

CHRISTINE L. BROWN

*Certified Public Accountant
Registered Municipal Accountant
Public School Accountant*

51A LAUREL AVENUE NEPTUNE CITY, NJ 07753
732-774-7885 FAX 732-502-0917

**BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
NEW JERSEY**

**FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

BOROUGH OF NEPTUNE CITY

TABLE OF CONTENTS

| | | <u>Page</u> |
|---|--|-------------|
| | Independent Auditor's Report | 1 |
| | Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards" | 3 |
| <u>Exhibit</u> | | |
| <u>Current Fund</u> | | |
| A | Comparative Balance Sheet | 5 |
| A-1 | Comparative Statement of Operations and Change in Fund Balance | 7 |
| A-2 | Statement of Revenues | 8 |
| A-3 | Statement of Expenditures | 10 |
| <u>Trust Fund</u> | | |
| B | Comparative Balance Sheet | 18 |
| <u>General Capital Fund</u> | | |
| C | Comparative Balance Sheet | 20 |
| C-1 | Statement of Fund Balance | 20 |
| <u>Sewer Utility Fund</u> | | |
| D | Comparative Balance Sheet | 21 |
| D-1 | Comparative Statement of Operations and Change in Operating Fund Balance | 23 |
| D-3 | Statement of Fund Balance – Sewer Capital Fund | 24 |
| D-4 | Statement of Revenues | 24 |
| D-5 | Statement of Expenditures | 24 |
| <u>Public Assistance Fund</u> | | |
| E | Comparative Balance Sheet | 25 |
| <u>Bond and Interest Account</u> | | |
| F | Comparative Balance Sheet | 26 |
| <u>Other Funds</u> | | |
| G-1 | Board of Recreation Commission – Comparative Balance Sheet | 27 |
| G-3 | Environmental Advisory Commission – Comparative Balance Sheet | 27 |
| H | Statement of General Fixed Assets | 28 |
| | <u>Notes to Financial Statements</u> | 29 |

BOROUGH OF NEPTUNE CITY

TABLE OF CONTENTS (continued)

Page

Exhibit

SUPPLEMENTARY INFORMATION

Current Fund

| | | |
|------|--|----|
| | Schedule of: | 38 |
| A-4 | Current Fund Cash -- Collector and Treasurer | 39 |
| A-10 | Change Funds | 39 |
| A-11 | Petty Cash Funds | 40 |
| A-15 | Taxes Receivable and Analysis of Property Tax Levy | 40 |
| A-16 | Tax Title Liens | 40 |
| A-18 | Property Acquired for Taxes (At Assessed Valuation) | 41 |
| A-22 | Revenue Accounts Receivable | 41 |
| A-23 | Deferred Charges -- Emergency Authorizations | 41 |
| A-24 | Deferred Charges -- Special Emergency Authorization | 42 |
| A-25 | 2007 Appropriation Reserves and Reserve for Encumbrances | 44 |
| A-27 | Reserve for Master Plan | 44 |
| A-29 | Prepaid Taxes | 44 |
| A-30 | Tax Overpayments | 45 |
| A-35 | County Taxes Payable | 45 |
| A-37 | Local District School Tax | 46 |
| A-41 | Due to State of New Jersey | 46 |

Trust Fund

| | | |
|------|---|----|
| | Schedule of: | 47 |
| B-4 | Trust Cash --Treasurer | 48 |
| B-23 | Reserve for Dog Fund Expenditures | 48 |
| B-24 | Reserve for Special Trust Items | 49 |
| B-25 | Reserve for Developers' Escrow Trust Fund | 49 |
| B-26 | Reserve for Law Enforcement Trust Fund | 50 |
| B-27 | Reserve for Emergency Management Trust Fund | 50 |
| B-28 | Reserve for Fire Prevention Trust Fund | 50 |
| B-29 | Reserve for Public Defender Trust Fund | 51 |
| B-30 | Reserve for Unused Accumulated Sick Time Trust Fund | 51 |
| B-31 | Reserve for Municipal Alliance to Prevent Drug and Alcohol Abuse Trust Fund | 51 |

General Capital Fund

| | | |
|------|---|----|
| | Schedule of: | 52 |
| C-2 | General Capital Cash --Treasurer | 52 |
| C-4 | Analysis of General Capital Cash | 53 |
| C-10 | Deferred Charges to Future Taxation -- Unfunded | 54 |
| C-11 | Interfund with Current Fund | 54 |
| C-12 | Capital Improvement Fund | 55 |
| C-14 | Improvement Authorizations -- General Capital | 55 |
| C-19 | Bond Anticipation Notes | 56 |
| C-22 | Bonds and Notes Authorized But Not Issued | 57 |

BOROUGH OF NEPTUNE CITY

TABLE OF CONTENTS
(continued)

Page

Exhibit

Sewer Utility Fund

| | | |
|------|---|----|
| | Schedule of: | 58 |
| D-8 | Sewer Utility Cash --Treasurer | 59 |
| D-13 | Analysis of Sewer Capital Fund Cash | 59 |
| D-14 | Consumer Accounts Receivable | 60 |
| D-15 | Sewer Utility Liens | 60 |
| D-28 | Fixed Capital | 61 |
| D-29 | Fixed Capital Authorized and Uncompleted | 61 |
| D-31 | Interfund with Sewer Operating Fund -- Sewer Capital Fund | 61 |
| D-32 | Interfund with Current Fund -- Sewer Operating Fund | 62 |
| D-34 | 2007 Appropriation Reserves and Reserve for Encumbrances | 62 |
| D-36 | Accrued Interest on Notes and Analysis of Balance | 62 |
| D-38 | Sewer Rent Overpayments | 63 |
| D-43 | Improvement Authorizations | 63 |
| D-44 | Bond Anticipation Notes | 64 |
| D-45 | Sewer Capital Improvement Fund | 64 |
| D-49 | Reserve for Amortization | 64 |
| D-50 | Deferred Reserve for Amortization | 64 |
| D-56 | Bonds and Notes Authorized But Not Issued | 64 |

Public Assistance Fund

| | | |
|-----|--|----|
| | Schedule of: | 65 |
| E-1 | Public Assistance Cash --Treasurer | 66 |
| E-2 | Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5 | 67 |
| E-3 | Public Assistance Cash and Reconciliation | 68 |
| E-4 | Public Assistance Revenues | 68 |
| E-5 | Public Assistance Expenditures | 68 |
| E-6 | Assistance Commitments Payable | 69 |

Other Funds

| | | |
|-----|--|----|
| | Schedule of: | 70 |
| G-2 | Board of Recreation Commission Cash | 70 |
| G-4 | Environmental Advisory Commission Cash | 70 |

Additional Information Section

| | | |
|--|---|----|
| | Summary of Municipal Debt | 71 |
| | Summary of Statutory Debt Condition -- Annual Debt Statement | 71 |
| | Borrowing Power Under N.J.S. 40A:2-6 as Amended | 72 |
| | Accumulated Borrowing Power Under R.S. 40:1-16(d) | 72 |
| | Calculation of "Self-Liquidating Purpose" Sewer Utility Per N.J.S. 40A:2-45 | 72 |
| | Bonds and Notes Authorized But Not Issued | 72 |
| | Comparison of Tax Rate Information | 73 |
| | Comparison of Tax Levies and Collection | 73 |
| | Comparison of Sewer Utility Levies | 73 |
| | Comparison of Delinquent Taxes and Tax Title Liens | 74 |
| | Property Acquired by Tax Title Lien Liquidation | 74 |
| | Comparison of Current Fund and Sewer Utility Operating Fund Balances | 74 |

BOROUGH OF NEPTUNE CITY

TABLE OF CONTENTS
(continued)

Comments Section

| | |
|--|----|
| Scope of Audit | 75 |
| Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-4 | 75 |
| Collection of Interest on Delinquent Taxes and Assessments | 76 |
| Delinquent Taxes and Tax Title Liens | 76 |
| Confirmation of Delinquent Taxes and Other Charges | 77 |
| Officials in Office and Surety Bonds | 77 |
| Findings and Recommendations | 79 |

CHRISTINE L. BROWN

*Certified Public Accountant
Registered Municipal Accountant
Public School Accountant*

51A LAUREL AVENUE NEPTUNE CITY, NJ 07753
732-774-7885 FAX 732-502-0917

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Borough Hall
Borough of Neptune City
New Jersey

I have audited the accompanying financial statements – statutory basis of the Borough of Neptune City, State of New Jersey, as of and for the years ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Borough of Neptune City's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

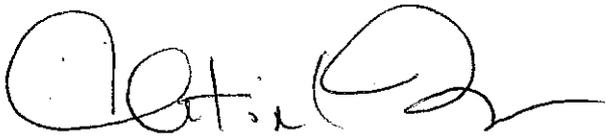
As discussed in Note 1, the Borough of Neptune City, State of New Jersey prepares its financial statements on a comprehensive basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, because of the Borough's statutory requirement to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough of Neptune City, State of New Jersey, as of December 31, 2008 and 2007 or the results of its operations or cash flows for the years then ended.

However, in my opinion, the financial statements – statutory basis referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Neptune City, State of New Jersey as of December 31, 2008 and 2007 and the results of its operations and the changes in fund balance of the individual funds for the years then ended and the revenues, expenditures and fund balance for the years then ended on the basis of accounting described in Note 1.

In accordance with "Government Auditing Standards", I have also issued my report dated November 13, 2009 on my consideration of the Borough of Neptune City's internal control structure over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules, additional information and comments section listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Neptune City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Christine L. Brown
REGISTERED MUNICIPAL ACCOUNTANT

November 13, 2009

CHRISTINE L. BROWN

*Certified Public Accountant
Registered Municipal Accountant
Public School Accountant*

51A LAUREL AVENUE NEPTUNE CITY, NJ 07753
732-774-7885 FAX 732-502-0917

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

To the Mayor and Council
Borough Hall
Borough of Neptune City
New Jersey

I have audited the financial statements – statutory basis of the Borough of Neptune City, State of New Jersey as of and for the year ended December 31, 2008 and have issued my report thereon dated November 13, 2009 in which I expressed an unqualified opinion in conformity with the basis of the accounting described in Note 1. The Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but rather prepared on another comprehensive basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. I conducted my audit 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.

Internal Control Over Financial Reporting

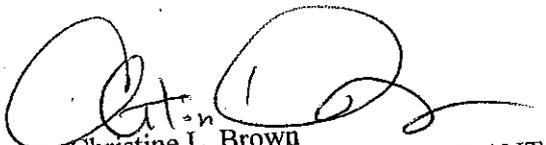
In planning and performing my audit, I considered the Borough of Neptune City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough of Neptune City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Borough of Neptune City's financial statements that is more than inconsequential will not be prevented or detected by the Borough of Neptune City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough of Neptune City's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I noted certain matters that I reported to management and have included those matters in the Comments section of these financial statements.

This report is intended solely for the information and use of the Borough's management and governing body, federal and state awarding agencies, pass through entities and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This report is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Christine L. Brown
CERTIFIED PUBLIC ACCOUNTANT

November 13, 2009

Current Fund
Comparative Balance Sheet

A

| | <u>Ref.</u> | Balance Dec. 31 <u>2008</u> | Balance Dec. 31 <u>2007</u> |
|--|-------------|-----------------------------------|-----------------------------------|
| <u>Assets</u> | | | |
| Cash | A-4 | \$ 1,651,391.32 | \$ 1,139,682.57 |
| Cash - Change | A-10 | 745.00 | 745.00 |
| Notes Receivable - General Capital Fund | C-19 | 984,299.80 | 1,143,500.00 |
| Notes Receivable - Sewer Capital Fund | D-44 | 60,000.00 | 80,000.00 |
| Alliance to Prevent Drug and Alcohol Abuse Grant Receivable | A-2.1:A-4 | 8,789.89 | 5,891.21 |
| Smart Growth Planning Grant Receivable | A-4 | 0.00 | 30,000.00 |
| Hazardous Discharge Site Remediation Grant Receivable | A | 1,000.00 | 1,000.00 |
| SHARE Grant Receivable | A-4 | 0.00 | 19,800.00 |
| Smart Future Grant Receivable | A | 39,570.00 | 39,570.00 |
| | | <u>2,745,796.01</u> | <u>2,460,188.78</u> |
| <u>Receivables with Full Reserves</u> | | | |
| Delinquent Property Taxes Receivable | A-15 | 203,153.74 | 205,795.75 |
| Tax Title Liens Receivable | A-16 | 231,963.64 | 222,188.99 |
| Property Acquired for Taxes - Assessed Valuation | A-18 | 53,213.00 | 53,213.00 |
| Revenue Accounts Receivable | A-22 | 38,474.88 | 32,042.60 |
| Interfund Due from Payroll Account | A | 5,000.00 | 5,000.00 |
| Interfund Due from General Capital Fund | C | 426,840.08 | 851,501.76 |
| Interfund Due from Payroll Agency Account | A | 20,000.00 | 20,000.00 |
| Interfund Due from Sewer Operating Fund | D | 0.00 | 167,000.00 |
| | | <u>978,645.34</u> | <u>1,556,742.10</u> |
| <u>Deferred Charges</u> | | | |
| Emergency Authorizations (40A:4-47) | A-23 | 40,000.00 | 0.00 |
| Special Emergency Authorizations (40A:4-55) | A-24 | 5,000.00 | 31,500.00 |
| | | <u>45,000.00</u> | <u>31,500.00</u> |
| | | <u>\$ 3,769,441.35</u> | <u>\$ 4,048,430.88</u> |
| <u>Total Assets</u> | | | |

See accompanying notes to financial statements

Current Fund
Comparative Statement of Operations and Change in Fund Balance

A-1

| | <u>Ref.</u> | <u>Year 2008</u> | <u>Year 2007</u> |
|---|-------------|------------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | A-2.1 | \$ 610,000.00 | \$ 660,000.00 |
| Miscellaneous Revenue Anticipated | A-2.1 | 1,296,312.59 | 1,426,596.47 |
| Receipts from Delinquent Taxes | A-2.1 | 198,169.92 | 217,986.42 |
| Receipts from Current Taxes | A-2.2 | 9,810,653.62 | 9,581,174.31 |
| Non-Budget Revenue | A-2.2 | 111,118.59 | 190,320.06 |
| Other Credits to Income | | | |
| Unexpended Balance of Appropriation Reserves | A-25 | 70,471.49 | 58,822.35 |
| Interfund Receivables Realized | A-1 | 591,661.68 | 183,000.00 |
| <u>Total Income</u> | | 12,688,387.89 | 12,317,899.61 |
| <u>Expenditures</u> | | | |
| Budget Appropriations | | | |
| Operations | | | |
| Salaries and Wages | A-3 | 2,914,350.00 | 2,779,850.00 |
| Other Expenses | A-3 | 2,255,980.13 | 2,109,233.03 |
| Capital Improvements | A-3 | 36,800.00 | 44,000.00 |
| Municipal Debt Service | A-3 | 176,527.85 | 219,204.03 |
| Deferred Charges and Statutory Expenditures | A-3 | 176,495.88 | 150,934.00 |
| County Taxes | A-35 | 1,524,575.98 | 1,526,522.78 |
| County Share of Added Taxes | A-35 | 3,931.60 | 6,033.97 |
| Local District School Taxes | A-37 | 4,657,278.00 | 4,789,760.00 |
| Interfund Advances | A-1 | 0.00 | 132,000.00 |
| Prior Year Charges | A-4 | 0.00 | 0.00 |
| <u>Total Expenditures</u> | | 11,745,939.44 | 11,757,537.81 |
| <u>Excess in Revenue</u> | | 942,448.45 | 560,361.80 |
| <u>Adjustments to Income Before Fund Balance</u> | | | |
| Expenditures Included Above Which Are by Statute | | | |
| Deferred Charges to Budget of Succeeding Years | A-23 | 40,000.00 | 0.00 |
| <u>Statutory Excess in Revenue</u> | | 982,448.45 | 560,361.80 |
| <u>Fund Balance</u> - January 1 | A | 769,036.01 | 868,674.21 |
| | | 1,751,484.46 | 1,429,036.01 |
| <u>Decreased by</u> | | | |
| Utilized as Anticipated Revenue | A-1 | 610,000.00 | 660,000.00 |
| <u>Fund Balance</u> - December 31 | A | \$ 1,141,484.46 | \$ 769,036.01 |

See accompanying notes to financial statements

**Current Fund
Statement of Revenues - 2008**

| | Ref. | Budget | Added by N.J.S. 40A:4-87 | Realized | A-2.1 Excess or (Deficit) |
|---|------------|-----------------|-----------------------------|-----------------|---------------------------------|
| Fund Balance Appropriated | A-1 | \$ 610,000.00 | 0.00 | 610,000.00 | 0.00 |
| Miscellaneous Revenues | | | | | |
| Licenses | A-22 | 9,150.00 | 0.00 | 9,160.00 | 10.00 |
| Alcoholic Beverages | A-22 | 14,900.00 | 0.00 | 15,117.50 | 217.50 |
| Other | A-22 | 220,000.00 | 0.00 | 224,346.32 | 4,346.32 |
| Fine and Costs - Municipal Court | A-4 | 40,000.00 | 0.00 | 46,014.16 | 6,014.16 |
| Interest and Costs on Taxes | A-22 | 14,400.00 | 0.00 | 14,400.00 | 0.00 |
| Trailer Park Licenses | A-22 | 52,050.00 | 0.00 | 52,119.50 | 69.50 |
| Payments in Lieu of Taxes | A-22 | 16,500.00 | 0.00 | 17,970.00 | 1,470.00 |
| Cable Television Franchise Fees | A-22 | 15,000.00 | 0.00 | 13,800.00 | (1,200.00) |
| Certificate of Occupancy | A-22 | 50,450.00 | 0.00 | 116,604.00 | 66,154.00 |
| Uniform Construction Code Fees | A-22 | 4,500.00 | 0.00 | 5,810.00 | 1,310.00 |
| Fire Prevention Bureau Permits | A-22 | 50,000.00 | 0.00 | 52,139.81 | 2,139.81 |
| Community Center Fees | A-22 | 10,000.00 | 0.00 | 10,032.42 | 32.42 |
| Uniform Fire Safety Act | A-4 | 151,602.00 | 0.00 | 151,602.00 | 0.00 |
| Consolidated Municipal Property Tax Relief | A-4 | 464,513.00 | 0.00 | 464,513.00 | 0.00 |
| Energy Receipts Tax | A:A-4 | 5,929.43 | 0.00 | 5,929.43 | 0.00 |
| Clean Communities Program | A | 676.57 | 0.00 | 676.57 | 0.00 |
| Alcohol Education and Rehabilitation Fund | A:A-4 | 14,381.00 | 0.00 | 14,381.00 | 0.00 |
| Alliance to Prevent Alcohol and Drug Abuse | A | 1,696.88 | 0.00 | 1,696.88 | 0.00 |
| Body Armor Replacement Fund | D-1 | 80,000.00 | 0.00 | 80,000.00 | 0.00 |
| Utility Operating Surplus of Prior Year | A-1 | 1,215,748.88 | 0.00 | 1,296,312.59 | 80,563.71 |
| Total Miscellaneous Revenue | A-1:A-2.2 | 210,000.00 | 0.00 | 198,169.92 | (11,830.08) |
| Receipts From Delinquent Taxes | | | | | |
| Property Tax Support of Municipal Budget Appropriations Local Tax for Municipal Purposes | A-2.2:A-15 | 3,817,935.47 | 0.00 | 3,958,605.30 | 140,669.83 |
| Budget Totals | A-3 | \$ 5,853,684.35 | 0.00 | 6,063,087.81 | 209,403.46 |
| Non-Budget Revenues | A-2.2 | | | 111,118.59 | |
| | | | | \$ 6,174,206.40 | |

See accompanying notes to financial statements

Current Fund
Statement of Revenues - 2008
Analysis of Realized Revenues

A-2.2

Receipts From Delinquent Taxes

Delinquent Tax Collections
 Tax Title Lien Collections

Ref.

A-15
 A-16
 A-2.1

\$ 198,169.92
 0.00
\$ 198,169.92

Allocation of Current Tax Collections

Revenue from Collections
 Allocated to School and County Taxes
 Balance for Support of Municipal Appropriations
 Add: Appropriation Reserve for Uncollected Taxes
Amount for Support of Municipal Budget Appropriations

A-1:A-15
 A-15

 A-3
 A-2.1

\$ 9,810,653.62
6,185,506.66
 3,625,146.96
 333,458.34
\$ 3,958,605.30

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated

Revenue Accounts Receivable
 Search Fees
 Marriage Licenses
 Certified Copies
 Bingo and Raffle Permits
 Police Accident Reports
 Street Opening Permits

A-22 \$ 520.00
 A-22 117.00
 A-22 1,053.00
 A-22 220.00
 A-22 6,995.00
 A-22 2,476.65

11,381.65

Recycling Fees
 Fines and Assessments
 Land Use Board Fees
 Miscellaneous Refunds and Reimbursements
 Interest on Investments
 Use of Borough Truck
 Photocopies and Duplications
 Sale of Borough Assets
 Miscellaneous Permits
 Reimbursement of Administrative Expenses

A-4

915.00
 3,345.14
 2,340.00
 28,321.11
 50,011.30
 1,038.14
 691.55
 2,986.00
 620.00
9,468.70

99,736

A-1:A-2.1

\$ 111,111

See accompanying notes to financial statements

Current Fund
Statement of Expenditures - 2008

A-3.1

| | Appropriations | | Expended | | | Unexpended | |
|-------------------------------------|----------------|---------------------------|-----------------|------------|-----------|------------|-----------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Balance | Cancelled |
| General Government | | | | | | | |
| Administrator's Office | \$ 57,100.00 | 61,100.00 | 60,968.92 | 0.00 | 131.08 | 0.00 | 0.00 |
| Salaries and Wages | 18,585.00 | 17,785.00 | 13,181.42 | 4,033.98 | 569.60 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Mayor and Council | 34,100.00 | 34,100.00 | 32,259.01 | 0.00 | 1,840.99 | 0.00 | 0.00 |
| Salaries and Wages | 4,300.00 | 4,300.00 | 4,209.90 | 90.00 | 0.10 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Municipal Clerk's Office | 32,800.00 | 34,400.00 | 34,276.27 | 0.00 | 123.73 | 0.00 | 0.00 |
| Salaries and Wages | 4,400.00 | 4,000.00 | 3,331.46 | 0.00 | 668.54 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Financial Administration | 10,900.00 | 10,900.00 | 10,732.56 | 0.00 | 167.44 | 0.00 | 0.00 |
| Salaries and Wages | 800.00 | 900.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Audit Services | 14,200.00 | 14,200.00 | 0.00 | 14,200.00 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Assessment of Taxes | 22,600.00 | 22,600.00 | 22,600.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 6,900.00 | 6,500.00 | 4,644.60 | 247.59 | 1,607.81 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Collection of Taxes | 56,100.00 | 57,200.00 | 57,181.85 | 0.00 | 18.15 | 0.00 | 0.00 |
| Salaries and Wages | 10,100.00 | 9,600.00 | 7,910.91 | 490.41 | 1,198.68 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Legal Services | 20,800.00 | 20,800.00 | 20,800.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 50,000.00 | 62,900.00 | 42,233.31 | 2,567.00 | 18,099.69 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Municipal Court | 136,600.00 | 136,600.00 | 135,882.24 | 0.00 | 717.76 | 0.00 | 0.00 |
| Salaries and Wages | 12,550.00 | 12,550.00 | 8,421.25 | 3,349.63 | 779.12 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |
| Public Defender (P.L. 1997, C. 256) | 4,100.00 | 4,100.00 | 2,861.40 | 0.00 | 1,238.60 | 0.00 | 0.00 |
| Salaries and Wages | 300.00 | 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | |

Current Fund
Statement of Expenditures - 2008

A-3.2

| | Appropriations | | Expended | | Unexpended | |
|--|----------------|---------------------------|-----------------|------------|------------|-------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Balance Cancelled |
| Engineering Services and Cost | | | | | | |
| Other Expenses | 9,000.00 | 6,900.00 | 6,107.20 | 0.00 | 792.80 | 0.00 |
| | 506,235.00 | 521,735.00 | 468,502.30 | 24,978.61 | 28,254.09 | 0.00 |
| Land Use Administration | | | | | | |
| Land Use Board | 9,800.00 | 9,800.00 | 9,800.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 15,800.00 | 25,800.00 | 21,573.91 | 1,742.75 | 2,483.34 | 0.00 |
| Other Expenses | 25,600.00 | 35,600.00 | 31,373.91 | 1,742.75 | 2,483.34 | 0.00 |
| | 25,600.00 | 25,600.00 | 25,589.54 | 0.00 | 10.46 | 0.00 |
| | 500.00 | 500.00 | 410.21 | 80.00 | 9.79 | 0.00 |
| | 26,100.00 | 26,100.00 | 25,999.75 | 80.00 | 20.25 | 0.00 |
| Code Enforcement Administration | | | | | | |
| Code Enforcement Office | 83,500.00 | 75,100.00 | 74,883.91 | 0.00 | 216.09 | 0.00 |
| Salaries and Wages | 94,000.00 | 93,000.00 | 92,994.00 | 0.00 | 6.00 | 0.00 |
| Other Expenses | 471,300.00 | 455,800.00 | 429,055.68 | 175.74 | 26,568.58 | 0.00 |
| | 648,800.00 | 623,900.00 | 596,933.59 | 175.74 | 26,790.67 | 0.00 |
| Insurance | | | | | | |
| General Liability | 39,500.00 | 39,500.00 | 35,150.50 | 0.00 | 4,349.50 | 0.00 |
| Workers Compensation | 23,425.00 | 23,425.00 | 20,306.30 | 2,579.84 | 538.86 | 0.00 |
| Employee Group Health | 2,600.00 | 2,600.00 | 2,600.00 | 0.00 | 0.00 | 0.00 |
| | 1,756,000.00 | 1,742,100.00 | 1,734,424.03 | 0.00 | 7,675.97 | 0.00 |
| | 86,700.00 | 93,700.00 | 72,996.84 | 16,844.64 | 3,858.52 | 0.00 |
| Public Safety | | | | | | |
| Fire | 1,200.00 | 700.00 | 600.00 | 0.00 | 100.00 | 0.00 |
| Other Expenses | 7,800.00 | 7,800.00 | 7,800.00 | 0.00 | 0.00 | 0.00 |
| Aid to Volunteer Fire Company | | | | | | |
| Police | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | | | | | | |
| First Aid Organization | | | | | | |
| Other Expenses | | | | | | |
| Aid to Volunteer Ambulance Company | | | | | | |

Current Fund
Statement of Expenditures - 2008

A-3.3

| | Appropriations | | Paid or Charged | Expended | | Reserved | Unexpended Balance | |
|-------------------------------------|----------------|---------------------------|-----------------|------------|-----------|----------|--------------------|------|
| | Budget | Budget After Modification | | Encumbered | Cancelled | | | |
| Fire Prevention Bureau | 16,950.00 | 16,950.00 | 16,949.31 | 0.00 | 0.69 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 1,785.00 | 1,785.00 | 1,017.42 | 550.00 | 217.58 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Emergency Management | 1,600.00 | 1,600.00 | 1,558.71 | 0.00 | 41.29 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 4,200.00 | 3,200.00 | 1,789.57 | 237.50 | 1,172.93 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Municipal Prosecutor | 30,850.00 | 30,850.00 | 30,850.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 1,200.00 | 1,200.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Expenses | 1,973,810.00 | 1,965,410.00 | 1,927,242.68 | 20,211.98 | 17,955.34 | 0.00 | 0.00 | 0.00 |
| Public Works Functions | | | | | | | | |
| Road Repairs and Maintenance | 477,200.00 | 483,200.00 | 483,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 25,135.00 | 22,835.00 | 16,975.98 | 5,299.52 | 559.50 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Other Public Works Functions | 4,400.00 | 4,400.00 | 2,868.20 | 279.93 | 1,251.87 | 0.00 | 0.00 | 0.00 |
| Traffic Lights | | | | | | | | |
| Solid Waste Collection | 4,350.00 | 4,350.00 | 4,350.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 439,078.00 | 435,378.00 | 373,465.86 | 1,569.33 | 60,342.81 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Public Buildings and Grounds | 15,600.00 | 15,600.00 | 15,015.60 | 0.00 | 584.40 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 28,100.00 | 32,800.00 | 29,572.58 | 2,605.43 | 621.99 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Maintenance of Borough Vehicles | 33,800.00 | 31,200.00 | 29,005.98 | 2,194.02 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |
| Maintenance of Abandoned Properties | 500.00 | 40,500.00 | 2,705.00 | 10,551.48 | 27,243.52 | 0.00 | 0.00 | 0.00 |
| Other Expenses | 1,028,163.00 | 1,070,263.00 | 957,159.20 | 22,499.71 | 90,604.09 | 0.00 | 0.00 | 0.00 |
| Health and Welfare | | | | | | | | |
| Administration of Public Assistance | 15,300.00 | 15,300.00 | 15,273.60 | 0.00 | 26.40 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 600.00 | 600.00 | 350.24 | 99.98 | 149.78 | 0.00 | 0.00 | 0.00 |
| Other Expenses | | | | | | | | |

Current Fund
Statement of Expenditures - 2008

A-3.4

| | Appropriations | | Expended | | | Unexpended Balance Cancelled |
|--|----------------|------------------------------|--------------------|------------|----------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| Animal Control | 4,000.00 | 6,000.00 | 4,891.90 | 0.00 | 1,108.10 | 0.00 |
| Other Expenses | 19,900.00 | 21,900.00 | 20,515.74 | 99.98 | 1,284.28 | 0.00 |
| Recreation and Education | | | | | | |
| Board of Recreation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 1,800.00 | 1,800.00 | 1,060.12 | 38.48 | 701.40 | 0.00 |
| Other Expenses | | | | | | |
| Parks and Playgrounds | 11,000.00 | 10,500.00 | 10,467.81 | 0.00 | 32.19 | 0.00 |
| Other Expenses | | | | | | |
| Community Center | 101,100.00 | 103,200.00 | 103,200.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 20,500.00 | 17,400.00 | 13,521.93 | 2,429.44 | 1,448.63 | 0.00 |
| Other Expenses | | | | | | |
| Expenses of Participation in Free County Library | 39,050.00 | 39,050.00 | 39,050.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 3,100.00 | 3,100.00 | 2,050.66 | 1,049.34 | 0.00 | 0.00 |
| Other Expenses | 176,550.00 | 175,050.00 | 169,350.52 | 3,517.26 | 2,182.22 | 0.00 |
| Uniform Construction Code - Appropriations Offset | | | | | | |
| By Dedicated Revenues (N.J.A.C. 5:23-4.17) | | | | | | |
| Construction Official | 21,750.00 | 21,750.00 | 21,392.70 | 0.00 | 357.30 | 0.00 |
| Salaries and Wages | 1,500.00 | 1,500.00 | 988.91 | 48.00 | 463.09 | 0.00 |
| Other Expenses | | | | | | |
| Sub-Code Officials | 7,000.00 | 7,000.00 | 7,000.00 | 0.00 | 0.00 | 0.00 |
| Building Inspector | 200.00 | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 |
| Salaries and Wages | | | | | | |
| Other Expenses | 5,650.00 | 5,650.00 | 5,610.96 | 0.00 | 39.04 | 0.00 |
| Plumbing Inspector | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Salaries and Wages | | | | | | |
| Other Expenses | 5,400.00 | 5,600.00 | 5,544.00 | 0.00 | 56.00 | 0.00 |
| Electrical Inspector | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Salaries and Wages | | | | | | |
| Other Expenses | | | | | | |

Current Fund
Statement of Expenditures - 2008

A-3.5

| | Appropriations | | Expended | | | Unexpended Balance Cancelled |
|---------------------------------------|----------------|------------------------------|--------------------|------------|------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| Fire Inspector | 4,950.00 | 4,950.00 | 4,909.20 | 0.00 | 40.80 | 0.00 |
| Salaries and Wages | 100.00 | 100.00 | 0.00 | 18.00 | 82.00 | 0.00 |
| Other Expenses | 46,750.00 | 46,950.00 | 45,445.77 | 66.00 | 1,438.23 | 0.00 |
| Unclassified | | | | | | |
| Accumulation of Unused Sick Time | 2,000.00 | 2,000.00 | 2,000.00 | 0.00 | 0.00 | 0.00 |
| Interest on Tax Appeals | 500.00 | 500.00 | 45.00 | 0.00 | 455.00 | 0.00 |
| Celebration of Public Events | 4,000.00 | 4,000.00 | 3,478.38 | 250.50 | 271.12 | 0.00 |
| | 6,500.00 | 6,500.00 | 5,523.38 | 250.50 | 726.12 | 0.00 |
| Utility Expenses | | | | | | |
| Electric | 48,500.00 | 50,500.00 | 47,014.00 | 3,485.97 | 0.03 | 0.00 |
| Street Lighting | 41,500.00 | 41,500.00 | 34,740.58 | 3,274.49 | 3,484.93 | 0.00 |
| Telephone | 24,000.00 | 24,000.00 | 23,683.30 | 316.70 | 0.00 | 0.00 |
| Water | 1,600.00 | 2,100.00 | 1,821.46 | 0.00 | 278.54 | 0.00 |
| Natural Gas | 22,000.00 | 20,500.00 | 15,289.81 | 3,586.35 | 1,623.84 | 0.00 |
| Gasoline | 54,600.00 | 56,600.00 | 49,479.91 | 5,233.96 | 1,886.13 | 0.00 |
| Landfill/Solid Waste Disposal Costs | 2,500.00 | 2,000.00 | 1,427.12 | 0.00 | 572.88 | 0.00 |
| | 194,700.00 | 197,200.00 | 173,456.18 | 15,897.47 | 7,846.35 | 0.00 |
| Total Operations | 4,653,108.00 | 4,690,608.00 | 4,421,503.02 | 89,520.00 | 179,584.98 | 0.00 |
| Contingent | 3,500.00 | 3,500.00 | 1,944.37 | 0.00 | 1,555.63 | 0.00 |
| | 4,656,608.00 | 4,694,108.00 | 4,423,447.39 | 89,520.00 | 181,140.61 | 0.00 |
| Total Operations Within "CAPS" | | | | | | |
| Detail | | | | | | |
| Salaries and Wages | 2,913,250.00 | 2,914,350.00 | 2,901,279.90 | 0.00 | 13,070.10 | 0.00 |
| Other Expenses | 1,743,358.00 | 1,779,758.00 | 1,522,167.49 | 89,520.00 | 168,070.51 | 0.00 |

Current Fund
Statement of Expenditures - 2008

A-3.6

| Appropriations | Expended | | | Reserved | Unexpended | |
|----------------|--------------|---------------------------|-----------------|------------|------------|-----------|
| | Budget | Budget After Modification | Paid or Charged | | Encumbered | Cancelled |
| 1,434.00 | 1,434.00 | 1,434.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 126,000.00 | 128,500.00 | 128,343.34 | 0.00 | 156.66 | 0.00 | 0.00 |
| 127,434.00 | 129,934.00 | 129,777.34 | 0.00 | 156.66 | 0.00 | 0.00 |
| 4,784,042.00 | 4,824,042.00 | 4,553,224.73 | 89,520.00 | 181,297.27 | 0.00 | 0.00 |
| 3,672.00 | 3,672.00 | 3,672.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 333,491.00 | 333,491.00 | 333,491.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 74,780.00 | 74,780.00 | 74,779.40 | 0.00 | 0.60 | 0.00 | 0.00 |
| 411,943.00 | 411,943.00 | 411,942.40 | 0.00 | 0.60 | 0.00 | 0.00 |
| 8,000.00 | 8,000.00 | 8,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30,000.00 | 30,000.00 | 0.00 | 0.00 | 30,000.00 | 0.00 | 0.00 |
| 38,000.00 | 38,000.00 | 8,000.00 | 0.00 | 30,000.00 | 0.00 | 0.00 |
| 17,976.25 | 17,976.25 | 17,976.25 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,929.43 | 5,929.43 | 5,929.43 | 0.00 | 0.00 | 0.00 | 0.00 |
| 676.57 | 676.57 | 676.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,696.88 | 1,696.88 | 1,696.88 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26,279.13 | 26,279.13 | 26,279.13 | 0.00 | 0.00 | 0.00 | 0.00 |

Deferred Charges and Statutory Expenditures -

Municipal Within "CAPS"

Statutory Expenditures

Contribution to:

Public Employees' Retirement System

Social Security System (O.A.S.I.)

Total Deferred Charges and Statutory Expenditures

Expenditures - Municipal Within "CAPS"

Total General Appropriations for Municipal Purposes

Within "CAPS"

Operations - Excluded from "CAPS"

Recycling Tax

Contribution to:

Police and Firemen's Retirement System

Public Employees Retirement System

Interlocal Municipal Service Agreements

Township of Neptune 911 System

Length of Service Awards Program

Public and Private Programs Offset by Revenues

Alliance to Prevent Alcohol and Drug Abuse

Clean Communities Grant

Alcohol Education and Rehabilitation Fund

Body Armor Replacement Fund

Current Fund
Statement of Expenditures - 2008

| | Appropriations | | | Expended | | | Unexpended | |
|--|----------------|---------------------------|-----------------|------------|-----------|-----------|------------|--|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Cancelled | Balance | |
| Total Operations - Excluded From "CAPS" | 476,222.13 | 476,222.13 | 446,221.53 | 0.00 | 30,000.60 | 0.00 | | |
| Detail | | | | | | | | |
| Salaries and Wages | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Other Expenses | 476,222.13 | 476,222.13 | 446,221.53 | 0.00 | 30,000.60 | 0.00 | | |
| Capital Improvements - Excluded From "CAPS" | | | | | | | | |
| Down Payments on Improvements | 5,800.00 | 5,800.00 | 5,800.00 | 0.00 | 0.00 | 0.00 | | |
| Capital Improvement Fund | 12,500.00 | 12,500.00 | 12,500.00 | 0.00 | 0.00 | 0.00 | | |
| Purchase of Leaf Collection Machine | 5,500.00 | 5,500.00 | 0.00 | 0.00 | 5,500.00 | 0.00 | | |
| Purchase of Fire Safety Equipment | 9,000.00 | 9,000.00 | 5,389.99 | 2,916.52 | 693.49 | 0.00 | | |
| Purchase of Office Equipment | 4,000.00 | 4,000.00 | 4,000.00 | 0.00 | 0.00 | 0.00 | | |
| | 36,800.00 | 36,800.00 | 27,689.99 | 2,916.52 | 6,193.49 | 0.00 | | |
| Total Capital Improvements - Excluded From "CAPS" | | | | | | | | |
| Municipal Debt Service - Excluded From "CAPS" | 150,500.00 | 150,500.00 | 150,500.00 | 0.00 | 0.00 | 0.00 | | |
| Payment of Bond Anticipation Notes and Capital Notes | 26,100.00 | 26,100.00 | 26,027.85 | 0.00 | 0.00 | 0.00 | | |
| Interest on Notes | 176,600.00 | 176,600.00 | 176,527.85 | 0.00 | 0.00 | 0.00 | | |
| Total Municipal Debt Service - Excluded From "CAPS" | | | | | | | | |
| Deferred Charges - Municipal - Excluded from "CAPS" | 26,500.00 | 26,500.00 | 26,500.00 | 0.00 | 0.00 | 0.00 | | |
| Special Emergency Authorizations - 5 Years | 20,061.88 | 20,061.88 | 20,061.88 | 0.00 | 0.00 | 0.00 | | |
| Deferred Charges to Future Taxation - Unfunded | 46,561.88 | 46,561.88 | 46,561.88 | 0.00 | 0.00 | 0.00 | | |
| Total Deferred Charges - Municipal - Excluded From "CAPS" | 736,184.01 | 736,184.01 | 697,001.25 | 2,916.52 | 36,194.09 | 0.00 | | |
| Total General Appropriations - Excluded From "CAPS" | | | | | | | | |

Current Fund
Statement of Expenditures - 2008

| | Appropriations | | Expended | | | Unexpended Balance |
|---|----------------|--------------|--------------------|------------|------------|-----------------------|
| | Budget | Modification | Paid or Charged | Encumbered | Reserved | |
| Budget | 5,520,226.01 | 5,560,226.01 | 5,250,225.98 | 92,436.52 | 217,491.36 | 72.15 |
| | | | | 0.00 | 0.00 | 0.00 |
| Sub-Total General Appropriations | 333,458.34 | 333,458.34 | 333,458.34 | | 217,491.36 | 72.15 |
| Reserve for Uncollected Taxes | 5,853,684.35 | 5,893,684.35 | 5,583,684.32 | 92,436.52 | | |
| Total General Appropriations | | | | | | |

| Ref. | |
|------|------------------------|
| A-3 | 5,853,684.35 |
| A-23 | 40,000.00 |
| | <u>\$ 5,893,684.35</u> |

| Budget | | |
|--|--|------------------------|
| Emergency Authorization | | 333,458.34 |
| Reserve for Uncollected Taxes | | 5,081,884.97 |
| Cash Disbursed | | 17,976.25 |
| Reserve for Alliance to Prevent Alcohol and Drug Abuse | | 5,929.43 |
| Reserve for Clean Communities Grant | | 676.57 |
| Reserve for Alcohol Education and Rehabilitation Fund | | 1,696.88 |
| Reserve for Body Armor Replacement Fund | | 26,500.00 |
| Deferred Charge - Special Emergency Appropriation | | 20,061.88 |
| Deferred Charges To Future Taxation Unfunded | | 95,500.00 |
| Payment of Bond Anticipation Notes | | <u>\$ 5,583,684.32</u> |

See accompanying notes to financial statements

Trust Fund
Comparative Balance Sheet

B

| | <u>Ref.</u> | <u>Balance</u> <u>Dec. 31</u> <u>2008</u> | <u>Balance</u> <u>Dec. 31</u> <u>2007</u> |
|--|-------------|---|---|
| <u>Assets</u> | | | |
| <u>Dog License Fund</u> | | \$ 816.71 | \$ 307.22 |
| Cash | | | |
| <u>Special Trust Fund</u> | | 70,029.37 | 33,435.27 |
| Cash | | | |
| <u>Fire Prevention Trust Fund</u> | | 143.43 | 536.79 |
| Cash | | | |
| <u>Developers Escrow Fund</u> | | 164,827.15 | 248,071.64 |
| Cash | | | |
| <u>Law Enforcement Trust Fund</u> | | 11,261.31 | 20,979.19 |
| Cash | | | |
| <u>Emergency Management Trust Fund</u> | | 2,151.05 | 1,409.01 |
| Cash | | | |
| <u>Public Defender Trust Fund</u> | | 703.88 | 1,160.28 |
| Cash | | | |
| <u>Unused Accumulated Sick Time Trust Fund</u> | | 3,227.61 | 23,085.26 |
| Cash | | | |
| <u>Alliance to Prevent Alcohol and Drug Abuse Trust Fund</u> | | 340.98 | 304.27 |
| Cash | | | |
| | B-4 | \$ <u>253,501.49</u> | \$ <u>329,288.93</u> |
| <u>Total Assets</u> | | | |

See accompanying notes to financial statements

Trust Fund
Comparative Balance Sheet

| | <u>Ref.</u> | Balance Dec. 31 2008 | <u>B</u> <u>(completed)</u> Balance Dec. 31 2007 |
|--|-------------|----------------------------|--|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| <u>Dog License Fund</u> | B-23 | \$ 816.71 | \$ 307.22 |
| Reserve for Dog Fund Expenditures | | | |
| <u>Special Trust Fund</u> | B-24 | 70,029.37 | 33,435.27 |
| Reserve for Special Items | | | |
| <u>Developers Escrow Fund</u> | B-25 | 164,827.15 | 248,071.64 |
| Reserve for Developers Escrow | | | |
| <u>Law Enforcement Trust Fund</u> | B-26 | 11,261.31 | 20,979.19 |
| Reserve for Fund Expenditures | | | |
| <u>Emergency Management Trust Fund</u> | B-27 | 2,151.05 | 1,409.01 |
| Reserve for Fund Expenditures | | | |
| <u>Fire Prevention Trust Fund</u> | B-28 | 143.43 | 536.79 |
| Reserve for Fire Prevention Expenditures | | | |
| <u>Public Defender Trust Fund</u> | B-29 | 703.88 | 1,160.28 |
| Reserve for Fund Expenditures | | | |
| <u>Unused/ Accumulated Sick Time Trust Fund</u> | B-30 | 3,227.61 | 23,085.26 |
| Reserve for Fund Expenditures | | | |
| <u>Alliance to Prevent Alcohol and Drug Abuse Trust Fund</u> | B-31 | 340.98 | 304.27 |
| Reserve for Fund Expenditures | | | |
| | | \$ <u>253,501.49</u> | \$ <u>329,288.93</u> |
| <u>Total Liabilities, Reserves and Fund Balance</u> | | | |

See accompanying notes to financial statements

Capital Fund
Comparative Balance Sheet

C

| | <u>Ref.</u> | Balance Dec. 31 2008 | Balance Dec. 31 2007 |
|--|-------------|-------------------------------|-------------------------------|
| <u>Assets</u> | | | |
| Cash | C-2:C-4 | \$ 121,360.76 | \$ 247,087.47 |
| Deferred Charges to Future Taxation - Unfunded | C-10 | 2,803,685.52 | 2,913,847.40 |
| Grants Receivable | C-4 | 79,779.75 | 41,750.00 |
| <u>Total Assets</u> | | <u>\$ 3,004,826.03</u> | <u>\$ 3,202,684.87</u> |
| | | | |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Bond Anticipation Notes | C-19 | \$ 1,804,299.80 | \$ 1,818,500.00 |
| Due to Current Fund | A:C-11 | 426,840.08 | 851,501.76 |
| Improvement Authorizations - | | | 0.00 |
| Funded | C-14 | 0.00 | 507,901.61 |
| Unfunded | C-14 | 747,904.65 | 9,850.00 |
| Capital Improvement Fund | C-12 | 10,850.00 | 14,931.50 |
| Fund Balance | C-1 | 14,931.50 | 14,931.50 |
| <u>Total Liabilities, Reserves and Fund Balance</u> | | <u>\$ 3,004,826.03</u> | <u>\$ 3,202,684.87</u> |

Note: There were bonds and notes authorized but not issued on December 31, 2008 and December 31, 2007 in the amount of \$999,385.72 and \$1,095,347.40 respectively, per Exhibit C-22.

Statement of Fund Balance

C-1

| | <u>Ref.</u> | |
|---|-------------|----------------------------|
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | C | <u>\$ 14,931.50</u> |

No change in 2008

See accompanying notes to financial statements

Sewer Utility Fund
Comparative Balance Sheet

D

| | <u>Ref.</u> | Balance Dec. 31 2008 | Balance Dec. 31 2007 |
|--|-------------|----------------------------|----------------------------|
| <u>Assets</u> | | | |
| <u>Operating Section</u> | D-8 | \$ 239,235.25 | \$ 465,860.20 |
| Cash | A | 63,000.00 | 0.00 |
| Interfund Due from Current Fund | D-31 | 195,700.56 | 192,177.24 |
| Interfund Due from Sewer Capital Fund | | <u>497,935.81</u> | <u>658,037.44</u> |
| | | | |
| <u>Receivables With Full Reserves</u> | D-14 | 101,971.95 | 91,013.55 |
| Sewer Rents Receivable | D-15 | 2,525.00 | 2,525.00 |
| Sewer Utility Liens | | <u>104,496.95</u> | <u>93,538.55</u> |
| | | <u>602,432.76</u> | <u>751,575.99</u> |
| | | | |
| <u>Total Operating Section</u> | | | |
| | | | |
| <u>Capital Section</u> | D-8 | 316,118.89 | 277,595.57 |
| Cash | D-28 | 1,009,754.05 | 1,009,754.05 |
| Fixed Capital | D-29 | 714,000.00 | 714,000.00 |
| Fixed Capital Authorized and Uncompleted | | <u>2,039,872.94</u> | <u>2,001,349.62</u> |
| | | | |
| <u>Total Capital Section</u> | | | |
| | | \$ <u>2,642,305.70</u> | \$ <u>2,752,925.61</u> |
| | | | |
| <u>Total Assets</u> | | | |

See accompanying notes to financial statements

Sewer Utility Fund
Comparative Balance Sheet

| | | Balance Dec. 31 2008 | D (completed) Balance Dec. 31 2007 |
|--|-------------|----------------------------|--|
| | <u>Ref.</u> | | |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| <u>Operating Section</u> | | | |
| <u>Liabilities</u> | | | |
| Appropriation Reserves | D-5:D-34 | \$ 51,582.95 | \$ 75,993.79 |
| Reserve for Encumbrances | D-5:D-34 | 39,385.20 | 19,780.63 |
| Prepaid Sewer Rents | D-8 | 37,161.72 | 27,775.29 |
| Sewer Rents Overpaid | D-38 | 0.00 | 0.00 |
| Accrued Interest | D-36 | 548.66 | 936.66 |
| Interfund Due to Current Fund | A | 0.00 | 167,000.00 |
| | | <u>128,678.53</u> | <u>291,486.37</u> |
| Reserve for Receivables | D | 104,496.95 | 93,538.55 |
| Operating Fund Balance | D-1 | 369,257.28 | 366,551.07 |
| | | <u>602,432.76</u> | <u>751,575.99</u> |
| <u>Total Operating Section</u> | | | |
| <u>Capital Section</u> | | | |
| Bond Anticipation Notes | D-44 | 354,000.00 | 344,000.00 |
| Due to Sewer Operating Fund | D | 195,700.56 | 192,177.24 |
| Improvement Authorizations | | | |
| Funded | D-43 | 4,074.85 | 4,074.85 |
| Unfunded | D-43 | 61,635.89 | 61,635.89 |
| Deferred Reserve for Amortization | D-50 | 320,500.00 | 295,500.00 |
| Reserve for Amortization | D-49 | 1,009,754.05 | 1,009,754.05 |
| Capital Improvement Fund | D-45 | 71,795.75 | 71,795.75 |
| Fund Balance | D-3 | 22,411.84 | 22,411.84 |
| | | <u>2,039,872.94</u> | <u>2,001,349.62</u> |
| <u>Total Capital Section</u> | | | |
| | | <u>\$ 2,642,305.70</u> | <u>\$ 2,752,925.61</u> |
| <u>Total Liabilities, Reserves and Fund Balance</u> | | | |

Note: There were bonds and notes authorized but not issued on December 31, 2008 and December 31, 2007 in the amount of \$39,500.00 and \$74,500.00, respectively per Exhibit D-56.

See accompanying notes to financial statements

Sewer Utility Fund
Comparative Statement of Operations and Change in Operating Fund Balance

D-1

| | <u>Ref.</u> | <u>Year 2008</u> | <u>Year 2007</u> |
|---|-------------|----------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | D-4 | \$ 50,780.00 | \$ 96,200.00 |
| Sewer Rentals | D-4 | 1,116,060.76 | 1,115,355.66 |
| Miscellaneous Sewer Charges | D-8 | 200.00 | 51.00 |
| Other Credits to Income | | | 39,886.67 |
| Interest Income | D-8:D-31 | 36,692.64 | 20,380.35 |
| Unexpended Balance of Appropriation Reserves | D-34 | 44,789.55 | 1,271,873.68 |
| | | <u>1,248,522.95</u> | <u>1,271,873.68</u> |
| <u>Total Income</u> | | | |
| <u>Expenditures</u> | | | |
| Operating | D-5 | 1,062,280.00 | 1,009,200.00 |
| Deferred Charges and Statutory Expenditures | D-5 | 18,500.00 | 15,500.00 |
| Debt Service | D-5 | 34,256.74 | 30,923.09 |
| Capital Improvements | D-5 | 0.00 | 10,000.00 |
| | | <u>1,115,036.74</u> | <u>1,065,623.09</u> |
| <u>Total Expenditures</u> | | | |
| | | 133,486.21 | 206,250.59 |
| <u>Excess in Revenue</u> | | | |
| <u>Adjustments to Income Before Fund Balance</u> | | | |
| Expenditures Included Above Which Are by Statute | | 0.00 | 0.00 |
| Deferred Charges to Budget of Succeeding Year | | | |
| | | 133,486.21 | 206,250.59 |
| <u>Statutory Excess in Revenue</u> | | | |
| <u>Operating Fund Balance</u> | D | 366,551.07 | 326,500.48 |
| <u>Balance - January 1</u> | | 500,037.28 | 532,751.07 |
| <u>Decreased by</u> | | | |
| Utilized by Current Fund Budget | A-2.1 | 80,000.00 | 70,000.00 |
| Utilized by Sewer Operating Budget | D-1 | 50,780.00 | 96,200.00 |
| | | <u>130,780.00</u> | <u>166,200.00</u> |
| <u>Balance - December 31</u> | D | <u>\$ 369,257.28</u> | <u>\$ 366,551.00</u> |

See accompanying notes to financial statements

Statement of Fund Balance
Sewer Capital Fund

D-3

Balance - December 31, 2007 and December 31, 2008

Ref.
D \$ 22,411.84

No change in 2008

Statement of Revenues - Sewer Utility

D-4

| | Ref. | Budget | Realized | Excess or (Deficit) |
|----------------------------------|------|-----------------|--------------|------------------------|
| Fund Balance Utilized as Revenue | D-1 | \$ 50,780.00 | 50,780.00 | 0.00 |
| Sewer Rents | D-1 | 1,065,000.00 | 1,116,060.76 | 51,060.76 |
| | D-5 | \$ 1,115,780.00 | 1,166,840.76 | 51,060.76 |

Analysis of Realized Revenues - 2008

| | | |
|--|----------|------------------------|
| Rents | Ref. D-8 | \$ 1,088,285.47 |
| Sewer Rents Receivable Collected in 2008 | D-38 | 0.00 |
| Add Overpayments Applied | D-14 | 27,775.29 |
| Add Prepayments Applied | | \$ <u>1,116,060.76</u> |

Sewer Utility Fund
Statement of Expenditures

D-5

| | Appropriations | | Paid or Charged | Encumbered | Reserved | Unexpended Balance Cancelled |
|-------------------------------|-----------------|------------------------------|--------------------|------------|-----------|------------------------------------|
| | Budget | Budget After Modification | | | | |
| Operating | | | | | | |
| Salaries and Wages | \$ 188,580.00 | 191,080.00 | 190,499.33 | 0.00 | 580.67 | 0.00 |
| Other Expenses | 873,700.00 | 871,200.00 | 781,404.37 | 39,385.20 | 50,410.43 | 0.00 |
| Debt Service | | | | | | |
| Interest on Notes | 10,000.00 | 10,000.00 | 9,256.74 | 0.00 | 0.00 | 743.26 |
| Payment of Note Principal | 25,000.00 | 25,000.00 | 25,000.00 | 0.00 | 0.00 | 0.00 |
| Statutory Expenditures | | | | | | |
| P.E.R.S. | 5,000.00 | 5,000.00 | 5,000.00 | 0.00 | 0.00 | 0.00 |
| Social Security System | 13,500.00 | 13,500.00 | 12,908.15 | 0.00 | 591.85 | 0.00 |
| | \$ 1,115,780.00 | 1,115,780.00 | 1,024,068.59 | 39,385.20 | 51,582.95 | 743.26 |
| Ref. | D-4 | D-4:D-1 | D-8:D-36, D-44 | D | D | D-1 |

See accompanying notes to financial statements

Public Assistance Fund
Comparative Balance Sheet

E

| | <u>Reference</u> | <u>Balance Dec. 31 2008</u> | <u>Balance Dec. 31 2007</u> |
|--|------------------|-------------------------------------|-------------------------------------|
| <u>Assets</u> | | | |
| Cash | E-1 | \$ <u>87,008.47</u> | \$ <u>84,179.74</u> |
| | | | |
| <u>Liabilities and Reserves</u> | | | |
| Assistance Commitments Payable | E-6 | \$ 0.00 | \$ 0.00 |
| Reserve | E | \$ <u>87,008.47</u> | \$ <u>84,179.74</u> |
| <u>Total Liabilities and Reserves</u> | | \$ <u>87,008.47</u> | \$ <u>84,179.74</u> |

See accompanying notes to financial statements

Board of Recreation Commission
Comparative Balance Sheet

| | | Balance | G-1 |
|--|------|----------------------|----------------------|
| | Ref. | <u>Dec. 31, 2008</u> | <u>Dec. 31, 2007</u> |
| <u>Assets</u> | | | |
| Cash | G-2 | \$ <u>63,727.32</u> | \$ <u>44,447.04</u> |
| <u>Liabilities and Reserves</u> | | | |
| Reserve for Recreation Commission Expenditures | G-1 | \$ <u>63,727.32</u> | \$ <u>44,447.04</u> |

See accompanying notes to financial statements

Environmental Advisory Commission
Comparative Balance Sheet

| | | Balance | G-3 |
|--|------|----------------------|----------------------|
| | Ref. | <u>Dec. 31, 2008</u> | <u>Dec. 31, 2007</u> |
| <u>Assets</u> | | | |
| Cash | G-4 | \$ <u>25,160.67</u> | \$ <u>34,493.06</u> |
| <u>Liabilities and Reserves</u> | | | |
| Reserve for Environmental Advisory Commission Expenditures | G-3 | \$ <u>25,160.67</u> | \$ <u>34,493.06</u> |

See accompanying notes to financial statements

Statement of General Fixed Assets

H

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Balance</u> <u>Dec. 31, 2007</u> |
|--|--|--|
| <u>Assets</u> | | |
| General Fixed Assets: | | |
| Land | \$ 2,894,000.00 | \$ 2,894,000.00 |
| Buildings | 2,111,300.00 | 2,111,300.00 |
| Furnishings and Equipment | 672,148.97 | 666,239.98 |
| Vehicles | <u>1,421,579.73</u> | <u>1,646,651.48</u> |
| Total General Fixed Assets | <u>\$ 7,099,028.70</u> | <u>\$ 7,318,191.46</u> |
| <u>Liabilities and Reserves</u> | | |
| Investment in General Fixed Assets | <u>\$ 7,099,028.70</u> | <u>\$ 7,318,191.46</u> |

See accompanying notes to financial statements

Borough of Neptune City
Notes to Financial Statements
Year Ended December 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Neptune City, County of Monmouth, State of New Jersey include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Neptune City, as required by N.J.S. 40A:5-5.

There have been no entities that have been identified as a component unit of the Borough. Therefore, no component units are presented.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. GASB Codification establishes seven major fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Borough of Neptune City conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Neptune City accounts for its financial transactions through the following separate funds, which differ from the fund structure required by accounting principals generally accepted in the United States of America.

Current Fund – revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally owned Sewer Utilities.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

Board of Recreation Commission and Environmental Advisory Commission – receipts and disbursements for the purposes indicated.

NOTE 1 – continued

General Fixed Assets Account Group - is used to account for fixed assets used in general governmental operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant policies prescribed by the State of New Jersey are as follows:

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

Budgets and Budgetary Accounting – the Borough of Neptune City must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 which requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated 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, with the permission of the Local Finance Board.

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

Property Taxes and Other Revenues – property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

Grant Revenues & Expenditures – are federal and state grants, entitlements or shared revenues received for purposes normally financed through the Current Fund. Grants are recognized when anticipated in the Borough budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures – are recorded on the accrual basis. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. GAAP does not recognize the existence of appropriation reserves.

Encumbrances – are contractual orders at December 31, and are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

NOTE 1 – continued

Deferred Charges – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for deferred charges on the Current Fund or Utility balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures, based on the authorization of an appropriation. Instead, the authorization of special purposes expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of the fund balance. The status of deferred charges at December 31 are set forth in Note 6.

Compensated Absences – expenditures relating to obligations for unused vested accumulated sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. (See Note 14).

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets accounting group at its market value.

Interfunds – that are receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are realized. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets – are recorded in accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP.

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 except for land, which is valued at assessed valuation.

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

NOTE 1 – continued

Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation of fixed assets.

Comparative Data – comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheet and Statement of Operations and Change in Fund Balance in order to provide an understanding of changes in the Borough's financial position. However, Comparative Statements of Revenues and Statement of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This differs from GAAP.

NOTE 2 – DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by the resolution adopted by the governing body.

As of December 31, 2008, the Borough had no long-term debt. The principal and interest requirements during the next five fiscal years and thereafter are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2009 | \$0.00 |
| 2010 | 0.00 |
| 2011 | 0.00 |
| 2012 | 0.00 |
| 2013 | 0.00 |

NOTE 3 -- FIXED ASSETS

The fixed assets records of the Borough reflect the following changes and values for 2008:

| | Balance Dec. 31 <u>2007</u> | 2008 <u>Additions</u> | 2008 <u>Dispositions</u> | Balance Dec. 31 <u>2008</u> |
|--|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|
| General Fixed Assets Account Group: | | | | |
| Land | \$2,894,000.00 | 0.00 | .00 | 2,894,000.00 |
| Buildings | 2,111,300.00 | 0.00 | 0.00 | 2,111,300.00 |
| Furnishings and Equipment | 666,239.98 | 43,714.99 | 37,806.00 | 672,148.97 |
| Vehicles | 1,646,651.48 | 69,059.25 | 294,131.00 | 1,421,579.73 |
| Water-Sewer Utility Fund: | | | | |
| Fixed Capital | 1,009,754.05 | 0.00 | 0.00 | 1,009,754.05 |

NOTE 4 -- CASH AND INVESTMENTS

- A. Cash -- New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which may mature or are redeemed within one year. Twenty-five percent of the fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Government Unit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

- B. Investments - New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.

NOTE 4 – Continued

- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

C. Risk Category

All bank deposits, as of the balance sheet dates, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Government Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1- Insured or collateralized with securities held by the Borough or by its agent in the Borough's name.

Category 2- Collateralized with securities held by the pledging public depository's trust department or agent in the Borough's name.

Category 3- Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Borough's name.

As of December 31, 2008, the Borough had funds invested and on deposit in certificates of deposit, savings, checking, New Jersey CLASS and New Jersey Cash Management accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

| <u>Category</u> | <u>Amount</u> |
|-----------------|-----------------------|
| 1 | \$ 500,000.00 |
| 2 | 0.00 |
| 3 | <u>2,381,530.07</u> |
| | <u>\$2,881,530.07</u> |

NOTE 5 – FUND BALANCES (SURPLUS) APPROPRIATED

Fund balances (surplus) at December 31, 2008 which were appropriated and included as anticipated revenue for the year ending December 31, 2009 were as follows:

| | |
|------------------------------------|--------------|
| Current Fund | \$650,000.00 |
| Sewer Utility Fund | 65,000.00 |
| Sewer Utility Fund in Current Fund | 80,000.00 |

NOTE 6 – DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

| | Balance Dec. 31 <u>2008</u> | 2009 <u>Budget</u> | Balance To Future <u>Budgets</u> |
|---|-----------------------------------|-----------------------|--|
| Current Fund: Emergency Authorizations (40A:4-47) | \$40,000.00 | 40,000.00 | 0.00 |
| Current Fund: Special Emergency Authorizations | 5,000.00 | 2,500.00 | 2,500.00 |

The appropriations in the 2009 Budget are not less than that required by statute at the time and the remaining amounts if any, will be raised in subsequent budgets.

NOTE 7 – DISCOUNTS ON PREPAID TAXES

Discounts are not allowed on prepaid taxes.

NOTE 8 – PENSION PLANS

The Borough of Neptune City contributes to two cost sharing multiple-employer defined benefit plans, the Public Employees' Retirement System (PERS) and the Police and Fireman's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implements benefit provisions, which are established and amended by the State Statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits PO Box 295 Trenton, NJ 08625-0295.

The contribution requirements of plan members are determined by State Statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employee's Retirement System are required to contribute 5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The Borough's contributions to the various plans, equal to the required contributions, for the years ended December 31, 2008 and 2007 were \$543,047.74 and \$261,216.00 respectively.

NOTE 9 – ASSESSMENT AND COLLECTION OF PROPERTY TAXES

Tax bills are prepared and mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 10 – LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

NOTE 10 – Continued

The Borough of Neptune City has elected to defer school taxes as follows:

| | <u>Balance, December 31</u> | |
|-----------------|-----------------------------|-----------------------|
| | <u>2008</u> | <u>2007</u> |
| Balance of Tax | \$2,328,638.88 | \$2,394,879.90 |
| Deferred Tax | <u>1,325,272.50</u> | <u>1,325,272.50</u> |
| Balance Payable | <u>\$1,003,366.38</u> | <u>\$1,069,607.40</u> |

NOTE 11 – RISK MANAGEMENT

The Borough is part of the Monmouth County Municipal Joint Insurance Fund. The Borough pays an annual assessment, which is their share of the 31 members making up the fund. Actuaries estimate the reserves to be maintained.

The Joint Insurance Fund provides a self-insured retention of \$100,000 per occurrence to the members. For General, Auto, Law Enforcement and Public Officials Liability, an excess insurance limit of \$5,000,000 is available. For property coverage, there is a total of \$250,000,000 available through excess liens. There is a self-insurance retention of \$100,000 per occurrence for Worker's Compensation and excess coverage available up to the statutory maximum.

The Borough continues to carry commercial insurance for all other risks of loss, including health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreement allows for the pools to make additional assessments to make the pool self-sustaining. It is not possible to estimate the amount of such additional assessments.

The pools have published their own financial reports for the year ended December 31, 2008, which can be obtained from the Monmouth Municipal Joint Insurance Fund, 8 Lacey Road, Forked River, NJ 07731.

NOTE 12 – DEFERRED COMPENSATION

The Borough of Neptune City offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the fund be held for exclusive benefit of the participating employees and their beneficiaries.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the Borough provides post retirement and disability health care benefits. Currently, four employees meet the eligibility requirements. During 2008, the Borough paid approximately \$70,000.00 for these benefits.

NOTE 14 – CONTINGENT OR OTHER LIABILITIES

There are no liabilities, contingent or otherwise, which would not be covered by appropriation or insurance protection except as follows:

The contingent liability for unused sick time and compensatory time is approximately \$560,000.00. The amount due has been partially funded. As reported on Exhibit B-30, the funded portions for December 31, 2008 and 2007 were \$3,227.61 and \$23,085.26 respectively. Payments are made as required. The above amount is not required to be recorded on the financial statements per requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

NOTE 15 – LENGTH OF SERVICE AWARDS PROGRAM

The Borough of Neptune City offers its volunteer firefighters and members of emergency service squads a length of service awards program. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads. The plan provides a fixed annual contribution to each eligible volunteer who accumulated a minimum number of service points, with a maximum allowable plan cost for each year. The Borough's contributions for December 31, 2008 and 2007 were \$30,000.00 and \$30,000.00 respectively. All amounts awarded under the plan shall remain the asset of the sponsoring agency.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to December 31, 2008 the Borough of Neptune City introduced ordinance for various capital improvements authorizing the issuance of debt in the amount of \$215,106.00. In addition, the Borough awarded various contracts for approximately \$770,000.00 of which approximately \$675,000.00 is expected to be reimbursed through federal and state grants.

SUPPLEMENTARY INFORMATION

Current Fund
Schedule of Current Fund Cash - Collector and Treasurer

A-4

Balance - December 31, 2007

Increased by Receipts

| | Ref. | Regular | |
|--|---------|--------------|----------------------|
| | A | \$ | 1,139,682.57 |
| Interest and Costs on Taxes | A-2.1 | 46,014.16 | |
| Property Taxes Receivable | A-15 | 9,874,955.74 | |
| Prepaid Taxes | A-29 | 71,292.24 | |
| Prepaid Trailer Park Licenses | A | 1,200.00 | |
| Tax Overpayments | A-30 | 4,854.27 | |
| Revenue Accounts Receivable | A-22 | 542,881.20 | |
| State Aid | A-2.1 | 616,115.00 | |
| Miscellaneous Revenue Not Anticipated | A-2.2 | 99,736.94 | |
| Due to State of New Jersey - Senior Citizen and Veterans | A-41 | 71,500.00 | |
| Interfunds | A | 1,180,000.00 | |
| Smart Growth Planning Grant Receivable | A | 30,000.00 | |
| Stormwater Grant Receivable | A | 4,234.00 | |
| SHARE Grant Receivable | A | 19,800.00 | |
| Reserve for Clean Communities Grant | A:A-3 | 6,672.42 | |
| Reserve for Body Armor Grant | A:A-2.1 | 1,562.39 | |
| Reserve for Alliance to Prevent Alcohol and Drug Abuse Grant | A:A-2.1 | 11,482.32 | |
| Reserve for Drunk Driving Enforcement Fund | A | 4,406.39 | |
| Insurance Proceeds for Capital Items | C-19 | 18,300.00 | |
| Petty Cash Funds | A-11 | 350.00 | |
| | | | <u>12,605,357.07</u> |

13,745,039.64

Decreased by Disbursements

| | | | |
|--|-------|--------------|----------------------|
| Appropriation Expenditures | A-3 | 5,081,884.97 | |
| Appropriation Reserves | A-25 | 220,607.26 | |
| Accounts Payable | A | 85,868.00 | |
| County Taxes | A-35 | 1,530,609.95 | |
| District School Taxes | A-37 | 4,723,519.02 | |
| Interfunds | A | 400,000.00 | |
| Petty Cash Funds | A-11 | 350.00 | |
| Reserve for Drunk Driving Enforcement Fund | A | 14,564.50 | |
| Reserve for Clean Communities Grant | A:A-3 | 8,340.86 | |
| Reserve for Alliance to Prevent Alcohol and Drug Abuse Grant | A:A-3 | 16,620.49 | |
| Reserve for Body Armor Grant | A:A-3 | 813.00 | |
| Reserve for Future Growth Planning Grant | A-3 | 5,616.00 | |
| Refund of Tax Overpayments | A-30 | 4,854.27 | |
| | | | <u>12,093,648.32</u> |

\$ 1,651,391.32

Balance - December 31, 2008

A

Current Fund
Schedule of Change Funds

A-10

Office
Collector - Treasurer
Community Center
Library
Municipal Court

| | Balance Dec. 31, 2007 | Received | Balance Dec. 31, 2008 |
|-------------|--------------------------|-------------|--------------------------|
| \$ | 350.00 | 0.00 | 350.00 |
| | 250.00 | 0.00 | 250.00 |
| | 45.00 | 0.00 | 45.00 |
| | 100.00 | 0.00 | 100.00 |
| \$ | <u>745.00</u> | <u>0.00</u> | <u>745.00</u> |
| <u>Ref.</u> | A | A-4 | A |

Schedule of Petty Cash Funds

A-11

Office
Municipal Clerk
Community Center

| | Received | Returned | Balance Dec. 31, 2008 |
|-------------|---------------|---------------|--------------------------|
| \$ | 200.00 | 200.00 | 0.00 |
| | 150.00 | 150.00 | 0.00 |
| \$ | <u>350.00</u> | <u>350.00</u> | <u>0.00</u> |
| <u>Ref.</u> | A-4 | A-4 | A |

Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy

| Year | Balance Dec. 31 2007 | 2008 Levy | Collections | Over-Payments Applied | Cancelled | Transferred to Tax Title Liens | Balance Dec. 31 2008 |
|-------------|--|----------------------|-------------------------|-----------------------|------------------|--------------------------------|----------------------|
| 2008 | \$ 0.00 | 10,027,993.31 | 9,810,653.62 | 0.00 | 4,411.30 | 9,774.65 | 203,153.74 |
| 2007 | 205,795.75 | 1,780.68 | 198,169.92 | 0.00 | 9,406.51 | 0.00 | 0.00 |
| | <u>\$ 205,795.75</u> | <u>10,029,773.99</u> | <u>10,008,823.54</u> | <u>0.00</u> | <u>13,817.81</u> | <u>9,774.65</u> | <u>203,153.74</u> |
| Ref. | A | A-15 | | A-30 | | A-16 | A |
| A-29 | Prepaid Applied | | 63,153.54 | | | | |
| A-4 | Cash Received | | 9,874,955.74 | | | | |
| A-41 | Veterans and Senior Citizens Allowance | | 70,714.26 | | | | |
| | | | <u>\$ 10,008,823.54</u> | | | | |

Tax Yield

| | | |
|--------------------------------|------|-------------------------|
| General Purpose Tax | Ref. | \$ 10,004,116.01 |
| Added Tax (54:4-63.1 et. seq.) | | 23,877.30 |
| | | <u>\$ 10,027,993.31</u> |

Tax Levy

| | | |
|--|-------|-------------------------|
| Local District School Tax (Abstract) | A-15 | \$ 4,657,278.00 |
| County Tax (Abstract) | A-35 | 1,330,976.98 |
| County Library Tax (Abstract) | A-35 | 80,094.79 |
| County Health Tax (Abstract) | A-35 | 24,750.11 |
| County Open Space Taxes | A-35 | 88,754.10 |
| Due County for Added Taxes (R.S. 54:4-63.1 et. seq.) | A-35 | <u>3,652.68</u> |
| | | 1,528,228.66 |
| | | <u>6,185,506.66</u> |
| Local Tax for Municipal Purposes (Abstract) | A-2.1 | 3,817,935.47 |
| Add: Additional Tax Levies | | 20,224.62 |
| Add: Excess in Yield | | <u>4,326.56</u> |
| | | 3,842,486.65 |
| | | <u>\$ 10,027,993.31</u> |

Schedule of Tax Title Liens

| | | |
|------------------------------------|------|----------------------|
| Balance - December 31, 2007 | Ref. | \$ 222,188.99 |
| | A | |
| Increased by | | <u>9,774.65</u> |
| Transfers from Taxes Receivable | A-15 | |
| Balance - December 31, 2008 | A | <u>\$ 231,963.64</u> |

Schedule of Property Acquired for Taxes
(At Assessed Valuation)

| | | |
|--|------|--------------|
| Balance - December 31, 2007 and December 31, 2008 | Ref. | \$ 53,213.00 |
| | A | |

No change in 2008

Current Fund
Schedule of Revenue Accounts Receivable

A-22

| | | Balance Dec. 31 2007 | Accrued in 2008 | Collected by Treasurer | Balance Dec. 31 2008 |
|---------------------------------|-------|----------------------------|--------------------|------------------------------|----------------------------|
| Licenses | A-2.1 | \$ 0.00 | 9,160.00 | 9,160.00 | 0.00 |
| Alcoholic Beverages | A-2.1 | 0.00 | 15,117.50 | 15,117.50 | 0.00 |
| Mercantile | A-2.1 | 0.00 | 14,400.00 | 14,400.00 | 0.00 |
| Trailer Park | A-2.2 | 0.00 | 117.00 | 117.00 | 0.00 |
| Marriage | A-2.2 | 0.00 | 220.00 | 220.00 | 0.00 |
| Bingo and Raffle | | | | | |
| Fees and Permits | A-2.1 | 0.00 | 116,604.00 | 116,604.00 | 0.00 |
| Uniform Construction Code | A-2.1 | 0.00 | 13,800.00 | 13,800.00 | 0.00 |
| Certificate of Occupancy | A-2.2 | 0.00 | 1,053.00 | 1,053.00 | 0.00 |
| Certified Copies | A-2.2 | 0.00 | 2,476.65 | 2,476.65 | 0.00 |
| Street Opening Permits | | | | | |
| Municipal Court | A-2.1 | 14,072.60 | 226,267.05 | 224,346.32 | 15,993.33 |
| Fines and Costs | A-2.1 | 0.00 | 10,032.42 | 10,032.42 | 0.00 |
| Uniform Fire Safety Act | A-2.1 | 17,970.00 | 22,481.55 | 17,970.00 | 22,481.55 |
| Cable Television Franchise Fees | A-2.1 | 0.00 | 52,139.81 | 52,139.81 | 0.00 |
| Community Center Fees | | | | | |
| Payments in Lieu of Taxes | A-2.1 | 0.00 | 52,119.50 | 52,119.50 | 0.00 |
| Housing Authority | A-2.1 | 0.00 | 5,810.00 | 5,810.00 | 0.00 |
| Fire Prevention Permits | A-2.2 | 0.00 | 520.00 | 520.00 | 0.00 |
| Search Fees | A-2.2 | 0.00 | 6,995.00 | 6,995.00 | 0.00 |
| Police Accident Reports | | | | | |
| | | \$ 32,042.60 | 549,313.48 | 542,881.20 | 38,474.88 |
| <u>Ref.</u> | | A | A-4 | A | A |

Schedule of Deferred Charges

A-23

| | Balance Dec. 31 2007 | Added in 2008 | Raised in 2008 Budget | Balance Dec. 31 2008 |
|-------------------------------------|----------------------------|---------------------|-----------------------------|----------------------------|
| Emergency Authorizations (40A:4-47) | \$ 0.00 | 40,000.00 | 0.00 | 40,000.00 |
| <u>Ref.</u> | A | A-3 | A-3 | A |

Schedule of Deferred Charges - Special Emergency Authorizations

A-24

| Date Authorized | Purpose | Net Amount Authorized | 1/5 of Net Amount Authorized | Balance Dec. 31 2007 | Added in 2008 | Raised in Budget | Balance Dec. 31 2008 |
|-----------------|-------------|-----------------------------|------------------------------------|----------------------------|---------------------|------------------------|----------------------------|
| 04/14/03 | Revaluation | \$ 120,000.00 | 24,000.00 | \$ 24,000.00 | 0.00 | 24,000.00 | 0.00 |
| 06/27/05 | Master Plan | 12,500.00 | 2,500.00 | 7,500.00 | 0.00 | 2,500.00 | 5,000.00 |
| | | | | \$ 31,500.00 | 0.00 | 26,500.00 | 5,000.00 |
| <u>Ref.</u> | | | | A | A-1 | A-3 | A |

Current Fund
Schedule of Appropriation Reserves and Reserve for Encumbrances - 2007

A-25

| | <u>Balance Dec. 31 2007</u> | <u>Balance After Transfer</u> | <u>Paid or Charged</u> | <u>Lapsed</u> |
|-------------------------------------|---------------------------------|-----------------------------------|----------------------------|---------------|
| Salaries and Wages | \$ 637.36 | 637.36 | 0.00 | 637.36 |
| Administrator's Office | 82.12 | 82.12 | 0.00 | 82.12 |
| Mayor and Council | 8.69 | 8.69 | 0.00 | 8.69 |
| Municipal Clerk's Office | 4.96 | 4.96 | 0.00 | 4.96 |
| Financial Administration | 97.84 | 97.84 | 0.00 | 97.84 |
| Assessment of Taxes | 191.59 | 191.59 | 0.00 | 191.59 |
| Collection of Taxes | 57.88 | 57.88 | 0.00 | 57.88 |
| Legal Services | 1,572.32 | 1,572.32 | 0.00 | 1,572.32 |
| Municipal Court | 897.64 | 897.64 | 0.00 | 897.64 |
| Public Defender | 186.56 | 186.56 | 0.00 | 186.56 |
| Land Use Board | 1,009.08 | 1,009.08 | 0.00 | 1,009.08 |
| Code Enforcement | 26,545.20 | 21,445.20 | 5,015.67 | 16,429.53 |
| Police | 692.63 | 692.63 | 600.00 | 92.63 |
| Fire Prevention Bureau | 265.48 | 265.48 | 0.00 | 265.48 |
| Emergency Management Services | 44.88 | 44.88 | 0.00 | 44.88 |
| Municipal Prosecutor | 7.05 | 7.05 | 0.00 | 7.05 |
| Road Repairs and Maintenance | 38.88 | 38.88 | 0.00 | 38.88 |
| Solid Waste Collection | 1,932.57 | 1,932.57 | 1,395.00 | 537.57 |
| Public Buildings and Grounds | 49.20 | 49.20 | 0.00 | 49.20 |
| Administration of Public Assistance | 826.46 | 826.46 | 693.45 | 133.01 |
| Community Center | 164.47 | 164.47 | 0.00 | 164.47 |
| Library | 439.00 | 439.00 | 0.00 | 439.00 |
| Construction Official | 8.07 | 8.07 | 0.00 | 8.07 |
| Building Inspector | 18.00 | 18.00 | 0.00 | 18.00 |
| Plumbing Inspector | 808.92 | 808.92 | 0.00 | 808.92 |
| Electrical Inspector | 15.48 | 15.48 | 0.00 | 15.48 |
| Fire Inspector | | | | |
| Other Expenses | 2,874.20 | 2,874.20 | 1,332.55 | 1,541.65 |
| Administrator's Office | 440.00 | 440.00 | 20.00 | 420.00 |
| Mayor and Council | 923.13 | 923.13 | 25.97 | 897.16 |
| Municipal Clerk's Office | 14,200.00 | 14,200.00 | 14,200.00 | 0.00 |
| Audit Services | 63.92 | 63.92 | 25.00 | 38.92 |
| Assessment of Taxes | 954.57 | 954.57 | 343.73 | 610.84 |
| Collection of Taxes | 17,267.98 | 12,367.98 | 11,359.87 | 1,008.11 |
| Legal Services and Costs | 3,189.56 | 3,189.56 | 612.00 | 2,577.56 |
| Municipal Court | 300.00 | 300.00 | 0.00 | 300.00 |
| Public Defender | 5,063.00 | 7,563.00 | 7,536.06 | 26.94 |
| Engineering Services and Costs | 280.57 | 2,780.57 | 1,815.36 | 965.21 |
| Land Use Board | 460.00 | 460.00 | 0.00 | 460.00 |
| Code Enforcement | 60.80 | 60.80 | 0.00 | 60.80 |
| General Liability Insurance | 5,439.83 | 3,939.83 | 180.60 | 3,759.23 |
| Employee Group Health Insurance | 2,121.61 | 3,321.61 | 3,195.50 | 126.11 |
| Fire Hydrant Service | | | | |

Current Fund
Schedule of Appropriation Reserves and Reserve for Encumbrances - 2007

A-25
(Continued)

| | Balance Dec. 31 2007 | Balance After Transfer | Paid or Charged | Lapsed |
|-------------------------------------|-------------------------|---------------------------|--------------------|-----------|
| Other Expenses - Continued | | | | |
| Fire - Misc. Other Expenses | 1,866.65 | 1,866.65 | 1,614.23 | 252.42 |
| Police | 24,467.20 | 24,467.20 | 22,189.29 | 2,277.91 |
| First Aid Organization | 500.00 | 500.00 | 0.00 | 500.00 |
| Fire Prevention Bureau | 327.85 | 327.85 | 0.00 | 327.85 |
| Emergency Management Services | 1,777.37 | 1,777.37 | 97.40 | 1,679.97 |
| Municipal Prosecutor | 300.00 | 300.00 | 0.00 | 300.00 |
| Road Repairs and Maintenance | 15,904.44 | 15,904.44 | 15,021.07 | 883.37 |
| Traffic Lights | 672.97 | 672.97 | 237.36 | 435.61 |
| Solid Waste Collection | 66,286.56 | 66,286.56 | 60,419.18 | 5,867.38 |
| Public Buildings and Grounds | 3,110.49 | 4,510.49 | 3,890.20 | 620.29 |
| Maintenance of Borough Vehicles | 4,199.33 | 4,199.33 | 2,670.84 | 1,528.49 |
| Administration of Public Assistance | 357.25 | 357.25 | 0.00 | 357.25 |
| Animal Control | 1,357.31 | 1,357.31 | 869.67 | 487.64 |
| Board of Recreation | 194.90 | 194.90 | 0.00 | 194.90 |
| Parks and Playgrounds | 511.49 | 511.49 | 17.00 | 494.49 |
| Community Center | 4,713.54 | 5,313.54 | 5,114.37 | 199.17 |
| Library | 1,114.45 | 1,114.45 | 1,044.14 | 70.31 |
| Construction Official | 1,183.77 | 1,183.77 | 17.00 | 1,166.77 |
| Building Inspector | 159.00 | 159.00 | 0.00 | 159.00 |
| Plumbing Inspector | 100.00 | 100.00 | 0.00 | 100.00 |
| Electrical Inspector | 245.00 | 245.00 | 0.00 | 245.00 |
| Fire Inspector | 70.00 | 70.00 | 0.00 | 70.00 |
| Accumulation of Unused Sick Time | 8,000.00 | 8,000.00 | 8,000.00 | 0.00 |
| Celebration of Public Events | 512.17 | 512.17 | 244.00 | 268.17 |
| Electric | 4,913.00 | 4,913.00 | 3,758.04 | 1,154.96 |
| Street Lighting | 5,892.48 | 7,392.48 | 7,323.56 | 68.92 |
| Telephone | 3,153.07 | 3,153.07 | 1,898.40 | 1,254.67 |
| Water | 325.34 | 325.34 | 161.40 | 163.94 |
| Natural Gas | 6,530.53 | 6,530.53 | 2,031.26 | 4,499.27 |
| Gasoline | 2,225.63 | 4,025.63 | 4,009.09 | 16.54 |
| Landfill/Solid Waste Disposal | 1,028.48 | 1,028.48 | 0.00 | 1,028.48 |
| Contingent | 2,964.50 | 2,964.50 | 461.00 | 2,503.50 |
| Social Security Administration | 2,677.47 | 2,677.47 | 0.00 | 2,677.47 |
| Length of Service Awards Program | 30,000.00 | 30,000.00 | 30,000.00 | 0.00 |
| Purchase of Office Equipment | 3,195.01 | 3,195.01 | 1,168.00 | 2,027.01 |
| | \$ 291,078.75 | 291,078.75 | 220,607.26 | 70,471.49 |

A-1

| | | | |
|--------------------------|-----|---------------|---------------|
| Appropriation Reserves | A | 216,544.61 | |
| Reserve for Encumbrances | A | 74,534.14 | |
| | | \$ 291,078.75 | |
| Expended by Cash | A-4 | | \$ 220,607.26 |

Current Fund
Schedule of Reserve for Master Plan

| | |
|---|------------------------------------|
| | <u>A-27</u> |
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | Ref. A \$ <u>12,100.00</u> |
| No change in 2008 | |

Schedule of Prepaid Taxes

| | |
|--|------------------------------------|
| | <u>A-29</u> |
| <u>Balance</u> - December 31, 2007 (2008 Taxes) | Ref. A \$ 63,153.54 |
| <u>Increased by</u> Collection of 2009 Taxes | A-4 <u>71,292.24</u> 134,445.78 |
| <u>Decreased by</u> Applied to 2008 Taxes Receivable | A-15 <u>63,153.54</u> |
| <u>Balance</u> - December 31, 2008 (2009 Taxes) | A \$ <u>71,292.24</u> |

Schedule of Tax Overpayments

| | |
|--|---------------------------------|
| | <u>A-30</u> |
| <u>Balance</u> - December 31, 2007 | Ref. A \$ 0.00 |
| <u>Increased by</u> Overpayments in 2008 | A-4 <u>4,854.27</u> 4,854.27 |
| <u>Decreased by</u> Refunds | A-4 <u>4,854.27</u> |
| <u>Balance</u> - December 31, 2008 | A \$ <u>0.00</u> |

Current Fund
Schedule of County Taxes Payable

| | | | |
|--|----------|-----------------|---------------------|
| | | | A-35 |
| | Ref. | | |
| | A | | \$ 6,027.03 |
| Balance - December 31, 2007 | | | |
| Increased by | | | |
| 2008 Levy | A-1:A-15 | 1,524,575.98 | |
| Added Taxes (2008 - \$3,652.68; 2007 - \$278.92) | A-1:A-15 | <u>3,931.60</u> | 1,528,507.58 |
| | | | <u>1,534,534.61</u> |
| Decreased by | | | |
| Payments | A-4 | | <u>1,530,609.95</u> |
| | A | | <u>\$ 3,924.66</u> |
| Balance - December 31, 2008 | | | |

Schedule of Local District School Tax

| | | | |
|--|------|---------------------|------------------------|
| | | | A-37 |
| | Ref. | | |
| Balance - December 31, 2007 | | | |
| School Tax Deferred | | \$ 1,325,272.50 | |
| School Tax Payable | A | <u>1,069,607.40</u> | 2,394,879.90 |
| Increased by | | | |
| Levy - School Year | | | <u>4,657,278.00</u> |
| July 1, 2008 to June 30, 2009 | A-15 | | 7,052,157.90 |
| Decreased by | | | |
| Payments | A-4 | | <u>4,723,519.02</u> |
| Balance - December 31, 2008 | | | |
| School Tax Deferred | | 1,325,272.50 | |
| School Tax Payable | A | <u>1,003,366.38</u> | |
| 2008 Liability for Local District School Tax | | | <u>\$ 2,328,638.88</u> |
| Tax Paid | A-37 | | \$ 4,723,519.02 |
| Tax Payable - December 31, 2008 | A-37 | | <u>1,003,366.38</u> |
| | | | 5,726,885.40 |
| Less: Tax Payable - December 31, 2007 | A-37 | | <u>1,069,607.40</u> |
| Amount Charged to 2008 Operations | A-1 | | <u>\$ 4,657,278.00</u> |

Current Fund
Schedule of Due To State of New Jersey

A-41

| | <u>Ref.</u> | | |
|--|-------------|------------------|----------------------------|
| <u>Balance</u> - December 31, 2007 (Due to State of New Jersey) | A | | \$ 42,769.02 |
| <u>Increased by</u> | | | |
| Senior Citizens Deductions Disallowed by Tax Collector | A-15 | 1,785.74 | |
| Veterans Deductions Disallowed by Tax Collector | A-15 | 250.00 | |
| Senior Citizens Deductions Disallowed by Tax Collector - Prior Year | A-4 | 0.00 | |
| Received in Cash From State of New Jersey | A-4 | <u>71,500.00</u> | |
| | | | <u>73,535.74</u> |
| | | | 116,304.76 |
| <u>Decreased by</u> | | | |
| Senior Citizens Deductions per Tax Billings | | 17,250.00 | |
| Veterans Deductions per Tax Billings | | 54,250.00 | |
| Veterans Deductions Allowed by Tax Collector | | 500.00 | |
| Senior Citizens Deductions Allowed by Tax Collector | A-15 | <u>750.00</u> | |
| | | | <u>72,750.00</u> |
| <u>Balance</u> - December 31, 2008 (Due to State of New Jersey) | A | | \$ <u><u>43,554.76</u></u> |

Trust Fund
Schedule of Trust Cash - Treasurer

B-4

| | <u>Ref.</u> | | |
|---|----------------------|------------|----------------------|
| <u>Balance</u> - December 31, 2007 | B | | \$ 329,288.93 |
| <u>Increased by Receipts</u> | | | |
| Dog License Fees | B-23 | 7,115.40 | |
| Interest on Investments | B-23:B-26:B-27:B-28, | 1,134.24 | |
| | B-30:B-31 | 1,995.00 | |
| Miscellaneous Fines and Assessments | B-23:B-26:B-27 | 3,894.60 | |
| Miscellaneous Fees | B-23:B-29 | 1,786.84 | |
| Miscellaneous Donations and Fundraisers | B-31 | 138,939.91 | |
| Miscellaneous Trust Deposits | B-24 | 10,000.00 | |
| Budget Appropriations | B-30 | 441,930.62 | |
| Developer Escrow Deposits | B-25 | | <u>606,796.61</u> |
| | | | 936,085.54 |
| <u>Decreased by Disbursements</u> | | | |
| Developers' Expenses | B-25 | 525,175.11 | |
| Expenditures Under R.S. 4:19-15.11 | B-23 | 7,191.28 | |
| Miscellaneous Expenses | B-26:B-27:B-28, | 46,782.25 | |
| | B-29:B-30:B-31 | 103,435.41 | |
| Miscellaneous Trust Disbursements | B-23:B-24 | | <u>682,584.05</u> |
| | | | <u>\$ 253,501.49</u> |
| <u>Balance</u> - December 31, 2008 | B | | |

Trust Fund
Schedule of Reserve for Dog Fund Expenditures

B-23

Balance - December 31, 2007

Increased by

Dog License Fees Collected
Late Fees Collected
Interest on Investments
Fees Collected Due State of New Jersey

| | | | |
|--|-------------|-----------------|-----------------|
| | <u>Ref.</u> | | |
| | B | | \$ 307.22 |
| | | | |
| | B-4 | 7,115.40 | |
| | B-4 | 525.00 | |
| | B-4 | 60.37 | |
| | B-4 | <u>1,089.60</u> | |
| | | | <u>8,790.37</u> |
| | | | <u>9,097.59</u> |

Decreased by

Expenditure Under R.S. 4:19-15.11
Paid to State of New Jersey

| | | | |
|--|-----|-----------------|-----------------|
| | B-4 | 7,191.28 | |
| | B-4 | <u>1,089.60</u> | |
| | | | <u>8,280.88</u> |

Balance - December 31, 2008

| | | | |
|--|---|--|------------------|
| | B | | \$ <u>816.71</u> |
|--|---|--|------------------|

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|--------------------|
| 2006 | \$ 3,930.40 |
| 2007 | 3,835.20 |
| | <u>\$ 7,765.60</u> |

Schedule of Reserve for Special Trust Items

B-24

| | Balance Dec. 31 2007 | Increased by Deposits | Decreased by Expenses | Balance Dec. 31 2008 |
|--------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|
| Rental Deposits | \$ 1,000.00 | 7,360.00 | 7,160.00 | 1,200.00 |
| Marriage Licenses | 0.00 | 750.00 | 750.00 | 0.00 |
| Police Vest Funds | 1,602.00 | 0.00 | 0.00 | 1,602.00 |
| POAA | 2,615.43 | 32.00 | 0.00 | 2,647.43 |
| Tax Sale Premiums | 7,700.00 | 11,818.00 | 5,016.00 | 14,502.00 |
| Escrow Funds | 11,348.32 | 86,985.50 | 58,980.26 | 39,353.56 |
| Third Party Tax Liens | 0.00 | 26,788.96 | 26,788.96 | 0.00 |
| Truck Rental Deposits | 0.00 | 1,500.00 | 1,500.00 | 0.00 |
| Burial Permits | 0.00 | 50.00 | 50.00 | 0.00 |
| Federal and State Grants | 4,860.00 | 0.00 | 0.00 | 4,860.00 |
| Donations | 4,309.52 | 3,655.45 | 2,100.59 | 5,864.38 |
| | <u>\$ 33,435.27</u> | <u>138,939.91</u> | <u>102,345.81</u> | <u>70,029.37</u> |
| | B | B-4 | B-4 | B |

Ref.

Trust Fund
Schedule of Reserve for Developers' Escrow Trust Fund

B-25

| | <u>Ref.</u> | |
|------------------------------------|-------------|----------------------|
| Balance - December 31, 2007 | B | \$ 248,071.64 |
| Increased by | | |
| Developers' Deposits | B-4 | 441,930.62 |
| | | <u>690,002.26</u> |
| Decreased by | | |
| Developers' Expenses | B-4 | 525,175.11 |
| | | <u>164,827.15</u> |
| Balance - December 31, 2008 | B | <u>\$ 164,827.15</u> |

Schedule of Reserve for Law Enforcement Trust Fund

B-26

| | <u>Ref.</u> | |
|------------------------------------|-------------|---------------------|
| Balance - December 31, 2007 | B | \$ 20,979.19 |
| Increased by | | |
| Receipts from Forfeitures | B-4 | 95.00 |
| Interest on Investments | B-4 | 351.98 |
| | | <u>446.98</u> |
| | | 21,426.17 |
| Decreased by | | |
| Law Enforcement Expenses | B-4 | 10,164.86 |
| | | <u>11,261.31</u> |
| Balance - December 31, 2008 | B | <u>\$ 11,261.31</u> |

Trust Fund
Schedule of Reserve for Emergency Management Trust Fund

B-27

| | <u>Ref.</u> | | |
|---|-------------|-----------------|-----------------|
| <u>Balance</u> - December 31, 2007 | B | \$ | 1,409.01 |
| <u>Increased by</u> | | | |
| Interest on Investments | B-4 | 45.04 | |
| Fines and Assessments | B-4 | <u>1,375.00</u> | |
| | | | 1,420.04 |
| | | | <u>2,829.05</u> |
| <u>Decreased by</u> | | | |
| Emergency Management Expenses | B-4 | | <u>678.00</u> |
| <u>Balance</u> - December 31, 2008 | B | \$ | <u>2,151.05</u> |

Schedule of Reserve for Fire Prevention Trust Fund

B-28

| | <u>Ref.</u> | | |
|---|-------------|-------|---------------|
| <u>Balance</u> - December 31, 2007 | B | \$ | 536.79 |
| <u>Increased by</u> | | | |
| Interest on Investments | B-4 | 12.04 | |
| | | | <u>548.83</u> |
| <u>Decreased by</u> | | | |
| Fire Prevention Expenses | B-4 | | <u>405.40</u> |
| <u>Balance</u> - December 31, 2008 | B | \$ | <u>143.43</u> |

Schedule of Reserve for Public Defender Trust Fund

B-29

| | <u>Ref.</u> | | |
|---|-------------|----------|-----------------|
| <u>Balance</u> - December 31, 2007 | B | \$ | 1,160.28 |
| <u>Increased by</u> | | | |
| Fees Charged | B-4 | 2,805.00 | |
| | | | <u>3,965.28</u> |
| <u>Decreased by</u> | | | |
| Public Defender Expenses | B-4 | | <u>3,261.40</u> |
| <u>Balance</u> - December 31, 2008 | B | \$ | <u>703.88</u> |

Trust Fund
Schedule of Reserve for Unused Accumulated Sick Time Trust Fund

| | <u>Ref.</u> | <u>B-30</u> |
|---|-------------|--------------------|
| <u>Balance</u> - December 31, 2007 | B | \$ 23,085.26 |
| <u>Increased by</u> | | |
| Interest on Investments | B-4 | 650.35 |
| Budget Appropriation | A-3:A-25 | <u>10,000.00</u> |
| | | <u>10,650.35</u> |
| | | 33,735.61 |
| <u>Decreased by</u> | | |
| Unused Accumulated Sick Time Expenses | B-4 | <u>30,508.00</u> |
| <u>Balance</u> - December 31, 2008 | B | <u>\$ 3,227.61</u> |

Schedule of Reserve for Municipal Alliance to Prevent Drug and Alcohol Abuse Trust Fund

| | <u>Ref.</u> | <u>B-31</u> |
|---|-------------|------------------|
| <u>Balance</u> - December 31, 2007 | B | \$ 304.27 |
| <u>Increased by</u> | | |
| Donations and Fundraisers | B-4 | 1,786.84 |
| Interest on Investments | B-4 | <u>14.46</u> |
| | | <u>1,801.30</u> |
| | | 2,105.57 |
| <u>Decreased by</u> | | |
| Alliance Expenses | B-4 | <u>1,764.59</u> |
| <u>Balance</u> - December 31, 2008 | B | <u>\$ 340.98</u> |

Capital Fund
Schedule of General Capital Cash - Treasurer

C-2

Balance - December 31, 2007

Increased by Receipts

Interest on Investments
Interfund with Current Fund
Bond Anticipation Notes
Insurance Proceeds
Federal and State Aid

| | | |
|------|-------------------|---------------------|
| Ref. | | \$ 247,087.47 |
| C | | |
| C-11 | 8,373.89 | |
| C-11 | 200,000.00 | |
| C-19 | 200,000.00 | |
| C-10 | 18,300.00 | |
| C-14 | <u>403,970.25</u> | |
| | | 830,644.14 |
| | | <u>1,077,731.61</u> |

Decreased by Disbursements

Improvement Authorizations
Interfund with Current Fund

| | | |
|------|-------------------|----------------------|
| C-14 | 297,996.96 | |
| C-11 | <u>658,373.89</u> | |
| | | 956,370.85 |
| | | <u>\$ 121,360.76</u> |

Balance - December 31, 2008

Analysis of General Capital Cash

C-4

| | Dec. 31 2007 | Receipts | Disbursements | Transfers | Dec. 31 2008 |
|---|----------------------|-------------------|-------------------|--------------|-------------------|
| Capital Improvement Fund | \$ 9,850.00 | 0.00 | 0.00 | 1,000.00 | 10,850.00 |
| Fund Balance | 14,931.50 | 0.00 | 0.00 | 0.00 | 14,931.50 |
| Interfund Due to Current Fund | 851,501.76 | 208,373.89 | 658,373.89 | 25,338.32 | 426,840.08 |
| Federal and State Aid Receivable | (41,750.00) | 153,970.25 | 0.00 | (192,000.00) | (79,779.75) |
| Improvement Authorizations: | | | | | 13,865.34 |
| Renovations to Municipal Building | 13,865.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of Fire Pumper Truck | (750.00) | 0.00 | 0.00 | 750.00 | 0.00 |
| Roadway Improvement Program | (1,830.00) | 0.00 | 0.00 | 1,830.00 | 0.00 |
| Purchase of Dump Truck | (600.00) | 0.00 | 0.00 | 600.00 | 0.00 |
| Improvements to Oliver Drive, Etc. | 68.47 | 0.00 | 0.00 | 0.00 | 68.47 |
| Improvements to Wall Road, Etc. | (300.00) | 0.00 | 0.00 | 300.00 | 0.00 |
| Improvements to Ridge Avenue | (5,500.00) | 0.00 | 0.00 | 5,500.00 | 0.00 |
| Purchase of Fire Vehicle-2000 | (1,489.50) | 0.00 | 0.00 | 1,264.50 | (225.00) |
| Improvements to Riverdale/Locust Avenues | (6,269.33) | 0.00 | 0.00 | 6,269.33 | 0.00 |
| Purchase of Police Dispatch Equipment | (17,794.57) | 0.00 | 0.00 | 37,500.00 | 19,705.43 |
| Purchase of Leaf Collector | (1,156.76) | 18,300.00 | 0.00 | (17,368.24) | (225.00) |
| Pedestrian Corridor-Sylvania Avenue | (246.70) | 0.00 | 0.00 | 21.70 | (225.00) |
| 2001 Roadway Improvements | (1,428.80) | 0.00 | 0.00 | 1,428.80 | 0.00 |
| Construction of Senior/Recreation Center | (490.00) | 0.00 | 0.00 | 490.00 | 0.00 |
| Improvements to Firehouse | (288.76) | 0.00 | 0.00 | 288.76 | 0.00 |
| 2003 Road Improvements - Laurel, Woodland, Etc. | (4,898.42) | 0.00 | 0.00 | 387.03 | (4,511.39) |
| Purchase of Video Conferencing Equipment | (8,823.24) | 0.00 | 0.00 | 0.00 | (8,823.24) |
| Purchase of Dump Truck | (441.88) | 0.00 | 0.00 | 0.00 | (441.88) |
| Improvement to Roads - Laird, Holly Etc. | (6,520.62) | 0.00 | 0.00 | 0.00 | (6,520.62) |
| Improvements to Avondale Avenue | (24,421.88) | 20,000.00 | 0.00 | 17,500.00 | (4,421.88) |
| Purchase of Communication Equipment | (37,896.45) | 0.00 | 0.00 | 0.00 | (20,396.45) |
| Improvement to Ridge Ave., McAneny St., Etc. | (254.25) | 0.00 | 0.00 | 0.00 | (254.25) |
| Purchase of Front End Loader | (19,478.13) | 0.00 | 0.00 | 0.00 | (19,478.13) |
| Improvements to Evergreen Ave., Etc. | (58,986.24) | 55,000.00 | 270.00 | 0.00 | (4,256.24) |
| Purchase of Phone System | (20,813.26) | 0.00 | 0.00 | 0.00 | (20,813.26) |
| Purchase of Street Sweeper | (3,500.00) | 0.00 | 0.00 | 0.00 | (3,500.00) |
| Improvements to Bennett Ave., Etc. | (5,956.79) | 0.00 | 0.00 | 0.00 | (5,956.79) |
| Improvements to Third Avenue | 7,574.28 | 0.00 | 0.00 | 0.00 | 7,574.28 |
| Improvements to Adams Field | (249,298.00) | 250,000.00 | 12,945.80 | (100,400.20) | (112,644.00) |
| Improvements to Fourth Ave., Etc. | (129,520.30) | 125,000.00 | 38,001.26 | 0.00 | (42,521.56) |
| Improvements to Fifth Ave. | 0.00 | 0.00 | 196,688.80 | 194,900.00 | (1,788.80) |
| Purchase of Leaf Collector 2008 | 0.00 | 0.00 | 31,945.00 | 1,650.00 | (30,295.00) |
| Improvements to East End, W. Sylvania | 0.00 | 0.00 | 18,146.10 | 12,750.00 | (5,396.10) |
| | <u>\$ 247,087.47</u> | <u>830,644.14</u> | <u>956,370.85</u> | <u>0.00</u> | <u>121,360.76</u> |
| Ref. | C | C-2 | C-2 | | C |

Capital Fund
Schedule of Deferred Charges to Future Taxation - Unfunded

C-10

Analysis of Balance December 31, 2008

| Date | Improvement Description | Balance | | Insurance Proceeds and Federal and State Aid | Charges and Notes Paid | | Balance Dec. 31, 2008 | Notes Payable | Expenditures | Unexpended Improvement Authorizations |
|--------------------|--|-----------------|----------------|--|-------------------------|---------------|-----------------------|---------------|---------------|---------------------------------------|
| | | Dec. 31, 2007 | Authorizations | | By Budget Appropriation | Dec. 31, 2008 | | | | |
| | | \$ 11,612.87 | 0.00 | 0.00 | 750.00 | 10,862.87 | 0.00 | 0.00 | 10,862.87 | |
| 12/31/94 | Purchase of Fire Pumper Truck | 8,396.36 | 0.00 | 0.00 | 1,830.00 | 6,566.36 | 0.00 | 0.00 | 6,566.36 | |
| 04/08/96 | Roadway Improvements | 1,922.17 | 0.00 | 0.00 | 600.00 | 1,322.17 | 0.00 | 0.00 | 1,322.17 | |
| 03/09/98 | Purchase of Dump Truck | 4,500.00 | 0.00 | 0.00 | 0.00 | 4,500.00 | 0.00 | 0.00 | 4,500.00 | |
| 04/27/98 | Improvements to Oliver Drive | 1,750.00 | 0.00 | 0.00 | 300.00 | 1,450.00 | 0.00 | 0.00 | 1,450.00 | |
| 12/28/98, 08/08/99 | Improvements to Wall Road | 35,500.00 | 0.00 | 0.00 | 35,500.00 | 0.00 | 0.00 | 0.00 | 760.50 | |
| 12/13/99 | Improvements to Ridge Avenue | 33,250.00 | 0.00 | 0.00 | 6,264.50 | 26,985.50 | 26,000.00 | 225.00 | 210,230.67 | |
| 04/10/00 | Purchase of Fire Vehicle-2000 | 216,500.00 | 0.00 | 0.00 | 6,269.33 | 210,230.67 | 0.00 | 0.00 | 25,000.00 | |
| 06/26/00 | Improvement to Rivertdale and Locust Aves. | 142,500.00 | 0.00 | 0.00 | 0.00 | 142,500.00 | 117,500.00 | 225.00 | 2,343.24 | |
| 08/28/00 | Purchase of Police Equipment | 23,500.00 | 0.00 | 18,300.00 | 1,431.76 | 3,768.24 | 1,200.00 | 225.00 | 18,753.30 | |
| 08/28/00, 06/11/01 | Purchase of Leaf Collector | 40,000.00 | 0.00 | 0.00 | 10,021.70 | 29,978.30 | 11,000.00 | 0.00 | 7,071.20 | |
| 12/11/00 | Pedestrian Corridor/Sylvania Avenue | 43,500.00 | 0.00 | 0.00 | 15,428.80 | 28,071.20 | 21,000.00 | 0.00 | 0.00 | |
| 05/09/01 | 2001 Roadway Improvements | 419,490.00 | 0.00 | 0.00 | 50,490.00 | 369,000.00 | 369,000.00 | 0.00 | 211.24 | |
| 11/12/01 | Construction of Recreation Center | 47,500.00 | 0.00 | 0.00 | 288.76 | 47,211.24 | 47,000.00 | 4,511.39 | 351.58 | |
| 11/12/01, 03/08/04 | Improvements to Firehouse | 145,750.00 | 0.00 | 0.00 | 21,387.03 | 124,362.97 | 119,500.00 | 8,823.24 | 5,426.76 | |
| 04/08/02, 09/09/02 | Improvements to Laurel Avenue | 14,250.00 | 0.00 | 0.00 | 0.00 | 14,250.00 | 0.00 | 0.00 | 2,058.12 | |
| 07/08/02 | Video Conferencing Equipment | 66,500.00 | 0.00 | 0.00 | 0.00 | 66,500.00 | 64,000.00 | 441.88 | 479.38 | |
| 09/09/02 | Purchase of Dump Truck | 107,000.00 | 0.00 | 0.00 | 5,000.00 | 102,000.00 | 95,000.00 | 6,520.62 | 30,428.12 | |
| 12/23/02 | Improvements to Laird Avenue | 154,850.00 | 0.00 | 0.00 | 0.00 | 154,850.00 | 120,000.00 | 4,421.88 | 103.55 | |
| 12/22/03 | Improvements to Avondale Avenue | 38,000.00 | 0.00 | 0.00 | 0.00 | 38,000.00 | 36,000.00 | 254.25 | 12,184.75 | |
| 03/08/04 | Purchase of Communication Equipment | 48,439.00 | 0.00 | 0.00 | 0.00 | 48,439.00 | 75,000.00 | 19,478.13 | 24,021.87 | |
| 05/10/04 | Improvements to Ridge Ave. and McAneny St. | 123,500.00 | 0.00 | 0.00 | 5,000.00 | 118,500.00 | 150,000.00 | 4,256.24 | 5,093.76 | |
| 05/10/04 | Purchase of Front End Loader | 164,350.00 | 0.00 | 0.00 | 5,000.00 | 159,350.00 | 150,000.00 | 20,813.26 | 86.74 | |
| 04/11/05, 11/28/05 | Improvements to Evergreen Ave., Etc. | 20,900.00 | 0.00 | 0.00 | 0.00 | 20,900.00 | 0.00 | 0.00 | 0.00 | |
| 06/15/05 | Purchase of Telephone System | 123,500.00 | 0.00 | 0.00 | 5,000.00 | 118,500.00 | 115,000.00 | 3,500.00 | 393.21 | |
| 06/15/05 | Purchase of Street Sweeper | 126,350.00 | 0.00 | 0.00 | 0.00 | 126,350.00 | 120,000.00 | 5,956.79 | 20,687.00 | |
| 11/14/05 | Improvements to Bennett Ave., Etc. | 120,687.00 | 0.00 | 0.00 | 0.00 | 120,687.00 | 100,000.00 | 0.00 | 9,256.20 | |
| 07/24/06 | Improvements to Third Avenue | 446,500.00 | 0.00 | 0.00 | 0.00 | 446,500.00 | 74,599.80 | 112,644.00 | 15,828.44 | |
| 07/24/06, 02/26/07 | Improvements to Adams Field | 183,350.00 | 0.00 | 250,000.00 | 0.00 | 183,350.00 | 125,000.00 | 42,521.56 | 53,311.20 | |
| 02/26/07 | Improvements to Fourth Ave., Etc. | 0.00 | 55,100.00 | 0.00 | 0.00 | 55,100.00 | 0.00 | 1,788.80 | 1,055.00 | |
| 04/11/08 | Improvements to Fifth Ave. | 0.00 | 31,350.00 | 0.00 | 0.00 | 31,350.00 | 0.00 | 30,295.00 | 236,853.90 | |
| 06/23/08 | Purchase of Leaf Collector 2008 | 0.00 | 242,250.00 | 0.00 | 0.00 | 242,250.00 | 0.00 | 5,396.10 | 706,691.13 | |
| 04/28/08 | Improvements to East End, W. Sylvania | \$ 2,913,847.40 | 328,700.00 | 268,300.00 | 170,561.88 | 2,803,685.52 | 1,804,299.80 | 292,694.59 | | |
| | | | C-22 | C-11;C-22 | A-3;C-19 | C | C-19 | C-4 | | |
| | | | | | | | Ref. | | 747,904.65 | |
| | | | | | | | C-14 | | 41,213.52 | |
| | | | | | | | | | \$ 706,691.13 | |

Improvement Authorizations - Unfunded

Less: Excess Financing

Capital Fund
Schedule of Interfund With Current Fund

C-11

| | <u>Ref.</u> | | |
|---|-------------|-------------------|----------------------|
| Balance - December 31, 2007 (Due to) | C | | \$ 851,501.76 |
| Increased by | | | |
| Interest on Investments | C-2 | 8,373.89 | |
| State Aid | C-10:C-22 | 100,400.20 | |
| Cash Received | C-2 | <u>200,000.00</u> | |
| | | | <u>308,774.09</u> |
| | | | 1,160,275.85 |
| Decreased by | | | |
| Interest Transfers | C-2 | 8,373.89 | |
| Cash Disbursed | C-2 | 650,000.00 | |
| Deferred Charges to Future Taxation | C-10 | 20,061.88 | |
| Bond Anticipation Note Payments | C-19 | <u>55,000.00</u> | |
| | | | <u>733,435.77</u> |
| Balance - December 31, 2008 (Due to) | C | | \$ <u>426,840.08</u> |

Schedule of Capital Improvement Fund

C-12

| | <u>Ref.</u> | | |
|---|-------------|-----------------|---------------------|
| Balance - December 31, 2007 | C | | \$ 9,850.00 |
| Increased by | | | |
| Budget Appropriation - Capital Improvement Fund | C-2 | 12,500.00 | |
| Budget Appropriation - Down Payment on Improvements | C-2 | <u>5,800.00</u> | |
| | | | <u>18,300.00</u> |
| | | | 28,150.00 |
| Decreased by | | | |
| Appropriation to Finance Improvement Authorizations | C-2:C-14 | | <u>17,300.00</u> |
| Balance - December 31, 2008 | C | | \$ <u>10,850.00</u> |

Capital Fund
Improvement Authorizations - General Capital

C-14

| Improvement Description | Date | Amount | Balance | | Capital Improvement Fund | Deferred Charges | | State Aid | Paid or Charged | Balance | |
|--|--------------------|------------|-------------------|------------|--------------------------|------------------|------------|------------|-----------------|-------------------|------------|
| | | | December 31, 2007 | | | To Future | | | | December 31, 2008 | |
| | | | Funded | Unfunded | | Taxation | | | | Funded | Unfunded |
| Purchase of Fire Pumper Truck | 12/31/1994 | 395,000.00 | \$ 0.00 | 10,862.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,862.87 |
| Renovation of Municipal Building | 12/11/95 | 85,000.00 | 0.00 | 13,865.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,865.34 |
| Roadway Improvement Program | 04/08/96 | 240,000.00 | 0.00 | 6,566.36 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,566.36 |
| Purchase of Dump Truck | 03/09/98 | 60,000.00 | 0.00 | 1,322.17 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,322.17 |
| Improvements to Oliver Drive, Etc. | 04/27/98 | 110,000.00 | 0.00 | 4,568.47 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,568.47 |
| Improvements to Wall Road, Etc. | 12/28/98,08/09/99 | 235,000.00 | 0.00 | 1,450.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,450.00 |
| Purchase of Fire Vehicle 2001 | 04/10/00 | 35,000.00 | 0.00 | 760.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 760.50 |
| Improvement to Riverdale/Locust Avenues | 06/26/00 | 270,000.00 | 0.00 | 210,230.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 210,230.67 |
| Purchase of Police Dispatch Equipment | 08/28/00,6/11/2001 | 150,000.00 | 0.00 | 44,705.43 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 44,705.43 |
| Purchase of Leaf Collector | 08/28/00 | 30,000.00 | 0.00 | 2,343.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,343.24 |
| Pedestrian Corridor-Sylvania Avenue | 12/11/00 | 10,000.00 | 0.00 | 18,753.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 18,753.30 |
| 2001 Roadway Improvements | 05/29/01 | 250,000.00 | 0.00 | 7,071.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,071.20 |
| Improvements to Firehouse | 11/12/01,3/8/2004 | 50,000.00 | 0.00 | 211.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 211.24 |
| Improvements to Laurel Avenue | 04/08/02,9/9/2002 | 395,000.00 | 0.00 | 351.58 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 351.58 |
| Video Conferencing Equipment | 07/08/02 | 15,000.00 | 0.00 | 5,426.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,426.76 |
| Purchase of Dump Truck | 09/09/02 | 70,000.00 | 0.00 | 2,058.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,058.12 |
| Improvements to Laird Avenue | 12/23/02 | 320,000.00 | 0.00 | 479.38 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 479.38 |
| Improvements to Avondale Avenue | 12/22/03 | 370,000.00 | 0.00 | 30,428.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,428.12 |
| Purchase of Communication Equipment | 03/08/04 | 40,000.00 | 0.00 | 103.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 103.55 |
| Improvement to Ridge Ave., McAneny St., Etc. | 05/10/04 | 250,000.00 | 0.00 | 12,184.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12,184.75 |
| Purchase of Front End Loader | 05/10/04 | 130,000.00 | 0.00 | 24,021.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24,021.87 |
| Improvements to Evergreen Ave., Etc. | 04/11/05,11/28/05 | 331,000.00 | 0.00 | 5,363.76 | 0.00 | 0.00 | 0.00 | 270.00 | 0.00 | 0.00 | 5,093.76 |
| Purchase of Telephone System | 06/15/05 | 22,000.00 | 0.00 | 86.74 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 86.74 |
| Improvements to Bennett Ave., Etc. | 11/14/05 | 300,000.00 | 0.00 | 393.21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 393.21 |
| Improvements to Third Avenue | 07/24/06 | 330,000.00 | 0.00 | 28,261.28 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 28,261.28 |
| Improvements to Adams Field | 07/24/06,02/26/07 | 470,000.00 | 0.00 | 22,202.00 | 0.00 | 0.00 | 0.00 | 12,945.80 | 0.00 | 0.00 | 9,256.20 |
| Improvements to Fourth Ave., Etc. | 02/26/07 | 360,000.00 | 0.00 | 53,829.70 | 0.00 | 0.00 | 0.00 | 38,001.26 | 0.00 | 0.00 | 15,828.44 |
| Improvements to Fifth Ave. | 04/11/08 | 250,000.00 | 0.00 | 0.00 | 2,900.00 | 0.00 | 0.00 | 192,000.00 | 0.00 | 0.00 | 53,311.20 |
| Purchase of Leaf Collector 2008 | 06/23/08 | 33,000.00 | 0.00 | 0.00 | 1,650.00 | 0.00 | 0.00 | 196,688.80 | 0.00 | 0.00 | 1,055.00 |
| Improvements to East End, W. Sylvania | 04/28/08 | 255,000.00 | 0.00 | 0.00 | 12,750.00 | 0.00 | 0.00 | 18,146.10 | 0.00 | 0.00 | 236,853.90 |
| | | \$ | 0.00 | 507,901.61 | 17,300.00 | 328,700.00 | 192,000.00 | 297,996.96 | 0.00 | 0.00 | 747,904.65 |
| Ref | | | C | C | C-12 | C-22 | C-2 | C-2 | C-2 | C | C |

Capital Fund
Schedule of Bond Anticipation Notes

| Original Date of Issue | Date of Issue | Maturity | Interest Rate | Balance | | Increased | Decreased | Balance Dec. 31, 2008 |
|---|---------------|----------|---------------|-----------------|---------------|------------|------------|-----------------------|
| | | | | Dec. 31, 2007 | Dec. 31, 2008 | | | |
| Improvements to Ridge Avenue | 12/09/03 | | | \$ 30,000.00 | | 0.00 | 30,000.00 | 0.00 |
| 2001 Roadway Improvements | 12/09/03 | 12/04/09 | [a] | 35,000.00 | | 0.00 | 14,000.00 | 21,000.00 |
| Improvements to Laurel Avenue | 12/09/03 | 12/04/09 | [a] | 140,500.00 | | 0.00 | 21,000.00 | 119,500.00 |
| Construction of Senior/ Recreation Center | 12/09/03 | 05/22/09 | 2.40% | 299,000.00 | | 0.00 | 50,000.00 | 249,000.00 |
| Construction of Senior/ Recreation Center | 12/09/03 | 12/04/09 | 2.80% | 120,000.00 | | 0.00 | 5,000.00 | 115,000.00 |
| Purchase of Street Sweeper | 07/13/05 | 07/09/09 | [a] | 120,000.00 | | 0.00 | 0.00 | 120,000.00 |
| Purchase of Fire Vehicle | 12/27/05 | 12/22/09 | [a] | 31,000.00 | | 0.00 | 5,000.00 | 26,000.00 |
| Purchase of Front End Loader | 12/27/05 | 12/22/09 | [a] | 80,000.00 | | 0.00 | 5,000.00 | 75,000.00 |
| Purchase of Leaf Collector | 12/27/05 | 12/23/09 | [a] | 20,000.00 | | 0.00 | 18,800.00 | 1,200.00 |
| Improvements to Laird Avenue | 12/27/05 | 12/09/09 | [a] | 100,000.00 | | 0.00 | 5,000.00 | 95,000.00 |
| Improvements to Avondale Avenue | 12/27/05 | 12/23/09 | [a] | 100,000.00 | | 0.00 | 0.00 | 100,000.00 |
| Improvements to Avondale Avenue | 12/10/08 | 12/10/09 | 1.30% | 0.00 | | 20,000.00 | 0.00 | 20,000.00 |
| Improvements to Evergreen Ave., Etc. | 12/27/05 | 12/23/09 | [a] | 100,000.00 | | 0.00 | 5,000.00 | 95,000.00 |
| Improvements to Evergreen Ave., Etc. | 12/10/08 | 12/10/09 | 1.30% | 0.00 | | 55,000.00 | 0.00 | 55,000.00 |
| Improvements to Firehouse | 12/10/06 | 12/04/09 | [a] | 47,000.00 | | 0.00 | 0.00 | 47,000.00 |
| Pedestrian Corridor | 12/10/06 | 12/04/09 | [a] | 21,000.00 | | 0.00 | 10,000.00 | 11,000.00 |
| Improvements to Ridge Ave., Etc. | 10/12/07 | 10/08/09 | 3.10% | 36,000.00 | | 0.00 | 0.00 | 36,000.00 |
| Improvements to Bennett Ave., Etc. | 10/12/07 | 10/08/09 | 3.10% | 120,000.00 | | 0.00 | 0.00 | 120,000.00 |
| Improvements to Third Avenue | 10/12/07 | 10/08/09 | 3.10% | 100,000.00 | | 0.00 | 0.00 | 100,000.00 |
| Purchase of Dump Truck | 10/09/07 | 10/08/09 | [a] | 64,000.00 | | 0.00 | 0.00 | 64,000.00 |
| Purchase of Police Equipment | 10/09/07 | 10/08/09 | [a] | 80,000.00 | | 0.00 | 0.00 | 80,000.00 |
| Purchase of Police Equipment | 12/10/08 | 12/10/09 | [a] | 0.00 | | 37,500.00 | 0.00 | 37,500.00 |
| Improvements to Adams Field | 12/23/07 | 12/22/09 | [a] | 175,000.00 | | 0.00 | 100,400.20 | 74,599.80 |
| Improvements to Fourth Ave., Etc. | 12/10/08 | 12/10/09 | 1.30% | 0.00 | | 125,000.00 | 0.00 | 125,000.00 |
| Purchase of Communication Equipment | 12/10/08 | 12/10/09 | [a] | 0.00 | | 17,500.00 | 0.00 | 17,500.00 |
| | | | Ref. | C | C-22 | A-3:A-4, | C-11 | C:C-10 |
| | | | | \$ 1,818,500.00 | | 255,000.00 | 269,200.20 | 1,804,299.80 |

[a] Note payable to Current Fund at 0% interest

Capital Fund
Schedule of Bonds and Notes Authorized But Not Issued

C-22

| Improvement Description | Date | Amount | Balance | | 2008 Authorized | Funded by Budget Appropriation | Federal and State Aid | Bond Anticipation Notes Issued | Balance | |
|---|-------------------|------------|-----------------|--------------|-----------------|--------------------------------|-----------------------|--------------------------------|--------------|--------------|
| | | | Dec. 31 2007 | Dec. 31 2008 | | | | | Dec. 31 2008 | Dec. 31 2008 |
| Purchase of Fire Pumper Truck | 12/31/94 | 395,000.00 | \$ 11,612.87 | 0.00 | 750.00 | 0.00 | 0.00 | 0.00 | 10,862.87 | |
| Roadway Improvement Program | 04/08/96 | 228,000.00 | 8,396.36 | 0.00 | 1,830.00 | 0.00 | 0.00 | 0.00 | 6,566.36 | |
| Purchase of Dump Truck | 03/09/98 | 57,000.00 | 1,922.17 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 1,322.17 | |
| Improvements to Oliver Drive, Etc. | 04/27/98 | 104,500.00 | 4,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,500.00 | |
| Improvements to Wall Road, Etc. | 12/28/98,08/09/98 | 223,250.00 | 1,750.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 1,450.00 | |
| Improvements to Ridge Avenue | 12/13/99 | 237,500.00 | 5,500.00 | 0.00 | 5,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Purchase of Fire Vehicle 2001 | 04/10/00 | 33,250.00 | 2,250.00 | 0.00 | 1,264.50 | 0.00 | 0.00 | 0.00 | 985.50 | |
| Improvements to Riverdale and Locust Avenues | 06/26/00 | 256,500.00 | 216,500.00 | 0.00 | 6,269.33 | 0.00 | 0.00 | 0.00 | 210,230.67 | |
| Purchase of Police Dispatch Equipment | 08/28/00,06/11/01 | 142,500.00 | 62,500.00 | 0.00 | 0.00 | 0.00 | 37,500.00 | 0.00 | 25,000.00 | |
| Purchase of Leaf Collector | 08/28/00 | 28,500.00 | 3,500.00 | 0.00 | 931.76 | 0.00 | 0.00 | 0.00 | 2,568.24 | |
| Pedestrian Corridor-Sylvania Avenue | 12/11/00 | 190,000.00 | 19,000.00 | 0.00 | 21.70 | 0.00 | 0.00 | 0.00 | 18,978.30 | |
| 2001 Roadway Improvements | 05/29/01 | 237,500.00 | 8,500.00 | 0.00 | 1,428.80 | 0.00 | 0.00 | 0.00 | 7,071.20 | |
| Construction of Senior/Recreation Center | 11/12/01 | 902,500.00 | 490.00 | 0.00 | 490.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Improvements to Firehouse | 11/21/01,03/8/04 | 47,500.00 | 500.00 | 0.00 | 288.76 | 0.00 | 0.00 | 0.00 | 211.24 | |
| Improvements to Laurel Avenue | 04/08/02,09/09/02 | 375,250.00 | 5,250.00 | 0.00 | 387.03 | 0.00 | 0.00 | 0.00 | 4,862.97 | |
| Video Conferencing Equipment | 07/08/02 | 14,250.00 | 14,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 14,250.00 | |
| Purchase of Dump Truck | 09/09/02 | 66,500.00 | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,500.00 | |
| Improvements to Laird Avenue | 12/23/02 | 304,000.00 | 7,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,000.00 | |
| Improvements to Avondale Avenue | 12/22/03 | 361,850.00 | 54,850.00 | 0.00 | 0.00 | 0.00 | 20,000.00 | 0.00 | 34,850.00 | |
| Purchase of Communication Equipment | 03/08/04 | 38,000.00 | 38,000.00 | 0.00 | 0.00 | 0.00 | 17,500.00 | 0.00 | 20,500.00 | |
| Improvements to Ridge Ave., McAneny St., Etc. | 05/10/04 | 237,500.00 | 12,439.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12,439.00 | |
| Purchase of Front End Loader | 05/10/04 | 123,500.00 | 43,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 43,500.00 | |
| Improvements to Evergreen Ave., Etc. | 04/11/05,11/28/05 | 164,350.00 | 64,350.00 | 0.00 | 0.00 | 0.00 | 55,000.00 | 0.00 | 9,350.00 | |
| Purchase of Telephone System | 06/15/05 | 20,900.00 | 20,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,900.00 | |
| Purchase of Street Sweeper | 06/15/05 | 123,500.00 | 3,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,500.00 | |
| Improvements to Bennett Ave., Etc. | 11/14/05 | 126,350.00 | 6,350.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,350.00 | |
| Improvements to Third Avenue | 07/24/06 | 313,500.00 | 142,587.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 142,587.20 | |
| Improvements to Adams Field | 07/24/06,02/26/07 | 446,500.00 | 149,599.80 | 0.00 | 0.00 | 0.00 | 149,599.80 | 0.00 | 0.00 | |
| Improvements to Fourth Ave., Etc. | 02/26/07 | 183,350.00 | 183,350.00 | 0.00 | 0.00 | 0.00 | 125,000.00 | 0.00 | 58,350.00 | |
| Improvements to Fifth Ave. | 04/11/08 | 55,100.00 | 0.00 | 55,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 55,100.00 | |
| Purchase of Leaf Collector 2008 | 06/23/08 | 31,350.00 | 0.00 | 31,350.00 | 0.00 | 0.00 | 0.00 | 0.00 | 31,350.00 | |
| Improvements to East End, W. Sylvania | 04/28/08 | 242,250.00 | 0.00 | 242,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 242,250.00 | |
| | | | \$ 1,095,347.40 | 328,700.00 | 20,061.88 | 149,599.80 | 255,000.00 | 999,385.72 | | |
| Ref. | | | C | C-10:C-14 | C-10 | C-10:C-11 | C-19 | C | | |

Sewer Utility Fund
Schedule of Sewer Utility Cash - Treasurer

D-8

| | <u>Ref.</u> | <u>Operating</u> | <u>Capital</u> |
|--|-------------|----------------------|-------------------|
| <u>Balance</u> - December 31, 2007 | D | \$ 465,860.20 | 277,595.57 |
| <u>Increased by Receipts</u> | | | |
| Sewer Rental Receivables | D-4:D-14 | 1,088,285.47 | 0.00 |
| Prepaid Sewer Rentals | D | 37,161.72 | 0.00 |
| Interest on Rents and Assessments | D-1 | 9,991.75 | 0.00 |
| Interest on Investments | D-1:D-31 | 23,177.57 | 0.00 |
| Miscellaneous Sewer Charges | D-1 | 200.00 | 0.00 |
| Interfund with Current Fund | A-4 | 200,000.00 | 0.00 |
| Proceeds from Borrowing | D-44 | 0.00 | 35,000.00 |
| Interfund with Sewer Operating/Sewer Capital | D-1 | 0.00 | 3,523.32 |
| | | <u>1,358,816.51</u> | <u>38,523.32</u> |
| | | <u>1,824,676.71</u> | <u>316,118.89</u> |
| <u>Decreased by Disbursements</u> | | | |
| Appropriation and Encumbrance Reserves | D-34 | 50,984.87 | 0.00 |
| Budget Appropriations | D-5 | 1,004,456.59 | 0.00 |
| Interfund with Current Fund | D | 530,000.00 | 0.00 |
| Improvement Authorizations | D-43 | 0.00 | 0.00 |
| | | <u>1,585,441.46</u> | <u>0.00</u> |
| <u>Balance</u> - December 31, 2008 | D | \$ <u>239,235.25</u> | <u>316,118.89</u> |

Sewer Utility Fund
Analysis of Sewer Capital Cash

D-13

| | Balance Dec. 31 2007 | Receipts | Disburse- ments | Transfers | Balance Dec. 31 2008 |
|-------------------------------------|----------------------------|-----------|--------------------|------------|----------------------------|
| Capital Improvement Fund | \$ 71,795.75 | 0.00 | 0.00 | 0.00 | 71,795.75 |
| Fund Balance | 22,411.84 | 0.00 | 0.00 | 0.00 | 22,411.84 |
| Interest Income | 0.00 | 3,523.32 | 0.00 | (3,523.32) | 0.00 |
| Interfund with Sewer Operating Fund | 192,177.24 | 0.00 | 0.00 | 3,523.32 | 195,700.56 |
| Improvement Authorizations: | | | | | |
| Steiner Avenue Sewer Improvements | 12,706.06 | 0.00 | 0.00 | 0.00 | 12,706.06 |
| Windsor Court Sewer Improvements | 10,566.07 | 0.00 | 0.00 | 0.00 | 10,566.07 |
| Ridge Avenue Sewer Improvements | (387.03) | 0.00 | 0.00 | 0.00 | (387.03) |
| Purchase of Sewer Jet | (35,530.30) | 35,000.00 | 0.00 | 0.00 | (530.30) |
| Laird Ave Pump Station Improvements | (218.91) | 0.00 | 0.00 | 0.00 | (218.91) |
| Bennett Avenue Sewer Improvements | 4,074.85 | 0.00 | 0.00 | 0.00 | 4,074.85 |
| | \$ 277,595.57 | 38,523.32 | 0.00 | 0.00 | 316,118.89 |
| <u>Ref.</u> | D | D-8 | D-8 | | D |

Schedule of Consumer Accounts Receivable

D-14

| | | |
|------------------------------------|------------------|----------------------|
| Balance - December 31, 2007 | <u>Ref.</u> D | \$ 91,013.55 |
| Increased by | | |
| Sewer Rents Charged in 2008 | | 1,127,019.16 |
| | | <u>1,218,032.71</u> |
| Decreased by | | |
| Collections | D-8 | 1,088,285.47 |
| Overpayments Applied | D-38 | 0.00 |
| Prepayments Applied | D-4 | <u>27,775.29</u> |
| | | <u>1,116,060.76</u> |
| Balance - December 31, 2008 | D | \$ <u>101,971.95</u> |

Sewer Utility Fund
Schedule of Sewer Utility Liens

D-15

| | <u>Ref.</u> | |
|---|-------------|--------------------|
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | D | \$ <u>2,525.00</u> |
| No change in 2008 | | |

Schedule of Fixed Capital

D-28

| | <u>Balance</u> | <u>Additions</u> | <u>Balance</u> |
|---|------------------------|------------------|----------------------|
| | <u>Dec. 31, 2007</u> | | <u>Dec. 31, 2008</u> |
| Sewerage System Prior to January 1, 1935 | \$ 190,000.00 | 0.00 | 190,000.00 |
| Sewerage Improvements - 1937 | 17,100.00 | 0.00 | 17,100.00 |
| Legal Fees | 950.00 | 0.00 | 950.00 |
| Engineering Fees | 1,026.00 | 0.00 | 1,026.00 |
| Interest During Construction | 500.00 | 0.00 | 500.00 |
| Miscellaneous Expense | 374.86 | 0.00 | 374.86 |
| Sewer Extension - 1947 | 8,159.00 | 0.00 | 8,159.00 |
| Addition and Improvements - 1952 | 43,642.14 | 0.00 | 43,642.14 |
| Addition, Extension and Improvement - 1969 | 180,791.13 | 0.00 | 180,791.13 |
| Improvement to Sewer Treatment Plant - 1968 | 36,126.09 | 0.00 | 36,126.09 |
| Alteration and Improvement of Sewer Lift Stations - 1969 | 22,904.92 | 0.00 | 22,904.92 |
| Purchase of Sewer Roddler - 1975 | 6,200.00 | 0.00 | 6,200.00 |
| Conversion to Sewer Pumping Stations - 1986 | 184,241.43 | 0.00 | 184,241.43 |
| Purchase of Front End Loader - 1987 | 22,612.92 | 0.00 | 22,612.92 |
| Construction of Storage Building - 1990 | 19,849.85 | 0.00 | 19,849.85 |
| Purchase and Installation of Sewer Pump - 1990 | 4,784.23 | 0.00 | 4,784.23 |
| Purchase of Sewer Jet and Breaker - 1990 | 23,510.89 | 0.00 | 23,510.89 |
| Improvement to Sewer System - 1994 | 150,000.00 | 0.00 | 150,000.00 |
| Improvement to Pumping Station - 1992 | 51,870.61 | 0.00 | 51,870.61 |
| Installation of Communications - 1996 | 45,109.98 | 0.00 | 45,109.98 |
| | <u>\$ 1,009,754.05</u> | <u>0.00</u> | <u>1,009,754.05</u> |
| <u>Ref.</u> | D | D-29 | D |

The fixed capital reported is taken from the Municipal records and does not necessarily reflect the true condition and amount of such fixed capital.

Sewer Utility Fund
Schedule of Fixed Capital Authorized and Uncompleted

D-29

| Improvement Authorization | Ordinance Date | Amount | Balance | 2008 Authorizations | Costs to Fixed Capital | Balance |
|---|-----------------------|---------------|-----------------|------------------------|------------------------------|-----------------|
| | | | Dec. 31 2007 | | | Dec. 31 2008 |
| Improvement to Sewer System Windsor Court | 04/28/97 | \$ 135,000.00 | \$ 135,000.00 | 0.00 | 0.00 | 135,000.00 |
| Improvement to Sewer System Steiner Avenue | 06/28/99, 03/27/00 | 120,000.00 | 120,000.00 | 0.00 | 0.00 | 120,000.00 |
| Improvement to Sewer System Ridge Avenue | 03/27/00 | 50,000.00 | 50,000.00 | 0.00 | 0.00 | 50,000.00 |
| Purchase of Sewer Jet Laird Ave Pump Station | 08/20/00 | 40,000.00 | 40,000.00 | 0.00 | 0.00 | 40,000.00 |
| Improvements | 04/14/03 | 350,000.00 | 350,000.00 | 0.00 | 0.00 | 350,000.00 |
| Improvement to Sewer System Bennett Avenue | 10/10/06 | 19,000.00 | 19,000.00 | 0.00 | 0.00 | 19,000.00 |
| | | | \$ 714,000.00 | 0.00 | 0.00 | 714,000.00 |
| | <u>Ref.</u> | | D | D-43 | D-28 | D |

Schedule of Interfund with Sewer Operating Fund
Sewer Capital Fund

D-31

| | <u>Ref.</u> | |
|---|-------------|---------------|
| Balance - December 31, 2007 (Due to) | D | \$ 192,177.24 |
| Increased by | | |
| Interest on Investments | D-1 | 3,523.32 |
| Balance - December 31, 2008 (Due to) | D | \$ 195,700.56 |

Schedule of Interfund With Current Fund
Sewer Operating Fund

D-32

| | <u>Ref.</u> | |
|---|-------------|-----------------|
| Balance - December 31, 2007 (Due to) | D | \$ (167,000.00) |
| Increased by | | |
| Cash Disbursed | D-8 | 530,000.00 |
| | | 363,000.00 |
| Decreased by | | |
| Bond Anticipation Note Payments | D-44 | 20,000.00 |
| Fund Balance Appropriated | D-1 | 80,000.00 |
| Cash Received | D-8 | 200,000.00 |
| | | 300,000.00 |
| Balance - December 31, 2008 (Due from) | D | \$ 63,000.00 |

Sewer Utility Fund
Schedule of 2007 Appropriation Reserves and
Reserve for Encumbrances

D-34

| | Balance Dec. 31 2007 | Balance Dec. 31 Transfers | Paid or Charged | Balance Lapsed |
|-------------------------|----------------------------|---------------------------------|--------------------|-------------------|
| <u>Operating</u> | | | | |
| Salaries and Wages | \$ 74.68 | 74.68 | 0.00 | 74.68 |
| Other Expenses | 94,813.13 | 94,813.13 | 50,984.87 | 43,828.26 |
| PERS | 0.40 | 0.40 | 0.00 | 0.40 |
| Social Security System | 886.21 | 886.21 | 0.00 | 886.21 |
| | \$ 95,774.42 | 95,774.42 | 50,984.87 | 44,789.55 |
| <u>Ref.</u> | D | | D-8 | D-1 |

Schedule of Accrued Interest on Notes and
Analysis of Balance - December 31, 2008

D-36

| | <u>Ref.</u> | |
|---|-------------|-----------|
| <u>Balance</u> - December 31, 2007 | D | \$ 936.66 |
| <u>Increased by</u> | | |
| Budget Appropriation - Interest on Notes | D-5 | 9,256.74 |
| | | 10,193.40 |
| <u>Decreased by</u> | | |
| Payment of Note Interest | D-8 | 9,644.74 |
| <u>Balance</u> - December 31, 2008 | D | \$ 548.66 |

Analysis of Accrued Interest - December 31, 2008

| | Principal Outstanding December 31, 2008 | Interest Rate | From | To | Period | Amount |
|------------------------|--|------------------|----------|----------|---------|-----------|
| Bond Anticipation Note | \$ 35,000.00 | 1.30% | 12/11/08 | 12/31/08 | 21 days | 26.18 |
| Bond Anticipation Note | 259,000.00 | 1.99% | 11/25/08 | 12/31/08 | 37 days | 522.48 |
| | | | | | | \$ 548.66 |

Schedule of Sewer Rent Overpayments

D-38

| | <u>Ref.</u> | |
|---|-------------|---------|
| <u>Balance</u> - December 31, 2007 | D | \$ 0.00 |
| <u>Decreased by</u> | | |
| Sewer Rents Applied | D-8 | 0.00 |
| <u>Balance</u> - December 31, 2008 | D | \$ 0.00 |

Sewer Utility Fund
Schedule of Improvement Authorizations

D-43

| Improvement Description | Date | Amount | 2008 Authorizations | | | | Balance | |
|--|-----------------------|---------------|---------------------|-----------|--------------------------|------------------------------------|-------------------|-----------|
| | | | December 31, 2007 | | Capital Improvement Fund | Deferred Charges to Future Revenue | December 31, 2008 | |
| | | | Funded | Unfunded | | | Funded | Unfunded |
| Improvement to Sewer System-Windsor Court | 04/28/97 | \$ 135,000.00 | \$ 0.00 | 3,566.07 | 0.00 | 0.00 | 0.00 | 3,566.07 |
| Improvement to Sewer System-Steiner Avenue | 06/28/99, 03/27/00 | 120,000.00 | 0.00 | 2,706.06 | 0.00 | 0.00 | 0.00 | 2,706.06 |
| Improvement to Sewer System-Ridge Avenue | 03/27/00 | 50,000.00 | 0.00 | 6,112.97 | 0.00 | 0.00 | 0.00 | 6,112.97 |
| Purchase of Sewer Jet | 08/28/00 | 40,000.00 | 0.00 | 2,469.70 | 0.00 | 0.00 | 0.00 | 2,469.70 |
| Laird Ave Pump Station Improvements | 04/14/03 | 350,000.00 | 0.00 | 46,781.09 | 0.00 | 0.00 | 0.00 | 46,781.09 |
| Improvement to Sewer System-Bennett Avenue | 10/10/06 | 19,000.00 | 4,074.85 | 0.00 | 0.00 | 0.00 | 0.00 | 4,074.85 |
| | | \$ | 4,074.85 | 61,635.89 | 0.00 | 0.00 | 0.00 | 4,074.85 |
| <u>Ref.</u> | | | D | D | D-29 | D-8 | D | D |

Schedule of Bond Anticipation Notes

D-44

| Improvement Description | Original Date of Issue | Date of Issue | Maturity | Interest Rate | Balance | |
|---|------------------------|---------------|----------|---------------|---------------|---------------|
| | | | | | Dec. 31, 2007 | Dec. 31, 2008 |
| Improvement to Sewer System - Windsor Court | 10/27/03 | 10/24/08 | 10/23/09 | [a] | \$ 80,000.00 | 60,000.00 |
| Improvement to Sewer System - Ridge Avenue | 11/26/06 | 11/25/08 | 11/24/09 | 1.99% | 41,000.00 | 36,000.00 |
| Laird Ave Pump Station Improvements | 11/26/06 | 11/25/08 | 11/24/09 | 1.99% | 223,000.00 | 223,000.00 |
| Purchase of Sewer Jet | 12/11/08 | 12/11/08 | 12/10/09 | 1.30% | 0.00 | 0.00 |
| | | | | <u>Ref.</u> | \$ 344,000.00 | 354,000.00 |
| | | | | | D | D-5 |
| | | | | | D-8 | D |

[a] Note payable to Current Fund at 0% interest

Sewer Utility Fund
Schedule of Sewer Capital Improvement Fund

D-45

| | | |
|---|------------------|---------------------|
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | <u>Ref.</u> D | \$ <u>71,795.75</u> |
| No change in 2008 | | |

Schedule of Reserve for Amortization

D-49

| | | |
|---|------------------|------------------------|
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | <u>Ref.</u> D | \$ <u>1,009,754.05</u> |
| No change in 2008 | | |

Schedule of Deferred Reserve for Amortization

D-50

| | | |
|---|------------------|----------------------|
| <u>Balance</u> - December 31, 2007 | <u>Ref.</u> D | \$ 295,500.00 |
| <u>Increased by</u> | | |
| Bond Anticipation Note Payment | D-44 | <u>25,000.00</u> |
| <u>Balance-</u> December 31, 2008 | D | \$ <u>320,500.00</u> |

Schedule of Bonds and Notes Authorized But Not Issued

D-56

| | | |
|---|------------------|---------------------|
| <u>Balance</u> - December 31, 2007 | <u>Ref.</u> D | \$ 74,500.00 |
| <u>Decreased by</u> | | |
| Bond Anticipation Note Issued | D-44 | <u>35,000.00</u> |
| <u>Balance-</u> December 31, 2008 | D | \$ <u>39,500.00</u> |

Public Assistance Fund
Schedule of Public Assistance Cash - Treasurer

E-1

| | <u>Ref.</u> | <u>PATF I</u> | <u>PATF II</u> | <u>Fund Total</u> |
|---|-------------|---------------------|-------------------|-----------------------|
| <u>Balance</u> - December 31, 2007 | E | \$ 43,611.75 | 40,567.99 | 84,179.74 |
| <u>Increased by</u> | | | | |
| State Aid for Public Assistance | | 0.00 | 63,100.00 | 63,100.00 |
| Interest Income | | 1,018.54 | 463.25 | 1,481.79 |
| Client Refunds | | 0.00 | 855.00 | 855.00 |
| SSI Refunds | | 0.00 | 14,186.42 | 14,186.42 |
| | | <u>1,018.54</u> | <u>78,604.67</u> | <u>79,623.21</u> |
| | | <u>44,630.29</u> | <u>119,172.66</u> | <u>163,802.95</u> |
| <u>Decreased by</u> | | | | |
| Public Assistance - 2008 | | 120.00 | 76,674.48 | 76,794.48 |
| Public Assistance - 2007 | | 0.00 | 0.00 | 0.00 |
| SSI Payments | | 0.00 | 0.00 | 0.00 |
| | | <u>120.00</u> | <u>76,674.48</u> | <u>76,794.48</u> |
| <u>Balance</u> - December 31, 2008 | E | \$ <u>44,510.29</u> | <u>42,498.18</u> | <u>87,008.47</u> |

Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation
Per N.J.S.A. 40A:5-5

E-2

| | | |
|--|--------------------|---------------------|
| <u>Balance</u> - December 31, 2008 | <u>Ref.</u> E-1 | \$ 87,008.47 |
| <u>Increased by Receipts</u> | | |
| Cash Receipts Record | | |
| - Interest | | 273.06 |
| - State Aid | | 48,300.00 |
| - Client Refunds | | 350.00 |
| - SSI Refunds | | <u>14,335.75</u> |
| | | 63,258.81 |
| | | <u>150,267.28</u> |
| <u>Decreased by Disbursements</u> | | |
| Cash Disbursements Record | | |
| - 2009 Assistance | | 57,449.02 |
| - 2008 Assistance | | 0.00 |
| Assistance Ineligible For State Aid | | 275.22 |
| SSI Reimbursements | | <u>0.00</u> |
| | | 57,724.24 |
| <u>Balance</u> - September 30, 2009 | | \$ <u>92,543.04</u> |

| | <u>PATF I</u> <u>Account</u> | <u>PATF II</u> <u>Account</u> | <u>Total</u> |
|---|---------------------------------|----------------------------------|------------------|
| <u>Reconciliation - September 30, 2009</u> | | | |
| Balance on Deposit per Bank Statements: | | | |
| - Checking | \$ 44,424.39 | 48,244.65 | 92,669.04 |
| Less: Outstanding Checks Permanently Recorded | <u>0.00</u> | <u>126.00</u> | <u>126.00</u> |
| <u>Balance</u> - September 30, 2009 | <u>\$ 44,424.39</u> | <u>48,118.65</u> | <u>92,543.04</u> |

Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation

E-3

| | <u>Ref.</u> | |
|------------------------------------|-------------|---------------------|
| Balance - December 31, 2007 | E-1 | \$ 84,179.74 |
| Increased by Receipts | | |
| Cash Receipts Record | | <u>79,623.21</u> |
| | | 163,802.95 |
| Decreased by Disbursements | | |
| Cash Disbursements Record | | |
| - 2008 Assistance | | 76,794.48 |
| - 2007 Assistance | | 0.00 |
| - SSI Reimbursements | | <u>0.00</u> |
| | | <u>76,794.48</u> |
| Balance - December 31, 2008 | E-1 | \$ <u>87,008.47</u> |

| | <u>PATF I</u> | <u>PATF II</u> | |
|---|---------------------|------------------|------------------|
| | Account | Account | Total |
| Reconciliation - December 31, 2008 | | | |
| Balance on Deposit per Bank Statements: | | | |
| - Checking | \$ 44,510.29 | 44,053.18 | 88,563.47 |
| Add: Deposits in Transit | 0.00 | 0.00 | 0.00 |
| | <u>44,510.29</u> | <u>44,053.18</u> | <u>88,563.47</u> |
| Less: Outstanding Checks Permanently Recorded | 0.00 | 1,555.00 | 1,555.00 |
| Balance - December 31, 2008 | \$ <u>44,510.29</u> | <u>42,498.18</u> | <u>87,008.47</u> |

Public Assistance Fund
Schedule of Public Assistance Revenues

E-4

| | PATF I | PATF II | Fund Total |
|------------------------------------|-------------|-----------|---------------|
| State Aid Payments | \$ 0.00 | 63,100.00 | 63,100.00 |
| Municipal Appropriation - Budget | 0.00 | 0.00 | 0.00 |
| Interest Earned | 1,018.54 | 463.25 | 1,481.79 |
| Refunds - State Matched Assistance | 0.00 | 0.00 | 0.00 |
| Refunds - Non-State Matched | 0.00 | 0.00 | 0.00 |
| Supplemental Security Income: | | | |
| State/Municipal Refund | 0.00 | 14,186.42 | 14,186.42 |
| Client Refund | 0.00 | 855.00 | 855.00 |
| Other Revenues: | | | |
| Automated Pharm. Program | 0.00 | 0.00 | 0.00 |
| Total Revenues (PATF) | 1,018.54 | 78,604.67 | 79,623.21 |
| Interfund Transfers | 0.00 | 0.00 | 0.00 |
| Total Receipts | \$ 1,018.54 | 78,604.67 | 79,623.21 |

Ref.

E-1

Schedule of Public Assistance Expenditures

E-5

| | PATF I | PATF II | Fund Total |
|---|-----------|-----------|---------------|
| Payments for Current Year Assistance (Reported): | | | |
| Maintenance Payments | \$ 0.00 | 37,280.00 | 37,280.00 |
| Nursing Home Care | 0.00 | 0.00 | 0.00 |
| Other Medical | 0.00 | 0.00 | 0.00 |
| Other: | | | |
| Transportation | 0.00 | 515.00 | 515.00 |
| Burial | 0.00 | 0.00 | 0.00 |
| Housing | 0.00 | 33,285.00 | 33,285.00 |
| Work Related | 0.00 | 2,297.00 | 2,297.00 |
| Emergency Assistance | 0.00 | 3,297.48 | 3,297.48 |
| Assistance Ineligible for State Aid | 0.00 | 0.00 | 0.00 |
| Total Payments Reported | 0.00 | 76,674.48 | 76,674.48 |
| Assistance Not Reported | 0.00 | 0.00 | 0.00 |
| Interfund Transfers | 0.00 | 0.00 | 0.00 |
| Payments for Assistance Reported in Prior Year (E-6): | | | |
| Eligible for State Aid | 0.00 | 0.00 | 0.00 |
| Ineligible for State Aid | 120.00 | 0.00 | 120.00 |
| SSI Payments: | | | |
| Reimbursement to Clients | 0.00 | 0.00 | 0.00 |
| Total Disbursements (PATF) | \$ 120.00 | 76,674.48 | 76,794.48 |

Ref.

E-1

Public Assistance Fund
Schedule of Assistance Commitments Payable

E-6

| | | |
|---|------------------|----------------|
| <u>Balance</u> - December 31, 2007 and December 31, 2008 | <u>Ref.</u> E | \$ <u>0.00</u> |
|---|------------------|----------------|

No change in 2008

Detail of Assistance Commitments Payable - December 31, 2008

None

Board of Recreation Commission
Schedule of Cash

G-2

| | | | |
|---|--------------------|------------------|---------------------|
| <u>Balance</u> - December 31, 2007 | <u>Ref.</u> G-1 | | \$ 44,447.04 |
| <u>Increased by</u> | | | |
| Interest on Investments | | 1,259.64 | |
| Donations | | 10,000.00 | |
| Program Fees | | <u>97,601.71</u> | |
| | | | <u>108,861.35</u> |
| | | | 153,308.39 |
| <u>Decreased by</u> | | | |
| Recreation Program Costs | | | <u>89,581.07</u> |
| <u>Balance</u> - December 31, 2008 | G-1 | | \$ <u>63,727.32</u> |

Environmental Advisory Commission
Schedule of Cash

G-4

| | | | |
|---|--------------------|-----------------|---------------------|
| <u>Balance</u> - December 31, 2007 | <u>Ref.</u> G-3 | | \$ 34,493.06 |
| <u>Increased by</u> | | | |
| Sale of Recyclable Materials | | 159.29 | |
| Interest on Investments | | 710.34 | |
| Recycling Program Proceeds | | <u>6,772.06</u> | |
| | | | <u>7,641.69</u> |
| | | | 42,134.75 |
| <u>Decreased by</u> | | | |
| Environmental Program Costs | | | <u>16,974.08</u> |
| <u>Balance</u> - December 31, 2008 | G-3 | | \$ <u>25,160.67</u> |

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH, NEW JERSEY
ADDITIONAL INFORMATION

Summary of Municipal Debt - (Excluding Current and Operating Debt and Chapter 6 School Debt)

| | 2008 | 2007 | 2006 |
|---|-----------------|--------------|--------------|
| <u>Issued</u> | | | |
| General | | | |
| Serial Bonds | \$ 0.00 | 0.00 | 0.00 |
| Notes Payable | 1,804,299.80 | 1,818,500.00 | 1,443,500.00 |
| Sewer Utility | | | |
| Serial Bonds | 0.00 | 0.00 | 0.00 |
| Notes Payable | 354,000.00 | 344,000.00 | 365,000.00 |
| <u>Net Debt Issued</u> | 2,158,299.80 | 2,162,500.00 | 1,808,500.00 |
| <u>Authorized But Not Issued</u> | | | |
| General | | | |
| Bonds and Notes | 999,385.72 | 1,095,347.40 | 1,565,810.40 |
| Sewer Utility | | | |
| Bonds and Notes | 39,500.00 | 74,500.00 | 74,500.00 |
| <u>Total Authorized But Not Issued</u> | 1,038,885.72 | 1,169,847.40 | 1,640,310.40 |
| <u>Net Bonds and Notes Issued and Authorized But Not Issued</u> | \$ 3,197,185.52 | 3,332,347.40 | 3,448,810.40 |

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 0.48%

| | Gross Debt | Deductions | Net Debt |
|----------------------------|------------------|--------------|--------------|
| Local School District Debt | \$ 9,070,000.00 | 9,070,000.00 | 0.00 |
| Sewer Utility Debt | 393,500.00 | 393,500.00 | 0.00 |
| General Debt | 2,803,686.00 | 0.00 | 2,803,686.00 |
| | \$ 12,267,186.00 | 9,463,500.00 | 2,803,686.00 |

Net debt \$2,803,686.00 divided by equalized valuation basis per N.J.S. 40A:2-2, \$572,219,137.00 = 0.48%.

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

| | |
|--|-------------------------|
| 3 1/2% of Average Equalized Valuation Basis of Real Property | \$ 20,027,669.80 |
| Net Debt | 2,803,686.00 |
| Remaining Borrowing Power | <u>\$ 17,223,983.80</u> |

Borrowing Power Available Under N.J.S. 40A:2-7(f)

Accumulated Borrowing Power Under R.S. 40:1-16(d) (Which is Available Only When the Percentage of Net Debt Exceeds 3 1/2%)

| | |
|---|----------------|
| Balance of Debt Incurring Capacity as of December 31, 2007 under R.S. 40:1-16(d) as shown on Annual Debt Statement | \$ 0.00 |
| Deduct: Net amount authorized in 2008 | <u>0.00</u> |
| Remaining balance of debt incurring capacity under R.S. 40:1-16(d) at December 31, 2008 | <u>\$ 0.00</u> |

Calculation of "Self-Liquidating Purpose" Sewer Utility Per N.J.S. 40A:2-45

| | |
|--|---------------------|
| Total Cash Receipts from fees, rents or other charges for year | \$ 1,152,953.40 |
| Deductions | |
| Operating and Maintenance Costs | 1,080,780.00 |
| Debt Services per Sewer Account | <u>34,256.74</u> |
| Total Deductions | <u>1,115,036.74</u> |
| Excess in Revenue | <u>\$ 37,916.66</u> |

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

Bonds and Notes Authorized But Not Issued

At December 31, 2008 the Borough of Neptune City had authorized but not issued bonds and notes as follows:

| | |
|-------------------------|---------------|
| General Capital Fund | |
| Bonds and Notes | \$ 999,385.72 |
| Sewer Utility Fund | |
| Capital Bonds and Notes | 39,500.00 |

There is no current or utility operating debt authorized but not issued.

Comparison of Tax Rate Information

| <u>Tax Rate</u> | <u>2008</u> | <u>2007</u> | <u>2006 [a]</u> |
|---|----------------|----------------|-----------------|
| | \$ 2.30 | 2.26 | 2.17 |
| <u>Apportionment of Tax Rate</u> | | | |
| Municipal | 0.88 | 0.80 | 0.75 |
| County | 0.35 | 0.35 | 0.34 |
| Local School | 1.07 | 1.11 | 1.08 |
| <u>Assessed Valuations</u> | | | |
| 2008 | \$ 434,729,358 | | |
| 2007 | | \$ 431,881,853 | |
| 2006 [a] | | | \$ 430,614,766 |

[a] Revaluation Year

Comparison of Tax Levies and Collection Currently

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collection</u> |
|-------------|------------------|--------------------|---------------------------------|
| 2008 | \$ 10,027,993.31 | 9,810,653.62 | 97.83% |
| 2007 | 9,798,859.91 | 9,581,174.31 | 97.78% |
| 2006 [a] | 9,378,257.07 | 9,128,718.27 | 97.33% |

[a] Revaluation Year

Comparison of Sewer Utility Levies

| <u>Year</u> | <u>Levy</u> | <u>Collections [b]</u> |
|-------------|-----------------|------------------------|
| 2008 | \$ 1,127,019.16 | 1,116,060.76 |
| 2007 | 1,123,391.00 | 1,115,355.66 |
| 2006 | 989,149.99 | 975,186.25 |

[b] Includes Prior Year Charges

Comparison of Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years including 2008.

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Taxes Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|--|---|-----------------------------|-----------------------------------|
| 2008 | \$ 231,963.64 | 203,153.74 | 435,117.38 | 4.34% |
| 2007 | 222,188.99 | 205,795.75 | 427,984.74 | 4.37% |
| 2006 | 212,588.51 | 217,795.72 | 430,384.23 | 4.59% |

Property Acquired by Tax Title Lien Liquidation

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2008 | \$ 53,213.00 |
| 2007 | 53,213.00 |
| 2006 | 53,213.00 |

Comparison of Current Fund and Sewer Utility Operating Fund Balances

| <u>Year</u> | <u>Current Fund</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Sewer Utility Operating Fund</u> | <u>Utilized in Utility Budget of Succeeding Year</u> | <u>Utilized in Current Budget of Succeeding Year</u> |
|-------------|-------------------------|--|---|--|--|
| 2008 | \$ 1,141,484.46 | 650,000.00 | 369,257.28 | 65,000.00 | 80,000.00 |
| 2007 | 769,036.01 | 610,000.00 | 366,551.07 | 50,780.00 | 80,000.00 |
| 2006 | 868,674.21 | 660,000.00 | 326,500.48 | 96,200.00 | 70,000.00 |

**BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH, NEW JERSEY**

COMMENTS

Year Ended December 31, 2008

An audit of the financial accounts and transactions of the Borough of Neptune City, in the County of Monmouth, State of New Jersey for the year ended December 31, 2008, has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

The audit covered the financial transactions of the Chief Financial Officer's office, the Collector/Treasurer's office, the activities of the Mayor and Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

My audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, my audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures, as I considered necessary in the circumstances.

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding, in the aggregate, the amount calculated by the Governor pursuant to Section 3 of P.L. 1971, C. 198 (C.40A:11-3), except by contract or agreement".

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

The minutes and vouchers indicate compliance with the Local Public Contract Law N.J.S. 40A:11-6.1 for the purchase of materials and services that are below the bid limit but 15% or more of that amount.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. The compliance review of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid limit "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously adopted under the provision of N.J.S. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2008 adopted a resolution authorizing interest to be charged as follows after a 10-day grace period:

- 8% per annum for first \$1,500.00 of delinquency and
- 18% per annum on any amount in excess of \$1,500.00
- 6% penalty on total delinquency if such delinquency is in excess of \$10,000.00

Such interest shall be calculated from the date due until actual payment, provided however, no interest shall be charged if payment is made within a 10-day grace period.

It appears from an examination of the collector's records, on a test-check basis, that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 24, 2009. Inspection of tax sale certificates on file revealed that all sale certificates were available for audit.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|----------------------------|
| 2008 | 1 |
| 2007 | 1 |
| 2006 | 1 |

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

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

| <u>Type</u> | <u>Number Mailed</u> |
|--------------------------|--------------------------|
| Payment of 2008 Taxes | 20 |
| Payment of Sewer Charges | 17 |
| Delinquent Taxes | 2 |
| Sewer Charges Unpaid | 3 |

For those confirmation notices which were not returned by taxpayers, we performed alternative procedures. No irregularities were noted.

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>Name</u> | <u>Title</u> |
|--------------------|---|
| Thomas Arnone | Mayor |
| Barbara Shafer | President of Council |
| Robert Brown | Member of Council |
| Susan Mitchell | Member of Council |
| Lawrence Cross | Member of Council |
| Richard Pryor | Member of Council |
| Charles Hartl | Member of Council |
| Mark Aikins | Attorney |
| James Plosia | Labor Attorney |
| Matt Shafai | Engineer |
| J. Stephen Walters | Assessor |
| Mark Apostolou | Judge |
| Dorothy Reibrich | Court Administrator |
| Marilyn Allerton | Deputy Court Administrator |
| Lynn Tremarco | Deputy Court Administrator |
| Martin McGreevy | Prosecutor |
| Paul Escandon | Public Defender |
| Joel Popkin | Administrator, Clerk, Treasurer and Tax Collector |
| William Folk | Chief Financial Officer |
| Mary Sapp | Deputy Clerk, Deputy Treasurer |
| Madonna Hempsted | Deputy Tax Collector |
| Anne Cook | Purchasing Agent |

| <u>Name</u> | <u>Title</u> |
|-------------------|--|
| William Doolittle | Construction Official, Building Sub-Code Official and Fire Sub-Code Inspector, Zoning Official |
| Jerry Applegate | Housing Officer, Fire Sub-Code Official and Building Sub-Code Inspector |
| Edward Sims | Fire Marshall |
| Wayne Kepler | Code Enforcement Officer (Resigned 9/1/08) |
| Robert Reynolds | Code Enforcement Officer (Appointed 8/15/08) |
| Robert Kleiberg | Plumbing Inspector |
| Michael Jahn | Electrical Inspector |

Surety Bonds

All of the Bonds were examined, properly executed and were the considered adequate coverage where required. In addition to Bond coverage for specific employees and positions, the Borough holds a Public Employees Blanket Bond for \$50,000.00.

**BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH, NEW JERSEY**

FINDINGS AND RECOMMENDATIONS

Year Ended December 31, 2008

The following matters noted during the audit were communicated to management. None of the matters noted were of a magnitude as to affect my ability to express an opinion on the financial statements.

Chief Financial Officer's Office

***08-01**

Finding – Interfund receivables and payables existed at December 31, 2008.

Recommendation – That the interfund balances be liquidated by December 31 where funds are available.

***08-02**

Finding – Appearing in the analysis of capital cash are the following bond ordinances which are over five years old and have unfunded improvement costs:

| | | | |
|--------------------|-------------------------------------|----|----------|
| 04/10/00 | Purchase of Fire Vehicle 2000 | \$ | 225.00 |
| 08/28/00,06/11/01 | Purchase of Leaf Collector | | 225.00 |
| 12/11/00 | Pedestrian Corridor/Sylvania Avenue | | 225.00 |
| 04/08/02, 09/09/02 | Improvements to Laurel Avenue | | 4,511.39 |
| 07/08/02 | Video Conferencing Equipment | | 8,823.24 |
| 09/09/02 | Purchase of Dump Truck | | 441.88 |
| 12/23/02 | Improvements to Laird Avenue | | 6,520.62 |
| 12/22/03 | Improvements to Avondale Avenue | | 4421.88 |
| 03/27/00 | Ridge Ave. Sewer Improvements | | 387.03 |
| 08/20/00 | Purchase of Sewer Jet | | 530.30 |
| 04/14/03 | Laird Ave Pump Station Improvements | | 218.91 |

Recommendation – That bond ordinances over five years old with unfunded improvement costs should be funded by the issuance of bonds or notes or through budget appropriation.

***08-03**

Finding – The cash management plan adopted by the Borough did not meet the criteria required by statute.

Recommendation – That a cash management plan be adopted annually in accordance with N.J.S. 40A:5-14.

Tax Collector's Office

***08-04**

Finding – The overpayments of Property Tax Deductions from past years, held by the Borough are due to the State of New Jersey.

Recommendation – That the Borough remit the monies due to the State of New Jersey resulting from the overpayment of property tax deductions.

Other Departments

***08-05**

Finding – Some departments had instances of holding funds in excess of 48 hours.

Recommendation – That all funds collected on behalf of the Borough either be turned over to the Borough Treasurer or deposited within 48 hours of receipt pursuant to N.J.S. 40A:5-15.

***08-06**

Finding – Some of the fees collected by the Community Center could not be supported by an authoritative source.

Recommendation – That the fees charged by the Community Center be in accordance with the appropriate ordinance or other authoritative source.

* A similar recommendation appeared in the prior year audit report.