68,132.33	82,942.33					167,871.33
09-21	Various capital improvements	09/28/09	63,130.00			48,912.88		7,712.75						39,200.13
10-09	Acquisition of copier & computer software	02/22/10	66,000.00			20,578.28		10,000.00						10,578.28
10-23	Various capital improvements	04/26/10	4,031,483.00			3,752,776.52		1,246,360.45	233,083.39	433,536.39				2,305,963.07
10-17	Construction of Street Hockey Rinks	04/26/10	2,100,000.00			105,000.00	1,995,000.00	1,437,209.39						662,790.61
			\$ 1,909,701.26	\$ 8,570,190.13	\$ -	\$ -	\$ 2,992,301.42	\$ 528,131.06	\$ 439,414.43	\$ 1,276,957.78	\$ 488,950.03	\$ 5,810,398.79		

TOWNSHIP OF GLOUCESTER

EXHIBIT C-9

GENERAL CAPITAL FUND

Schedule of Bond Anticipation Notes
For the Period July 1, to December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
08-16	Various capital improvements	08/01/08	07/26/10	07/26/11	1.24%	\$ 890,645.00			\$ 890,645.00
10-17	Construction of street hockey rink	06/01/10	06/01/10	06/01/11	1.75%	1,955,000.00			1,955,000.00
10-23	Various capital improvements	06/01/10	06/01/10	08/01/11	1.75%	3,839,507.00			3,839,507.00
Total						<u>\$ 6,685,152.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,685,152.00</u>
						Issued for cash			
						Renewals			
						<u>\$ -</u>	<u>\$ -</u>		

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Capital Improvement Fund
For the Period July 1, to December 31, 2010

Balance July 1, 2010	\$ 23,705.69
Increased by:	
Budget appropriation	<hr/>
	23,705.69
Decreased by:	
Appropriated to Finance Improvement Authorizations	<hr/>
Balance December 31, 2010	<u>\$ 23,705.69</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds
For the Period July 1, to December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance July 1, 2010	Increased	Decreased	Balance December 31, 2010
			Date	Amount					
Refunding Bonds of 1993	4/01/93	\$ 16,780,000				\$ 500,000.00		\$ 500,000.00	
Refunding Bonds of 2001	09/15/01	6,905,000				6,905,000.00		6,905,000.00	
Refunding Bonds of 2010	07/01/10	6,880,000	2/01/2011	\$ 1,255,000	2.50%		\$ 6,880,000.00		\$ 6,880,000.00
			2/01/2012	1,820,000	2.50%				
			2/01/2013	1,875,000	2.50%				
			2/01/2014	1,930,000	2.50%				
Refunding Bonds of 2009	09/15/09	6,430,000	2/01/2011	1,240,000	3.00%	5,200,000.00			5,200,000.00
			2/01/2012	1,275,000	4.00%				
			2/01/2013	1,320,000	4.00%				
			2/01/2014	1,385,000	4.00%				
General Bonds of 2007	12/01/07	6,154,000	12/01/11	400,000	3.625%	5,500,000.00		350,000.00	5,150,000.00
			12/01/12	450,000	3.625%				
			12/01/13	450,000	3.750%				
			12/1/2014 - 15	500,000	3.750%				
			12/1/2016 - 18	550,000	3.750%				
12/1/2019 - 20	600,000	3.800%							

(Continued)

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds (Cont'd)
For the Period July 1, to December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance July 1, 2010	Increased	Decreased	Balance December 31, 2010
			Date	Amount					
Revenue Bonds									
CCIA Lease of 2001	04/18/02	5,000,000	10/01/2011	220,000	4.95%	\$ 3,790,000.00		\$ 210,000.00	\$ 3,580,000.00
			10/01/2012	235,000	4.95%				
			10/01/2013	245,000	4.95%				
			10/01/2014	260,000	4.95%				
			10/01/2015	275,000	4.95%				
			10/01/2016	285,000	4.95%				
			10/01/2017	300,000	4.95%				
			10/01/2018	315,000	4.95%				
			10/01/2019	335,000	4.95%				
			10/01/2020	350,000	4.95%				
			10/01/2021	370,000	4.95%				
			10/01/2022	390,000	4.95%				
General Bonds of 2003	03/01/03	7,683,000	2/1/2011	410,000	3.85%	6,708,000.00			6,708,000.00
			2/1/2012	425,000	3.85%				
			2/1/2013	435,000	3.85%				
			2/1/2014	455,000	3.85%				
			2/1/2015	1,170,000	3.85%				
			2/1/2016	1,220,000	3.85%				
			2/1/2017	1,270,000	3.85%				
			2/1/2018	1,323,000	3.85%				

(Continued)

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds
For the Period July 1, to December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance July 1, 2010	Increased	Decreased	Balance December 31, 2010
			Date	Amount					
General Bonds of 2005	07/15/05	\$ 9,378,000	07/15/11	\$ 425,000	3.75%	\$ 7,828,000.00		\$ 425,000.00	\$ 7,403,000.00
			7/15/2012 - 13	500,000	3.75%				
			7/15/2014 - 15	525,000	3.75%				
			7/15/2016 - 17	550,000	3.85%				
			7/15/2018 - 19	575,000	4.00%				
			7/15/2020	600,000	4.00%				
			7/15/2021	650,000	4.00%				
			7/15/2022	700,000	4.00%				
7/15/2023	728,000	4.00%							
Total						<u>\$ 36,431,000.00</u>	<u>\$ 6,880,000.00</u>	<u>\$ 8,390,000.00</u>	<u>\$ 34,921,000.00</u>
Refunded Budget Appropriation						\$ 6,880,000.00	\$ 6,905,000.00	1,485,000.00	
						<u>\$ 6,880,000.00</u>	<u>\$ 8,390,000.00</u>		

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule Of Green Acres Trust Fund Loan Payable
For the Period July 1, to December 31, 2010

Balance July 1, 2010	\$ 1,958,138.13
Increased by:	
Cash received	<u>1,958,138.13</u>
Decreased by:	
Paid by Budget Appropriation	<u>62,652.57</u>
Balance December 31, 2010	<u>\$ 1,895,485.56</u>

Analysis of Balance, December 31, 2010

Project	Amount
Hickstown Road Development	\$ 349,965.51
Handicapped Facilities	2,821.33
Erial Park	56,588.61
Hickstown Road Land Acquisition	79,400.81
Lake Mathilda Acquisition	258,651.62
Hickstown Road Development	84,785.50
Hickstown Road Development	246,260.60
Hickstown Road Development	451,267.71
Hickstown Road Development	<u>365,743.87</u>
	<u>\$ 1,895,485.56</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Statement of Bonds And Notes Authorized But Not Issued
For the Period July 1, to December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance July 1, 2010</u>	<u>Authorized</u>	<u>Issued - Bond Anticipation Notes</u>	<u>Balance December 31, 2010</u>
00-19	Various capital improvements	\$ 1,800.00			\$ 1,800.00
02-34	Acquisition of various vehicles	951.00			951.00
03-26	Acquisition of vehicles	119.00			119.00
04-19	Acquisition of vehicles	133.00			133.00
04-26	Acquisition of vehicles	228.00			228.00
05-14	Various capital improvements	69.00			69.00
07-24	Various capital improvements	217.00			217.00
09-12	Various capital improvements	254,070.00			254,070.00
09-17	Various capital improvements	2,500,000.00			2,500,000.00
09-15	Various capital improvements	481,345.00			481,345.00
09-21	Various capital improvements	60,121.00			60,121.00
10-17	Construction of street hockey rinks	40,000.00			40,000.00
		<u>\$ 3,339,053.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,339,053.00</u>

TOWNSHIP OF GLOUCESTER

PART II

Single Audit Section

For the Period July 1, to December 31, 2010

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable Mayor and Members
of the Township Council
Township of Gloucester
County of Camden
Blackwood, New Jersey

Compliance

We have audited Township of Gloucester (Township), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the six month period ended December 31, 2010. The Township's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township of Gloucester, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the six month period ended December 31, 2010.

Internal Control Over Compliance

Management of the Township of Gloucester is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
April 21, 2011

TOWNSHIP OF GLOUCESTER
 Schedule of Expenditures of Federal Awards
 For the Period July 1, to December 31, 2010

Federal Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Program Funds Received	Grant Period From To		Balance July 1, 2010	Revenue Realized	Disbursements/ Expenditures	Balance Decemehr 31, 2010
<u>U.S. Department of Criminal Justice</u>									
Bulletproof Vest Partnership Grant 2009 Year	16.607	\$ 3,770.00	\$ 2,126.25	07/01/08	06/30/09				
Total U.S. Department of Criminal Justice									
<u>U.S. Department of Homeland Security</u>									
Federal Emergency Management Agency - Disaster Assistance 2010 Year (February 5-6 Storm)	97.036	291,612.35		02/05/10	08/05/10				
2009 Year (December 19-20 Storm)	97.036	366,669.59	366,669.59	02/05/10	08/05/10				
Total U.S. Department of Homeland Security									
<u>U.S. Department of Transportation</u>									
School Transportation Safety Initiative:									
2010 Year	20.600	6,877.00	6,877.00	10/31/09	10/31/10	\$ 6,877.00			\$ 6,877.00
2009 Year	20.600	14,000.00	14,000.00	10/31/08	10/31/09	12,992.62			12,992.62
Data Collection Grant:									
2009 Year	20.600	29,405.00	21,373.86	10/31/08	10/31/09	29,405.00			29,405.00
2008 Year	20.600	29,405.00	29,405.00	10/31/07	10/31/08	6,606.88			6,606.88
Total U.S. Department of Transportation						55,881.50			55,881.50
<u>U.S. Department of Energy</u>									
ARRA - Energy Efficiency and Conservation Block	81.128	564,900.00	51,596.00	11/16/09	11/15/12	510,072.13		\$ 268,771.28	241,300.85
Total U.S. Department of Energy						510,072.13		268,771.28	241,300.85

(Continued)

TOWNSHIP OF GLOUCESTER
 Schedule of Expenditures of Federal Awards
 For the Period July 1, to December 31, 2010

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Program Funds Received</u>	<u>Grant Period</u> <u>From</u> <u>To</u>		<u>Balance July 1, 2010</u>	<u>Revenue Realized</u>	<u>Disbursements/ Expenditures</u>	<u>Balance Decemehr 31, 2010</u>
<u>U.S. Department of Housing and Urban Development</u>									
Community Development Block Grant:									
Metro Cities 10/11	14.218	\$ 376,580.00		07/01/10	06/30/11		\$ 376,580.00	\$ 179,143.52	\$ 197,436.48
Metro Cities 09/10	14.218	349,913.00	\$ 343,422.26	07/01/09	06/30/10	\$ 173,293.65		85,663.55	87,630.10
<u>U.S. Department of Housing and Urban Development</u>									
(Passed thru the County of Camden):									
Community Development Block Grant -									
Home Consortium - 2010	14.218	75,000.00		07/01/09	06/30/10	75,000.00		38,966.00	36,034.00
Home Consortium - 2008	14.218	100,000.00	11,630.00	07/01/08	06/30/09	40,222.00		40,222.00	-
Total U.S. Department of Housing and Urban Development						288,515.65	376,580.00	343,995.07	321,100.58
Total Federal Awards						\$ 854,469.28	\$ 376,580.00	\$ 612,766.35	\$ 618,282.93

Analysis of Balance December 31, 2010

Federal and State Grant Funds:		
Appropriated Reserves		\$ 297,182.35
Trust -- Other Fund:		
Community Development Block Grant -- Metro Cities 2010/11		197,436.48
Community Development Block Grant -- Metro Cities 2009/10		87,630.10
Community Development Block Grant -- Home Consortium 2010		36,034.00
Total		\$ 618,282.93

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF GLOUCESTER
Schedule of Expenditures of State Financial Assistance
For the Period July 1, to December 31, 2010

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Program Funds Received</u>	<u>Grant Period</u>		<u>Balance July 1, 2010</u>	<u>Revenue Realized</u>	<u>Disbursements/ Expenditures</u>	<u>Balance December 31, 2010</u>
				<u>From</u>	<u>To</u>				
<u>State Department of Transportation</u>									
NJ Transportation Trust Fund:									
Year 2010 - Davistown Road	480-078-6320	\$ 160,890.00	\$ 45,645.18	01/01/10	12/31/10	\$ 160,890.00		\$ 95,961.95	\$ 64,928.05
Year 2010 - Bike Path VIII	480-078-6320	225,000.00	85,360.78	01/01/10	12/31/10	148,283.91		86,414.60	61,869.31
Year 2009 - Davistown Road	480-078-6320	190,907.00	190,907.00	01/01/09	12/31/09	25,255.24		25,255.24	-
Year 2008 - Bike Path VII	480-078-6320	319,000.00	314,785.55	01/01/08	12/31/08	-		-	-
Year 2007 - Peters Lane	480-078-6320	163,000.00	37,867.70	01/01/07	12/31/07	13,837.30		-	13,837.30
Year 2006	480-078-6320	281,000.00	253,277.58	01/01/06	12/31/06	125.45		-	125.45
Total State Department of Transportation						348,391.90	0.00	207,631.79	140,760.11
<u>State Department of Law and Public Safety</u>									
Safe and Secure Communities Program:									
Fiscal Year 2011	100-066-1020-232	31,140.00	31,140.00	05/09/10	05/08/11		\$ 31,140.00		31,140.00
Drunk Driving Enforcement Grant:									
Transition Year 2010	1110-448-31020-50	2,000.00	2,000.00	07/01/10	12/31/10		2,000.00		2,000.00
Fiscal Year 2010	1110-448-31020-50	44,217.20	44,217.20	01/01/10	06/30/10	44,217.20		22,322.76	21,894.44
Fiscal Year 2009	1110-448-31020-50	31,971.77	31,971.77	01/01/09	06/30/09	1,474.54		1,474.54	-
Civil Defense Preparedness:									
Fiscal Year 2009	100-066-1200-726	5,000.00		01/01/09	12/31/09	1,101.78			1,101.78
Enhanced 911	05-G-04-072	60,960.00		01/01/09	12/31/09	31,376.83		1,393.85	29,982.98
Exercise Improvement Award Grant 2008	Not Available	5,000.00	5,000.00	07/01/07	06/30/08	486.50		460.91	25.59
Emergency Management Assistance	Not Available	5,000.00	5,000.00	07/01/09	06/30/10	5,000.00			5,000.00
Emergency Management Assistance	Not Available	5,000.00	5,000.00	07/01/07	06/30/08	2,283.41		424.62	1,858.79
Body Armor Grant:									
Transition Year 2010	718-066-1020-001	9,173.17	9,173.17	07/01/10	12/31/10		9,173.17		9,173.17
Year 2010	718-066-1020-001	3,185.97	3,185.97	01/01/10	12/31/10	3,185.97		304.46	2,881.51
Year 2009	718-066-1020-001	10,737.55	10,737.55	01/01/09	12/31/09	475.54		475.54	-
Total State Department of Law and Public Safety						89,601.77	42,313.17	26,856.68	105,058.26
<u>State Department of Treasury</u>									
Municipal Alliance Grant:									
Year 2010	2000-475-995120-60	40,558.00	38,722.00	06/01/09	06/01/10	32,522.54		5,585.47	26,937.07
NJ DCA Smart Future Planning -									
Blackwood/Clementon Commercial Center	8020-100-022-8070-039-6120	94,360.13	94,360.13	01/01/08	12/31/08	94,360.13			94,360.13
Blackwood/Clementon Commercial Center	8020-100-022-8070-039-6120	58,000.00	56,000.00	01/01/06	12/31/07	2,131.10			2,131.10
Records Management PARIS grant	0604-1501	19,305.00		07/01/08	06/30/09	19,305.00			19,305.00
Summer Youth Program	Not Available	14,000.00		07/01/04	12/31/05	14,000.00			14,000.00
Green Acres Trust - (Passed through NJ Economic Development Authority):									
Hazardous Discharge and Site Remediation	69-022-1644	47,154.00	42,413.00	01/01/05	12/31/05	28,835.45			28,835.45
Total State Department of Treasury						191,154.22	0.00	5,585.47	185,568.75

(Continued)

TOWNSHIP OF GLOUCESTER
Schedule of Expenditures of State Financial Assistance
For the Period July 1, to December 31, 2010

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Program Funds Received</u>	<u>Grant Period</u>		<u>Balance July 1, 2010</u>	<u>Revenue Realized</u>	<u>Disbursements/ Expenditures</u>	<u>Balance December 31, 2010</u>
				<u>From</u>	<u>To</u>				
<u>State Department of Community Affairs</u>									
Camden County Veterans Park	Not Available	\$ 25,000.00	\$ 25,000.00	01/01/09	12/31/09	\$ 25,000.00			\$ 25,000.00
Domestic Violence	2009-100-022-8030-803-PT-6020	376.00		09/01/08	06/30/09	376.00			376.00
Domestic Violence	2007-100-022-8030-803-PT-8020	5,755.17	5,755.17	09/01/06	06/30/07	476.34			476.34
Total State Department of Community Affairs						25,852.34			25,852.34
<u>State Department of Traffic and Highway Safety</u>									
Over the Limit, Under Arrest	OP04-45-02-42	4,400.00	4,400.00	01/01/10	12/31/10		\$ 4,400.00	\$ 4,400.00	-
Over the Limit, Under Arrest	OP04-45-02-42	11,000.00	11,000.00	01/01/09	12/31/09				-
Camden County Sobriety Check Point	Not Available	2,250.00		07/01/09	06/30/10				-
Total State Department of Traffic and Highway Safety						0.00	4,400.00	4,400.00	-
<u>State Department of Health</u>									
Communicable Diseases Services:									
Hepatitis B	100-045-5230-241	5,000.00	5,000.00	01/01/03	12/31/03	1,730.00			1,730.00
Alcoholic Education Rehabilitation Fund: Year 2010	760-098-9735-001	8,747.51	8,747.51	01/01/10	12/31/10	3,714.54		2,897.54	817.00
Total State Department of Health						5,444.54	0.00	2,897.54	2,547.00
<u>State Department of Environmental Protection</u>									
Clean Communities Program:									
Fiscal Year 2010	042-4900-765-004-60	99,222.97	99,222.97	05/01/09	04/30/10	99,222.97		33,063.08	66,159.89
Fiscal Year 2009	042-4900-765-004-60	95,323.08	95,323.08	05/01/08	04/30/09	42,877.86		42,877.86	-
Total State Department of Environmental Protection						142,100.83	0.00	75,940.94	66,159.89
Total State Financial Assistance						\$ 802,545.60	\$ 46,713.17	\$ 323,312.42	\$ 525,946.35

Analysis of Balance December 31, 2010

Current Fund:	
Reserve for Federal and State Grants - Appropriated	\$ 485,633.18
Reserve for Federal and State Grants - Unappropriated	40,313.17
Total	\$ 525,946.35

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Township of Gloucester

**Notes to Schedules of Expenditures of Federal Awards
and State Financial Assistance
For the Six Month Period Ended December 31, 2010**

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Gloucester, County of Camden, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 268,771.28	\$ 323,312.42	\$ 592,083.70
Trust Fund	343,995.07		343,995.07
Total Financial Assistance	<u>\$ 612,766.35</u>	<u>\$ 323,312.42</u>	<u>\$ 936,078.77</u>

4. MAJOR PROGRAMS

Major programs are identified in the "Summary of Auditor's Results" section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF GLOUCESTER

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD JULY 1 TO DECEMBER 31, 2010**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over compliance:

1) Material weaknesses identified? yes X no

2) Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>81.128</u>	<u>ARRA - Energy Efficiency Conservation Block</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$300,000

Auditee qualified as low-risk auditee? X yes no

TOWNSHIP OF GLOUCESTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD JULY 1 TO DECEMBER 31, 2010

Section 1 -- Summary of Auditor's Results
(Continued)

State Awards NOT APPLICABLE

Internal Control over compliance:

- 1) Material weaknesses identified? _____ yes _____ no
- 2) Were reportable conditions identified that were not considered to be material weaknesses? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04 - OMB? _____ yes _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

TOWNSHIP OF GLOUCESTER

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD JULY 1 TO DECEMBER 31, 2010**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

TOWNSHIP OF GLOUCESTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD JULY 1 TO DECEMBER 31, 2010

Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to audit of major Federal and State programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

No findings and/or questioned costs identified.

STATE AWARDS

No findings and/or questioned costs identified.

TOWNSHIP OF GLOUCESTER

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior-year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

No prior year findings.

FEDERAL AWARDS

No prior year findings.

STATE AWARDS

No prior year findings.

TOWNSHIP OF GLOUCESTER

PART III

Schedule of Other Comments and Recommendations

For the Period July 1, to December 31, 2010

TOWNSHIP OF GLOUCESTER

**SCHEDULE OF OTHER COMMENTS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1 TO DECEMBER 31, 2010**

This section identifies other reportable conditions and/or instances of noncompliance noted during the audit of the Township that are not required to be reported under *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04.

None

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 Surety Bond</u>	
David R. Mayer	Mayor		
Glen V. Bianchini	President of Council		
Orlando Mercado	Vice - President of Council		
Crystal Evans	Councilperson		
Ken Garbowski	Councilperson		
Franklin T. Schmidt	Councilperson		
Michelle Gentek	Councilperson		
Daniel Hutchison	Councilperson		
Rosemary DiJosie	Township Clerk, Officer for Searches for Municipal Liens	\$ 100,000	A
Nancy Power	Assistant Township Clerk	\$ 100,000	A
Thomas C. Cardis	Business Administrator	\$ 20,000	B
Sandra Ferguson	Tax Collector, Tax Search Officer	\$ 410,000	B
Christie Ehret	Chief Financial Officer, Treasurer	\$ 283,000	B
David Carlamere	Solicitor		
Nicholas Trabosh	Magistrate	\$ 100,000	C
Patricia Carroll	Municipal Court & Violations Clerk	\$ 100,000	C
Peggy Monahan	Deputy Court Clerk	\$ 100,000	C
Susan Fleming	Registrar of Vital Statistics	\$ 100,000	A

- A Employees are covered by a public employees honesty blanket bond with the St. Paul Insurance Company in the amount of \$100,000.
- B Western Surety Company
- C Employees are covered by a public employees honesty blanket bond with the Western Surety Company in the amount of \$100,000.

Acknowledgment

We received the complete cooperation of all the officials of the Township of Gloucester and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

April 21, 2011