

TOWNSHIP OF GLOUCESTER
County of Camden

Report of Audit of Financial Statements

For the Year Ended December 31, 2011

TOWNSHIP OF GLOUCESTER
COUNTY OF CAMDEN

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TOWNSHIP OF GLOUCESTER

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2011

INVERSO & STEWART, LLC

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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, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements in addition to assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects 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 on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices 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, 2011 and 2010, or the results of its operations and changes in fund balance for the years 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, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, and expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 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 12, 2012 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 conjunction with this report 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 basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance programs are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
April 12, 2012

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, 2011, and have issued our report thereon dated April 12, 2012, which 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. 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 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 of the Township, the Division of Local Government Services, Department of Community Affairs, and state awarding agencies and pass-through entities 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
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
April 12, 2012

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Assets, Liabilities, Reserves and Fund Balance - Statutory Basis
As of December 31, 2011 and 2010

	REFERENCE	2011	2010
ASSETS			
Current Fund:			
Cash	A-4	\$ 9,624,674.87	\$ 5,136,733.67
Cash - Change Fund	A-5	<u>1,750.00</u>	<u>850.00</u>
Sub-total Cash		9,626,424.87	5,137,583.67
Due from State of New Jersey:			
Federal Emergency Management Aid	A-4		291,612.35
Senior Citizens' and Veterans Deductions	A-6	<u>74,098.49</u>	<u>88,267.20</u>
		<u>9,700,523.36</u>	<u>5,517,463.22</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	253,103.61	1,558,007.87
Tax Title Liens Receivable	A-8	434,018.87	205,967.52
Property Acquired for Taxes - Assessed Valuation	A-9		2,080,941.73
Revenue Accounts Receivable	A-10	165,711.06	230,711.65
Miscellaneous Liens Receivable			6,680.00
Tax Abatements Receivable			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	26.95	61.59
Due from Trust - Other Funds	B	<u>4,077.17</u>	<u>6,594.82</u>
		<u>856,937.66</u>	<u>4,488,346.27</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	640,000.00	978,000.00
Expenditure Without an Appropriation	A-4	<u>199,888.48</u>	<u></u>
		<u>839,888.48</u>	<u>978,000.00</u>
Total Current Fund		<u>11,397,349.50</u>	<u>10,983,809.49</u>
Federal and State Grant Fund:			
Cash	A-4	127,363.92	
Federal and State Grants Receivable	A-14	<u>811,316.15</u>	<u>1,063,400.10</u>
Total Federal and State Grant Fund		<u>938,680.07</u>	<u>1,063,400.10</u>
Total Assets		<u>\$ 12,336,029.57</u>	<u>\$ 12,047,209.59</u>

(Continued)

TOWNSHIP OF GLOUCESTER

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Statutory Basis
As of December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-11	\$ 1,641,817.56	\$ 1,082,764.58
Reserve for Encumbrances	A-3, A-11	92,579.32	128,015.29
Accounts Payable			1,727.50
Special Emergency Note Payable	A-12	676,000.00	1,014,000.00
Reserve for Cost of Revaluation		63,066.99	86,713.74
Prepaid Taxes	A-4, A-7	604,433.40	469,983.31
Tax Overpayments		3,056.62	17.90
Due to Local School District		87,840.88	34,492.75
Due State of New Jersey:			
Marriage Licenses		1,950.00	1,700.00
State Training Fees		9,512.00	9,693.00
Due County for Added Taxes	A-7	23,048.91	
Due Camden County Municipal Utilities Authority	A-4	1,056,940.34	
Due Gloucester Township Municipal Utilities Authority	A-4	387,356.35	
Due to Capital Fund	C	318,024.34	
Due to Trust Other Fund	B	477,550.92	793,394.65
		<u>5,443,177.63</u>	<u>3,622,502.72</u>
Reserve for Receivables and Other Assets	A	856,937.66	4,488,346.27
Fund Balance	A-1	<u>5,097,234.21</u>	<u>2,872,960.50</u>
		<u>11,397,349.50</u>	<u>10,983,809.49</u>
Federal and State Grant Fund:			
Contracts Payable			1,048.24
Due to Current Fund	A		239,223.16
Reserve for Federal and State Grants:			
Unappropriated Reserves	A-15	13,663.35	40,313.17
Appropriated Reserves	A-16	<u>925,016.72</u>	<u>782,815.53</u>
Total Federal and State Grant Fund		<u>938,680.07</u>	<u>1,063,400.10</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,336,029.57</u>	<u>\$ 12,047,209.59</u>

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

TOWNSHIP OF GLOUCESTER

CURRENT FUND

**Statement of Operations and Changes in Fund Balance - Statutory Basis
For the Year Ended December 31, 2011 and Six Month Period Ended December 31, 2010**

<u>Revenue and Other Income Realized</u>	<u>2011</u>	<u>2010</u>
Fund Balance Utilized	\$ 2,080,558.00	\$ 191,196.00
Miscellaneous Revenue Anticipated	11,922,617.57	7,400,884.57
Receipts from Delinquent Taxes	1,473,827.87	13,343.33
Receipts from Current Taxes	143,113,576.15	69,437,007.69
Non-Budget Revenues	570,265.20	313,416.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	668,926.33	271,982.88
Prior Year Accounts Payable Canceled	1,106.24	
Prior Year Tax Overpayments Canceled		62,502.08
Prior Year School Taxes Payable Canceled	24,492.83	43,847.59
Prior Year Miscellaneous Receivables Liquidated	166,696.26	106,014.76
Liquidation of Prior Year Interfunds		3,173.52
	<hr/>	<hr/>
Total Revenue and Other Income Realized	160,022,066.45	77,843,368.99
 <u>Expenditures</u>		
Budget:		
Operations Within "CAPS":		
Salaries and Wages	18,622,723.55	9,650,478.00
Other Expenses	18,214,208.45	9,377,493.61
Deferred Charges and Statutory Expenditures Within "CAPS"	4,564,628.00	723,786.39
Operations Excluded from "CAPS":		
Salaries and Wages	153,802.57	
Other Expenses	1,341,238.99	224,767.14
Capital Improvements Excluded from "CAPS"	300,000.00	
Municipal Debt Service Excluded from "CAPS"	5,409,632.48	2,355,544.52
Deferred Charges Excluded "CAPS"	338,000.00	338,000.00
Transferred to Board of Education	550,000.00	
County Taxes	33,285,467.77	15,740,339.75
Due County for Added Taxes	69,592.25	
Fire District Taxes	5,869,108.00	2,837,801.50
Local District School Tax	42,880,346.00	21,362,332.00
Regional High School Tax	23,201,714.96	11,573,120.18
Municipal Open Space Tax	906,318.00	661,889.50
Federal and State Grant Receivables Canceled	6,384.75	
Interfunds Created	4,068.97	178,327.67
	<hr/>	<hr/>
Total Expenditures	155,717,234.74	75,023,880.26
 Statutory excess to fund balance	4,304,831.71	2,819,488.73
Fund Balance January 1,	2,872,960.50	244,667.77
	<hr/>	<hr/>
Total	7,177,792.21	3,064,156.50
Decreased by - Utilized as Revenue	2,080,558.00	191,196.00
	<hr/>	<hr/>
Fund Balance December 31	\$ 5,097,234.21	\$ 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 Year Ended December 31, 2011

<i>Fund Balance Anticipated</i>	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
	\$ 2,080,558.00		\$ 2,080,558.00	
Miscellaneous Revenues:				
Licenses:				
Alcohol	60,000.00		59,050.00	\$ (950.00)
Other	25,000.00		23,571.00	(1,429.00)
Fees and Permits	60,000.00		44,957.00	(15,043.00)
Fines and Costs - Municipal Court	1,230,000.00		2,411,591.09	1,181,591.09
Interest and Costs on Taxes	300,000.00		376,700.31	76,700.31
Interest on Investments and Deposits	35,000.00		178,588.36	143,588.36
Recreation Fees	200,000.00		217,209.85	17,209.85
Tax Sale Fees	150,000.00		239,863.96	89,863.96
Payment in Lieu of Taxes for Senior Citizen				
Housing Complex	158,500.00		160,000.00	1,500.00
Municipal Pool Fees	70,000.00		83,125.00	13,125.00
Lease of Public Building	6,000.00		13,800.12	7,800.12
Tax Abatement in Lieu of Billings	1,510,487.00		1,670,694.79	160,207.79
Police Department Fees	15,000.00		12,110.15	(2,889.85)
Cable TV Fees	200,000.00		209,981.38	9,981.38
Consolidated Municipal Property Tax Relief Act	833,017.00		833,017.00	
Energy Receipts Tax	4,273,442.00		4,273,442.00	
Construction Code Fees	424,190.00		425,782.00	1,592.00
State and Federal Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund		\$ 24,317.42	24,317.42	
Clean Communities Program		95,029.82	95,029.82	
Body Armor Grant	9,173.17		9,173.17	
DWI Over the Limit Under Arrest	5,000.00	4,150.00	9,150.00	
Safe and Secure Communities	79,513.00	31,140.00	110,653.00	
Justice Assistance Grant		28,247.00	28,247.00	
County Justice Assistance Grant		27,457.00	27,457.00	
Bullet Proof Vest Program		25,010.00	25,010.00	
NJ Transportation Grant		200,856.00	200,856.00	
Click It or Ticket Grant		4,000.00	4,000.00	
Emergency Management Grant		5,000.00	5,000.00	
Green Communities Grant		3,000.00	3,000.00	
Municipal Alliance Grant		41,558.00	41,558.00	
Camden County Checkpoint Grant		2,500.00	2,500.00	
Alcohol Education Rehabilitation Fund		3,182.15	3,182.15	
Camden County Open Space Grant		100,000.00	100,000.00	
Total Miscellaneous Revenues	<u>9,644,322.17</u>	<u>595,447.39</u>	<u>11,922,617.57</u>	<u>1,682,848.01</u>
Receipts from Delinquent Taxes	<u>355,865.00</u>		<u>1,473,827.87</u>	<u>1,117,962.87</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>37,346,064.00</u>		<u>37,295,986.17</u>	<u>(50,077.83)</u>
Budget Totals	<u>49,426,809.17</u>	<u>595,447.39</u>	<u>52,772,989.61</u>	<u>2,750,733.05</u>
Non-Budget Revenues			<u>570,265.20</u>	<u>570,265.20</u>
Grand Total	<u>\$ 49,426,809.17</u>	<u>\$ 595,447.39</u>	<u>\$ 53,343,254.81</u>	<u>\$ 3,320,998.25</u>

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Revenues - Statutory Basis
For the Year Ended December 31, 2011**Analysis of Realized Revenue**

Allocation of Current Tax Collections:

Revenue from Collections	\$ 143,113,576.15
Allocated to:	
Local School, Regional School, Special District and County Taxes	<u>106,212,546.98</u>
Sub-Total	36,901,029.17
Add: Appropriation "Reserve for Uncollected Taxes"	<u>394,957.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 37,295,986.17</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,440,951.33
Tax Title Lien Collections	<u>32,876.54</u>
	<u>\$ 1,473,827.87</u>

Licenses -- Other:

Mercantile	\$ 8,240.00
Board of Health/Marriage	1,341.00
Amusement	100.00
Massage Parlor	150.00
Used Car Lot	2,340.00
Landlord Registration	3,400.00
Peddler	1,350.00
Raffle/Bingo	6,140.00
Taxi	300.00
Service Station	<u>210.00</u>
	<u>\$ 23,571.00</u>

Fees and Permits:

Burial Permits	\$ 555.00
Seasonal Permits	1,050.00
Gun Permits	1,969.00
Alarm Permits	210.00
Sub-Division Fees	17,600.00
Towing Contract Fees	2,200.00
Encroachment Permit Fees	8,220.00
Variance Fees	12,723.00
Clerk Search	40.00
Tax Searches	<u>390.00</u>
	<u>\$ 44,957.00</u>

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Revenues - Statutory Basis
For the Year Ended December 31, 2011**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Tax Sale Fees	\$ 1,852.25
Ordinance, Books & Maps	890.00
Community Development Advertising Fees	3,060.00
Pool Snack Bar	12,219.00
Photocopies	7,888.51
Restitution	550.00
Cancel Prior Year Outstanding Checks	6,006.00
Cell Tower	27,516.25
Gazebo Rental	4,500.00
Fuel Reimbursement	168,603.18
Scrap Metal/Recycling/Used Oil	161,990.02
Refund of Prior Year Expenses	154,816.71
Miscellaneous	<u>20,373.28</u>
	<u>\$ 570,265.20</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 Year Ended December 31, 2011

	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
GENERAL GOVERNMENT						
Administrative and Executive:						
Office of Township Administrator						
Salaries and Wages	\$ 143,465.00	\$ 143,465.00	\$ 141,686.33		\$ 1,778.67	
Other Expenses	1,325.00	2,025.00	1,903.77		121.23	
Office of Administrative Support Services:						
Salaries and Wages	85,502.00	97,219.08	97,219.08			
Other Expenses	24,584.00	33,584.00	33,388.18		195.82	
Office of Grants Administration:						
Other Expenses	175.00	375.00	276.37		98.63	
Office of Human Resources:						
Salaries and Wages	141,059.00	144,559.00	144,217.61		341.39	
Other Expenses	28,500.00	58,500.00	56,006.73		2,493.27	
Office of Mayor:						
Salaries and Wages	103,488.00	103,788.03	103,788.03			
Other Expenses	3,100.00	3,400.00	3,127.47	\$ 206.50	66.03	
Office of Township Council:						
Salaries and Wages	55,935.00	55,935.00	50,904.44		5,030.56	
Other Expenses	4,950.00	4,950.00	4,210.46	164.50	575.04	
Office of Public Information:						
Other Expenses	31,200.00	31,200.00	30,325.00		875.00	
Office of Township Clerk:						
Salaries and Wages	139,015.00	139,015.00	110,031.97		28,983.03	
Other Expenses	44,100.00	44,100.00	37,036.13		7,063.87	
Office of Treasury:						
Salaries and Wages	121,880.00	123,009.79	123,009.79			
Other Expenses	19,800.00	22,100.00	21,678.29	350.00	71.71	
Audit Services:						
Other Expenses	60,000.00	60,000.00	60,000.00			
Office of Data Processing:						
Salaries and Wages	109,961.00	111,161.00	110,854.53		306.47	
Other Expenses	126,950.00	126,950.00	107,823.04		19,126.96	
Office of Tax Collector:						
Salaries and Wages	220,527.00	220,527.00	208,484.47		12,042.53	
Other Expenses	86,350.00	86,350.00	50,523.85	459.00	35,367.15	
Office of Tax Assessment:						
Salaries and Wages	162,359.00	162,359.00	152,640.85		9,718.15	
Other Expenses	14,900.00	14,900.00	14,846.69		53.31	
Office of Township Attorney:						
Salaries and Wages	96,780.00	97,780.00	97,575.39		204.61	
Other Expenses	17,450.00	27,550.00	25,514.61	1,990.91	44.48	

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Expenditures - Statutory Basis
For the Year Ended December 31, 2011

	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	\$ 30,000.00	\$ 30,000.00	\$ 18,132.25		\$ 11,867.75	
Rent Stabilization Board:						
Other Expenses	6,175.00	6,175.00	51.28		6,123.72	
Office of Community Development:						
Salaries and Wages	159,400.00	159,400.00	152,212.65		7,187.35	
Other Expenses	14,350.00	14,350.00	5,750.43		8,599.57	
Land Use Administration:						
Planning Board:						
Salaries and Wages	7,985.00	7,985.00	6,313.06		1,671.94	
Other Expenses	30,250.00	30,250.00	26,684.58	\$ 269.43	3,295.99	
Zoning Board of Adjustments:						
Salaries and Wages	7,985.00	7,985.00	6,468.53		1,516.47	
Other Expenses	33,950.00	33,950.00	10,465.47	445.02	23,039.51	
Office of Zoning:						
Salaries and Wages	41,593.00	41,593.00	40,374.69		1,218.31	
Insurance:						
Liability Insurance	368,000.00	403,000.00	392,396.48	1,282.86	9,320.66	
Workman's Compensation	607,250.00	457,949.00	365,501.02		92,447.98	
Employee Group Insurance	6,410,110.00	6,599,110.00	6,497,866.04		101,243.96	
Health Benefit Waiver	189,000.00					
Unemployment Insurance	60,000.00	60,000.00	26,046.85		33,953.15	
Public Safety:						
Police Department:						
Salaries and Wages	11,145,783.00	11,215,296.00	11,020,083.50		195,212.50	
Other Expenses	783,116.00	783,116.00	574,067.78	48,151.09	160,897.13	
Police Communications:						
Salaries and Wages	691,222.00	729,869.86	729,869.86			
Other Expenses	129,170.00	129,170.00	101,915.85	8,490.68	18,763.47	
Office of Prosecutor:						
Salaries and Wages	34,442.00	34,443.00	34,442.07		0.93	
Public Works:						
Office of Director:						
Salaries and Wages	115,409.00	115,409.00	113,447.74		1,961.26	
Other Expenses	67,775.00	67,775.00	62,146.75	697.93	4,930.32	

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Expenditures - Statutory Basis
For the Year Ended December 31, 2011

	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	\$ 1,268,484.00	\$ 1,291,991.79	\$ 1,291,991.79			
Other Expenses	728,100.00	728,100.00	582,639.22	\$ 6,439.82	\$ 139,020.96	
Sanitation:						
Contractual	3,101,335.00	3,101,335.00	2,957,765.99		143,569.01	
Public Buildings and Grounds:						
Salaries and Wages	557,672.00	557,672.00	535,969.41		21,702.59	
Other Expenses	109,500.00	121,600.00	116,584.49	4,998.85	16.66	
Other Public Works Functions:						
Other Expenses	570,000.00	571,100.00	571,095.25		4.75	
Vehicle Maintenance:						
Salaries and Wages	285,194.00	285,194.00	272,793.98		12,400.02	
Other Expenses	225,190.00	225,190.00	144,501.82	11,665.82	69,022.86	
Health and Human Services:						
Office of Community Services and Information:						
Salaries and Wages	8,820.00	8,820.00	2,549.51		6,270.49	
Other Expenses	850.00	850.00	627.71		222.29	
Board of Health:						
Salaries and Wages	5,295.00	5,295.00	2,646.80		2,648.20	
Other Expenses	1,800.00	2,200.00	2,170.16		29.84	
Animal Control:						
Other Expenses	10,000.00	10,000.00			10,000.00	
Parks and Recreation:						
Office of Director:						
Salaries and Wages	378,102.00	422,102.00	408,118.26		13,983.74	
Other Expenses	23,100.00	23,100.00	10,786.02		12,313.98	
Office of Community Activities:						
Other Expenses	4,200.00	11,800.00	11,672.97		127.03	
Municipal Pool:						
Salaries and Wages	60,000.00	64,200.00	64,182.58		17.42	
Other Expenses	11,760.00	15,260.00	15,041.67	184.95	33.38	
Maintenance of Parks and Playgrounds:						
Salaries and Wages	931,250.00	931,250.00	907,776.33		23,473.67	
Other Expenses	71,300.00	79,300.00	77,827.29	617.41	855.30	
Other Common Operating Functions:						
Office of Senior Citizens:						
Salaries and Wages	50,725.00	50,725.00	36,496.56		14,228.44	
Other Expenses	4,400.00	4,400.00	4,125.67		274.33	
Utility Expenses						
Electricity	363,300.00	363,300.00	336,875.81		26,424.19	
Street Lights	861,000.00	861,000.00	782,195.90	573.45	78,230.65	
Telephone	187,000.00	198,500.00	194,579.80	3,788.09	152.11	
Water	61,700.00	61,700.00	78,271.79		3,428.21	

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Expenditures - Statutory Basis
For the Year Ended December 31, 2011

	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL APPROPRIATIONS (CONT'D):						
Operations Within "CAPS" (Cont'd):						
Utility Expenses						
Natural Gas	\$ 85,100.00	\$ 85,100.00	\$ 79,106.76		\$ 5,993.24	
Sewerage	8,200.00	8,300.00	8,272.96		27.04	
Gasoline	550,000.00	650,000.00	600,645.45		49,354.55	
Landfill Disposal Costs:						
Other Expenses	2,200,000.00	1,866,684.45	1,737,945.15		128,739.30	
Municipal Court:						
Salaries and Wages	440,679.00	440,679.00	434,494.37		6,184.63	
Other Expenses	55,160.00	55,160.00	47,438.52	\$ 1,588.01	6,133.47	
Construction Code Enforcement:						
Salaries and Wages	408,790.00	416,790.00	415,624.11		1,165.89	
Other Expenses	15,400.00	19,400.00	18,641.37	235.00	523.63	
Unclassified:						
Compensated Absences Leave	437,206.00	437,206.00	426,205.08		11,000.92	
Total Operations Including Contingent - Within "CAPS"	36,856,932.00	36,836,932.00	35,148,970.51	92,579.32	1,595,382.17	-
Detail:						
Salaries and Wages	18,416,007.00	18,622,723.55	18,242,473.37		380,250.18	
Other Expenses	18,440,925.00	18,214,208.45	16,906,497.14	92,579.32	1,215,131.99	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	687,406.00	687,406.00	687,406.00			
Social Security System (O.A.S.I.)	1,455,000.00	1,475,000.00	1,428,564.61		46,435.39	
Police and Firemen's Retirement System	2,402,222.00	2,402,222.00	2,402,222.00			
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	4,544,628.00	4,564,628.00	4,518,192.61		46,435.39	
Total General Appropriations - For Municipal Purposes Within "CAPS"	41,401,560.00	41,401,560.00	39,667,163.12	92,579.32	1,641,817.56	

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Expenditures - Statutory Basis
For the Year Ended December 31, 2011

	Appropriations		Expended			Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operations Excluded from "CAPS":						
Stormwater Management Permits	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00			
Insurance - Employees Group Insurance	700,370.00	700,370.00	700,370.00			
Sanitation - Recycling Tax Appropriations	75,000.00	75,000.00	75,000.00			
Supplemental Fire Services Program	21,538.00	21,538.00	21,538.00			
State and Federal Programs Offset By Revenues:						
Body Armor Grant	9,173.17	9,173.17	9,173.17			
Over The Limit Under Arrest (NJSA 40A:4-87)	5,000.00	9,150.00	9,150.00			
Safe and Secure Communities (NJSA 40A:4-87)	79,513.00	110,653.00	110,653.00			
Justice Assistance Grant (NJSA 40A:4-87)		28,247.00	28,247.00			
County Justice Assistance Grant (NJSA 40A:4-87)		27,457.00	27,457.00			
Bullet Proof Vest Program (NJSA 40A:4-87)		25,010.00	25,010.00			
NJ Transportation Trust Fund (NJSA40A:4-87)		200,856.00	200,856.00			
Click it or Ticket (NJSA 40A:4-87)		4,000.00	4,000.00			
Emergency Management (NJSA 40A:4-87)		5,000.00	5,000.00			
Clean Communities Grant (NJSA 40A:4-87)		95,029.82	95,029.82			
Drunk Driving Enforcement Grant (NJSA 40A:4-87)		24,317.42	24,317.42			
Green Communities (NJSA 40A:4-87)		3,000.00	3,000.00			
Municipal Alliance (NJSA 40A:4-87)		41,558.00	41,558.00			
Camden County Checkpoint Grant (NJSA 40A:4-87)		2,500.00	2,500.00			
Alcohol Education Rehabilitation Grant (NJSA 40A:4-87)		3,182.15	3,182.15			
County Open Space Grant (NJSA 40A:4-87)		100,000.00	100,000.00			
Total Operations - Excluded From "CAPS"	899,594.17	1,495,041.56	1,495,041.56			
Detail:						
Salaries and Wages	79,513.00	110,653.00	110,653.00			
Other Expenses	820,081.17	1,384,388.56	1,384,388.56			
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
Total Capital Improvements - Excluded from "CAPS"	300,000.00	300,000.00	300,000.00			
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	3,950,000.00	3,950,000.00	3,950,000.00			
Interest on Bonds	1,306,303.00	1,306,303.00	1,185,878.60			\$ 120,424.40
Interest on Notes	124,776.00	124,776.00	112,135.52			12,640.48
Green Trust Loan Program:						
Principal	124,342.00	124,342.00	124,341.41			0.59
Interest	37,277.00	37,277.00	37,276.95			0.05
Total Municipal Debt Service - Excluded from "CAPS"	5,542,698.00	5,542,698.00	5,409,632.48			133,065.52
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 Year Ended December 31, 2011

	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)	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>7,630,292.17</u>	<u>8,225,739.56</u>	<u>8,092,674.04</u>			\$ 133,065.52
Subtotal General Appropriations	49,031,852.17	49,627,299.56	47,759,837.16	\$ 92,579.32	\$ 1,641,817.56	133,065.52
Reserve for Uncollected Taxes	<u>394,957.00</u>	<u>394,957.00</u>	<u>394,957.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 49,426,809.17</u>	<u>\$ 50,022,256.56</u>	<u>\$ 48,154,794.16</u>	<u>\$ 92,579.32</u>	<u>\$ 1,641,817.56</u>	<u>\$ 133,065.52</u>
Appropriation by 40A:4-87 Budget		\$ 595,447.39 <u>49,426,809.17</u>				
		<u>\$ 50,022,256.56</u>				

Detail of Paid or Charged

Reserve for Federal and State Grants -- Appropriated	\$ 689,133.56
Due to Capital Fund - Capital Improvement Fund	300,000.00
Deferred Charges - Special Emergency	338,000.00
Reserve for Uncollected Taxes	394,957.00
Disbursed	<u>46,432,703.60</u>
Total	<u>\$ 48,154,794.16</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, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Cash	B-1	\$ 14,589.51	\$ 58,725.17
Other Funds:			
Cash		3,574,431.40	3,418,982.10
Change Fund		100.00	100.00
Total Cash	B-2	<u>3,574,531.40</u>	<u>3,419,082.10</u>
Accounts Receivable:			
Due from Current Fund	A	477,550.92	793,394.65
Due from School Bus GPS System		6,891.52	
Due from Gloucester Twp. MUA		12,064.30	12,064.30
Rehabilitation Mortgages Receivable		905,471.46	905,471.46
Metro Cities Receivable		548,828.74	383,070.74
Camden County Home Consortium Program Receivable		120,162.00	163,370.00
Total Accounts Receivable	B-2	<u>2,070,968.94</u>	<u>2,257,371.15</u>
Total Other Funds		<u>5,645,500.34</u>	<u>5,676,453.25</u>
Total		<u>\$ 5,660,089.85</u>	<u>\$ 5,735,178.42</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	B-3, A	\$ 26.95	\$ 61.59
Due to State of New Jersey	B-4		28.80
Reserve for Animal Control Fund Expenditures	B-5	14,562.56	58,634.78
Total Animal Control Fund		<u>14,589.51</u>	<u>58,725.17</u>
Other Funds:			
Due to Current Fund	A	4,077.17	6,594.82
Contracts Payable		4,383.70	4,383.70
Miscellaneous Reserves		5,637,039.47	5,665,474.73
Total Other Funds	B-2	<u>5,645,500.34</u>	<u>5,676,453.25</u>
Total		<u>\$ 5,660,089.85</u>	<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, 2011 and 2010

<u>ASSETS</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash - Treasurer	C-2	\$ 4,199,594.27	\$ 4,751,416.69
State Aid Receivable	C-4		1,500.00
Due from Current Fund	A	318,024.34	
Deferred Charges to Future Taxation:			
Funded	C-6	42,822,144.15	36,816,485.56
Unfunded	C-7	<u>8,246,192.00</u>	<u>10,024,205.00</u>
		<u>\$ 55,585,954.76</u>	<u>\$ 51,593,607.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-11	\$ 41,051,000.00	\$ 34,921,000.00
Bond Anticipation Notes Payable	C-9	4,388,914.00	6,685,152.00
Green Acres Loan Payable	C-12	1,771,144.15	1,895,485.56
Encumbrances Payable	C-8	2,506,573.98	439,414.43
Improvement Authorizations:			
Funded	C-8	1,707,791.21	488,950.03
Unfunded	C-8	2,862,383.16	5,810,398.79
Reserve for Payment of Debt	C-2	79,986.77	19,373.28
Due to Current Fund	C-5, A		141.67
Capital Improvement Fund	C-10	0.69	23,705.69
Fund Balance	C-1	<u>1,218,160.80</u>	<u>1,309,985.80</u>
Total		<u>\$ 55,585,954.76</u>	<u>\$ 51,593,607.25</u>

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

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

**Statement of Operations and Changes in Fund Balance - Statutory Basis
For the Year Ended December 31, 2011**

Balance December 31, 2010	\$ 1,309,985.80
Increased by:	
Fully Funded Improvement Authorizations Canceled	<u>1,309,985.80</u>
Decreased by:	
Appropriated to Current Fund as Budget Revenue	<u>91,825.00</u>
Balance December 31, 2011	<u>\$ 1,218,160.80</u>

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

TOWNSHIP OF GLOUCESTER

GENERAL FIXED ASSET ACCOUNT GROUP

Statement of General Fixed Assets Group of Accounts
For the Year Ending December 31, 2011

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2011</u>
General Fixed Assets:				
Buildings and building Improvements	\$ 6,659,186.00	\$ 5,380.00		\$ 6,664,566.00
Machinery and Equipment	3,878,415.00	2,045,416.00		5,923,831.00
Vehicles	5,822,859.00	366,905.00		6,189,764.00
Land	6,366,275.00			6,366,275.00
Land Improvements	6,606,908.00	61,517.00		6,668,425.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 29,333,643.00</u>	<u>\$ 2,479,218.00</u>	<u>\$ -</u>	<u>\$ 31,812,861.00</u>
Total Investment in General Fixed Assets	<u>\$ 29,333,643.00</u>	<u>\$ 2,479,218.00</u>	<u>\$ -</u>	<u>\$ 31,812,861.00</u>

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

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

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, 2011 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 Year – Pursuant to N.J.S.A. 40A:4-3.1 the Township adopted an ordinance dated March 22, 2010 converting it's accounting period from a fiscal year (July 1, to June 30) 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 Unit – The financial statements of the component unit of the Township are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Gloucester Township Municipal Utilities 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 annual 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 annual municipal budget no later than February 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 budgets, if any, are detailed in the statements of revenues and expenditures.

Township of Gloucester
Notes to Financial Statements
December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Budgets and Budgetary Accounting (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. 17:9-41 et 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 Fund 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
December 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

General Fixed Assets (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. Revenue 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 six Gloucester Township Fire Districts 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 both school districts for the period from January 1 to December 31, 2011.

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 period from January 1 to December 31, 2011, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

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 six fire districts located in Gloucester Township. Operations is charged for the full amount required to be raised by taxation to support all fire districts for the year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, 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 payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is also 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.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. 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 Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$23,256,799.20 at December 31, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17:9-41 et seq.

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, 2011, the Township's deposits with the New Jersey Cash Management Fund were \$311,473.99.

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and four previous years.

<u>Comparative Schedule of Tax Rates</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Rate	<u>\$ 3.766</u>	<u>\$ 3.698 *</u>	<u>\$ 6.536</u>	<u>\$ 6.263</u>	<u>\$6.246</u>
Apportionment of Tax Rate:					
Municipal	.824	.867	1.428	1.096	1.020
Municipal – Open Space	.019	.020	.020	.020	.020
County	.731	.682	1.239	1.257	1.287
Local School	.947	.922	1.667	1.692	1.727
Regional High School	.511	.499	0.888	0.939	0.981
Fire District	.734	.708	1.294	1.259	1.211

<u>Assessed Valuation</u>	<u>Amount</u>
2011	\$ 4,531,597,460
2010 *	4,535,602,750
2009	2,452,313,140
2008	2,445,316,031
2007	2,425,179,677

* - Reassessment Year

Comparison of Tax Levies and Collections

<u>Period Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
December 31, 2011	\$ 143,593,492	\$ 143,113,576	99.66 %
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 %

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, 2011	\$ 434,019	\$ 403,039	\$ 837,058	.58 %
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 %

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 3. PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens outstanding on December 31, of the current year and four previous periods.

<u>Period Ended</u>	<u>Number of Liens</u>
December 31, 2011	177
December 31, 2010	69
June 30, 2010	69
June 30, 2009	91
June 30, 2008	76

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 assessed valuation of such properties, for the current and four previous periods was as follows:

<u>Period Ended</u>	<u>Amount</u>
December 31, 2011	\$ 0
December 31, 2010	2,080,942
June 30, 2010	2,080,942
June 30, 2009	2,080,942
June 30, 2008	2,080,942

NOTE 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous periods 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, 2011	\$ 5,097,234	\$ 3,800,000	74.55 %
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 %

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, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 4,104.12	\$ 795,575.26
Trust Fund:		
Animal Control Fund		26.95
Other Funds	477,550.92	4,077.17
General Capital Fund	<u>318,024.34</u>	<u> </u>
	<u>\$ 799,679.38</u>	<u>\$ 799,679.38</u>

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 7. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes 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, 08625-0295.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in 1955. The PERS 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 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in 1944. The PFRS 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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 10%. 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 are detailed below.

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 238,991	\$ 1,277,633	\$ 208,661	\$ 1,169,026	\$ 214,170	\$ 1,155,904
Accrued Liability	380,816	1,024,455	268,105	832,852	247,715	799,788
Total Regular Contributions	619,807	2,302,088	476,766	2,001,878	461,885	1,955,692
Non-Contributory Group						
Life Insurance	47,074	160,134	66,116	101,776	57,413	80,417
Total Due	666,881	2,402,222	542,882	2,103,654	519,298	2,036,109
Deferral					230,942	977,846
Total Paid	\$ 666,881	\$ 2,402,222	\$ 542,882	\$ 2,103,654	\$ 288,356	\$ 1,058,263

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 7. PENSION PLANS (CONT'D)

Pension Deferral – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The payments were due on April 1, 2009 (with a grace period until April 30).

The amount of the deferral will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

The Township applied for and received approval from the Local Finance Board to defer a portion of the 2009 liability due for both PERS and PFRS.

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, 2011 was \$282,455 payable in annual installments with the last installment due on April 1, 2022.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. 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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2011, 2010 and 2009.

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
December 31, 2011**

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OTHER THAN PENSION)

The financial statements of the Township are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description – The Township provides certain medical and prescription drug benefits for retired employees, where such benefits are established and amended by various union contracts, separate employee agreements and Township policies.

The Township provides for 100% payment of retired employees health, dental and prescription coverage until the retiree is eligible for Medicare benefits at age 65. The Township also pays the entire Medicare Part B premium for retirees who purchase Medicare Part B and their beneficiaries. The retired employee has a choice of benefit plans based on union contracts. The plans are administered by the Township; therefore, premium payments are made directly by the Township to the insurance carriers. The Plan does not issue a separate financial report.

Funding Policy – Employees become eligible for retirement benefits based on having twenty-five years of service in either the State of New Jersey Public Employees Retirement System or the Police Firemen's Retirement System. The Township contributes 100% of the cost of the benefits for employees with 25 or more years of service; however, retirees with less than 25 years of service have to pay 100% of the self-insured premium to continue coverage.

Retirees – The Township presently partially funds its current retiree post employment benefit costs on a "pay-as-you-go" basis and, as stated above, receives annual contributions from retirees with less than 25 years of service. The Township's contributions to the plan for the year ended December 31, 2011 and 2010 were \$2,324,592 and \$2,075,528, respectively.

Future Retirees – If the Township's financial statements were prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township would expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of 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 any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$7,421,061 at an unfunded discount rate of 4%. The Township is not authorized by New Jersey State regulatory authorities to fund the accrued liability other than the actual "pay-as-you-go" costs included in the Township's annual budget.

Annual OPEB Cost – At December 31, 2011, the Township's annual OPEB cost (expense) of \$7,336,701 for the plan was equal to the sum of the ARC, interest on the beginning net OPEB obligation and the adjustment to the ARC. The Township's annual required contribution (ARC), the interest on the net obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2010 and 2011 were as follows:

	<u>2011</u>	<u>2010</u>
Annual Required Contribution (ARC)	\$ 7,421,061	\$ 7,152,734
Interest on Net OPEB Obligation	203,088	
Adjustment to the ARC	<u>(287,448)</u>	
Annual OPEB Cost	7,336,701	<u>7,152,734</u>
Pay as You Go Cost (Existing Retirees)	<u>2,324,592</u>	<u>2,075,528</u>
Increase in Net OPEB Obligation	5,012,109	5,077,206
Net OPEB obligation, January 1	<u>5,077,206</u>	
Net OPEB obligation, December 31	<u>\$ 10,089,315</u>	<u>\$ 5,077,206</u>
Percentage of Annual OPEB Cost Contribution	31.7%	29.1%

Funding Status and Funding Progress – As of December 31, 2011, the most recent actuarial valuation date, the Township's Plan was 0% funded. The actuarial accrued liability for benefits was \$96,714,508, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$96,714,508. The covered payroll (annual payroll of active employees covered by the plan) was \$19,248,457.

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

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

Funding Status and Funding Progress (Cont'd) – Actuarial valuations of any ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial 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 employer and plan members to that point. The actuarial 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 December 31, 2010 actuarial valuation, the projected unit credit cost actuarial method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The actuarial assumptions included the following: a discount rate of four percent (4%) on future benefit costs per year; a medical cost trend rate of twelve (12%), reduced by decrements of 1.2 percent per year till it reaches an ultimate trend rate of 7.2% in 2013.

Schedule of Funding Progress for Health Benefit Plan						
<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>
12/31/10	\$0	\$ 94,880,420	\$ 94,880,420	0%	\$ 24,545,183	25.8%
12/31/11	\$0	\$ 96,714,508	\$ 96,714,508	0%	\$ 19,248,457	19.9%

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, 2011, accrued benefits for compensated absences are valued at \$7,355,550. 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, 2011 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 Township 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
December 31, 2011**

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, 2011 is \$36,887.18. 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, 2011 is \$53,882.15. 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 current and previous three periods:

<u>Period Ended</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
December 31, 2011	\$ 0	\$ 3,209	\$ 17,541	\$ 2,287
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, 2011</u>	<u>December 31, 2010</u>	<u>June 30, 2010</u>
Issued:			
General Bonds	\$ 41,051,000	\$ 34,921,000	\$ 36,431,000
Notes	4,388,914	6,685,152	6,685,152
Green Trust Loans	1,771,144	1,895,486	1,958,138
Authorized But Not Issued:			
General - Bonds and Notes	<u>3,857,278</u>	<u>3,339,053</u>	<u>3,339,053</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 51,068,336</u>	<u>\$ 46,840,691</u>	<u>\$ 48,413,343</u>

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

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 2011	2.00 – 4.00%	\$ 10,000,000
Refunding Bonds of 2009	3.00 – 4.00%	3,960,000
General Bonds of 2003	3.85%	6,298,000
General Bonds of 2005	3.70 – 4.00%	6,978,000
General Bonds of 2007	3.625 – 3.800%	4,750,000
Refunding Bonds of 2010	2.50%	5,625,000
Refunding Revenue Lease Bonds of 2011	2.00 – 5.00%	<u>3,440,000</u>
Total		<u>\$ 41,051,000</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 1.11%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 23,566,579	\$ 23,566,579	
Regional High School Debt	24,222,000	24,222,000	
General Debt	<u>51,068,336</u>		<u>\$ 51,068,336</u>
Total	<u>\$ 98,856,915</u>	<u>\$ 47,788,579</u>	<u>\$ 51,068,336</u>

Summary of Statutory Debt Condition - Annual Debt Statement

Net Debt, \$51,068,336 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,589,670,905 equals 1.11%.

Equalized Valuation Basis:

2009	\$ 4,682,981,432
2010	4,607,787,177
2011	<u>4,478,244,107</u>
Average	<u>\$ 4,589,670,905</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 160,638,481
Net Debt	<u>51,068,336</u>
Remaining Borrowing Power	<u>\$ 109,570,145</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
December 31, 2011**

NOTE 13. CAPITAL DEBT (CONT'D)

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

<u>Calendar Year</u>	<u>General Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 5,245,000	\$ 1,391,846	\$ 6,636,846
2013	5,430,000	1,174,655	6,604,655
2014	5,610,000	1,001,135	6,611,135
2015	3,445,000	856,441	4,301,441
2016	3,570,000	739,321	4,309,321
2017-2021	14,838,000	1,934,718	16,772,718
2022-2023	2,913,000	127,490	3,040,490
Total	<u>\$ 41,051,000</u>	<u>\$ 7,225,606</u>	<u>\$ 48,276,606</u>

Green Trust Loan Payable

The Township has received \$2,459,899 in eight 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>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 123,963	\$ 34,806	\$ 158,769
2013	126,457	32,315	158,769
2014	128,996	29,773	158,769
2015	131,589	27,180	158,769
2016	134,234	24,541	158,775
2017-2021	655,082	82,960	738,042
2022-2026	434,247	23,257	457,504
2027-2028	36,576	734	37,310
Total	<u>\$ 1,771,144</u>	<u>\$ 255,566</u>	<u>\$ 2,026,707</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, 2011, 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	\$ 3,223,883	1.10%	June 6, 2012
General Capital	1,165,031	1.50%	June 6, 2012

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 14. LEASE OBLIGATIONS

At December 31, 2011, the Township had lease agreements in effect for the following:

- Capital:
 - Ten (10) 2010 Ford Crown Victoria Police Vehicles
 - Seven (7) 2011 Ford Crown Victoria Police Vehicles
 - Eleven (11) 2009 Ford Crown Victoria Police Vehicles
- Operating:
 - Copiers

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 147,605	\$ 17,846	\$ 165,451
2013	92,043	7,984	100,027
2014	<u>38,746</u>	<u>2,267</u>	<u>41,013</u>
	<u>\$ 278,394</u>	<u>\$ 28,097</u>	<u>\$ 306,491</u>

Operating Leases – Rental payments under operating leases for the period ended December 31, 2011 and 2010 were \$5,040 and \$3,360, respectively.

Future minimum lease payments under operating lease agreements are as follows

<u>Calendar Year</u>	<u>Amount</u>
2012	\$ 5,040
2013	<u>2,100</u>
	<u>\$ 7,140</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.

NOTE 17. TAX APPEALS

Two properties have filed tax appeals with the Township and are currently being heard in State Tax Court. The outcome and potential exposure to the Township of these appeals at this time is not known however, any reduction in assessed valuation will result in a refund 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.

**Township of Gloucester
Notes to Financial Statements
December 31, 2011**

NOTE 18. 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, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance December 31, 2011</u>	<u>2012 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency Authorization	\$ 640,000	\$ 338,000	\$ 302,000
Expenditure without a Budget Appropriation	199,889	199,889	

The appropriations in the 2012 Budget as introduced are not less than that required by the statutes.

NOTE 19. SUBSEQUENT EVENTS

Subsequent to December 31, 2011, the Township of Gloucester authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
2012 Refunding Bonds	1/9/12	\$ 562,000
Various Capital Improvements	3/12/12	5,374,912
Energy Savings Improvement	3/12/12	<u>2,250,000</u>
Total		<u>\$8,186,912</u>

NOTE 20. LONG TERM DEBT DEFEASANCE/RESTRUCTURING

On August 3, 2011 the Township issued \$3,440,000 of Township Guaranteed Lease Revenue Refunding Bonds, Series of 2011 ("Refunding Bonds") for the purpose of effecting a special refunding program pursuant to N.J.S.A. 40A:2-54 ("Refunding Program") and to enable the Township to minimize its overall debt service. The Refunding Program was effectuated by the issuance of the Refunding bonds to refund the debt service on the serial maturities (\$3,360,000 total par amount refunded) of all outstanding Series 2002 maturing on October 1 in the years 2011 to 2022, both dates inclusive. The net proceeds, after costs of issuance of \$140,092.31, were utilized to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the future payments for the debt service on the bonds becoming due during the period October 1, 2011 to October 1, 2022.

The Refunding Program decreased total debt service by \$170,327 and resulted in a present value economic savings of \$160,287 or 4.47731%. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

The implementation of the Refunding Program, as approved by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, Local Finance Board resulted in an overall debt service schedule that is more equalized and that can accommodate the debt service for future capital borrowings to produce a more overall level debt service structure.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$ 5,136,733.87	\$ -
Increased by Receipts:		
Taxes Receivable	\$ 143,384,913.58	
Due from State of New Jersey - Senior Citizen and Veteran Deductions	713,799.30	
Tax Title Lien Receivables	32,876.54	
Due from Federal Emergency Management Aid	291,612.35	
Miscellaneous Liens Receivable	5,366.00	
Police Outside Services Receivable	241,414.70	
Health Benefit Contributions	41,218.02	
Tax Abatement Receivables	72,501.10	
Miscellaneous Receivables	9,048.33	
Due from Capital Fund	4,204,515.01	
Due from Animal Control Fund	2,041.59	
Due from Trust Other Funds	5,450,724.19	
Prepaid Taxes	604,433.40	
Tax Overpayments	208,495.58	
Revenue Accounts Receivable	11,233,484.01	
Miscellaneous Revenues Not Anticipated	570,265.20	
Due to State of New Jersey:		
Marriage License Fees	5,850.00	
Construction Code Fees	32,810.00	
Due to Camden County MUA	1,058,940.34	
Due to Gloucester Township MUA	387,356.35	
Federal and State Grants Receivable		\$ 888,384.18
Transfer from Federal & State Grant Fund	233,886.65	
Total Receipts	<u>168,783,552.24</u>	<u>888,384.18</u>
Subtotal	<u>173,920,285.91</u>	<u>888,384.18</u>
Decreased by Disbursements:		
2011 Budget Appropriations	46,432,703.60	
2010 Appropriation Reserves/Encumbrances	541,853.54	
Change Fund	900.00	
Expenditures without an Appropriation	199,888.48	
Miscellaneous Liens Receivable	9,888.34	
Police Outside Services Receivable	94,255.00	
Accounts Payable	1,669.50	
Special Emergency Note Payable	338,000.00	
Cost of Revaluation	23,846.75	
Refund of Tax Overpayments	205,456.86	
Due to State of New Jersey:		
Marriage License Fees	5,600.00	
Construction Code Fees	32,991.00	
Due County for Added Taxes	46,543.34	
County Taxes Payable	33,285,467.77	
Local District School Taxes	42,802,505.12	
Regional High School District Taxes	23,201,714.88	
Fire District Taxes	5,869,108.00	
Municipal Open Space Taxes	906,318.00	
Due to Trust Other Funds	6,108,763.86	
Due to Animal Control Fund	1,980.00	
Due to General Capital Fund	4,188,349.00	
Reserve for Federal and State Grants - Appropriated		527,133.61
Due to Current Fund		233,886.85
Total Disbursements	<u>164,295,611.04</u>	<u>761,020.26</u>
Balance December 31, 2011	<u>\$ 9,624,674.87</u>	<u>\$ 127,363.92</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Change Funds
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 850.00
Increased by Disbursements	<u>900.00</u>
Balance December 31, 2011	<u><u>\$ 1,750.00</u></u>

OFFICE

Tax Collector	\$ 400.00
Municipal Court Clerk	1,000.00
Township Chief Finance Officer	200.00
Township Clerk	100.00
Mayor's Office	<u>50.00</u>
Total	<u><u>\$ 1,750.00</u></u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

**Schedule of Due From State of New Jersey - Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2011**

Balance December 31, 2010		\$ 88,267.20
Increased by:		
Deductions per Original Tax Billing		
Senior Citizen Deductions	\$ 139,250.00	
Veteran Deductions	544,250.00	
2011 Deductions Allowed by Tax Collector	22,056.62	
2011 Deductions Disallowed by Tax Collector	<u>(5,926.03)</u>	
		<u>699,630.59</u>
		787,897.79
Decreased by:		
Collections		<u>713,799.30</u>
Balance December 31, 2011		<u>\$ 74,098.49</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2011

Year	Balance December 31, 2010	Levy	Collections		State Share of Senior Citizen and Veterans Deductions Allowed	Canceled	Transferred To Tax Title Liens	Balance December 31, 2011
			2010	2011				
Arrears	\$ 252,899.85			\$ 147,649.65		\$ 506.61	\$ 1,728.76	\$ 103,014.83
2010	<u>1,305,108.02</u>			<u>1,293,301.68</u>			<u>11,781.34</u>	<u>25.00</u>
	1,558,007.87			1,440,951.33		506.61	13,510.10	103,039.83
2011		\$ 143,593,492.20	\$ 469,983.31	141,943,962.25	\$ 699,630.59	\$ 109,618.16	220,234.11	150,063.78
Total	<u>\$ 1,558,007.87</u>	<u>\$ 143,593,492.20</u>	<u>\$ 469,983.31</u>	<u>\$ 143,384,913.58</u>	<u>\$ 699,630.59</u>	<u>\$ 110,124.77</u>	<u>\$ 233,744.21</u>	<u>\$ 253,103.61</u>

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$ 142,814,379.56
Added Taxes (54:4-63.1 et seq.)	95,612.64
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	683,500.00
Total	<u>\$ 143,593,492.20</u>
Tax Levy:	
Local District School Tax	\$ 42,880,346.00
Regional High School District Tax	23,201,714.96
Fire Districts' Tax	5,869,108.00
Municipal Open Space Tax	906,318.00
County Tax	\$ 30,381,821.69
County Library Tax	1,967,828.74
County Open Space Preservation	935,817.34
Due County for Added Taxes (54:4-63.1 et seq.)	<u>69,592.25</u>
	33,355,060.02
	106,212,546.98
Local Tax for Municipal Purposes	37,346,064.00
Additional Tax Levies	<u>34,881.22</u>
	37,380,945.22
Total	<u>\$ 143,593,492.20</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Tax Title Liens
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 205,967.52
Increased by:		
Transfers from Taxes Receivable	\$ 233,744.21	
Interest and Costs Accrued by Tax Sale of December 20, 2011	<u>27,183.68</u>	
		<u>260,927.89</u>
		466,895.41
Decreased by:		
Collections		<u>32,876.54</u>
Balance December 31, 2011		<u>\$ 434,018.87</u>

Schedule of Property Acquired for Taxes (Assessed Valuation)
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 2,080,941.73
Decreased by:		
Adjustment per Assessor		<u>2,080,941.73</u>
Balance December 31, 2011		<u>\$ -</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2011</u>
Licenses:				
Alcohol		\$ 59,050.00	\$ 59,050.00	
Other:				
Mercantile		8,240.00	8,240.00	
Landlord Registration		3,400.00	3,400.00	
Board of Health/Marriage		1,341.00	1,341.00	
Used Car Lot		2,340.00	2,340.00	
Peddler		1,350.00	1,350.00	
Raffle/Bingo		6,140.00	6,140.00	
Service Station		210.00	210.00	
Amusement		100.00	100.00	
Massage Parlor		150.00	150.00	
Taxi		300.00	300.00	
Fees and Permits:				
Burial Permits		555.00	555.00	
Seasonal Permits		1,050.00	1,050.00	
Gun Permits		1,969.00	1,969.00	
Alarm Permits		210.00	210.00	
Sub-Division Fees		17,600.00	17,600.00	
Towing Contract Fees		2,200.00	2,200.00	
Encroachment Permit Fees		8,220.00	8,220.00	
Variance Fees		12,723.00	12,723.00	
Clerk Search		40.00	40.00	
Tax Searches		390.00	390.00	
Municipal Court:				
Fines and Costs	\$ 230,711.65	2,346,590.50	2,411,591.09	\$ 165,711.06
Interest and Costs on Taxes		376,700.31	376,700.31	
Interest on Investments and Deposits		178,588.36	178,588.36	
Recreation Fees		217,209.85	217,209.85	
Tax Sale Fees		239,863.96	239,863.96	
Payments in Lieu of Taxes - Senior				
Citizen Housing Complex		160,000.00	160,000.00	
Municipal Pool Fees		83,125.00	83,125.00	
Rental of Municipal Property		13,800.12	13,800.12	
Tax Abatement in Lieu of Billings		1,670,694.79	1,670,694.79	
Police Department Fees		12,110.15	12,110.15	
Cable TV Fees		209,981.38	209,981.38	
Energy Receipts Tax		4,273,442.00	4,273,442.00	
Consol. Municipal Prop. Tax Relief Act		833,017.00	833,017.00	
Construction Code Fees		425,782.00	425,782.00	
		<u>425,782.00</u>	<u>425,782.00</u>	
Total	<u>\$ 230,711.65</u>	<u>\$ 11,168,483.42</u>	<u>\$ 11,233,484.01</u>	<u>\$ 165,711.06</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance December 31, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS":					
Administrative and Executive:					
Office of Business Administrator					
Salaries and Wages	\$ 406.29		\$ 406.29		\$ 406.29
Other Expenses	247.98		247.96		247.96
Office of Administrative Support Services					
Salaries and Wages	13,235.55		13,235.55		13,235.55
Other Expenses	4,607.21		4,607.21	\$ 4,108.68	498.53
Office of Grant Administration:					
Other Expenses	0.71		0.71		0.71
Office of Human Resources:					
Salaries and Wages	24.26		24.26		24.26
Other Expenses	9,072.00	5,208.84	14,278.84	5,660.98	8,617.88
Office of Mayor					
Salaries and Wages	32.47		32.47		32.47
Other Expenses	1,267.36		1,267.36	350.00	917.36
Office of Township Council					
Salaries and Wages	0.62		0.62		0.62
Other Expenses	74.80		74.80		74.80
Office of Public Information:					
Other Expenses	21,319.30		21,319.30	8,195.87	13,123.43
Office of Township Clerk					
Salaries and Wages	54.03		54.03		54.03
Other Expenses	1,584.11	984.72	2,568.83	984.72	1,584.11
Office of Treasury					
Salaries and Wages	299.25		299.25		299.25
Other Expenses	6,934.33		6,934.33	362.25	6,572.08
Audit Services					
Other Expenses	30,000.00		30,000.00	30,000.00	
Office of Data Processing					
Salaries and Wages	3.81		3.81		3.81
Other Expenses	535.44	1,302.00	1,837.44	1,302.00	535.44
Office of Tax Collection					
Salaries and Wages	1,901.26		1,901.26		1,901.26
Other Expenses	3,921.08	346.00	4,267.08	696.00	3,571.08
Office of Tax Assessment:					
Salaries and Wages	4,549.61		4,549.61		4,549.61
Other Expenses	2,053.94		2,053.94	880.00	1,173.94
Office of Township Attorney:					
Salaries and Wages	5.12		5.12		5.12
Other Expenses	1,664.62	1,001.50	5,925.00	5,925.00	
Office of Township Engineer					
Other Expenses	14,860.75		14,860.75	13,708.00	1,152.75
Rent Stabilization Board:					
Salaries and Wages	1,272.34		1,272.34	1,250.00	22.34
Other Expenses	600.71		600.71	480.00	120.71
Office of Community Development					
Salaries and Wages	4,806.85		4,806.85		4,806.85
Other Expenses	7,056.04		7,056.04		7,056.04
Planning Board:					
Salaries and Wages	858.47		1,248.00	1,248.00	
Other Expenses	20,506.29		20,506.29	33.99	20,472.30
Zoning Board of Adjustments					
Salaries and Wages	442.47		442.47	16.00	426.47
Other Expenses	3,226.39		3,226.39		3,226.39
Office of Zoning:					
Salaries and Wages	1,592.74		1,592.74		1,592.74

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance December 31, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS" (Cont'd):					
Insurance:					
Liability	\$ 23,571.53	\$ 22,025.10	\$ 45,596.63	\$ 22,025.10	\$ 23,571.53
Workers Compensation	43,312.78		43,312.78		43,312.78
Employee Group Insurance	52,958.04		52,958.04	51,980.61	977.43
Public Safety:					
Police Department					
Salaries and Wages	108,833.99		8,833.99		8,833.99
Other Expenses	11,138.08	13,704.24	24,842.32	17,701.46	7,140.86
Police Communications					
Salaries and Wages	4,947.51		4,947.51		4,947.51
Other Expenses	14,614.73	3,335.38	17,950.11	3,332.88	14,617.23
Office of Prosecutor:					
Salaries and Wages	0.90		0.90		0.90
Public Works:					
Office of Director					
Salaries and Wages	10,838.73		10,838.73		10,838.73
Other Expenses	22,245.98	1,272.72	23,518.68	2,698.41	20,820.27
Streets and Road Maintenance					
Salaries and Wages	96,623.91		71,940.09		71,940.09
Other Expenses	129,734.66	941.80	248,989.62	248,989.62	
Sanitation					
Contractual	16,817.52	3,794.89	20,612.41	3,794.89	16,817.52
Public Buildings and Grounds					
Salaries and Wages	32,978.54		32,978.54		32,978.54
Other Expenses	30,084.54	4,783.67	34,868.21	6,776.02	28,092.19
Vehicle Maintenance					
Salaries and Wages	9.23		9.23		9.23
Other Expenses	58,864.78	11,918.20	68,882.98	17,609.83	51,273.15
Health and Human Services:					
Office of Community Services and Information:					
Salaries and Wages	4,041.89		4,041.89		4,041.89
Other Expenses	404.70	437.77	842.47	437.77	404.70
Board of Health					
Salaries and Wages	0.20		0.20		0.20
Other Expenses	2,243.72		2,243.72		2,243.72
Parks and Recreation					
Office of Director:					
Salaries and Wages	14,362.11		14,362.11		14,362.11
Other Expenses	19,791.57	1,799.90	21,591.47	8,125.60	13,465.87
Office of Community Activities:					
Other Expenses	1,817.73		1,817.73	457.47	1,360.26
Municipal Pool:					
Salaries and Wages	5,822.68		5,822.68		5,822.68
Other Expenses	3,741.07	344.45	4,085.52	344.45	3,741.07
Maintenance of Parks and Playgrounds:					
Salaries and Wages	20,193.34		20,193.34		20,193.34
Other Expenses	22,747.07	1,410.26	24,157.33	2,718.66	21,438.67
Other Common Operating Functions:					
Office of Senior Citizens					
Salaries and Wages	8,201.83		8,201.83		8,201.83
Other Expenses	4,350.00		4,350.00		4,350.00
Utility Expenses:					
Electric	3,472.04		4,507.64	4,507.64	
Street Lights	10,468.66	2,127.25	12,595.91	9,125.67	3,470.24
Telephone	2,377.99	12,303.57	16,368.21	16,368.21	

(Continued)

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance December 31, 2010		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Within "CAPS" (Cont'd):					
Water	\$ 586.40		\$ 586.40		\$ 586.40
Natural Gas	28,376.73	\$ 334.33	28,711.06	\$ 334.33	28,376.73
Sewer	282.50		282.50		282.50
Gasoline	14,040.98	38,840.70	52,681.68	48,702.30	3,979.38
Landfill Disposal Costs					
Other Expenses	1,086.88		1,086.88		1,086.88
Municipal Court					
Salaries and Wages	11,907.27		11,907.27		11,907.27
Other Expenses	7,620.09		7,620.09	621.13	6,998.96
Construction Code Enforcement					
Salaries and Wages	5,566.50		5,566.50		5,566.50
Other Expenses	327.13		327.13		327.13
Compensated Absences					
Other Expenses	53,710.10		53,710.10		53,710.10
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	20,729.79		20,729.79		20,729.79
Total Within "CAPS"	<u>1,082,764.58</u>	<u>128,015.29</u>	<u>1,210,779.87</u>	<u>541,853.54</u>	<u>668,926.33</u>
GRAND TOTAL	<u>\$ 1,082,764.58</u>	<u>\$ 128,015.29</u>	<u>\$ 1,210,779.87</u>	<u>\$ 541,853.54</u>	<u>\$ 668,926.33</u>

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Schedule of Special Emergency Note Payable
For the Year Ended December 31, 2011

<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance December 31, 2011</u>
Revaluation	\$ 1,690,000.00	9/1/10	8/31/11	1.35%	\$ 1,014,000.00		\$ 1,014,000.00	
Revaluation	1,690,000.00	9/1/11	8/31/12	1.70%	<u> </u>	<u>\$ 676,000.00</u>	<u> </u>	<u>\$ 676,000.00</u>
					<u>\$ 1,014,000.00</u>	<u>\$ 676,000.00</u>	<u>\$ 1,014,000.00</u>	<u>\$ 676,000.00</u>
				Renewal		\$ 676,000.00	\$ 676,000.00	
				Paid by Budget Appropriation			338,000.00	
						<u>\$ 676,000.00</u>	<u>\$ 1,014,000.00</u>	

TOWNSHIP OF GLOUCESTER

CURRENT FUND

Statement of Deferred Charges
 N.J.S. 40A:4-55 Special Emergency Authorizations
 For the Year Ended December 31, 2011

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<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2010</u>	<u>Added in 2011</u>	<u>Raised in 2011 Budget</u>	<u>Balance December 31, 2011</u>
08/11/09	Revaluation	\$ 1,690,000.00	\$ 338,000.00	\$ 978,000.00		\$ 338,000.00	\$ 640,000.00
	Total	<u>\$ 1,690,000.00</u>	<u>\$ 338,000.00</u>	<u>\$ 978,000.00</u>	<u>\$ -</u>	<u>\$ 338,000.00</u>	<u>\$ 640,000.00</u>

GLOUCESTER TOWNSHIP

FEDERAL AND STATE GRANT FUND

Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2011

	Balance December 31, 2010	Accrued	Received	Cancel	Balance December 31, 2011
Federal Grants:					
Data Collection Grant	\$ 8,031.14				\$ 8,031.14
ARRA - Energy Efficiency & Conservation Block Grant	513,304.00		\$ 353,378.10		159,925.90
Justice Assistance Grant		\$ 28,247.00	28,247.00		
County Justice Assistance Grant		27,457.00			27,457.00
Bullet Proof Vest Program	1,643.75	25,010.00		\$ 1,643.75	25,010.00
NJ Transportation Trust Fund Authority Act Year 2006	27,722.42				27,722.42
Davistown Road	115,244.82	200,856.00	122,889.05		193,211.77
Bike Path	163,853.67		95,222.05		68,631.62
Peters Lane	125,132.30				125,132.30
Click It or Ticket		4,000.00	4,000.00		
Emergency Management		5,000.00	5,000.00		
Total Federal Grants	954,932.10	290,570.00	608,736.20	1,643.75	635,122.15
State Grants:					
Municipal Alliance for Alcoholism and Drug Abuse	1,836.00	41,558.00	23,595.24	19,798.76	
Drunk Driving Enforcement Fund		26,445.42	26,445.42		
Safe and Secure Communities		79,513.00	45,000.00		34,513.00
Clean Communities		95,029.82	95,029.82		
EDA Grant - Nike Missile Base Site	4,741.00			4,741.00	
Body Armor Grant		9,787.62	9,787.62		
Records Management PARIS grant	19,305.00				19,305.00
Civil Preparedness Grant	5,000.00				5,000.00
Sobriety Checkpoint	2,250.00	4,247.73	6,497.73		
Alcohol Education Rehab		3,182.15	3,182.15		
Over the Limit and Under Arrest		9,150.00	9,150.00		
Domestic Violence	376.00				376.00
Enhanced 911 State Grant	60,960.00		60,960.00		
Camden County Open Space Youth Program	14,000.00	100,000.00			100,000.00
Green Communities Grant		3,000.00			3,000.00
Total State Grants	108,468.00	371,913.74	279,647.98	24,539.76	176,194.00
Total	\$ 1,063,400.10	\$ 662,483.74	\$ 888,384.18	\$ 26,183.51	\$ 811,316.15

TOWNSHIP OF GLOUCESTER

FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2011

	Balance December 31, 2010	Federal and State Grant Receivable	Realized as Revenue in 2011 Budget	Balance December 31, 2011
Federal Grants:				
Justice Assistance Grant		\$ 28,247.00	\$ 28,247.00	
County Justice Assistance Grant		27,457.00	27,457.00	
Bullet Proof Vest Program		25,010.00	25,010.00	
NJDOT Grant-Davistown Road Phase IV		200,856.00	200,856.00	
Click It or Ticket Grant		4,000.00	4,000.00	
Emergency Management		5,000.00	5,000.00	
		<u>290,570.00</u>	<u>290,570.00</u>	
Total Federal Grants		<u>290,570.00</u>	<u>290,570.00</u>	
State Grants:				
Clean Communities		95,029.82	95,029.82	
Drunk Driving Enforcement Fund		26,445.42	24,317.42	\$ 2,128.00
Body Armor Grant	\$ 9,173.17	9,787.62	9,173.17	9,787.62
Over the Limit and Under Arrest		9,150.00	9,150.00	
Safe and Secure Communities	31,140.00	79,513.00	110,653.00	
Green Communities Grant		3,000.00	3,000.00	
Municipal Alliance Grant		41,558.00	41,558.00	
Camden County Checkpoint Grant		4,247.73	2,500.00	1,747.73
Alcohol Education Rehabilitation Grant		3,182.15	3,182.15	
Camden County Open Space Grant		100,000.00	100,000.00	
		<u>371,913.74</u>	<u>398,563.56</u>	<u>13,663.35</u>
Total State Grants	<u>40,313.17</u>	<u>371,913.74</u>	<u>398,563.56</u>	<u>13,663.35</u>
Total	<u>\$ 40,313.17</u>	<u>\$ 662,483.74</u>	<u>\$ 689,133.56</u>	<u>\$ 13,663.35</u>

TOWNSHIP OF GLOUCESTER

FEDERAL AND STATE GRANT FUND

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2011

	Balance December 31, 2010	Transferred from Budget Appropriation	Paid or Charged	Canceled	Balance December 31, 2011
Federal Grants:					
School Transportation Safety Grant	\$ 19,869.62				\$ 19,869.62
ARRA - Energy Efficiency & Conservation Block Grant	241,300.85		\$ 168,684.13		72,616.72
Justice Assistance Grant		\$ 28,247.00	28,247.00		
Camden County Justice Assistance Grant		27,457.00	27,457.00		
Bullett Proof Vest Program		25,010.00	15,650.00		9,360.00
NJ Transportation Trust Fund Authority Act Year 2006	125.45				125.45
Peters Lane	13,837.30				13,837.30
Davistown Road	64,928.05	200,856.00			265,784.05
Bike Path	61,869.31				61,869.31
Click It or Ticket Grant		4,000.00			4,000.00
Data Collection Grant	36,011.88				36,011.88
Emergency Management Grant	6,858.79	5,000.00	5,473.55		6,385.24
Total Federal Grants	444,801.25	290,570.00	245,511.68		489,859.57
State Grants:					
Municipal Alliance for Alcoholism and Drug Abuse	26,937.07	41,558.00	18,459.14	\$ 19,798.76	30,237.17
Drunk Driving Enforcement Fund	23,894.44	24,317.42	34,870.99		13,340.87
Alcohol Education Rehabilitation and Enforcement Fund	817.00	3,182.15	3,999.15		0.00
Clean Communities	66,159.89	95,029.82	92,207.88		68,981.83
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	2,881.51	9,173.17	12,054.68		
NJ DCA - Blackwood/Clementon Road Community Center	94,360.13				94,360.13
Over the Limit and Under Arrest		9,150.00			9,150.00
Exercise Improvement Grant	25.59		14.39		11.20
Records Management PARIS grant	19,305.00				19,305.00
Domestic Violence	376.00				376.00
Domestic Preparedness Equipment	476.34				476.34
Enhanced 911 State Grant	29,982.98		9,362.70		20,620.28
Special Purpose Grant - Community Center	2,131.10				2,131.10
Camden County Open Space	25,000.00	100,000.00			125,000.00
Camden County Check Point Grant		2,500.00			2,500.00
Youth Program	14,000.00				14,000.00
Hepatitis B Grant	1,730.00				1,730.00
Green Communities Grant		3,000.00			3,000.00
Safe and Secure Communities		110,653.00	110,653.00		
Total State Grants	338,014.28	398,563.56	281,621.93	19,798.76	435,157.15
Total	\$ 782,815.53	\$ 689,133.56	\$ 527,133.61	\$ 19,798.76	\$ 925,016.72

TRUST FUND

TOWNSHIP OF GLOUCESTER

TRUST FUND

Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

		<u>ANIMAL CONTROL FUND</u>
Balance December 31, 2010		\$ 58,725.17
Increased by Receipts:		
Animal License Fees	\$ 74,668.94	
Fees Due to State Board of Health	5,006.00	
Interest Received	<u>2,758.67</u>	
Total Receipts		<u>82,433.61</u>
		141,158.78
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15	118,741.16	
Fees Paid State Board of Health	5,034.80	
Transfer to Current Fund	<u>2,793.31</u>	
Total Disbursements		<u>126,569.27</u>
Balance December 31, 2011		<u>\$ 14,589.51</u>

TOWNSHIP OF GLOUCESTER

TRUST FUND

Schedule of Reserve Balances
For the Period July 1 to December 31, 2011

Account Title	Cash Balance December 31, 2010	Accounts Receivable Balance December 31, 2010	Cash Receipts	Cash Disbursements	Transfer	Cash Balance December 31, 2011	Accounts Receivable Balance December 31, 2011	Payables/ Reserve Balance December 31, 2011
Reserve for Housing and Community Development Act:								
2009/10 Metro Cities Grant	\$ 81,139.36	\$ 6,490.74	\$ 80.00	\$ 6,343.05	(74,876.31)			
2010/11 Metro Cities Grant	(179,143.52)	376,580.00	197,950.30	275,763.31	74,876.31	\$ (182,080.22)	235,934.74	\$ 53,854.52
2011/12 Metro Cities Grant							312,894.00	312,894.00
CC Home Consortium Program FY11					(8,030.00)	(8,030.00)	50,000.00	41,970.00
CC Home Consortium Program FY10	(38,966.00)	75,000.00	75,000.00	44,064.00				
CC Home Consortium Program FY08	(37,271.00)	37,271.00	18,208.00		8,030.00	(19,063.00)	19,063.00	
CC Home Consortium Program FY07	(51,099.00)	51,099.00				(51,099.00)	51,099.00	
Reserve for Engineering Escrows	555,161.59		257,750.45	326,359.29		486,552.75		486,552.75
Reserve for Cash Performance Guarantees	199,597.33		70,272.53	100,435.84		169,434.02		169,434.02
Reserve for Grading Escrows	22,542.15		5,551.02	9,066.75		19,026.42		19,026.42
Reserve for Developers Interest on Escrows	2,272.86					2,272.86		2,272.86
Reserve for Disposal of Forfeited Property	50,066.36		195,941.52	198,582.63		47,425.25		47,425.25
Reserve for Recycling Funds	330,456.08		343,428.00	445,495.04		228,389.04		228,389.04
Reserve for Misc. Grant Escrows.	11,091.28					11,091.28		11,091.28
Reserve for Public Defender	38,859.66		46,600.00	43,755.95		41,703.71		41,703.71
Reserve for POAA	14.00		208.00	104.00		118.00		118.00
Reserve for Municipal Alliance Funds	66,426.92		23,716.16	49,036.70		41,106.38		41,106.38
Reserve for Accumulated Absences	54,817.61					54,817.61		54,817.61
Reserve for Sidewalk Improvements	31,283.34		64,534.86	57,432.43		38,385.77		38,385.77
Reserve for Neighborhood Preservation Program:	(90,173.48)	134,943.00	34,301.58	31,869.22		(87,741.12)	100,641.42	12,900.30
Reserve for Seasonal Cleanup Escrows	1,031.00					1,031.00		1,031.00
Reserve for School Bus GPS System	2,232.20		6,849.36	15,973.08		(6,891.52)	6,891.52	
Reserve for Redemption of Privately held Liens	354,503.25		6,059,835.82	6,495,015.92		(80,676.85)	376,909.50	296,232.65
Reserve for Tax Sale Premium	(301,351.65)	658,451.65	901,251.65	324,700.00		275,200.00		275,200.00
Reserve for Workman's Compensation	15,158.94	12,064.30	309,817.39	309,817.42	12,064.30	27,223.21		27,223.21
Reserve for Workman's Compensation - Sal. & Wages	10,683.49		21,697.12	28,999.56		3,381.05		3,381.05
Reserve for Workman's Compensation - MUA	-		6,282.92		(12,064.30)	(5,781.38)	12,064.30	6,282.92
Reserve for Disability Claims	38,582.67		33,169.60	17,870.12		53,882.15		53,882.15
Reserve for Unemployment Compensation Insurance	16,618.75		6,419.13	20,750.60		2,287.28		2,287.28
Reserve for Special Recreation	66,587.00		183.07	183.07		66,587.00		66,587.00
Reserve for Affordable Housing Trust	581,620.57		152,759.04	66,270.54		668,109.07		668,109.07
Reserve for Rehabilitation Mortgages Receivable		905,471.46					905,471.46	905,471.46
Reserve for Encroachment Escrows	16,052.89		3,170.00	2,845.00		16,377.89		16,377.89
Reserve for Multiple Dwelling Escrows	38,425.61					38,425.61		38,425.61
Reserve for Municipal Open space	870,394.18		1,501,348.22	1,352,763.95		1,018,978.45		1,018,978.45
Reserve for Sloan's Legacy	2,925.85		4.22			2,930.07		2,930.07
Reserve for Revolving Loan Fund	262,883.55		96,412.00	107,771.00		251,524.55		251,524.55
Reserve for Payroll Fund	315,536.84		21,896,628.05	21,788,323.04		423,841.85		423,841.85
Reserve for K-9 Schultz	69,142.90		56,618.44	108,429.99		17,331.35		17,331.35
Contracts Payable	4,383.70					4,383.70		4,383.70
Due to Current Fund	6,594.82			2,517.65		4,077.17		4,077.17
Total	\$ 3,419,082.10	\$ 2,257,371.15	\$ 32,385,988.45	\$ 32,230,539.15	\$ -	\$ 3,574,531.40	\$ 2,070,968.94	\$ 5,645,500.34

TOWNSHIP OF GLOUCESTER

ANIMAL CONTROL

Schedule of Due to Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 61.56
Increased by:		
Interest Earnings	\$ 778.67	
Loan	1,980.00	
Excess in Reserve	<u>0.03</u>	
		<u>2,758.70</u>
		2,820.26
Decreased by:		
Disbursed to Current Fund		<u>2,793.31</u>
Balance December 31, 2011		<u>\$ 26.95</u>

Schedule of Due to State of New Jersey
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 28.80
Increased by:		
State Share of License Fees Collected		<u>5,006.00</u>
Sub-total		5,034.80
Decreased by:		
Payments to State of New Jersey		<u>5,034.80</u>
Balance December 31, 2011		<u>\$ -</u>

TOWNSHIP OF GLOUCESTER

ANIMAL CONTROL FUND

Schedule of Reserve For Animal Control Fund Expenditures
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 58,634.81
Increased by:		
Receipts - Animal License Fees		<u>74,668.94</u>
		133,303.75
Decreased by:		
Expenditures Under R.S. 4:19-15.11	118,741.16	
Transfer to Current Fund	<u>0.03</u>	
		<u>118,741.19</u>
Balance December 31, 2011		<u>\$ 14,562.56</u>

License Fees Collected

<u>Year</u>	
2008/2009	88,456.00
2009/2010	<u>97,215.05</u>
Total	<u>\$ 185,671.05</u>

GENERAL CAPITAL FUND

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 4,751,416.69
Increased by receipts:		
Sale Bond Anticipation Notes	\$ 4,388,914.00	
Reserve for Payment of Debt	79,986.77	
Sale of Serial Bonds	10,000,000.00	
Due to Current Fund	1,626,349.00	
Interest on Investments	6,984.99	
Contra Receipts with Disbursements	<u>10,270,822.00</u>	
		<u>26,373,056.76</u>
		31,124,473.45
Decreased by Disbursements:		
Payment on Bond Anticipation Notes	6,685,152.00	
Due to Current Fund	1,650,000.00	
Reserve for Payment of Debt	19,373.28	
Improvement Authorizations	8,299,531.90	
Contra Disbursements with Receipts	<u>10,270,822.00</u>	
		<u>26,924,879.18</u>
Balance December 31, 2011		<u>\$ 4,199,594.27</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

**Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2011**

Fund Balance	\$ 1,218,160.80
Capital Improvement Fund	0.69
Due from Current Fund	(318,024.34)
Reserve for Payment of Debt	79,986.77
Encumbrances Payable	2,506,573.98
Bond Anticipation Note Payable	4,388,914.00
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	2,022.98
04-19 Various Capital Improvements	(133.00)
04-26 Acquisition of Vehicles	(228.00)
05-14 Various Capital Improvements	(69.00)
06-30 Various Capital Improvements	20,171.36
07-24 Various Capital Improvements	285,157.33
08-16 Various Capital Improvements	62,927.71
09-12 Various Capital Improvements	(211,044.19)
09-15 Various Capital Improvements	(313,473.67)
09-17 Various Capital Improvements	(1,571,295.01)
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	(1,782,429.62)
10-23 Various Capital Improvements	(316,314.48)
11-03 Acquisition of Various Equipment	1,299,658.55
11-16 Cost of Closure Remediation	(1,165,031.00)
11-21 Acquisition of Four Wheel Drive Vehicles	27,275.00
	<u>\$ 4,199,594.27</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of State Grant Funds Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 1,500.00
Decreased by Amount Canceled	<u>1,500.00</u>
Balance December 31, 2011	<u>\$ -</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Due To/(From) Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010 - Due To		\$	141.67
Increased by:			
Interest Earned on Deposits	\$	6,984.99	
Cash Received		<u>1,626,349.00</u>	
			<u>1,633,333.99</u>
			1,633,475.66
Decreased by:			
Budgeted Capital Improvement Fund	\$	300,000.00	
State Road Aid Receivable Canceled		1,500.00	
Cash Disbursed		<u>1,650,000.00</u>	
			<u>1,951,500.00</u>
Balance December 31, 2011 - Due From		\$	<u>(318,024.34)</u>

Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	36,816,485.56
Increased by:			
Refunding Bonds	\$	80,000.00	
2011 General Obligation Bonds		<u>10,000,000.00</u>	
			<u>10,080,000.00</u>
			46,896,485.56
Decreased by:			
2011 Budget appropriations:			
Serial bonds paid	\$	3,950,000.00	
Green acres loan paid		<u>124,341.41</u>	
			<u>4,074,341.41</u>
Balance December 31, 2011		\$	<u>42,822,144.15</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule Of Deferred Charges To Future Taxation - Unfunded
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2011	Analysis of Balance		
			Expenditures	Financed by Bond Anticipation Note	Unexpended Improvement Authorizations
00-19	Various Capital Improvements	\$ 1,800.00	\$ 1,800.00		
02-34	Various Capital Improvements	951.00	951.00		
03-36	Various Capital Improvements	119.00	119.00		
04-19	Various Capital Improvements	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	211,044.19		43,025.81
09-15	Various Capital Improvements	481,345.00	313,473.67		167,871.33
09-17	Various Capital Improvements	2,500,000.00	1,571,295.01		928,704.99
09-21	Various Capital Improvements	60,121.00	20,920.87		39,200.13
10-17	Construction of Street Hockey Rinks	1,995,000.00		\$ 1,955,000.00	40,000.00
10-23	Various Capital Improvements	1,268,883.00		1,268,883.00	
11-16	Cost of Closure Remediation	1,165,031.00		1,165,031.00	
11-21	Acquisition of Four Wheel Drive Vehicles	518,225.00			518,225.00
		<u>\$ 8,246,192.00</u>	<u>\$ 2,120,033.74</u>	<u>\$ 4,388,914.00</u>	<u>\$ 1,737,244.26</u>

Improvement Authorizations Unfunded \$2,862,383.16

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Nos.

2010-17

212,570.38

2010-23

912,568.52

1,125,138.90

\$1,737,244.26

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Improvement Authorizations
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2010		2011 Authorizations			Paid or Charged	Prior Period Encumbrances Payable	Current Year Encumbrances Payable	Balance December 31, 2011		
			Amount	Funded	Unfunded	Capital Improvement Fund	Capital Fund Balance				Deferred Charges To Future Taxation Unfunded	Funded	Unfunded
03-38	Various capital improvements	11/24/03	\$ 3,116,375.00	\$ 9,465.47			\$ 7,910.25	\$ 987.76	\$ 520.00	2,022.98			
03-02	Various capital improvements	01/27/03	3,759,570.00				830.00	830.00					
05-14	Various capital improvements	04/04/05	4,167,523.00	67,506.96			50,794.59	52.89	16,765.26				
06-30	Various capital improvements	10/11/06	2,735,711.00	40,890.33			23,617.05	3,370.76	272.88	20,171.36			
07-24	Various capital improvements	10/10/07	3,450,216.00	360,708.99	\$ 217.00		74,441.33	636.63	1,746.96	285,157.33	\$ 217.00		
08-16	Various capital improvements	07/07/08	935,180.00		99,573.56		36,645.85			62,927.71			
09-12	Various capital improvements	05/27/09	266,775.00		57,102.81		14,077.00				43,025.81		
09-17	Various capital improvements	04/27/09	2,500,000.00		2,477,680.26		968,174.77		580,800.52		828,704.89		
09-15	Various capital improvements	07/27/09	505,415.00		167,871.33						167,871.33		
09-21	Various capital improvements	09/28/09	63,130.00		39,200.13						39,200.13		
09-09	Acquisition of copier & computer software	02/22/10	66,000.00	10,576.28							10,576.28		
10-23	Various capital improvements	04/26/10	4,031,483.00		2,305,963.07		1,777,390.78	433,536.39	9,540.16		952,568.52		
10-17	Construction of Street Hockey Rinks	04/26/10	2,100,000.00		662,790.61		450,220.23				212,570.38		
11-03	Acquisition of Various Capital Equipment	02/28/11	6,665,668.00			\$ 323,705.00	\$ 3,232.00	\$ 6,538,731.00	3,669,081.05	1,898,928.40	1,299,658.55		
11-16	Cost of Closure Remediation	06/27/11	1,226,349.00				61,318.00	1,165,031.00	1,226,349.00				
11-21	Acquisition of Four Wheel Drive Vehicles	11/28/11	545,500.00				27,275.00	518,225.00			27,275.00 518,225.00		
			<u>\$ 488,950.03</u>	<u>\$ 5,810,398.79</u>	<u>\$ 323,705.00</u>	<u>\$ 91,825.00</u>	<u>\$ 8,221,987.00</u>	<u>\$ 8,298,531.90</u>	<u>\$ 439,414.43</u>	<u>\$ 2,506,573.98</u>	<u>\$ 1,707,791.21</u> <u>\$ 2,882,363.16</u>		

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
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	
10-17	Construction of street hockey rink	06/01/10	09/15/11	06/06/12	1.10%		\$ 1,955,000.00		\$ 1,955,000.00
10-23	Various capital improvements	06/01/10	06/01/10	06/01/11	1.75%	3,839,507.00		3,839,507.00	
10-23	Various capital improvements	06/01/10	06/07/11	06/06/12	1.10%		1,268,883.00		1,268,883.00
11-16	Landfill Closure Costs	09/15/11	06/07/11	06/06/12	1.50%		1,165,031.00		1,165,031.00
Total						<u>\$ 6,685,152.00</u>	<u>\$ 4,388,914.00</u>	<u>\$ 6,685,152.00</u>	<u>\$ 4,388,914.00</u>
						Issued for cash	\$ 1,165,031.00		
						Serial Bonds Sold		\$ 3,461,269.00	
						Renewals	<u>3,223,883.00</u>	<u>3,223,883.00</u>	
							<u>\$ 4,388,914.00</u>	<u>\$ 6,685,152.00</u>	

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 23,705.69
Increased by:	
Budget appropriation	<u>300,000.00</u>
	323,705.69
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>323,705.00</u>
Balance December 31, 2011	<u>\$ 0.69</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds
For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Refunding Bonds of 2010	07/01/10	6,880,000	2/01/2012	\$ 1,820,000	2.500%	\$ 6,880,000.00		\$ 1,255,000.00	\$ 5,625,000.00
			2/01/2013	1,875,000	2.500%				
			2/01/2014	1,930,000	2.500%				
Refunding Bonds of 2009	09/15/09	6430000	2/01/2012	1,275,000	3.000%	5,200,000.00		1,240,000.00	3,960,000.00
			2/01/2013	1,320,000	4.000%				
			2/01/2014	1,365,000	4.000%				
General Bonds of 2007	12/01/07	6,154,000	12/01/12	450,000	3.625%	5,150,000.00		400,000.00	4,750,000.00
			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%				
General Bonds of 2011	02/01/11	10,000,000	02/01/12	550,000	2.000%		\$ 10,000,000.00		10,000,000.00
			02/01/13	575,000	2.000%				
			02/01/14	550,000	2.000%				
			02/01/15	950,000	2.000%				
			02/01/16	945,000	3.000%				
			02/01/17	1,005,000	3.000%				
			02/01/18	1,050,000	3.000%				
			02/01/19	1,075,000	3.000%				
			02/01/20	1,100,000	3.000%				
			02/01/21	1,100,000	3.125%				
			02/01/22	1,100,000	4.000%				

(Continued)

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds (Cont'd)
For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance July 1, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Revenue Bonds CCIA Lease of 2001	04/18/02	\$ 5,000,000				\$ 3,580,000.00		\$ 3,580,000.00	
Refunding Revenue Bonds CCIA Lease of 2011	04/01/11	3,440,000.00	04/01/12	\$ 225,000	3.000%		\$ 3,440,000.00		\$ 3,440,000.00
			04/01/13	275,000	3.000%				
			04/01/14	285,000	3.000%				
			04/01/15	300,000	3.000%				
			04/01/16	305,000	2.000%				
			04/01/17	310,000	2.375%				
			04/01/18	315,000	2.750%				
			04/01/19	330,000	5.000%				
			04/01/20	345,000	5.000%				
			04/01/21	365,000	5.000%				
			04/01/22	385,000	5.000%				
General Bonds of 2003	03/01/03	7,683,000	2/1/2012	425,000	3.850%	6,708,000.00		410,000.00	6,298,000.00
			2/1/2013	435,000	3.850%				
			2/1/2014	455,000	3.850%				
			2/1/2015	1,170,000	3.850%				
			2/1/2016	1,220,000	3.850%				
			2/1/2017	1,270,000	3.850%				
			2/1/2018	1,323,000	3.850%				

(Continued)

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule of General Serial Bonds
For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance July 1, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
General Bonds of 2005	07/15/05	\$ 9,378,000	7/15/2012 - 13	\$ 500,000	3.750%	\$ 7,403,000.00		\$ 425,000.00	\$ 6,978,000.00
			7/15/2014 - 15	525,000	3.750%				
			7/15/2016 - 17	550,000	3.850%				
			7/15/2018 - 19	575,000	4.000%				
			7/15/2020	600,000	4.000%				
			7/15/2021	650,000	4.000%				
			7/15/2022	700,000	4.000%				
			7/15/2023	728,000	4.000%				
Total						<u>\$ 34,921,000.00</u>	<u>\$ 13,440,000.00</u>	<u>\$ 7,310,000.00</u>	<u>\$ 41,051,000.00</u>
						Refunded	\$ 3,440,000.00	\$ 3,360,000.00	
						Cash Received	10,000,000.00		
						Budget Appropriation		3,950,000.00	
							<u>\$ 13,440,000.00</u>	<u>\$ 7,310,000.00</u>	

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Schedule Of Green Acres Trust Fund Loan Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 1,895,485.56
Increased by:	
Cash received	<u>1,895,485.56</u>
Decreased by:	
Paid by Budget Appropriation	<u>124,341.41</u>
Balance December 31, 2011	<u>\$ 1,771,144.15</u>

Analysis of Balance, December 31, 2011

Project	Amount
Hickstown Road Development	\$ 323,886.89
Erial Park	48,351.93
Hickstown Road Land Acquisition	71,731.96
Lake Mathilda Acquisition	242,470.34
Hickstown Road Development	80,240.28
Hickstown Road Development	230,200.58
Hickstown Road Development	426,164.49
Hickstown Road Development	<u>348,097.68</u>
	<u>\$ 1,771,144.15</u>

TOWNSHIP OF GLOUCESTER

GENERAL CAPITAL FUND

Statement of Bonds And Notes Authorized But Not Issued
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>Authorized</u>	<u>Issued - Bond Anticipation Notes</u>	<u>Issued - Serial Bonds</u>	<u>Balance December 31, 2011</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
11-03	Various capital improvements		\$ 6,538,731.00		\$ 6,538,731.00	
11-16	Landfill Closure Costs		1,165,031.00	\$ 1,165,031.00		
11-21	Acquisition of Four Wheel Drive Vehicle		518,225.00			518,225.00
		<u>\$ 3,339,053.00</u>	<u>\$ 8,221,987.00</u>	<u>\$ 1,165,031.00</u>	<u>\$ 6,538,731.00</u>	<u>\$ 3,857,278.00</u>

TOWNSHIP OF GLOUCESTER

PART II

Single Audit Section

For the Year Ended December 31, 2011

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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-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, with the types of compliance requirements described in the *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 year ended December 31, 2011. 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 D4-04, *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 year ended December 31, 2011.

Internal Control Over Compliance

The 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 of the Township, the Division of Local Government Services, Department of Community Affairs and state awarding agencies and pass-through entities 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 12, 2012

TOWNSHIP OF GLOUCESTER
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Program Funds Received	Grant Period		Balance Decemebr 31, 2010	Revenue Realized	Disbursements/ Expenditures	Balance Decemebr 31, 2011	
				From	To					
U.S. Department of Justice										
Bulletproof Vest Partnership Grant										
2011 Year	16.607	\$ 25,010.00		01/01/11	12/31/11		\$ 25,010.00	\$ 15,650.00	\$ 9,360.00	
Justice Assistance Grant	16.738	28,247.00	\$ 28,247.00	01/01/11	12/31/11		28,247.00	28,247.00		
Justice Assistance Grant	16.738	27,457.00		01/01/11	12/31/11		27,457.00	27,457.00		
Total U.S. Department of Criminal Justice							80,714.00	71,354.00	9,360.00	
U.S. Department of Homeland Security										
Emergency Management Grant	97.042	5,000.00		01/01/11	12/31/11	\$ 6,858.79	5,000.00	5,473.55	6,385.24	
Total U.S. Department of Homeland Security							6,858.79	5,000.00	5,473.55	6,385.24
U.S. Department of Transportation										
Passed through New Jersey State Department of Transportation										
Highway Planning and Construction:										
2006 Year	20.205	281,000.00	253,277.58	N/A	N/A	125.45			125.45	
2007 Year - Peters Lane	20.205	163,000.00	37,867.70	N/A	N/A	13,837.30			13,837.30	
2010 Year - Bike Path VIII	20.205	225,000.00	156,368.38	N/A	N/A	61,869.31			61,869.31	
2010 Year - Davistown Road	20.205	160,890.00	160,890.00	N/A	N/A	64,928.05			64,928.05	
2011 Year - Davistown Road	20.205	200,856.00	7,644.23	N/A	N/A		200,856.00		200,856.00	
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	
Click It or Ticket	20.602	4,000.00	4,000.00	01/01/11	12/31/11		4,000.00		4,000.00	
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							196,641.61		401,497.61	
U.S. Department of Energy										
ARRA - Energy Efficiency and Conservation Block	81.128	564,900.00	404,974.10	11/16/09	11/15/12	241,300.85		\$ 168,684.13	72,616.72	
Total U.S. Department of Energy							241,300.85	168,684.13	72,616.72	

(Continued)

TOWNSHIP OF GLOUCESTER
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Program Funds Received	Grant Period From	To	Balance Decemebr 31, 2010	Revenue Realized	Disbursements/ Expenditures	Balance Decemebr 31, 2011
U.S. Department of Housing and Urban Development									
Community Development Block Grant:									
Metro Cities 11/12	14.218	\$ 312,894.00		07/01/11	Indefinite		\$ 312,894.00		\$ 312,894.00
Metro Cities 10/11	14.218	376,580.00	\$ 140,645.26	07/01/10	Indefinite	\$ 197,436.48		\$ 143,581.96	53,854.52
Metro Cities 09/10	14.218	349,913.00	349,913.00	07/01/09	Indefinite	87,630.10		87,630.10	
(Passed thru the County of Camden):									
Community Development Block Grant -									
Home Consortium - 2011	14.218	50,000.00		07/01/10	Indefinite		50,000.00	8,030.00	41,970.00
Home Consortium - 2010	14.218	75,000.00	55,937.00	07/01/09	Indefinite	36,034.00		36,034.00	
Home Consortium - 2007	14.218	100,000.00	48,901.00	07/01/06	Indefinite				
Total U.S. Department of Housing and Urban Development						321,100.58	362,894.00	275,276.06	408,718.52
Total Federal Awards						\$ 765,901.83	\$ 448,608.00	\$ 520,787.74	\$ 898,578.09

Analysis of Balance December 31, 2011

Federal and State Grant Funds:		
Appropriated Reserves		\$ 489,859.57
Unappropriated Reserves		
Trust – Other Fund:		
Community Development Block Grant – Metro Cities 2011/12		312,894.00
Community Development Block Grant – Metro Cities 2010/11		53,854.52
Community Development Block Grant – Home Consortium 2011		41,970.00
Total		\$ 898,578.09

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 Year Ended December 31, 2011

<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 December 31, 2010</u>	<u>Revenue Realized</u>	<u>Disbursements/ Expenditures</u>	<u>Canceled</u>	<u>Balance December 31, 2011</u>
				<u>From</u>	<u>To</u>					
<u>State Department of Law and Public Safety</u>										
Safe and Secure Communities Program:										
Year 2011	1020-789-066-1020	\$ 31,140.00	\$ 31,140.00	01/01/10	12/31/10	\$ 31,140.00		\$ 31,140.00		
Year 2012	1020-789-066-1020	79,513.00	45,000.00	01/01/11	12/31/11		\$ 79,513.00	79,513.00		
Drunk Driving Enforcement Grant:										
Transition Year 2010	1110-448-31020-220040	2,000.00	2,000.00	07/01/10	12/31/10	2,000.00		2,000.00		
Fiscal Year 2010	1110-448-31020-220040	44,217.20	44,217.20	01/01/10	06/30/10	21,894.44		21,894.44		
Fiscal Year 2011	1110-448-31020-220040	26,445.42	26,445.42	01/01/11	12/31/11		26,445.42	10,976.55		\$ 15,468.87
Civil Defense Preparedness:										
Fiscal Year 2009	100-066-1200-726	5,000.00	5,000.00	01/01/09	12/31/09	1,101.78				1,101.78
Exercise Improvement Award Grant 2008	Not Available	5,000.00	5,000.00	07/01/07	06/30/08	25.59		14.39		11.20
Body Armor Grant:										
Transition Year 2010	1020-718-066-1020	9,173.17	9,173.17	07/01/10	12/31/10	9,173.17		9,173.17		
Year 2010	1020-718-066-1020	3,185.97	3,185.97	01/01/10	12/31/10	2,881.51		2,881.51		
Year 2011	1020-718-066-1020	9,787.62	9,787.62	01/01/11	12/31/11		9,787.62			9,787.62
Total State Department of Law and Public Safety						68,216.49	115,746.04	157,593.06	-	26,369.47
<u>State Office of Information Technology</u>										
Enhanced 911 Program	05-G-04-072	60,960.00	60,960.00	01/01/09	12/31/09	29,982.98		9,362.70		20,620.28
Total State Office of Information Technology						29,982.98	-	9,362.70	-	20,620.28
<u>State Department of Treasury</u>										
Municipal Alliance Grant:										
Year 2010	2000-475-995120-60	40,558.00	40,558.00	01/01/10	12/31/10	26,937.07		18,459.14	\$ 8,477.93	-
Year 2011	2000-475-995120-60	41,558.00	41,558.00	01/01/11	12/31/11		41,558.00		11,320.83	30,237.17
Records Management PARIS grant	2545-100-074-6110-033	19,305.00	19,305.00	07/01/08	06/30/09	19,305.00				19,305.00
Summer Youth Program	Not Available	14,000.00	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						89,077.52	41,558.00	18,459.14	19,798.76	92,377.62

(Continued)

TOWNSHIP OF GLOUCESTER
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2011

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Program Funds Received	Grant Period		Balance December 31, 2010	Revenue Realized	Disbursements/ Expenditures	Canceled	Balance December 31, 2011
				From	To					
State Department of Community Affairs										
Camden County Veterans Park	Not Available	\$ 25,000.00	\$ 25,000.00	01/01/09	12/31/09	\$ 25,000.00				\$ 25,000.00
Camden County Open Space	Not Available	100,000.00		01/01/11	12/31/11		\$ 100,000.00			100,000.00
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	56,000.00	56,000.00	01/01/06	12/31/07	2,131.10				2,131.10
Green Communities	10-100-042-4870-038	3,000.00	3,000.00	01/01/11	12/31/11		3,000.00			3,000.00
Domestic Violence	2009-100-022-8030-803-PT-6020	376.00	376.00	09/01/08	06/30/09	376.00				376.00
Domestic Violence	2007-100-022-8030-803-PT-6020	5,755.17	5,755.17	09/01/06	06/30/07	476.34				476.34
Total State Department of Community Affairs						122,343.57	103,000.00	-	-	225,343.57
State Department of Traffic and Highway Safety										
Over the Limit, Under Arrest	OP04-45-02-42	9,150.00	9,150.00	01/01/11	12/31/11		9,150.00			9,150.00
Camden County Sobriety Check Point	Not Available	4,247.73	4,247.73	01/01/11	12/31/11		4,247.73			4,247.73
Total State Department of Traffic and Highway Safety						-	13,397.73	-	-	13,397.73
State Department of Health										
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	817.00		\$ 817.00		
Year 2011	760-098-9735-001	3,182.15	3,182.15	01/01/11	12/31/11		3,182.15	3,182.15		
Total State Department of Health						2,547.00	3,182.15	3,999.15	-	1,730.00
State Department of Environmental Protection										
Clean Communities Program:										
Year 2010	4900-765-178900-60	99,222.97	99,222.97	01/01/10	12/31/10	66,159.89		66,159.89		
Year 2011	4900-765-178900-60	95,029.82	95,029.82	01/01/11	12/31/11		95,029.82	26,047.99		68,981.83
Total State Department of Environmental Protection						66,159.89	95,029.82	92,207.88	-	68,981.83
Total State Financial Assistance						\$ 378,327.45	\$ 371,913.74	\$ 281,621.93	\$ 19,798.76	\$ 448,820.50

Analysis of Balance December 31, 2011

Current Fund:	
Reserve for Federal and State Grants - Appropriated	\$ 435,157.15
Reserve for Federal and State Grants - Unappropriated	13,663.35
Total	\$ 448,820.50

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 Year Ended December 31, 2011**

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.

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	\$ 245,511.68	\$ 281,621.93	\$ 527,133.61
Trust Fund	275,276.06		275,276.06
	<u>520,787.74</u>	<u>281,621.93</u>	<u>802,409.67</u>
Total Financial Assistance	<u>\$ 520,787.74</u>	<u>\$ 281,621.93</u>	<u>\$ 802,409.67</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

PART III

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2011

TOWNSHIP OF GLOUCESTER

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 significant deficiencies 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 significant deficiencies 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>
14.218	Community Development Block Grant

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 YEAR ENDED DECEMBER 31, 2011

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

State Awards

NOT APPLICABLE

Internal Control over compliance:

1) Material weaknesses identified? _____ yes _____ no

2) Were significant deficiencies 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:

NJCFS/NJFIS Numbers

Name of State Program

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 YEAR ENDED DECEMBER 31, 2011**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, 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 YEAR ENDED DECEMBER 31, 2011**

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

This section identifies the significant deficiencies, 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.

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		
Tracey Trotto	Councilperson		
Samuel Siler	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	Township 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

- 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 12, 2012