

**TOWNSHIP OF DENNIS**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2010**

**TOWNSHIP OF DENNIS**  
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**TOWNSHIP OF DENNIS**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS - STATUTORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2010**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the Township Committee  
Township of Dennis  
County of Cape May, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Dennis, State of New Jersey (the "Township"), as of December 31, 2010 and 2009 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2010, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

As described in Note 1, the Township, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory 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 Township's policy to prepare its financial statements on the prescribed basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds and account groups of the Township, as of December 31, 2010 and 2009 and the results of operations and changes in fund balance of such funds for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township, as of December 31, 2010 and 2009 and the results of operations and changes in fund balances of such funds for the years then ended and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 5, 2011 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Township. The supplemental schedules have been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**May 5, 2011**

**EXHIBIT - A  
CURRENT FUND**

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
<b><u>Assets</u></b>			
<b>Regular Fund:</b>			
<b>Cash:</b>			
Treasurer	A-4	\$ 3,711,845.38	\$ 4,976,266.19
Change and Petty Cash Funds		800.00	800.00
		<u>3,712,645.38</u>	<u>4,977,066.19</u>
<b>Other Receivables:</b>			
Due from State of New Jersey		33,085.50	29,241.16
		<u>33,085.50</u>	<u>29,241.16</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-7	406,130.07	411,464.72
Tax Title Liens Receivable	A-8	109,575.43	76,373.92
Property Acquired For Taxes at Assessed Valuation		1,125,115.00	1,125,115.00
Revenue Accounts Receivable	A-9	3,508.58	3,333.44
<b>Interfunds:</b>			
Due from Trust Funds - Other		39,380.16	31,716.79
		<u>1,683,709.24</u>	<u>1,648,003.87</u>
<b>Deferred Charges:</b>			
Overexpenditure of Appropriations Reserve		3,528.24	-
Overexpenditure of Appropriation		11,375.62	-
Expenditure without an Appropriation		129,688.00	-
Special Emergency (5 years)		-	49,500.00
		<u>144,591.86</u>	<u>49,500.00</u>
		<u>5,574,031.98</u>	<u>6,703,811.22</u>
<b>Federal and State Grant Fund:</b>			
Due from Current Fund		108,153.74	141,851.01
Grant Receivables	A-11	32,792.06	34,892.01
		<u>140,945.80</u>	<u>176,743.02</u>
		<u>\$ 5,714,977.78</u>	<u>\$ 6,880,554.24</u>

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 234,068.91	\$ 304,658.99
Reserve for Encumbrances	A-3	89,202.05	146,141.03
Prepaid Taxes		397,359.16	374,766.67
Tax Overpayments		6,402.92	2,799.89
County Tax Payable		15,613.25	10,803.70
School Tax Payable		282,204.00	1,588,607.04
Payroll Taxes Payable		10,703.73	9,467.11
Accounts Payable		192,185.00	12,630.50
Due to State - Marriage & Civil Union Licenses		50.00	150.00
Interfunds:			
Due to Federal and State Grant Fund		108,153.74	141,851.01
Due to Animal Control		-	2,792.92
Due to Trust Funds - Other		110,005.02	115,355.02
Due to General Capital		663,901.38	693,570.39
Reserve for Revaluation		9,619.40	9,619.40
Reserve for Garden State Preservation Trust		129,366.00	194,048.80
		<u>2,248,834.56</u>	<u>3,607,262.47</u>
Reserve for Receivables and Other Assets		1,683,709.24	1,648,003.87
Fund Balance	A-1	<u>1,641,488.18</u>	<u>1,448,544.88</u>
		<u>5,574,031.98</u>	<u>6,703,811.22</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	120,893.86	101,342.72
Unappropriated Reserves	A-12	14,251.94	30,091.32
Encumbrances Payable		5,800.00	45,308.98
		<u>140,945.80</u>	<u>176,743.02</u>
		<u>\$ 5,714,977.78</u>	<u>\$ 6,880,554.24</u>

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**STATUTORY BASIS**

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	1,200,000.00	\$ 1,030,000.00
Miscellaneous Revenue Anticipated		1,864,140.19	2,146,992.47
Receipts from Delinquent Taxes		407,327.77	434,800.13
Receipts from Current Taxes		12,616,190.01	12,257,417.20
Non-Budget Revenue		274,381.07	175,331.17
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		310,543.17	346,156.80
Interfunds Returned		157.48	133.82
Total Income		<u>16,672,739.69</u>	<u>16,390,831.59</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages		1,452,747.83	1,545,400.00
Other Expenses		2,180,871.79	2,092,386.00
Deferred Charges & Statutory Expenditures		267,550.27	279,529.26
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages		-	-
Other Expenses		58,510.73	94,832.05
Capital Improvements		25,000.00	25,000.00
Municipal Debt Service		540,536.80	468,226.80
Deferred Charges & Statutory Expenditures		49,500.00	50,500.00
Special District Taxes		723,018.00	693,238.00
County Taxes		2,164,295.95	2,142,327.42
County Added and Omitted Taxes		15,613.25	10,803.70
Local District School Tax		7,805,765.00	7,893,482.00
Prior Year Senior Citizens Disallowed		-	500.00
Interfund Created		7,762.39	15,765.20
Overexpenditure of Appropriations Reserves		3,528.24	-
Total Expenditures		<u>15,294,700.25</u>	<u>15,311,990.43</u>

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**STATUTORY BASIS**

	Ref.	Year 2010	Year 2009
Excess In Revenue		\$ 1,378,039.44	\$ 1,078,841.16
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		14,903.86	-
		14,903.86	-
Statutory Excess to Fund Balance		1,392,943.30	1,078,841.16
Fund Balance January 1	A	1,448,544.88	1,399,703.72
		2,841,488.18	2,478,544.88
Decreased by:			
Utilization as Anticipated Revenue		1,200,000.00	1,030,000.00
Fund Balance December 31	A	\$ 1,641,488.18	\$ 1,448,544.88

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 1,200,000.00	\$ -	\$ 1,200,000.00	\$ -
		1,200,000.00	-	1,200,000.00	-
Interest and Costs on Taxes		60,000.00		53,541.75	(6,458.25)
Interest on Investments and Deposits		38,000.00		16,066.91	(21,933.09)
Municipal Court		63,000.00		-	(63,000.00)
Recreation Summer Program		35,000.00		34,690.00	(310.00)
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		1,514,157.00		1,431,971.00	(82,186.00)
Supplemental Energy Receipts Tax				82,186.00	82,186.00
Garden State Preservation Trust Fund		194,048.80		194,048.80	-
Special Items:					
State and Federal Programs Off-Set by Revenues:					
Recycling Rebate		11,523.68		11,523.68	-
Alcohol Education, Rehab and Enforcement Fund		7,500.00		7,500.00	-
Municipal Alliance on Alcoholism and Drug Abuse			1,860.10	1,860.10	-
Clean Communities		3,567.64	17,184.31	20,751.95	-
Emergency Management Grant		10,000.00		10,000.00	-
Total Miscellaneous Revenues	A-1	1,936,797.12	19,044.41	1,864,140.19	(91,701.34)
Receipts from Delinquent Taxes	A-1-A-2	420,000.00	-	407,327.77	(12,672.23)



**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**

Ref.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenues from Collections	\$	12,616,190.01
Allocated to:		
School, County and Other Taxes		11,508,692.20
Balance for Support of Municipal Budget Appropriations		1,107,497.81
Add: Appropriation		
"Reserve for Uncollected Taxes"		476,006.75
Amount for Support of Municipal Budget Appropriations	\$	1,583,504.56

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$	387,395.64
Tax Title Lien Collections		19,932.13
	\$	407,327.77

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:

Municipal Clerk's Receipts	\$	642.00
Planning Board		400.00
Zoning Board		6,250.00
Cable Franchise Fees		24,800.40
Tax Searches		20.00
Township Leased Property		52,905.61
Campground Licenses		11,646.00
Mercantile Licenses		7,150.00
Copies		115.50
Property Lists		290.00
Recreation Center Receipts		1,130.25
Senior Center Receipts		1,608.00
House Moving Fees		500.00
NJ 2% Administrative Fee		1,913.53
Miscellaneous Tax Collector		881.00
Payments in Lieu of Taxes		23,128.00
Liquor License Renewals		2,400.00
Street Openings		800.00
Vital Statistics		459.00
Sale of Township Assets		17,639.00
Small Cities Grant		112,306.00
Smart Growth Grant		5,000.00
Miscellaneous		2,396.78
	\$	274,381.07

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Mayor and Committee	\$ 65,000.00	\$ 65,100.00	\$ 65,050.00	\$	\$ 50.00	\$
Salaries and Wages	8,000.00	8,000.00	6,493.70		1,506.30	
Other Expenses						
Township Clerk						
Salaries and Wages	105,000.00	100,000.00	98,887.89	962.69	149.42	
Other Expenses	30,000.00	30,000.00	25,146.22	407.00	4,446.78	
Financial Administration						
Salaries and Wages	76,000.00	76,000.00	73,475.65	305.25	2,219.10	
Other Expenses	19,000.00	15,000.00	11,109.55	230.19	3,660.26	
Audit Services						
Other Expenses	31,000.00	31,000.00	31,000.00		-	
Tax Assessment Administration						
Salaries and Wages	97,000.00	97,000.00	95,493.25		1,506.75	
Other Expenses	12,500.00	12,500.00	4,485.85	5,875.00	2,139.15	
Revenue Administration (Tax Collection)						
Salaries and Wages	77,000.00	67,225.00	65,186.83	816.00	1,222.17	
Other Expenses	12,500.00	12,500.00	8,620.55	100.00	3,779.45	
Liquidation of Tax Title Liens						
Other Expenses	11,000.00	11,000.00	11,000.00		-	
Legal Services and Costs						
Salaries and Wages	60,000.00	56,500.00	55,875.00		625.00	
Other Expenses	18,000.00	30,000.00	27,061.29		2,938.71	
Engineering Services and Costs						
Salaries and Wages	12,000.00	12,000.00	11,000.00		1,000.00	
Other Expenses	60,000.00	130,000.00	99,739.70		30,260.30	
State and Federal Aid Coordinator						
Other Expenses	15,000.00	22,500.00	20,692.75	216.00	1,591.25	
<b>INSURANCE:</b>						
General Liability Insurance	79,044.00	94,044.00	88,407.64		5,636.36	
Workers Compensation Insurance	181,965.00	131,965.00	117,926.00		14,039.00	
Group Insurance for Employees	585,000.00	525,925.00	480,521.23		45,403.77	
<b>LAND USE ADMINISTRATION:</b>						
Planning Board						
Salaries and Wages	7,700.00	7,700.00	4,635.00		3,065.00	
Other Expenses	12,000.00	12,000.00	4,618.52	100.00	7,281.48	

See Accompanying Notes to Financial Statements - Statutory Basis

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Encumbered		
Zoning Board of Adjustment	\$ 19,000.00	\$ 19,000.00	\$ 15,020.00	\$ -	\$ 3,980.00	\$ -	
Salaries and Wages	10,000.00	10,000.00	6,973.93	100.00	2,926.07		
Other Expenses							
Municipal Court							
Other Expenses	115,000.00	115,000.00	115,708.84				(708.84)
<b>PUBLIC SAFETY:</b>							
Emergency Management Services							
Salaries and Wages	22,000.00	22,000.00	20,300.00		1,700.00		
Other Expenses	3,000.00	3,000.00	910.57		2,089.43		
Central Dispatch							
Other Expenses	126,900.00	126,900.00	126,809.44		90.56		
First Aid Organization - Contribution	105,000.00	105,000.00	105,000.00		-		
Constable Program							
Salaries and Wages	100.00	100.00			100.00		
Other Expenses	100.00	100.00			100.00		
Supplemental Fire Services							
Fire District Payment	2,835.00	2,835.00	2,835.00		-		
<b>PUBLIC WORKS FUNCTIONS:</b>							
Department of Public Works							
Salaries and Wages	620,000.00	620,000.00	611,713.72	18,559.11			(10,272.83)
Other Expenses	130,000.00	145,000.00	130,805.19	12,075.35	2,119.46		
Public Building and Grounds							
Other Expenses	52,000.00	52,000.00	30,628.80	2,247.54	19,123.66		
Gypsy Moth							
Other Expenses	1,000.00	1,000.00			1,000.00		
<b>HEALTH AND HUMAN SERVICES:</b>							
Board of Health							
Salaries and Wages	8,500.00	8,500.00	7,500.00		1,000.00		
Other Expenses	3,000.00	3,000.00	1,113.08		1,886.92		
Dog Regulation							
Other Expenses	36,000.00	38,500.00	38,170.75		329.25		
Environmental Commission							
Other Expenses	1,000.00	1,000.00	459.50		540.50		
Code Enforcement Officer							
Salaries and Wages	12,000.00	8,000.00	7,475.00		525.00		
Other Expenses	1,000.00	1,000.00	50.00		950.00		

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>PARKS AND RECREATION FUNCTIONS:</b>						
Recreation						
Salaries and Wages	\$ 146,000.00	\$ 158,424.57	\$ 192.50	\$ 382.93	\$	
Other Expenses	70,000.00	57,000.00	46,351.39	9,214.48	1,434.13	
Parks and Playgrounds						
Salaries and Wages	85,000.00	85,000.00	78,358.74	2,752.04	3,889.22	
Other Expenses	27,000.00	29,000.00	26,590.80	2,803.15		(393.95)
Municipal Alliance Committee						
Salaries and Wages	5,000.00	5,000.00	3,000.00		2,000.00	
Senior Center						
Salaries and Wages	34,000.00	34,250.00	34,229.48		20.52	
Other Expenses	30,000.00	30,000.00	15,704.67	12,651.25	1,644.08	
History Center & Cultural Heritage						
Salaries and Wages	100.00	100.00			100.00	
Other Expenses	10,000.00	5,000.00	1,562.88	994.50	2,442.62	
<b>UNCLASSIFIED</b>						
Special Events	20,000.00	20,000.00	16,802.54	100.00	3,097.46	
Sick and Terminal Leave	5,000.00	5,000.00			5,000.00	
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>						
Electric	70,000.00	70,000.00	64,842.99		5,157.01	
Telephone	24,000.00	24,000.00	18,308.64	1,500.00	4,191.36	
Gas (Propane)	22,000.00	38,000.00	30,250.93		7,749.07	
Telecommunications Costs	6,000.00	6,000.00	1,765.64		4,234.36	
Gasoline and Diesel Fuel	45,000.00	45,000.00	41,500.00		3,500.00	
Landfill Disposal Costs	180,000.00	180,000.00	156,152.54	17,000.00	6,847.46	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>3,622,244.00</b>	<b>3,622,244.00</b>	<b>3,321,746.25</b>	<b>89,202.05</b>	<b>222,671.32</b>	<b>(11,375.62)</b>
Contingent						
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>3,622,244.00</b>	<b>3,622,244.00</b>	<b>3,321,746.25</b>	<b>89,202.05</b>	<b>222,671.32</b>	<b>(11,375.62)</b>
Detail:						
Salaries and Wages	1,451,400.00	1,442,475.00	1,405,625.13	23,587.59	23,535.11	
Other Expenses	2,170,844.00	2,179,769.00	1,916,121.12	65,614.46	199,136.21	
<b>DEFERRED CHARGES:</b>						
Deficit in Construction Code Trust Fund	11,719.27	11,719.27	11,719.27			

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>STATUTORY EXPENDITURES:</b>						
Contributions to:						
Public Employees' Retirement System	\$ 128,331.00	\$ 128,331.00	\$ 128,331.00	\$ -	\$ -	\$ -
Social Security System (O.A.S.I.)	120,000.00	120,000.00	113,941.29	6,058.71	338.88	
Unemployment Compensation Insurance	7,500.00	7,500.00	7,161.12			
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>	<b>267,550.27</b>	<b>267,550.27</b>	<b>261,152.68</b>	<b>6,397.59</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>3,889,794.27</b>	<b>3,889,794.27</b>	<b>3,582,898.93</b>	<b>89,202.05</b>	<b>229,068.91</b>	<b>(11,375.62)</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Municipal Alliance on Alcoholism & Drug Abuse	9,375.00	9,375.00	9,375.00	-	-	
Alcohol Education and Rehabilitation Fund	11,523.68	1,860.10	1,860.10	-	-	
Recycling Tonnage Grant	3,567.64	11,523.68	11,523.68	-	-	
Clean Communities Program	10,000.00	20,751.95	20,751.95	-	-	
Emergency Management	5,000.00	10,000.00	10,000.00	-	-	
Matching Funds for Grants		5,000.00		5,000.00		
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<b>39,466.32</b>	<b>58,510.73</b>	<b>53,510.73</b>	<b>5,000.00</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>						
Detail:						
Salaries and Wages	39,466.32	58,510.73	53,510.73	-	5,000.00	-
Other Expenses						
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Budget After Modification	Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered	Reserved	
<b>DEBT SERVICE</b>							
Payment of Bond Principal	\$ 420,000.00	\$	420,000.00	\$ 420,000.00	\$	-	\$
Payment of Bond Anticipation Note	35,000.00		35,000.00	35,000.00		-	
Interest on Bonds	48,750.00		48,750.00	48,750.00		-	
Interest on Notes	35,000.00		35,000.00	33,460.00			1,540.00
Green Trust Loan Program:							
Loan Repayments for Principal & Interest	3,327.00		3,327.00	3,326.80			0.20
<b>TOTAL DEBT SERVICE</b>	<u>542,077.00</u>		<u>542,077.00</u>	<u>540,536.80</u>			<u>1,540.20</u>
<b>DEFERRED CHARGES:</b>							
Special Emergency Authorizations-5 years	49,500.00		49,500.00	49,500.00			
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<u>656,043.32</u>	\$	<u>675,087.73</u>	<u>668,547.53</u>	\$	<u>5,000.00</u>	<u>1,540.20</u>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<u>4,545,837.59</u>		<u>4,564,882.00</u>	<u>4,251,446.46</u>	<u>89,202.05</u>	<u>234,068.91</u>	<u>(9,835.42)</u>
Reserve for Uncollected Taxes	<u>476,006.75</u>		<u>476,006.75</u>	<u>476,006.75</u>			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>5,021,844.34</u>	\$	<u>5,040,888.75</u>	<u>4,727,453.21</u>	<u>89,202.05</u>	<u>234,068.91</u>	<u>(9,835.42)</u>

Appropriation by 40A:4-87  
Original Budget

\$ 19,044.41  
5,021,844.34  
\$ 5,040,888.75

Paid or Charged

Federal and State Grants \$ 53,510.73  
Deferred Charges 61,219.27  
Capital Improvement Fund 25,000.00  
Reserve for Uncollected Taxes 476,006.75  
Disbursed 4,111,716.46  
\$ 4,727,453.21

**EXHIBIT - B  
TRUST FUND**

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
<b><u>Assets</u></b>			
<b><u>Animal Control Fund</u></b>			
Cash and Investments	B-1	\$ 10,516.41	\$ 5,155.72
Due from Current Fund		-	2,792.92
		<u>10,516.41</u>	<u>7,948.64</u>
<b><u>Other Funds</u></b>			
Cash and Investments	B-2	302,588.84	405,659.06
Due from Current Fund		110,005.02	115,355.02
Deficit in Construction Code Office		31,785.94	11,719.27
		<u>444,379.80</u>	<u>532,733.35</u>
		<u>\$ 454,896.21</u>	<u>\$ 540,681.99</u>

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
 <u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 7,998.47	\$ 7,943.24
Due to State of New Jersey	B-5	-	5.40
Due to Current Fund	B-4	2,517.94	-
		<u>10,516.41</u>	<u>7,948.64</u>
 <u>Other Funds</u>			
Due to State of New Jersey		1,628.00	1,908.00
Due to Current Fund		36,862.22	31,716.79
Deposits for Tax Title Lien Certificates		10,200.00	32,363.83
Reserve for Small Cities Escrow		34,665.35	40,015.35
Reserve for Recreation		20,451.41	20,451.41
Reserve for Unemployment		54,888.26	54,888.26
Reserve for Planning Board Escrows		273,643.75	337,845.28
Reserve for Municipal Alliance		12,040.81	13,544.43
		<u>444,379.80</u>	<u>532,733.35</u>
		<u>\$ 454,896.21</u>	<u>\$ 540,681.99</u>

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**

**TOWNSHIP OF DENNIS**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Cash and Investments	C-2,C-3	\$ -	\$ -
Due from Current Fund		663,901.38	693,570.39
Deferred Charges to Future Taxation:			
Funded	C-5	1,086,490.54	1,509,640.21
Unfunded	C-6	1,761,800.00	1,796,800.00
		<u>\$ 3,512,191.92</u>	<u>\$ 4,000,010.60</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Encumbrances Payable		\$ 3,139.89	\$ 20,395.75
Serial Bonds Payable	C-8	1,080,000.00	1,500,000.00
Bond Anticipation Notes Payable	C-9	1,500,000.00	1,400,000.00
Green Trust Loan Payable	C-8A	6,490.54	9,640.21
Improvement Authorizations:			
Funded	C-7	268,380.38	69,464.84
Unfunded	C-7	228,366.44	602,552.13
Reserve for Debt Service		355,750.00	355,750.00
Capital Improvement Fund	C-4	49,000.00	24,000.00
Fund Balance	C-1	21,064.67	18,207.67
		<u>\$ 3,512,191.92</u>	<u>\$ 4,000,010.60</u>

**TOWNSHIP OF DENNIS**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - STATUTORY BASIS**

Balance December 31, 2009	<u>Ref.</u> C		\$	18,207.67
Increased By:				
Note Premium		\$		2,857.00
				2,857.00
				21,064.67
Decreased By:				
None		-		
		-		-
Balance December 31, 2010	C		\$	21,064.67

**EXHIBIT - D**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

**TOWNSHIP OF DENNIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>General Fixed Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
Land	\$	270,100.00	\$ 270,100.00
Buildings		2,172,237.71	2,172,237.71
Machinery and Equipment		2,285,278.55	2,248,546.55
		<u>\$ 4,727,616.26</u>	<u>\$ 4,690,884.26</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Investment in General Fixed Assets	\$	4,727,616.26	\$ 4,690,884.26
		<u>\$ 4,727,616.26</u>	<u>\$ 4,690,884.26</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2010 AND 2009**

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

**Basis of Accounting**

The financial statements of the Township of Dennis have been prepared in conformity with an "Other Comprehensive Basis of Accounting" (OCBOA), as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The more significant of the Township's accounting policies are described below.

**Description of Financial Reporting Entity**

The Township of Dennis is a mainland community located in the County of Cape May, State of New Jersey. The population according to the 2000 census is 6,492.

The Township of Dennis is incorporated and operates under a Mayor and Committee form of government. The Mayor is the chief executive officer of the Township and is appointed by Township Committee.

**Component Units**

The financial statements of the component units of the Township of Dennis are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB No. 14 had been complied with, no other entity's financial statements would have to be either blended or discretely presented with the financial statements of the Township, the primary government.

**Basis of Presentation, Fund Accounting**

The financial statements of the Township of Dennis 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. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Dennis accounts for its financial transactions through the following separate funds, which differ from the funds required by GAAP.

**Current Fund**

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

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

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

**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 facilities, other than those acquired in the Current Fund.

**Budgets and Budgetary Accounting**

The Township of Dennis must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> 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 municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

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

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

**Cash and Investments**

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance, and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1(a) provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Township of Dennis requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

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

**Cash and Investments (Continued)**

Public funds are defined as; the funds of any government unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which, are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

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

**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 Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies**

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

**General Fixed Assets**

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2, as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive: Fixed assets used in governmental operations, (general fixed assets), are accounted for in the General Fixed Assets Account Group. Public domain, ("infrastructure"), general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

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

**General Fixed Assets (Continued)**

No depreciation on general fixed assets is recorded in the financial statements.

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

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

**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 by returning 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 capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets account group at the market value at the time of acquisition.

**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 made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**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. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

**Liens Sold for Other Governmental Units**

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector 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.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

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

**Fund Balance**

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

**Revenues**

Revenues are recorded as received in cash, except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants is realized as revenue, when anticipated as such, in the Township's budget. 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. GAAP generally requires that grant revenue be recognized when the actual expenditure financed by the grant is made.

**Property Tax Revenues**

Property tax revenues are collected in quarterly installments due February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup>. Property taxes unpaid on April 1, of the year following their final due date are subject to tax sale in accordance with statutes. 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 entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

**School Taxes**

The Township is responsible for levying, collecting and remitting school taxes for the Township of Dennis School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the local school district from July 1 through June 30, increased by the amount deferred at December 31, 2009, and decreased by the amount deferred at December 31, 2010. GAAP would require the recording of deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31<sup>st</sup> for the last two years:

		December 31, 2010		December 31, 2009
School Tax Payable	\$	282,204.00	\$	1,588,607.04
School Tax Deferred		3,500,000.00		2,700,000.00
	\$	3,782,204.00	\$	4,288,607.04

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

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

**County Taxes**

The Township is responsible for levying, collecting and remitting county taxes for the County of Cape May. Fund Balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, Fund Balance is charged for the County share of Added and Omitted Taxes, certified to the County Board of Taxation by October 10<sup>th</sup> of the current year, and due to be paid to the County by February 15<sup>th</sup> of the following year.

**Reserve for Uncollected Taxes**

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

**Expenditures**

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order, in conjunction with, the encumbrance system. Outstanding encumbrances at December 31<sup>st</sup> are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 2: LONG-TERM DEBT**

**Summary of Municipal Debt**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 2,586,490.54	\$ 2,909,640.21	\$ 2,992,727.81
Total Issued	<u>2,586,490.54</u>	<u>2,909,640.21</u>	<u>2,992,727.81</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	355,750.00	355,750.00	355,750.00
Net Debt Issued	<u>2,230,740.54</u>	<u>2,553,890.21</u>	<u>2,636,977.81</u>
<u>Authorized but not Issued</u>			
Bonds and Notes:			
General	<u>261,800.00</u>	<u>396,800.00</u>	<u>506,800.00</u>
Total Authorized but not Issued	261,800.00	396,800.00	506,800.00
Net Bonds, Notes and Loans Issued, and Authorized but not Issued	<u>\$ 2,492,540.54</u>	<u>\$ 2,950,690.21</u>	<u>\$ 3,143,777.81</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 2: LONG-TERM DEBT (CONTINUED)**

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition, which follows is prepared in accordance with the required method of setting up the Annual Debt Statement, and indicates a statutory net debt of .25%.

	<u>Gross Debt</u>		<u>Deductions</u>		<u>Net Debt</u>
Local School Debt	\$ 5,126,000.00	\$	5,126,000.00	\$	-
General Debt	2,848,290.54		355,750.00		2,492,540.54
	<u>\$ 7,974,290.54</u>	<u>\$</u>	<u>5,481,750.00</u>	<u>\$</u>	<u>2,492,540.54</u>

Net Debt \$2,492,540.54 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,011,644,605 = .25%.

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

3 1/2% of Equalized Valuation Basis	\$	35,407,561.18
Net Debt		(2,492,540.54)
Remaining Borrowing Power	<u>\$</u>	<u>32,915,020.64</u>

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

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 2: LONG-TERM DEBT (CONTINUED)**

At December 31, 2010 bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$2,660,000 General Obligation Bonds dated October 1, 2004, due in annual installments through October 1, 2013, bearing interest at various rates of interest per annum. The balance remaining as of December 31, 2010, is \$1,080,000.

\$53,500 Green Trust Loan dated March 17, 1993, due in semi-annual installments through December 19, 2012, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2010, is \$6,490.54.

**Changes in Long-Term Debt:**

The following schedule represents the changes in the Long-Term Debt:

	<u>Outstanding 12/31/09</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/10</u>
General Capital Fund:				
Bonds Payable	\$ 1,500,000.00	\$ -	\$ 420,000.00	\$ 1,080,000.00
Loans Payable	9,640.21	-	3,149.67	6,490.54
Total General Capital Fund	<u>\$ 1,509,640.21</u>	<u>\$ -</u>	<u>\$ 423,149.67</u>	<u>\$ 1,086,490.54</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 2: LONG-TERM DEBT (CONTINUED)**

**Schedule of Annual Debt Service for Principal and Interest for Serial Bonds Issued and Outstanding**

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 460,000.00	\$ 35,100.00
2012	500,000.00	20,150.00
2013	120,000.00	3,900.00
	<u>\$ 1,080,000.00</u>	<u>\$ 59,150.00</u>

**Schedule of Annual Debt Service for Principal and Interest for Green Trust Loans**

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 3,212.98	\$ 113.83
2012	3,277.56	49.25
	<u>\$ 6,490.54</u>	<u>\$ 163.08</u>

**Note 3: COMPENSATED ABSENCES**

The Township has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date, subject to certain limitations. The monetary value of these earned and unused employee benefits has not been accrued by either, charges to operations, or to budgets of prior years, although in some cases they may be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2010, the Township estimates this liability to approximate \$117,082.87.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 4: DEFERRED COMPENSATION ACCOUNT**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998, the Township of Dennis amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service, which requires assets of deferred compensation plans be held in trust under the beneficial ownership of the trustee (Township of Dennis), for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The Plan administrator is as follows:

Nationwide Retirement Systems, Inc.

**Note 5: TAXES COLLECTED IN ADVANCE**

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

		Balance Dec. 31, 2010		Balance Dec. 31, 2009
		<u>                    </u>		<u>                    </u>
Prepaid Taxes - Cash Liability	\$	<u>397,359.16</u>	\$	<u>374,766.67</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 6: PENSION PLANS**

**Plan Descriptions**

All eligible employees participate in the Public Employees' Retirement System (PERS), or the Police and Firemen's Retirement System (PFRS), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements, as well as, required supplementary information for the Public Employees Retirement System and the Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

*Public Employees' Retirement System (PERS)* - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey, or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation are generally determined to be 1/55 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 6: PENSION PLANS (CONTINUED)**

**Funding Policy**

The contribution policy for PERS is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. In accordance with Chapter 415, P.L. 1999, the member rate was set at 5.5% of base salary. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits.

For the Public Employees' Retirement System, the Township's contribution was \$128,331.00 for 2010 and \$124,821.00 for 2009.

<b>Three Year Trend Information for PERS</b>			
<b>Funding Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2010	\$ 128,331.00	100%	\$ 128,331.00
12/31/2009	124,821.00	100%	124,821.00
12/31/2008	117,562.00	100%	117,562.00

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 7: CASH AND INVESTMENTS**

**Cash**

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unity Deposit Protection Act (GUDPA). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. Operating cash, in the form various checking, savings and certificates of deposit, are held in the Township's name by a commercial banking institution and thrift savings institutions. At December 31, 2010, the carrying amount of the Township's deposits was \$4,024,950.63 and the bank balance was \$4,749,894.02. Of the bank balance, \$500,000.00 was insured with Federal Deposit Insurance and \$4,249,894.02 was covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Township's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Township would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The Township does not have a policy for custodial credit risk.

**Investments**

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the Township utilizes MBIA's Cooperative Liquid Assets Securities System ("CLASS") for investing purposes.

The CLASS is a local government investment pool managed by MBIA Municipal Investors Service Corporation which invests only in: (a) high grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two; and (b) very short-term, usually overnight, repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefit of the pool's participants. At December 31, 2010, the Township's balance was \$515,345.53.

**Credit Risk:** The CLASS is rated "AAA" by Fitch. The Township does not have an investment policy regarding the management of credit risk.

**Interest Rate Risk:** The Township does not have a policy to limit interest rate risk.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 8: PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

Upon the filing of certified adopted budgets by the municipality, the local school district, fire districts, regional school district and the county, the rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due February 1 and May 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due August 1 and November 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid, on or before the due date, are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board, on or before April 1, for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority, after a hearing, to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year, and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement, and any losses in tax collections from prior years are charged to a reserve set aside for this purpose, or directly to Fund Balance.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 8: PROPERTY TAXES (CONTINUED)**

The following is a three-year comparison of certain statistical information relative to property taxes, and property tax collections for the current and previous two years:

<b>Comparative Schedule of Tax Rates</b>						
		2010		2009		2008
Tax Rate	\$	1.164	\$	1.135	\$	1.096
Apportionment of Tax Rate:						
Municipal		0.140		0.139		0.126
County		0.207		0.206		0.193
Local School		0.817		0.790		0.777

<b>Assessed Valuation</b>	
Year	Amount
2010	\$ 1,053,353,828
2009	1,050,573,217
2008	1,043,777,371

Year		Tax Levy		Collections	Percentage of Collections
2010	\$	13,076,618.09	\$	12,616,190.01	96.48%
2009		12,679,880.78		12,257,417.20	96.67%
2008		12,148,271.02		11,715,514.21	96.44%

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 8: PROPERTY TAXES (CONTINUED)**

**Delinquent Taxes and Tax Title Liens**

<b>Delinquent Taxes and Tax Title Liens</b>					
<b>Year</b>	<b>Tax Title Liens</b>	<b>Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>Percentage of Tax Levy</b>	
2010	\$ 109,575.43	\$ 406,130.07	\$ 515,705.50	3.94%	
2009	76,373.92	411,464.72	487,838.64	3.85%	
2008	66,153.03	436,269.00	502,422.03	4.14%	

**Property Acquired by Tax Title Lien Liquidation**

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

<b>Year</b>	<b>Amount</b>
2010	\$ 1,125,115
2009	1,125,115
2008	1,125,115

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 9: ECONOMIC DEPENDENCY**

The Township of Dennis is not economically dependent on any one funding agent within the Township, or the State of New Jersey.

**Note 10: FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budgets:

	<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
Current Fund	2010	\$ 1,641,488.18	\$ 1,344,000.00	81.88%
	2009	1,448,544.88	1,200,000.00	82.84%
	2008	1,399,703.72	1,030,000.00	73.59%
	2007	1,936,572.46	1,202,000.00	62.07%
	2006	1,963,295.32	1,170,000.00	59.59%

**Note 11: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY**

Receivables and payables at December 31, 2010, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 39,380.16	\$ 882,060.14
Federal and State Grant	108,153.74	-
General Capital Fund	663,901.38	-
Trust	110,005.02	36,862.22
Animal Control	-	2,517.94
Total	\$ <u>921,440.30</u>	\$ <u>921,440.30</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 12: BUDGETARY DATA**

Annually, the Township Committee adopts that year's appropriated budgets for the Current Fund and the Capital Improvement Plan. Once approved, the Township Committee may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S. 40A:4-46, 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S. 40A:4-47, except when financing is provided for by bonding ordinances.

Budget transfers between major appropriation accounts are prohibited until the last two months of the year. The Township Committee approves transfers by Resolution. Budgetary transfers for the year were not significant.

**Note 13: FEDERAL AND STATE GRANTS**

In the normal course of operations, the Township participates in a number of federal and state grant programs. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the granting of funds. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor. As of December 31, 2010, significant amounts of grant expenditures have not been audited by the various grantor agencies, nor is there any known liability for reimbursement, as a result of any such audit.

**Note 14: GENERAL FIXED ASSETS**

The following schedule is a summarization of the charges in general fixed assets for the fiscal year ended December 31, 2010:

	<u>Balance as of December 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of December 31, 2010</u>
Land & Improvements	\$ 270,100.00	\$ -	\$ -	\$ 270,100.00
Buildings	2,172,237.71	-	-	2,172,237.71
Machinery & Equipment	<u>2,248,546.55</u>	<u>42,004.00</u>	<u>5,272.00</u>	<u>2,285,278.55</u>
Total	<u>\$ 4,690,884.26</u>	<u>\$ 42,004.00</u>	<u>\$ 5,272.00</u>	<u>\$ 4,727,616.26</u>

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 15: POST-RETIREMENT HEALTH BENEFITS**

The Township participates in New Jersey State Health Benefits Program (“the SHBP”), which qualifies as a cost-sharing, multiple –employer plan in accordance with GASB Statement 45 “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions” (“OPEB”). The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents.

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. The required contribution rate is determined on an annual pay as you go basis. During 2010, the Township provided post-employment health care benefits of \$102,656.25 to ten (10) retired employee.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the SHBP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**Note 16: 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.

**Property and Liability Insurance**

The Township maintains commercial insurance coverage for property, liability and surety bonds.

**Note 17: DEFINED CONTRIBUTION RETIREMENT PROGRAM**

**Plan Description**

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

**Vesting and Benefits Provisions**

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

**TOWNSHIP OF DENNIS**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(CONTINUED)**

**Note 17: DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)**

**Vesting and Benefits Provisions (Continued)**

Retirement benefits for members are determined according to the applicable Tier level:

Tier 1 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement, a member must have at least 25 years of service credit; however, if a member is under the age of 55 at the time of retirement, the retirement allowance is reduced 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 2 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 60 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 60 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 3 Membership: The retirement age is 62 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 62 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 62 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

**Funding Policy**

Members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were no employees enrolled in the DCRP for the year ended December 31, 2010.

**Note 18: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2010 through May 5, 2011 the date that the financial statements were issued for possible disclosure and recognition in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2009	A	\$ 4,976,266.19
Increased By Receipts:		
Taxes Receivable	\$	12,552,905.93
Tax Title Lien Collections		19,932.13
Prepaid Taxes		397,359.16
Due from State - Vets and Senior Citizens		95,676.72
Revenue Accounts Receivable		1,884,426.84
Accrued Payroll Taxes		1,731,398.65
Due from Animal Control		1,360.80
Due from Trust Fund - Other		74,154.93
Due from Federal and State Grant Fund		42,896.30
Due from General Capital Fund		1,502,857.00
Marriage License Fees Due to State		575.00
Reserve for Garden State Preservation Trust		<u>129,366.00</u>
		<u>18,432,909.46</u>
		23,409,175.65
Decreased By Disbursements:		
2010 Appropriations	\$	4,111,716.46
2009 Appropriation Reserves		143,785.09
Expenditure without an Appropriation		129,688.00
Accounts Payable		1,200.00
County Taxes		2,164,295.95
County Added and Omitted Taxes		10,803.70
Local District School Tax		9,112,168.04
Special District Taxes		542,263.50
Refund of Tax Overpayments		20,004.98
Payroll Taxes and Deductions		1,731,854.20
Due to Animal Control		1,569.60
Due to Trust Fund - Other		96,311.17
Due to General Capital Fund		1,557,526.01
Due to Federal and State Grant Fund		73,468.57
Due State for Marriage Licenses		<u>675.00</u>
		<u>19,697,330.27</u>
Balance December 31, 2010	A	<u>\$ 3,711,845.38</u>

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

Year	Balance Dec. 31, 2009	2010 Levy	Added Taxes	2009 Collections	2010 Collections	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2010
Arrears \$	1,362.42	\$	\$	\$	\$	\$	\$	\$
2009	410,102.30				387,395.64	30.00	22,736.66	2,818.45
	411,464.72				387,395.64	1,486.03	22,736.66	2,818.45
2010	-	13,076,618.09	5,557.68	374,766.67	12,241,423.34	(35,148.59)	27,525.55	403,311.62
\$	411,464.72	13,076,618.09	5,557.68	374,766.67	12,628,818.98	(33,662.56)	50,262.21	406,130.07
Ref.	A							A

\$ 12,552,905.93 Taxes Receivable  
 99,521.06 Senior Citizens and Veterans  
 (23,608.01) Overpayments  
\$ 12,628,818.98

Analysis of 2010 Property Tax Levy  
 Tax Yield:  
 General Property Tax  
 Special District Taxes  
 Added Taxes (54:4-63.1 et. seq.)

Tax Levy:  
 Local District School Tax  
 Levy  
 Addition to Local District School Tax  
 County Taxes  
 County Taxes Added and Omitted  
 Special District Tax  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

\$ 8,605,765.00  
 -  
 8,605,765.00  
 2,164,295.95  
 15,613.25  
 723,018.00  
1,567,925.89  
 \$ 13,076,618.09

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2009	<u>Ref.</u> A		\$	76,373.92
Increased By:				
Transfers from Taxes Receivable		\$ 50,262.21		
Interest and Costs from Sale of April 13, 2010		2,871.43		
				53,133.64
				129,507.56
Decreased By Receipts:				
Collections	A-4	19,932.13		
				19,932.13
Balance December 31, 2010	A		\$	109,575.43

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	Balance Dec. 31, 2009	Accrued In 2010	Collected	Balance Dec. 31, 2010
<u>Miscellaneous Revenue Anticipated:</u>				
Interest and Costs on Taxes	\$ -	\$ 53,541.75	\$ 53,541.75	-
Interest on Investments	-	16,066.91	16,066.91	-
Municipal Court	3,333.44	175.14	-	3,508.58
Energy Receipts Tax	-	1,431,971.00	1,431,971.00	-
Supplemental Energy Receipts Tax	-	82,186.00	82,186.00	-
Garden State Preservation Trust	-	194,048.80	194,048.80	-
Recreation Summer Program	-	34,690.00	34,690.00	-
<u>Miscellaneous Revenue Not Anticipated:</u>				
Miscellaneous Non-Budget Revenue	-	274,381.07	274,381.07	-
<b>TOTALS</b>	<b>\$ 3,333.44</b>	<b>\$ 2,087,060.67</b>	<b>\$ 2,086,885.53</b>	<b>\$ 3,508.58</b>
Ref.	A		A	
Cash Received			1,884,426.84	A-4
Non-Cash Miscellaneous Non-Budgeted Revenue			8,409.89	
Reserve for Garden State Preservation Trust			194,048.80	A
			<u>2,086,885.53</u>	

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Mayor and Committee	\$ 50.00	\$ 50.00	\$	50.00	\$
Salaries and Wages	3,754.51	3,754.51		3,754.51	
Other Expenses					
Township Clerk					
Salaries and Wages	392.24	392.24	150.00	242.24	
Other Expenses	20,080.68	20,080.68	5,325.04	14,755.64	
Financial Administration					
Salaries and Wages	406.48	406.48		406.48	
Other Expenses	2,541.48	2,541.48	2,319.45	222.03	
Collection of Taxes					
Salaries & Wages	5,268.09	5,268.09	868.75	4,399.34	
Other Expenses	1,617.55	1,617.55	346.50	1,271.05	
Assessment of Taxes					
Salaries and Wages	6.48	6.48		6.48	
Other Expenses	6,261.21	6,261.21	5,016.83	1,244.38	
Liquidation of Tax Title Liens					
Other Expenses	1,000.00	1,000.00		1,000.00	
Legal Services					
Salaries and Wages	3,125.00	3,125.00		3,125.00	
Other Expenses	4,238.90	4,238.90	2,766.50	1,472.40	
State and Federal Aid Coordinator					
Other Expenses	3,097.02	3,097.02	3,000.00	97.02	
Engineering Services and Costs					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	41,055.00	41,055.00	3,100.00	37,955.00	
Planning Board					
Salaries & Wages	3,115.02	3,115.02	705.00	2,410.02	
Other Expenses	7,069.55	7,069.55	2,350.00	4,719.55	
Zoning Board of Adjustment					
Salaries and Wages	3,749.92	3,749.92	575.00	3,174.92	
Other Expenses	1,587.75	1,587.75	1,360.08	227.67	

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Municipal Court					
Salaries & Wages	\$ 3,167.87	\$ 3,167.87		\$ 3,167.87	
Other Expenses	5,312.39	5,312.39	1,164.09	4,148.30	
Public Defender					
Other Expenses	1,650.00	1,650.00		1,650.00	
Emergency Management Services					
Salaries & Wages	1,700.00	1,700.00		1,700.00	
Other Expenses	4,012.27	4,012.27	68.18	3,944.09	
Central Dispatch					
Other Expenses	90.56	90.56		90.56	
Constable Program					
Salaries & Wages	2,354.65	2,354.65		2,354.65	
Other Expenses	600.00	600.00		600.00	
Public Works					
Salaries & Wages	19,105.21	19,105.21	17,885.81	1,219.40	
Other Expenses	49,599.93	49,599.93	24,705.71	24,894.22	
Public Buildings & Grounds					
Other Expenses	10,744.35	10,744.35	5,957.45	4,786.90	
Gypsy Moth					
Other Expenses	13,730.35	13,730.35		13,730.35	
Board of Health					
Salaries & Wages	1,020.00	1,020.00		1,020.00	
Other Expenses	2,056.92	2,056.92	382.50	1,674.42	
Dog Regulation					
Other Expenses	558.00	558.00		558.00	
Environmental Commission					
Other Expenses	714.91	714.91	714.00	0.91	
Code Enforcement Officer					
Salaries & Wages	825.00	825.00	460.00	365.00	
Other Expenses	610.52	610.52	306.40	304.12	
Recreation					
Salaries & Wages	271.60	271.60	185.00	86.60	
Other Expenses	74,966.94	74,966.94	24,095.39	50,871.55	

**TOWNSHIP OF DENNIS**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Parks & Playgrounds					
Salaries & Wages	\$ 5,730.48	\$ 5,730.48	\$ 2,743.58	\$ 2,986.90	
Other Expenses	4,508.18	4,508.18	314.95	4,193.23	
Municipal Alliance Committee					
Salaries & Wages	2,000.00	2,000.00		2,000.00	
Special Events	3,498.98	3,498.98	1,093.90	2,405.08	
Sick and Terminal Leave	2,309.67	2,309.67		2,309.67	
Electric	5,877.72	5,877.72	9,405.96		3,528.24
Telephone Charges	3,756.54	3,756.54	2,797.49	959.05	
Gas (propane)	115.70	115.70	108.36	7.34	
Telecommunications Costs	1,825.97	1,825.97	179.09	1,646.88	
Gasoline and Diesel Fuel	1,100.00	1,100.00		1,100.00	
Landfill Disposal Costs	30,668.87	30,668.87	15,072.52	15,596.35	
Liability Insurance	14,064.78	14,064.78		14,064.78	
Workers Compensation Insurance	36,272.49	36,272.49		36,272.49	
Group Insurance for Employees	9,251.82	9,251.82	2,979.28	6,272.54	
Unemployment Compensation Insurance	1,502.22	1,502.22	442.31	1,059.91	
Social Security System (O.A.S.I.)	10,808.25	10,808.25	4,839.97	5,968.28	
Matching Funds for Grants	15,000.00	15,000.00		15,000.00	
<b>TOTALS</b>	<b>\$ 450,800.02</b>	<b>\$ 450,800.02</b>	<b>\$ 143,785.09</b>	<b>\$ 310,543.17</b>	<b>\$ 3,528.24</b>
Ref.	A				
Appropriation Reserves	\$ 304,658.99				
Encumbrances Payable	146,141.03				
	<u>\$ 450,800.02</u>				
		Cash Disbursements	\$ 143,785.09	A-4	
			<u>\$ 143,785.09</u>		

**TOWNSHIP OF DENNIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2009</u>	<u>Anticipated Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2010</u>
State:					
Municipal Alliance	\$ 27,549.01	\$ 7,500.00	\$ 6,599.95	\$	\$ 28,449.06
Pinelands Rural Economic Development	1,125.00				1,125.00
Livable Communities Grant	6,218.00		3,000.00		3,218.00
<b>TOTALS</b>	<u>\$ 34,892.01</u>	<u>\$ 7,500.00</u>	<u>\$ 9,599.95</u>	<u>\$ -</u>	<u>\$ 32,792.06</u>
Ref.	A				A

**TOWNSHIP OF DENNIS**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Purpose</u>	<u>Balance Dec. 31, 2009</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Cancellation</u>	<u>Balance Dec. 31, 2010</u>
State:					
Recycling Tonnage Grant	\$ 11,523.68	\$ 9,251.94	\$ 11,523.68	\$	\$ 9,251.94
Clean Communities	3,567.64	17,184.31	20,751.95		-
Alcohol Education and Rehabilitation	-	1,860.10	1,860.10		-
Emergency Management Grant	10,000.00	5,000.00	10,000.00		5,000.00
Smart Growth Grant	5,000.00			5,000.00	-
<b>TOTALS</b>	<b>\$ 30,091.32</b>	<b>\$ 33,296.35</b>	<b>\$ 44,135.73</b>	<b>\$ 5,000.00</b>	<b>\$ 14,251.94</b>
Ref.	A				A

**TOWNSHIP OF DENNIS  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

State:	Purpose	Balance	Budget	Expended	Cancelled	Balance
		Dec. 31, 2009	Appropriations			Dec. 31, 2010
	Municipal Alliance	\$ 20,817.65	\$ 9,375.00	\$ 8,147.22	\$	\$ 22,045.43
	Hazard Mitigation					
	State Share	1,732.00				1,732.00
	Local Share	2,200.80				2,200.80
	Alcohol Education and Rehabilitation					
	Emergency Management Grant	1,567.20	1,860.10	1,825.00		1,602.30
	Municipal Stormwater	7,444.47	10,000.00	735.00		17,444.47
	Pinelands Rural Economic Development	9,314.00				8,579.00
	Clean Communities	2,459.44				2,459.44
		12,695.40	20,751.95	17,614.87		15,832.48
	NJ Transportation Trust Fund Authority					
	2004 Program	885.06				885.06
	Livable Communities Grant					
	Recycling Tonnage Grant	19,303.68				19,303.68
		4,671.80	11,523.68	5,637.50		10,557.98
	Recycling Rebate MUA					
		16,897.58		-		16,897.58
	Gypsy Moth Program					
		1,294.38				1,294.38
	Verizon - Osprey Tower Grant					
		59.26				59.26
	<b>TOTALS</b>	<b>\$ 101,342.72</b>	<b>\$ 53,510.73</b>	<b>\$ 33,959.59</b>	<b>\$ -</b>	<b>\$ 120,893.86</b>
		Ref. A				A
	Cash Disbursements	\$	\$ 73,468.57	A-4		
	Encumbrances Payable		5,800.00	A		
	Prior Year Encumbrances Cancelled		(45,308.98)			
		\$	<u>33,959.59</u>			

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2009	<u>Ref.</u> B		\$	5,155.72
Increased By Receipts:				
Dog Licenses Fees		\$		4,703.80
State License Fees				1,564.20
Kennel License Fees				50.00
Late Fees Collected				506.00
Postage Fees				41.50
Miscellaneous Receipts				30.00
Interest Earned				34.79
				<u>6,930.29</u>
				12,086.01
Decreased By Disbursements:				
Paid to State of New Jersey	B-5	<u>1,569.60</u>		
				<u>1,569.60</u>
Balance December 31, 2010	B		\$	<u><u>10,516.41</u></u>

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2009	<u>Ref.</u> B		\$ 405,659.06
Increased By Receipts:			
Construction Code Office		\$ 86,699.48	
Municipal Alliance Receipts		2,198.92	
Escrow Deposits		174,906.00	
Tax Title Lien Redemptions		<u>42,732.03</u>	
			<u>306,536.43</u>
			712,195.49
Decreased By Disbursements:			
Construction Code Office		101,801.70	
Refund of Escrow Deposits		239,107.53	
Refund of Tax Title Lien Redemptions		64,994.88	
Municipal Alliance		<u>3,702.54</u>	
			<u>409,606.65</u>
Balance December 31, 2010	B		<u>\$ 302,588.84</u>

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2009	<u>Ref.</u> B		\$	7,943.24
Increased By:				
Dog Licenses Fees Collected - Township Share		\$		4,703.80
Late Fees Collected				506.00
Postage Fees				41.50
Kennel Fees				50.00
Miscellaneous Receipts				30.00
Interest Earned				34.79
				5,366.09
				13,309.33
Decreased By:				
Due to Current Fund - Statutory Excess	B-1			5,310.86
				5,310.86
Balance December 31, 2010	B		\$	7,998.47

License Fees Collected	<u>Year</u>			
	2009			4,579.28
	2008			3,419.19
		\$		7,998.47

**TOWNSHIP OF DENNIS**  
**TRUST FUND**  
**SCHEDULE OF DUE FROM CURRENT (TO) FUND - ANIMAL CONTROL FUND**

Balance December 31, 2009	<u>Ref.</u> B		\$	2,792.92
Increased By:				
None		\$		-
				-
				2,792.92
Decreased By:				
Statutory Excess		5,310.86		
				5,310.86
Balance December 31, 2010	B		\$	(2,517.94)

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

Balance December 31, 2009	<u>Ref.</u> B		\$	5.40
Increased By:				
Collected in 2010	B-1	\$		1,564.20
				1,564.20
				1,569.60
Decreased By:				
Paid to State of New Jersey	B-1	1,569.60		
				1,569.60
Balance December 31, 2010	B		\$	-

TOWNSHIP OF DENNIS  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2010
	Balance Dec. 31, 2009	Bonds Issued	Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	
Fund Balance	\$ 18,207.67	\$	\$	\$ 2,857.00	\$	\$	\$	\$	\$ 21,064.67
Capital Improvement Fund	24,000.00			25,000.00					49,000.00
Encumbrances Payable	20,395.75						20,395.75	3,139.89	3,139.89
Reserve for Debt Service	355,750.00								355,750.00
Due to Current Fund	(693,570.39)			29,669.01					(663,901.38)
<u>Improvement Authorizations</u>									
Ord.									
00-08 Various Improvements	39,104.90								39,104.90
03-04 Various Improvements	34.05				34.05				0.00
04-14 Landfill Closure/Land Purchase	(20,000.00)								(20,000.00)
06-10 Various Improvements	65,543.30								65,543.30
07-10 Various Improvements	(2,515.25)				6,498.18			6,498.18	(2,515.25)
07-11 Various Improvements	166,825.82				19,524.05				147,301.77
08-08 Road Improvements	14,792.25				15,350.17			13,897.57	13,339.65
08-11 Hockey Rink Resurfacing	(1,658.86)				2,341.14				(4,000.00)
08-14 Chassis for Belleplain Emergency	3,090.76								3,090.76
09-06 Various Improvements	5,500.00		100,000.00		58,778.42		3,139.89		43,581.69
09-08 Playground Equipment at Recreation Complex	4,500.00		35,000.00		90,000.00				(50,500.00)
	\$ (0.00)	\$ -	\$ 135,000.00	\$ 57,526.01	\$ 192,526.01	\$ -	\$ 23,535.64	\$ 23,535.64	\$ (0.00)
Ref.									C

All cash activity is through the Current Fund. There is no separate Capital bank account.

**TOWNSHIP OF DENNIS**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2009	<u>Ref.</u> C		\$	24,000.00
Increased By:				
Current Fund Budget Appropriation		\$ 25,000.00		
				25,000.00
				49,000.00
Decreased By:				
None				-
				-
Balance December 31, 2010	C		\$	49,000.00

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2009	<u>Ref.</u> C		\$	1,509,640.21
Increased By:				
None		\$ -		
				-
				1,509,640.21
Decreased By:				
Serial Bonds Paid		420,000.00		
Loan Principal Paid		3,149.67		
				423,149.67
Balance December 31, 2010	C		\$	1,086,490.54

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

Ord. Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Raised in 2010 Budget	Notes Issued	Balance Dec. 31, 2010	Bond Anticipation Note	Analysis of Balance		Unexpended Improvement Authorization
								Expenditures		
04-14	Landfill Closure/Land Purchase	\$ 95,000.00	\$ -	\$ -	\$ -	\$ 95,000.00	\$ -	\$ 20,000.00	\$ -	\$ 75,000.00
05-10	Various Improvements	237,500.00	15,000.00	15,000.00	-	222,500.00	215,000.00	2,774.33	-	4,725.67
06-10	Various Improvements	475,000.00	20,000.00	20,000.00	-	455,000.00	450,000.00	-	-	5,000.00
07-11	Various Improvements	495,300.00	-	-	-	495,300.00	400,000.00	-	-	95,300.00
08-08	Road Improvements	218,500.00	-	-	-	218,500.00	218,500.00	-	-	-
08-11	Hockey Rink Resurfacing	57,000.00	-	-	-	57,000.00	53,000.00	1,658.86	-	2,341.14
08-14	Chassis for Belleplain Emergency	28,500.00	-	-	-	28,500.00	28,500.00	-	-	-
09-06	Various Improvements	104,500.00	-	-	-	104,500.00	100,000.00	-	-	4,500.00
09-08	Playground Equipment at Recreation Complex	85,500.00	-	-	-	85,500.00	35,000.00	-	-	50,500.00
Ref.		\$ 1,796,800.00	\$ -	\$ 35,000.00	\$ -	\$ 1,761,800.00	\$ 1,500,000.00	\$ 24,433.19	\$ -	\$ 237,366.81
		C								C

**TOWNSHIP OF DENNIS  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	2010 Authorizations		Capital Improvement Fund	Deferred Charges to Future Taxation	Other	Paid or Charged	Balance December 31, 2010	
				Balance December 31, 2009 Funded	Unfunded					Funded	Unfunded
00-08	Various Improvements	7/31/00	\$ 1,650,000	\$ 39,104.90	\$ -	\$ -	\$ -	\$ -	\$ 39,104.90	\$ -	
03-04	Various Improvements	7/15/03	1,100,000	34.05	-	-	-	34.05	0.00	-	
04-14	Landfill Closure/Land Purchase	11/8/04	100,000	-	75,000.00	-	-	-	-	75,000.00	
06-10	Various Improvements	5/16/06	500,000	65,543.30	5,000.00	-	-	-	65,543.30	5,000.00	
07-10	Roads and Buildings	8/6/07	69,967	-	4,984.75	-	-	-	-	4,984.75	
07-11	Various Improvements	8/6/07	520,300	166,825.82	95,300.00	-	-	19,524.05	147,301.77	95,300.00	
08-08	Road Improvements	5/6/08	230,000	14,792.25	-	-	-	1,452.60	13,339.65	-	
08-11	Hockey Rink Resurfacing	9/2/08	60,000	-	2,341.14	-	-	2,341.14	-	-	
08-14	Chassis for Belleplain Emergency	12/16/08	30,000	3,090.76	-	-	-	-	3,090.76	-	
09-06	Various Improvements	10/6/09	110,000	5,500.00	104,500.00	-	-	61,918.31	-	48,081.69	
09-08	Playground Equipment at Recreation Complex	11/2/2009	90,000	4,500.00	85,500.00	-	-	90,000.00	-	-	
				\$ 299,391.08	\$ 372,625.89	\$ -	\$ -	\$ -	\$ 175,270.15	\$ 268,380.38	\$ 228,366.44
					C						C

Ref.

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding				Balance Dec. 31, 2010
			Date	Amount	Interest Rate	Balance Dec. 31, 2009	
General Obligation Bonds	10/1/2004	\$ 2,660,000	10/1/2011	\$ 460,000.00	3.250%	\$ 1,500,000.00	\$ 1,080,000.00
			10/1/2012	500,000.00	3.250%		
			10/1/2013	120,000.00	3.250%		
			Ref. \$	<u>1,500,000.00</u>		\$	<u>420,000.00</u>
							<u>1,080,000.00</u>

**TOWNSHIP OF DENNIS  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans			Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Date	Amount	Outstanding December 31, 2010					
Recreation Facility	3/17/93	\$ 53,500.00	6/19/2011	\$ 1,598.50	2.000%	\$ 9,640.21	\$ -	\$ 3,149.67	\$ 6,490.54	
			12/19/2011	1,614.48						
			6/19/2012	1,630.62						
			12/19/2012	1,646.94						
						\$ 9,640.21	\$ -	\$ 3,149.67	\$ 6,490.54	
						C			C	

Ref.

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

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
05-10	Various Improvements	3/22/2007	3/19/2009 3/17/2010	3/19/2010 3/18/2011	2.39% 1.50%	\$ 230,000.00	\$ 215,000.00	\$ 230,000.00	\$ - 215,000.00
06-10	Various Improvements	3/22/2007	3/19/2009 3/17/2010	3/19/2010 3/18/2011	2.39% 1.50%	470,000.00	450,000.00	470,000.00	- 450,000.00
07-11	Various Improvements	3/20/2008	3/20/2008 3/17/2010	3/20/2009 3/18/2011	2.25% 1.50%	400,000.00	400,000.00	400,000.00	- 400,000.00
08-08	Road Improvements	3/19/2009	3/19/2009 3/17/2010	3/19/2010 3/18/2011	2.39% 1.50%	218,500.00	218,500.00	218,500.00	- 218,500.00
08-11	Hockey Rink Resurfacing	3/19/2009	3/19/2009 3/17/2010	3/19/2010 3/18/2011	2.39% 1.50%	53,000.00	53,000.00	53,000.00	- 53,000.00
08-14	Chassis for Bellepain Emergency	3/19/2009	3/19/2009 3/17/2010	3/19/2010 3/18/2011	2.39% 1.50%	28,500.00	28,500.00	28,500.00	- 28,500.00
09-06	Various Improvements	3/17/2010	3/17/2010	3/18/2011	1.50%	-	100,000.00	-	100,000.00
09-08	Playground Equipment at Recreation Complex	3/17/2010	3/17/2010	3/18/2011	1.50%	-	35,000.00	-	35,000.00
						Ref.			C
						\$ 1,400,000.00	\$ 1,500,000.00	\$ 1,400,000.00	\$ 1,500,000.00
						C			C
						Cash Receipts	\$ 135,000.00	\$ -	\$ -
						Notes Paid (Budget Appropriation)	-	35,000.00	35,000.00
						Notes Rolled Over	1,365,000.00	1,365,000.00	1,365,000.00
						\$ 1,500,000.00	\$ 1,400,000.00	\$ 1,400,000.00	\$ 1,500,000.00

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

Ord. Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Bond, Notes or Grants Issued	Budget Appropriation	Balance Dec. 31, 2010
04-14	Landfill Closure & Land Purchase	\$ 95,000.00	\$	\$	\$	95,000.00
07-10	Various Improvements	7,500.00				7,500.00
06-10	Various Improvements	5,000.00				5,000.00
07-11	Various Improvements	95,300.00				95,300.00
08-11	Hockey Rink Resurfacing	4,000.00				4,000.00
09-06	Various Improvements	104,500.00		100,000.00		4,500.00
09-08	Playground Equipment at Recreation Complex	85,500.00		35,000.00		50,500.00
		<u>\$ 396,800.00</u>	<u>\$ -</u>	<u>\$ 135,000.00</u>	<u>\$ -</u>	<u>\$ 261,800.00</u>
	Ref. C					C
			Notes Issued	\$ 135,000.00		
			Total	\$ 135,000.00		

**TOWNSHIP OF DENNIS**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2010**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

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

To the Honorable Mayor and  
Members of the Township Committee  
Township of Dennis  
County of Cape May, New Jersey

We have audited the financial statements – statutory basis of the Township of Dennis, State of New Jersey (the “Township”), as of and for the year ended December 31, 2010, and have issued our report thereon dated May 5, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2010-1, which we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Dennis'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division, which are described in the accompanying schedule of findings and responses as items 2010-2, 2010-3, 2010-4 and 2010-5.

We noted certain matters that we reported to management of the Township of Dennis in a separate letter dated May 5, 2011.

This report is intended solely for the information and use of management, the Township Committee, others within the entity, and the Division as well as other federal 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.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**May 5, 2011**

**TOWNSHIP OF DENNIS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2010**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting” dated May 5, 2011.**

Internal control over financial reporting:

- |                                         |            |
|-----------------------------------------|------------|
| 1) Material Weakness identified?        | <b>NO</b>  |
| 2) Significant Deficiencies identified? | <b>YES</b> |

Non-Compliance material to Financial Statements – Statutory Basis noted? **NO**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed findings relating to the financial statements – statutory basis that are required to be reported. See separate findings and recommendations section of this report (Finding #2010-1 to 2010-5). We also noted certain other findings that are reported to the governing body in the Management Letter.

**MANAGEMENT RESPONSES**

Management is required to respond to findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, Department of Community Affairs, State of New Jersey within 45 days of the filing of this report.

**STATUS OF PRIOR YEAR FINDINGS**

There were four prior year findings.

**Financial Statement Findings**

**Finding No. 1**

**Condition**

Bank accounts were not reconciled in a timely manner and records were not available until the end of February 2010. Therefore the Annual Financial Statement could not be filed on time as required by State Statutes.

**Current Status**

The Condition has not been resolved for 2010 and is listed as item 2010-1 in the current year.

**TOWNSHIP OF DENNIS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2010**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS - CONTINUED**

**Financial Statement Findings (Continued)**

**Finding No. 2**

**Condition**

A fixed asset listing was not properly maintained during the year.

**Current Status**

The Condition has not been resolved for 2010 and is listed as item 2010-2 in the current year.

**Finding No. 3**

**Condition**

Individuals are transporting cash receipts from the Senior Center to the Township Hall. Individuals transporting the deposits are not Township employees, therefore; are not covered under the Township's Public Employees Blanket Bond.

**Current Status**

This Condition has been resolved for 2010.

**Finding No. 4**

**Condition**

In 2009, the Township received a Smart Growth Grant in the amount of \$5,000. A Chapter 159 was not obtained from the Director of the Division of Local Government Services.

**Current Status**

The Condition has not been resolved for 2010 and is listed as item 2010-4 in the current year.

## TOWNSHIP OF DENNIS

### GENERAL COMMENTS

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

N.J.S.A. 40A: 11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Due to the Township not having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$26,000.

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

Our examination of expenditures did reveal payments in excess of the bid threshold for the provision or performance of any goods or services awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

The minutes indicate that bids were sought by public advertising for the following items:

Chestnut Street Park ADA Improvements Project  
Custodial Services

#### **Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

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

**BE IT RESOLVED** by the Township Committee of the Township of Dennis, County of Cape May, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first fifteen hundred dollars (\$1,500.00) of taxes becoming delinquent after the due date, eighteen percent (18%) per annum on any amount of taxes in excess of fifteen hundred dollars (\$1,500.00) and if a delinquency is in excess of ten thousand dollars (\$10,000.00) and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of six percent (6%) shall be charged against the delinquency.
2. Effective January 1, 2010, there will be a ten (10) day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with item two of this resolution shall be charged interest from the due date as set forth in item one of this resolution.

It appears from an examination of the collector's records that interest was charged in accordance with the forgoing resolution.

**TOWNSHIP OF DENNIS**

**GENERAL COMMENTS (Continued)**

**Delinquent Taxes and Tax Title Liens**

The tax sale was held and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2010	50
2009	41
2008	38

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

**Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2010 and 2011 Taxes	25
Delinquent Taxes	25
Total	<u>50</u>

**Deposit of Municipal Funds**

N.J.S.A. 40A: 5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

## TOWNSHIP OF DENNIS

### FINDINGS AND RECOMMENDATIONS

#### **Finding #2010-1: \*\*\***

Bank accounts were not reconciled in a timely manner and records were not available until the end of February 2011. Therefore the Annual Financial Statement could not be filed on time as required by State Statutes. Several adjustments were needed to the client's records at year end.

#### Criteria:

All bank accounts must be reconciled on a monthly basis. All New Jersey municipalities are required to file by February 10<sup>th</sup> an Annual Financial Statement under New Jersey Statutes annotated 40A: 5-12, as amended.

#### Condition:

Bank reconciliations are not being completed within a reasonable amount of time after bank statements are received. \$31,916.86 of Group Insurance expenses was unrecorded at year end as well as unresolved bank charges, unrecorded debt service payments and invalid reimbursements and expenditures recorded. The Township also had several over expenditures that could have been prevented provided they were discovered more timely.

#### Cause:

The Treasurer did not reconcile bank accounts to the bank balances within a reasonable time period.

#### Effect:

Monthly financial records are not accurately maintained. When bank accounts are not timely reconciled there is an increased risk for undetected bank errors or unauthorized activity. Also, the 2010 Annual Financial Statement could not be filed on time as required by State Statutes. This has been a reoccurring issue with the Township that needs corrective action.

#### Recommendation:

We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the Township's accounting software.

#### **Finding #2010-2: \*\*\***

A fixed asset listing was not properly maintained during the year.

#### Criteria:

State Technical Accounting Directive No. 2 as issued by the Division of Local Government Services requires all local government units to have and maintain a fixed assets accounting and reporting system.

#### Condition:

The Township disposed of assets throughout the year without deleting them from the Township's fixed asset listing.

#### Cause:

The Township's Fixed Assets were not properly monitored during the year.

#### Effect:

The Township was not in compliance with State Technical Accounting Directive No. 2.

## TOWNSHIP OF DENNIS

### **Finding #2010-2: \*\*\* (Continued)**

#### Recommendation:

We recommend that the Township conduct a complete fixed asset inventory to ensure that fixed assets are being tagged, recorded, disposed of and maintained properly.

### **Finding #2010-3:**

Current year appropriations and appropriation reserves were over expended by \$11,375.62 and \$3,528.24 respectively.

#### Criteria:

Local Budget Law and Local Finance Board Regulations do not permit over expenditures of individual budget line items.

#### Condition:

The Township approved \$708.84 of Municipal Court Other Expenses, \$10,272.83 of Department of Public Works Salaries and Wages and \$393.95 of Parks and Playground Other Expenses in the Current Fund before verifying that there were sufficient funds available in the budget lines.

#### Cause:

Expenditures were not properly monitored during 2010.

#### Effect:

The overexpenditures must be raised in the budget as deferred charges.

#### Recommendation:

That no commitment be made or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

### **Finding #2010-4:**

The Township had \$129,688.00 in expenditures without an appropriation.

#### Criteria:

Local Budget Law and Local Finance Board Regulations do not permit expenses to be made without prior appropriation.

#### Condition:

In 2008, the Township was awarded a Small Cities CDBG grant in the amount of \$136,690.00. A Chapter 159 was not obtained from the Director of the Division of Local Government Services. In 2010, the Township spent \$129,688.00 of this grant. Since the grant was never appropriated in the Township's budget expenditures without an appropriation resulted.

#### Cause:

Proper Chapter 159 procedures were not followed and expenditures were not properly monitored during 2010.

#### Effect:

The Township must raise the expenditure without an appropriation in the budget as deferred charges.

#### Recommendation:

We recommend that the Township receive proper approval from the Director for all special revenue items unknown at the time of adoption of the annual budget.

**TOWNSHIP OF DENNIS**

**Finding #2010-5:**

There was one vendor who was paid in excess of the bid threshold in 2010.

Criteria:

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

Condition:

There was one vendor that was paid in excess of the bid threshold for which the services were not bid.

Cause:

Proper bid procedures were not followed.

Effect:

The Township was not in compliance with N.J.S.A. 40A:5-15.

Recommendation:

That competitive bids be received when required.

\*\*\* A similar finding made in the prior year.

Should any questions arise as to my comments, please do not hesitate to contact me.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**May 5, 2011**