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

**FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2009 AND 2008**

**BOROUGH OF NEPTUNE CITY**

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**CHRISTINE L. BROWN**

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**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, 2009 and 2008, 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.

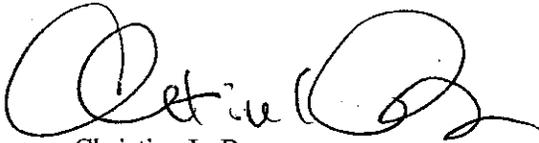
As discussed in Note 1, the Borough of Neptune City, State of New Jersey prepares its financial statements on a comprehensive basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified 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, 2009 and 2008 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, 2009 and 2008 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 September 23, 2010 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 schedule of expenditures of state awards is presented for purposes of additional analysis as required by New Jersey OMB Circular 04-04 and is not a required part of the financial statements. Additionally, 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

September 23, 2010

**CHRISTINE L. BROWN**

*Certified Public Accountant  
Registered Municipal Accountant  
Public School Accountant*

51A LAUREL AVENUE NEPTUNE CITY, NJ 07753  
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**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, 2009 and have issued my report thereon dated September 23, 2010 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.

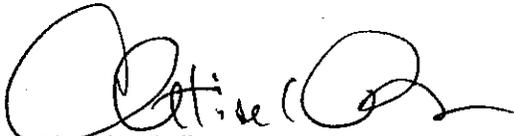
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies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

### **Internal Control Over Financial Reporting**

As part of obtaining reasonable assurance about whether the Borough of Neptune City's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

I noted certain immaterial matters involving compliance and internal control over financial reporting that I have reported to management in the Comments section of this report.

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

September 23, 2010

**Current Fund**  
**Comparative Balance Sheet**

A

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31</u> <u>2009</u>	<u>Balance</u> <u>Dec. 31</u> <u>2008</u>
<b><u>Assets</u></b>			
Cash	A-4	\$ 1,495,984.51	\$ 1,651,391.32
Cash - Change	A-10	745.00	745.00
Notes Receivable - General Capital Fund	C-19	893,299.80	984,299.80
Notes Receivable - Sewer Capital Fund	D-44	50,000.00	60,000.00
Alliance to Prevent Drug and Alcohol Abuse Grant Receivable	A-2.1:A-4	12,412.31	8,789.89
Safe and Secure Grant Receivable	A-2.1:A-4	4,822.63	0.00
Hazardous Discharge Site Remediation Grant Receivable	A-2.1:A-4	239,478.00	1,000.00
Smart Future Grant Receivable	A	39,570.00	39,570.00
		<u>2,736,312.25</u>	<u>2,745,796.01</u>
<b><u>Receivables with Full Reserves</u></b>			
Delinquent Property Taxes Receivable	A-15	175,494.40	203,153.74
Tax Title Liens Receivable	A-16	242,248.05	231,963.64
Property Acquired for Taxes - Assessed Valuation	A-18	53,213.00	53,213.00
Revenue Accounts Receivable	A-22	42,298.10	38,474.88
Interfund Due from Payroll Account	A	5,000.00	5,000.00
Interfund Due from General Capital Fund	C	526,840.08	426,840.08
Interfund Due from Payroll Agency Account	A	20,000.00	20,000.00
		<u>1,065,093.63</u>	<u>978,645.34</u>
<b><u>Deferred Charges</u></b>			
Emergency Authorizations (40A:4-47)	A-23	0.00	40,000.00
Special Emergency Authorizations (40A:4-55)	A-24	2,500.00	5,000.00
		<u>2,500.00</u>	<u>45,000.00</u>
<b><u>Total Assets</u></b>		<b><u>\$ 3,803,905.88</u></b>	<b><u>\$ 3,769,441.35</u></b>

See accompanying notes to financial statements

**Current Fund**  
**Comparative Balance Sheet**

			<u>A</u> (completed)
	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31 2009</u>	<u>Balance</u> <u>Dec. 31 2008</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Liabilities</u></b>			
Appropriation Reserves	A-3:A-25	\$ 196,695.88	\$ 217,491.36
Reserve for Encumbrances	A-3:A-25	71,352.84	92,436.52
Prepaid Trailer Park Licenses	A	1,200.00	1,200.00
Cash Liability for Prepaid Taxes	A-29	84,587.58	71,292.24
Tax Overpayments	A-30	0.00	0.00
County Taxes Payable	A-35	6,085.44	3,924.66
School Tax Payable	A-37	1,165,040.88	1,003,366.38
Interfund Due to Sewer Operating Fund	D	73,000.00	63,000.00
Reserve for Body Armor Replacement Fund	A-3:A-4	4,958.59	5,835.20
Reserve for Body Armor Replacement Fund - Unappropriated	A-2.1	0.00	1,562.39
Reserve for Alcohol Education and Rehabilitation Fund	A-4	1,536.73	2,786.73
Reserve for Alcohol Education and Rehabilitation Fund -Unappropriated	A-4	835.37	0.00
Reserve for Alliance to Prevent Alcohol and Drug Abuse Fund	A-3:A-4	15,921.77	6,686.65
Reserve for Clean Communities Grant	A-3:A-4	3,312.53	812.44
Reserve for Clean Communities Grant - Unappropriated	A-3:A-4	0.00	742.99
Reserve for Drunk Driving Enforcement Fund	A-3:A-4	5,408.67	1,137.28
Reserve for Drunk Driving Enforcement Fund -Unappropriated	A-3:A-4	7,124.20	4,406.39
Reserve for Safe and Secure Communities Grant	A-3:A-4	39,752.42	39,050.84
Reserve for Stormwater Grant	A-3	10,586.00	6,352.00
Reserve for Stormwater Grant - Unappropriated	A-2.1	0.00	4,234.00
Reserve for Smart Growth Planning Grant	A	38,108.12	38,108.12
Reserve for Smart Future Planning Grant	A	17,998.07	17,998.07
Reserve for Hazardous Discharge Site Remediation Grant	A-3:A-4	227,676.63	1,118.13
Due to State of New Jersey - Senior Citizens and Veterans	A-41	0.00	43,554.76
Due to State of New Jersey - Construction Training Fees	A-4	520.40	114.40
Reserve for Donation	A	10,000.00	10,000.00
Reserve for Master Plan	A-27	12,100.00	12,100.00
		<u>1,993,802.12</u>	<u>1,649,311.55</u>
<b><u>Reserves</u></b>			
Reserve for Receivables and Other Assets	A	1,065,093.63	978,645.34
<b><u>Fund Balance</u></b>			
Fund Balance	A-1	745,010.13	1,141,484.46
<b><u>Total Liabilities, Reserves and Fund Balance</u></b>		<b><u>\$ 3,803,905.88</u></b>	<b><u>\$ 3,769,441.35</u></b>

See accompanying notes to financial statements

**Current Fund**  
**Comparative Statement of Operations and Change in Fund Balance**

A-1

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
<b><u>Revenue and Other Income</u></b>			
Fund Balance Utilized	A-2.1	\$ 650,000.00	\$ 610,000.00
Miscellaneous Revenue Anticipated	A-2.1	1,869,310.38	1,296,312.59
Receipts from Delinquent Taxes	A-2.1	205,320.13	198,169.92
Receipts from Current Taxes	A-2.2	10,295,654.53	9,810,653.62
Non-Budget Revenue	A-2.2	86,331.70	111,118.59
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-25	48,060.16	70,471.49
Prior Year Revenue	A-41	43,936.44	0.00
Interfund Receivables Realized	A-1	0.00	591,661.68
<b><u>Total Income</u></b>		<u>13,198,613.34</u>	<u>12,688,387.89</u>
<b><u>Expenditures</u></b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	2,899,940.00	2,914,350.00
Other Expenses	A-3	2,626,063.00	2,255,980.13
Capital Improvements	A-3	47,000.00	36,800.00
Municipal Debt Service	A-3	169,516.46	176,527.85
Deferred Charges and Statutory Expenditures	A-3	590,764.00	176,495.88
County Taxes	A-35	1,525,091.77	1,524,575.98
County Share of Added Taxes	A-35	6,085.44	3,931.60
Local District School Taxes	A-37	4,980,627.00	4,657,278.00
Interfund Advances	A-1	100,000.00	0.00
Prior Year Charges	A-4	0.00	0.00
<b><u>Total Expenditures</u></b>		<u>12,945,087.67</u>	<u>11,745,939.44</u>
<b><u>Excess in Revenue</u></b>		253,525.67	942,448.45
<b><u>Adjustments to Income Before Fund Balance</u></b>			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Years	A-23	0.00	40,000.00
<b><u>Statutory Excess in Revenue</u></b>		253,525.67	982,448.45
<b><u>Fund Balance - January 1</u></b>	A	1,141,484.46	769,036.01
		<u>1,395,010.13</u>	<u>1,751,484.46</u>
<b><u>Decreased by</u></b>			
Utilized as Anticipated Revenue	A-1	650,000.00	610,000.00
<b><u>Fund Balance - December 31</u></b>	A	<u>\$ 745,010.13</u>	<u>\$ 1,141,484.46</u>

See accompanying notes to financial statements

**Current Fund**  
**Statement of Revenues - 2009**

	Ref.	Budget	Added by N.J.S. 40A:4-87	Realized	A-2.1 Excess or (Deficit)
<b>Fund Balance Appropriated</b>	A-1	\$ 650,000.00	0.00	650,000.00	0.00
<b>Miscellaneous Revenues</b>					
Licenses					
Alcoholic Beverages	A-22	9,150.00	0.00	9,300.00	150.00
Other	A-22	15,000.00	0.00	16,547.50	1,547.50
Fine and Costs - Municipal Court	A-22	210,000.00	0.00	215,107.71	5,107.71
Interest and Costs on Taxes	A-4	45,000.00	0.00	49,452.65	4,452.65
Trailer Park Licenses	A-22	14,400.00	0.00	14,400.00	0.00
Payments in Lieu of Taxes	A-22	52,000.00	0.00	53,141.40	1,141.40
Cable Television Franchise Fees	A-22	16,628.00	0.00	22,481.55	5,853.55
Certificate of Occupancy	A-22	13,500.00	0.00	12,740.00	(760.00)
Uniform Construction Code Fees	A-22	85,099.30	0.00	61,270.00	(23,829.30)
Fire Prevention Bureau Permits	A-22	5,000.00	0.00	8,568.00	3,568.00
Community Center Fees	A-22	45,000.00	0.00	52,797.35	7,797.35
Uniform Fire Safety Act	A-22	10,000.00	0.00	10,443.22	443.22
Consolidated Municipal Property Tax Relief	A-4	110,328.00	0.00	110,328.00	0.00
Energy Receipts Tax	A-4	490,384.00	0.00	490,384.00	0.00
Drunk Driving Enforcement Fund	A:A-4	4,406.39	0.00	4,406.39	0.00
Clean Communities Program	A:A-4	9,299.22	0.00	9,299.22	0.00
Safe and Secure Communities Program	A:A-4	57,872.00	0.00	57,872.00	0.00
Alliance to Prevent Alcohol and Drug Abuse	A:A-4	12,997.00	0.00	12,997.00	0.00
Body Armor Replacement Fund	A	1,562.39	0.00	1,562.39	0.00
Stormwater Grant	A	4,234.00	0.00	4,234.00	0.00
Hazardous Discharge Site Remediation Fund	A:A-4	571,978.00	0.00	571,978.00	0.00
Utility Operating Surplus of Prior Year	D-1	80,000.00	0.00	80,000.00	0.00
<b>Total Miscellaneous Revenue</b>	A-1	<u>1,863,838.30</u>	<u>0.00</u>	<u>1,869,310.38</u>	<u>5,472.08</u>
<b>Receipts From Delinquent Taxes</b>	A-1:A-2.2	<u>200,000.00</u>	<u>0.00</u>	<u>205,320.13</u>	<u>5,320.13</u>
<b>Property Tax Support of Municipal Budget Appropriations Local Tax for Municipal Purposes</b>					
	A-2.2:A-15	<u>3,939,617.22</u>	<u>0.00</u>	<u>4,098,870.25</u>	<u>159,253.03</u>
<b>Budget Totals</b>	A-3	\$ <u>6,653,455.52</u>	<u>0.00</u>	<u>6,823,500.76</u>	<u>170,045.24</u>
<b>Non-Budget Revenues</b>	A-2.2			<u>86,331.70</u>	
				<u>\$ 6,909,832.46</u>	

See accompanying notes to financial statements

Current Fund  
Statement of Revenues - 2009  
Analysis of Realized Revenues

A-2.2

<u>Receipts From Delinquent Taxes</u>	<u>Ref.</u>	
Delinquent Tax Collections	A-15	\$ 205,320.13
Tax Title Lien Collections	A-16	0.00
	A-2.1	<u>\$ 205,320.13</u>

Allocation of Current Tax Collections

Revenue from Collections	A-1:A-15	\$ 10,295,654.53
Allocated to School and County Taxes	A-15	<u>6,511,472.80</u>
Balance for Support of Municipal Appropriations		3,784,181.73
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>314,688.52</u>
<u>Amount for Support of Municipal Budget Appropriations</u>	A-2.1	<u>\$ 4,098,870.25</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated

Revenue Accounts Receivable			
Search Fees	A-22	\$ 520.00	
Marriage Licenses	A-22	75.00	
Certified Copies	A-22	1,061.00	
Bingo and Raffle Permits	A-22	80.00	
Police Accident Reports	A-22	3,971.50	
Street Opening Permits	A-22	<u>3,000.00</u>	
			8,707.50
Recycling Fees		825.00	
Fines and Assessments		3,399.94	
Land Use Board Fees		7,563.25	
Miscellaneous Refunds and Reimbursements		25,028.21	
Interest on Investments		25,164.23	
Use of Borough Truck		492.47	
Photocopies and Duplications		550.50	
Sale of Borough Assets		873.10	
Miscellaneous Permits		15.00	
Reimbursement of Administrative Expenses		<u>13,712.50</u>	
	A-4		<u>77,624.20</u>
	A-1:A-2.1		<u>\$ 86,331.70</u>

See accompanying notes to financial statements

Current Fund

Statement of Expenditures - 2009

A-3.1

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<u>General Government</u>					
Administrator's Office					
Salaries and Wages	\$ 49,950.00	49,950.00	49,473.67	0.00	476.33
Other Expenses	18,685.00	18,685.00	18,457.31	143.03	84.66
Mayor and Council					
Salaries and Wages	35,450.00	35,450.00	35,398.08	0.00	51.92
Other Expenses	4,550.00	4,550.00	3,695.48		854.52
Municipal Clerk's Office					
Salaries and Wages	20,250.00	20,250.00	20,250.00	0.00	0.00
Other Expenses	4,400.00	4,400.00	3,022.58	0.00	1,377.42
Financial Administration					
Salaries and Wages	23,000.00	23,000.00	20,388.19	0.00	2,611.81
Other Expenses	900.00	900.00	874.00	0.00	26.00
Audit Services					
Other Expenses	14,200.00	14,200.00	0.00	14,200.00	0.00
Assessment of Taxes					
Salaries and Wages	23,400.00	23,400.00	22,423.16	0.00	976.84
Other Expenses	6,400.00	6,400.00	3,487.79	0.00	2,912.21
Collection of Taxes					
Salaries and Wages	44,750.00	44,750.00	43,814.48	0.00	935.52
Other Expenses	10,100.00	10,100.00	9,452.44	0.00	647.56
Legal Services					
Other Expenses	63,000.00	53,000.00	39,929.53	0.00	13,070.47
Municipal Court					
Salaries and Wages	143,000.00	143,000.00	140,734.24	0.00	2,265.76
Other Expenses	13,300.00	13,300.00	8,153.45	1,230.25	3,916.30
Public Defender (P.L. 1997, C. 256)					
Salaries and Wages	4,000.00	4,000.00	1,982.32	0.00	2,017.68
Other Expenses	300.00	300.00	0.00	0.00	300.00

Current Fund  
Statement of Expenditures - 2009

A-3.2

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
Engineering Services and Cost	8,000.00	8,000.00	7,877.76	1.00	121.24
Other Expenses	487,635.00	477,635.00	429,414.48	15,574.28	32,646.24
<u>Land Use Administration</u>					
Land Use Board	10,100.00	10,100.00	10,098.72	0.00	1.28
Salaries and Wages	21,400.00	30,400.00	29,201.02	1,021.25	177.73
Other Expenses	31,500.00	40,500.00	39,299.74	1,021.25	179.01
<u>Code Enforcement Administration</u>					
Code Enforcement Office	23,000.00	23,000.00	21,328.40	0.00	1,671.60
Salaries and Wages	500.00	500.00	182.97	252.65	64.38
Other Expenses	23,500.00	23,500.00	21,511.37	252.65	1,735.98
<u>Insurance</u>					
General Liability	79,000.00	79,000.00	79,000.00	0.00	0.00
Workers Compensation	92,615.00	92,615.00	89,220.99	0.00	3,394.01
Employee Group Health	542,000.00	524,500.00	515,608.95	0.00	8,891.05
	713,615.00	696,115.00	683,829.94	0.00	12,285.06
<u>Public Safety</u>					
Fire					
Other Expenses	39,500.00	39,500.00	37,342.99	1.00	2,156.01
Fire Hydrant Service	22,075.00	22,075.00	19,822.69	2,137.31	115.00
Miscellaneous Other Expenses	2,600.00	2,600.00	2,600.00	0.00	0.00
Aid to Volunteer Fire Company					
Police	1,706,510.00	1,714,010.00	1,714,010.00	0.00	0.00
Salaries and Wages	104,300.00	104,300.00	86,677.38	12,588.55	5,034.07
Other Expenses	700.00	700.00	700.00	0.00	0.00
First Aid Organization	7,800.00	7,800.00	7,800.00	0.00	0.00
Other Expenses					
Aid to Volunteer Ambulance Company					

Current Fund

Statement of Expenditures - 2009

A-3.3

	Appropriations		Paid or Charged	Expended		Reserved	Unexpended Balance	
	Budget	Budget After Modification		Encumbered	Encumbered		Canceled	Canceled
<b>Fire Prevention Bureau</b>								
Salaries and Wages	15,100.00	15,100.00	13,633.82	0.00	1,466.18	0.00	0.00	0.00
Other Expenses	1,465.00	1,465.00	1,343.25	0.00	121.75	0.00	0.00	0.00
<b>Emergency Management</b>								
Salaries and Wages	1,650.00	1,650.00	1,650.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	4,200.00	4,200.00	3,754.44	100.00	345.56	0.00	0.00	0.00
<b>Municipal Prosecutor</b>								
Salaries and Wages	32,500.00	32,500.00	32,446.08	0.00	53.92	0.00	0.00	0.00
Other Expenses	1,200.00	1,200.00	600.00	0.00	600.00	0.00	0.00	0.00
	1,939,600.00	1,947,100.00	1,922,380.65	14,826.86	9,892.49	0.00	0.00	0.00
<b>Public Works Functions</b>								
<b>Road Repairs and Maintenance</b>								
Salaries and Wages	508,900.00	521,900.00	521,787.14	0.00	112.86	0.00	0.00	0.00
Other Expenses	26,785.00	26,285.00	18,992.88	6,061.52	1,230.60	0.00	0.00	0.00
<b>Other Public Works Functions</b>								
Traffic Lights	4,000.00	4,000.00	3,513.00	268.67	218.33	0.00	0.00	0.00
<b>Solid Waste Collection</b>								
Salaries and Wages	4,250.00	4,250.00	3,522.00	0.00	728.00	0.00	0.00	0.00
Other Expenses	464,200.00	464,200.00	400,795.20	1,927.04	61,477.76	0.00	0.00	0.00
<b>Public Buildings and Grounds</b>								
Salaries and Wages	16,000.00	16,000.00	15,950.30	0.00	49.70	0.00	0.00	0.00
Other Expenses	31,000.00	31,000.00	23,464.75	5,944.22	1,591.03	0.00	0.00	0.00
<b>Maintenance of Borough Vehicles</b>								
Other Expenses	32,700.00	40,400.00	35,225.91	3,556.91	1,617.18	0.00	0.00	0.00
<b>Maintenance of Abandoned Properties</b>								
Other Expenses	3,000.00	3,000.00	167.48	0.00	2,832.52	0.00	0.00	0.00
	1,090,835.00	1,111,035.00	1,023,418.66	17,758.36	69,857.98	0.00	0.00	0.00
<b>Health and Welfare</b>								
<b>Administration of Public Assistance</b>								
Salaries and Wages	15,900.00	15,900.00	15,869.04	0.00	30.96	0.00	0.00	0.00
Other Expenses	575.00	575.00	98.07	172.16	304.77	0.00	0.00	0.00

**Current Fund**  
**Statement of Expenditures - 2009**

A-3.4

	Appropriations		Expended		Unexpended	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Animal Control						
Other Expenses	7,500.00	7,500.00	6,522.00	0.00	978.00	0.00
	23,975.00	23,975.00	22,489.11	172.16	1,313.73	0.00
<b>Recreation and Education</b>						
Board of Recreation						
Other Expenses	1,800.00	1,800.00	1,766.37	0.00	33.63	0.00
Parks and Playgrounds						
Other Expenses	10,500.00	10,500.00	9,337.03	226.00	936.97	0.00
Community Center						
Salaries and Wages	108,580.00	110,480.00	110,127.92	0.00	352.08	0.00
Other Expenses	18,750.00	18,750.00	14,210.09	3,021.00	1,518.91	0.00
Expenses of Participation in Free County Library						
Salaries and Wages	40,650.00	42,650.00	42,475.18	0.00	174.82	0.00
Other Expenses	3,100.00	3,100.00	2,589.09	273.45	237.46	0.00
	183,380.00	187,280.00	180,505.68	3,520.45	3,253.87	0.00

**Uniform Construction Code - Appropriations Offset**

**By Dedicated Revenues (N.J.A.C. 5:23-4.17)**

Construction Official						
Salaries and Wages	24,500.00	24,500.00	21,972.90	0.00	2,527.10	0.00
Other Expenses	1,500.00	1,500.00	1,340.34	0.00	159.66	0.00
Sub-Code Officials						
Building Inspector						
Salaries and Wages	7,300.00	7,300.00	7,226.41	0.00	73.59	0.00
Other Expenses	100.00	100.00	0.00	0.00	100.00	0.00
Plumbing Inspector						
Salaries and Wages	5,850.00	5,850.00	5,830.08	0.00	19.92	0.00
Other Expenses	100.00	100.00	0.00	0.00	100.00	0.00
Electrical Inspector						
Salaries and Wages	5,850.00	5,850.00	5,810.08	0.00	39.92	0.00
Other Expenses	100.00	100.00	0.00	0.00	100.00	0.00

**Current Fund**  
**Statement of Expenditures - 2009**

A-3.5

	Appropriations		Paid or Charged	Expended		Unexpended Balance	
	Budget	Budget After Modification		Encumbered	Reserved	Canceled	
<b>Fire Inspector</b>							
Salaries and Wages	5,100.00	5,100.00	5,100.00	0.00	0.00	0.00	0.00
Other Expenses	100.00	100.00	30.00	0.00	70.00	0.00	0.00
	<u>50,500.00</u>	<u>50,500.00</u>	<u>47,309.81</u>	<u>0.00</u>	<u>3,190.19</u>	<u>0.00</u>	<u>0.00</u>
<b>Unclassified</b>							
Accumulation of Unused Sick Time	2,000.00	2,000.00	2,000.00	0.00	0.00	0.00	0.00
Interest on Tax Appeals	500.00	500.00	0.00	0.00	500.00	0.00	0.00
Celebration of Public Events	4,500.00	4,500.00	1,931.63	1,525.74	1,042.63	0.00	0.00
	<u>7,000.00</u>	<u>7,000.00</u>	<u>3,931.63</u>	<u>1,525.74</u>	<u>1,542.63</u>	<u>0.00</u>	<u>0.00</u>
<b>Utility Expenses</b>							
Electric	54,000.00	54,000.00	47,648.28	3,822.38	2,529.34	0.00	0.00
Street Lighting	43,500.00	43,500.00	34,769.60	3,162.60	5,567.80	0.00	0.00
Telephone	25,300.00	25,300.00	23,032.78	721.18	1,546.04	0.00	0.00
Water	2,600.00	2,600.00	1,716.50	1.00	882.50	0.00	0.00
Natural Gas	22,000.00	22,000.00	18,119.80	1,933.49	1,946.71	0.00	0.00
Gasoline	54,600.00	40,500.00	31,734.17	6,261.16	2,504.67	0.00	0.00
Landfill/Solid Waste Disposal Costs	2,500.00	2,500.00	644.08	0.00	1,855.92	0.00	0.00
	<u>204,500.00</u>	<u>190,400.00</u>	<u>157,665.21</u>	<u>15,901.81</u>	<u>16,832.98</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Operations</b>	<u>4,756,040.00</u>	<u>4,755,040.00</u>	<u>4,531,756.28</u>	<u>70,553.56</u>	<u>152,730.16</u>	<u>0.00</u>	<u>0.00</u>
Contingent	3,500.00	3,500.00	832.50	0.00	2,667.50	0.00	0.00
	<u>4,759,540.00</u>	<u>4,758,540.00</u>	<u>4,532,588.78</u>	<u>70,553.56</u>	<u>155,397.66</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Operations Within "CAPS"</b>							
<b>Detail</b>							
Salaries and Wages	2,875,540.00	2,899,940.00	2,883,302.21	0.00	16,637.79	0.00	0.00
Other Expenses	1,884,000.00	1,858,600.00	1,649,286.57	70,553.56	138,759.87	0.00	0.00

**Current Fund**  
**Statement of Expenditures - 2009**

A-3.6

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</u>						
Statutory Expenditures						
Contribution to:						
Police and Firemen's Retirement System	303,730.00	303,730.00	303,730.00	0.00	0.00	0.00
Public Employees' Retirement System	110,406.00	110,406.00	110,406.00	0.00	0.00	0.00
Social Security System (O.A.S.I.)	134,128.00	134,128.00	131,524.18	0.00	2,603.82	0.00
<u>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</u>	548,264.00	548,264.00	545,660.18	0.00	2,603.82	0.00
<u>Total General Appropriations for Municipal Purposes Within "CAPS"</u>	5,307,804.00	5,306,804.00	5,078,248.96	70,553.56	158,001.48	0.00
<u>Operations - Excluded from "CAPS"</u>						
Recycling Tax	3,672.00	3,672.00	1,339.40	0.00	2,332.60	0.00
	3,672.00	3,672.00	1,339.40	0.00	2,332.60	0.00
<u>Interlocal Municipal Service Agreements</u>						
Township of Neptune 911 System	8,000.00	9,000.00	9,000.00	0.00	0.00	0.00
Length of Service Awards Program	30,000.00	30,000.00	0.00	0.00	30,000.00	0.00
	38,000.00	39,000.00	9,000.00	0.00	30,000.00	0.00
<u>Public and Private Programs Offset by Revenues</u>						
Drunk Driving Enforcement Fund	4,406.39	4,406.39	4,406.39	0.00	0.00	0.00
Alliance to Prevent Alcohol and Drug Abuse	16,246.00	16,246.00	16,246.00	0.00	0.00	0.00
Supplemental Safe and Secure - State Share	57,872.00	57,872.00	57,872.00	0.00	0.00	0.00
Supplemental Safe and Secure - Municipal Share	59,193.00	59,193.00	59,193.00	0.00	0.00	0.00
Clean Communities Grant	8,556.23	8,556.23	8,556.23	0.00	0.00	0.00
Body Armor Replacement Fund	1,562.39	1,562.39	1,562.39	0.00	0.00	0.00
Reserve for Storm Water Grant	4,234.00	4,234.00	4,234.00	0.00	0.00	0.00
Hazardous Discharge Site Remediation Fund	571,978.00	571,978.00	571,978.00	0.00	0.00	0.00
Clean Communities Grant - Reserved	742.99	742.99	742.99	0.00	0.00	0.00
	724,791.00	724,791.00	724,791.00	0.00	0.00	0.00

Current Fund  
Statement of Expenditures - 2009

A-3.7

	Appropriations		Expended			Unexpended	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance	Canceled
<u>Total Operations - Excluded From "CAPS"</u>	766,463.00	767,463.00	735,130.40	0.00	32,332.60	0.00	0.00
<u>Detail</u>							
Salaries and Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	766,463.00	767,463.00	735,130.40	0.00	32,332.60	0.00	0.00
<u>Capital Improvements - Excluded From "CAPS"</u>							
<u>Capital Improvement Fund</u>	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00
Purchase of Fire Safety Equipment	9,000.00	9,000.00	9,000.00	0.00	0.00	0.00	0.00
Purchase of Office Equipment	4,000.00	4,000.00	4,000.00	0.00	0.00	0.00	0.00
Purchase of Copy Machine	7,500.00	7,500.00	6,838.92	0.00	661.08	0.00	0.00
Purchase of Exercise Equipment	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00	0.00
Improvement to Municipal Court Offices	4,000.00	4,000.00	0.00	799.28	3,200.72	0.00	0.00
<u>Total Capital Improvements - Excluded From "CAPS"</u>	47,000.00	47,000.00	39,838.92	799.28	6,361.80	0.00	0.00
<u>Municipal Debt Service - Excluded From "CAPS"</u>							
Payment of Bond Anticipation Notes and Capital Notes	150,000.00	150,000.00	150,000.00	0.00	0.00	0.00	0.00
Interest on Notes	25,000.00	25,000.00	19,516.46	0.00	0.00	5,483.54	0.00
<u>Total Municipal Debt Service - Excluded From "CAPS"</u>	175,000.00	175,000.00	169,516.46	0.00	0.00	5,483.54	0.00
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>							
Emergency Authorizations	40,000.00	40,000.00	40,000.00	0.00	0.00	0.00	0.00
Special Emergency Authorizations - 5 Years	2,500.00	2,500.00	2,500.00	0.00	0.00	0.00	0.00
<u>Total Deferred Charges - Municipal - Excluded From "CAPS"</u>	42,500.00	42,500.00	42,500.00	0.00	0.00	0.00	0.00
<u>Total General Appropriations - Excluded From "CAPS"</u>	1,030,963.00	1,031,963.00	986,985.78	799.28	38,694.40	5,483.54	0.00

**Current Fund**  
**Statement of Expenditures - 2009**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>Sub-Total General Appropriations</b>	6,338,767.00	6,338,767.00	6,065,234.74	71,352.84	196,695.88	5,483.54
<b>Reserve for Uncollected Taxes</b>	314,688.52	314,688.52	314,688.52	0.00	0.00	0.00
<b>Total General Appropriations</b>	\$ 6,653,455.52	6,653,455.52	6,379,923.26	71,352.84	196,695.88	5,483.54

Ref.		A	A	A
Budget	A-3	6,653,455.52		
Emergency Authorization	A-23	0.00		
		<u>\$ 6,653,455.52</u>		
Reserve for Uncollected Taxes	A-2.2		314,688.52	
Cash Disbursed	A-4		5,206,943.74	
Reserve for Drunk Driving Enforcement Fund	A:A-4		4,406.39	
Reserve for Safe and Secure Communities Grant	A:A-4		117,065.00	
Reserve for Alliance to Prevent Alcohol and Drug Abuse	A:A-4		16,246.00	
Reserve for Clean Communities Grant	A:A-4		9,299.22	
Reserve for Body Armor Replacement Fund	A:A-4		1,562.39	
Reserve for Stormwater Grant	A		4,234.00	
Reserve for Hazardous Discharge Remediation Fund	A:A-4		571,978.00	
Deferred Charge - Emergency Appropriation	A-23		40,000.00	
Deferred Charge - Special Emergency Appropriation	A-24		2,500.00	
Payment of Bond Anticipation Notes	C-19		91,000.00	
			<u>\$ 6,379,923.26</u>	

See accompanying notes to financial statements

**Trust Fund**  
**Comparative Balance Sheet**

B

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31</u> <u>2009</u>	<u>Balance</u> <u>Dec. 31</u> <u>2008</u>
<b><u>Assets</u></b>			
<b><u>Dog License Fund</u></b>			
Cash		\$ 2,280.42	\$ 816.71
<b><u>Special Trust Fund</u></b>			
Cash		100,334.47	70,029.37
<b><u>Fire Prevention Trust Fund</u></b>			
Cash		1,878.95	143.43
<b><u>Developers Escrow Fund</u></b>			
Cash		140,681.10	164,827.15
<b><u>Law Enforcement Trust Fund</u></b>			
Cash		11,658.35	11,261.31
<b><u>Emergency Management Trust Fund</u></b>			
Cash		4,877.85	2,151.05
<b><u>Public Defender Trust Fund</u></b>			
Cash		318.03	703.88
<b><u>Unused Accumulated Sick Time Trust Fund</u></b>			
Cash		5,249.01	3,227.61
<b><u>Alliance to Prevent Alcohol and Drug Abuse Trust Fund</u></b>			
Cash		<u>1,033.61</u>	<u>340.98</u>
<b><u>Total Assets</u></b>	B-4	<b><u>\$ 268,311.79</u></b>	<b><u>\$ 253,501.49</u></b>

See accompanying notes to financial statements

**Trust Fund**  
**Comparative Balance Sheet**

	<u>Ref.</u>	Balance Dec. 31 <u>2009</u>	<u>B</u> <u>(completed)</u>  Balance Dec. 31 <u>2008</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Dog License Fund</u></b>			
Reserve for Dog Fund Expenditures	B-23	\$ 2,280.42	\$ 816.71
<b><u>Special Trust Fund</u></b>			
Reserve for Special Items	B-24	100,334.47	70,029.37
<b><u>Developers Escrow Fund</u></b>			
Reserve for Developers Escrow	B-25	140,681.10	164,827.15
<b><u>Law Enforcement Trust Fund</u></b>			
Reserve for Fund Expenditures	B-26	11,658.35	11,261.31
<b><u>Emergency Management Trust Fund</u></b>			
Reserve for Fund Expenditures	B-27	4,877.85	2,151.05
<b><u>Fire Prevention Trust Fund</u></b>			
Reserve for Fire Prevention Expenditures	B-28	1,878.95	143.43
<b><u>Public Defender Trust Fund</u></b>			
Reserve for Fund Expenditures	B-29	318.03	703.88
<b><u>Unused Accumulated Sick Time Trust Fund</u></b>			
Reserve for Fund Expenditures	B-30	5,249.01	3,227.61
<b><u>Alliance to Prevent Alcohol and Drug Abuse Trust Fund</u></b>			
Reserve for Fund Expenditures	B-31	<u>1,033.61</u>	<u>340.98</u>
<b><u>Total Liabilities, Reserves and Fund Balance</u></b>		<b>\$ <u>268,311.79</u></b>	<b>\$ <u>253,501.49</u></b>

See accompanying notes to financial statements

**Capital Fund**  
**Comparative Balance Sheet**

C

	<u>Ref.</u>	Balance Dec. 31 2009	Balance Dec. 31 2008
<b><u>Assets</u></b>			
Cash	C-2:C-4	\$ 233,693.37	\$ 121,360.76
Deferred Charges to Future Taxation - Unfunded	C-10	2,610,486.28	2,803,685.52
Grants Receivable	C-4	89,736.00	79,779.75
<b><u>Total Assets</u></b>		<b><u>\$ 2,933,915.65</u></b>	<b><u>\$ 3,004,826.03</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Bond Anticipation Notes	C-19	\$ 1,654,299.80	\$ 1,804,299.80
Due to Current Fund	A:C-11	526,840.08	426,840.08
Improvement Authorizations -			
Funded	C-14	5,852.80	0.00
Unfunded	C-14	714,216.47	747,904.65
Capital Improvement Fund	C-12	17,775.00	10,850.00
Fund Balance	C-1	14,931.50	14,931.50
<b><u>Total Liabilities, Reserves and Fund Balance</u></b>		<b><u>\$ 2,933,915.65</u></b>	<b><u>\$ 3,004,826.03</u></b>

Note: There were bonds and notes authorized but not issued on December 31, 2009 and December 31, 2008 in the amount of \$956,186.48 and \$999,385.72 respectively, per Exhibit C-22.

**Statement of Fund Balance**

C-1

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008 and December 31, 2009	C	<b><u>\$ 14,931.50</u></b>

No change in 2009

See accompanying notes to financial statements

**Sewer Utility Fund**  
**Comparative Balance Sheet**

D

	<u>Ref.</u>	<u>Balance Dec. 31 2009</u>	<u>Balance Dec. 31 2008</u>
<b><u>Assets</u></b>			
<b><u>Operating Section</u></b>			
Cash	D-8	\$ 539,552.67	\$ 239,235.25
Interfund Due from Current Fund	A:D-32	73,000.00	63,000.00
Interfund Due from Sewer Capital Fund	D:D-31	0.00	195,700.56
		<u>612,552.67</u>	<u>497,935.81</u>
<b><u>Receivables With Full Reserves</u></b>			
Sewer Rents Receivable	D-14	90,467.96	101,971.95
Sewer Utility Liens	D-15	2,525.00	2,525.00
		<u>92,992.96</u>	<u>104,496.95</u>
<b><u>Total Operating Section</u></b>		<u>705,545.63</u>	<u>602,432.76</u>
 <b><u>Capital Section</u></b>			
Cash	D-8	116,969.09	316,118.89
Interfund Due from Sewer Operating Fund	D:D-31	13,449.24	0.00
Fixed Capital	D-28	1,009,754.05	1,009,754.05
Fixed Capital Authorized and Uncompleted	D-29	714,000.00	714,000.00
		<u>1,854,172.38</u>	<u>2,039,872.94</u>
<b><u>Total Capital Section</u></b>		<u>1,854,172.38</u>	<u>2,039,872.94</u>
		 <u>\$ 2,559,718.01</u>	 <u>\$ 2,642,305.70</u>

See accompanying notes to financial statements

**Sewer Utility Fund**  
**Comparative Balance Sheet**

		Balance Dec. 31 2009		D (completed) Balance Dec. 31 2008
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>			
<u>Operating Section</u>				
<u>Liabilities</u>				
Appropriation Reserves	D-5:D-34	\$ 36,657.58	\$	51,582.95
Reserve for Encumbrances	D-5:D-34	197,427.18		39,385.20
Prepaid Sewer Rents	D-8	28,632.01		37,161.72
Sewer Rents Overpaid	D-38	0.00		0.00
Accrued Interest	D-36	341.69		548.66
Interfund Due to Sewer Capital Fund	D:D-31	13,449.24		0.00
		276,507.70		128,678.53
Reserve for Receivables	D	92,992.96		104,496.95
Operating Fund Balance	D-1	336,044.97		369,257.28
		705,545.63		602,432.76
<u>Total Operating Section</u>				
 <u>Capital Section</u>				
Bond Anticipation Notes	D-44	304,000.00		354,000.00
Interfund Due to Sewer Operating Fund	D:D-31	0.00		195,700.56
<u>Improvement Authorizations</u>				
Funded	D-43	4,074.85		4,074.85
Unfunded	D-43	61,635.89		61,635.89
Deferred Reserve for Amortization	D-50	370,500.00		320,500.00
Reserve for Amortization	D-49	1,009,754.05		1,009,754.05
Capital Improvement Fund	D-45	81,795.75		71,795.75
Fund Balance	D-3	22,411.84		22,411.84
		1,854,172.38		2,039,872.94
<u>Total Capital Section</u>				
 <u>Total Liabilities, Reserves and Fund Balance</u>		\$ 2,559,718.01	\$	2,642,305.70

Note: There were bonds and notes authorized but not issued on December 31, 2009 and December 31, 2008 in the amount of \$39,500.00 and \$39,500.00, 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 2009</u>	<u>Year 2008</u>
<b><u>Revenue and Other Income</u></b>			
Fund Balance Utilized	D-4	\$ 65,000.00	\$ 50,780.00
Sewer Rentals	D-4	1,137,543.15	1,116,060.76
Miscellaneous Sewer Charges	D-8	128.43	200.00
Other Credits to Income			
Interest Income	D-8:D-31	16,795.70	36,692.64
Unexpended Balance of Appropriation Reserves	D-34	31,964.02	44,789.55
		<u>1,251,431.30</u>	<u>1,248,522.95</u>
<b><u>Total Income</u></b>			
 <b><u>Expenditures</u></b>			
Operating	D-5	1,054,500.00	1,062,280.00
Deferred Charges and Statutory Expenditures	D-5	20,000.00	18,500.00
Debt Service	D-5	55,143.61	34,256.74
Capital Improvements	D-5	10,000.00	0.00
		<u>1,139,643.61</u>	<u>1,115,036.74</u>
<b><u>Total Expenditures</u></b>			
 <b><u>Excess in Revenue</u></b>		 111,787.69	 133,486.21
 <b><u>Adjustments to Income Before Fund Balance</u></b>			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>0.00</u>	<u>0.00</u>
 <b><u>Statutory Excess in Revenue</u></b>		 111,787.69	 133,486.21
 <b><u>Operating Fund Balance</u></b>			
<b><u>Balance</u></b> - January 1	D	<u>369,257.28</u>	<u>366,551.07</u>
		481,044.97	500,037.28
<b><u>Decreased by</u></b>			
Utilized by Current Fund Budget	A-2.1	80,000.00	80,000.00
Utilized by Sewer Operating Budget	D-1	65,000.00	50,780.00
		<u>145,000.00</u>	<u>130,780.00</u>
 <b><u>Balance</u></b> - December 31	D	 <u>\$ 336,044.97</u>	 <u>\$ 369,257.28</u>

See accompanying notes to financial statements

**Statement of Fund Balance**  
**Sewer Capital Fund**

D-3

**Balance** - December 31, 2008 and December 31, 2009

Ref.

D

\$ 22,411.84

No change in 2009

**Statement of Revenues - Sewer Utility**

D-4

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized as Revenue	D-1	\$ 65,000.00	65,000.00	0.00
Sewer Rents	D-1	1,077,500.00	1,137,543.15	60,043.15
	D-5	\$ 1,142,500.00	1,202,543.15	60,043.15

**Analysis of Realized Revenues - 2009**

<u>Rents</u>	<u>Ref.</u>	
Sewer Rents Receivable Collected in 2009	D-8	\$ 1,100,381.43
Add Overpayments Applied	D-38	0.00
Add Prepayments Applied	D-14	37,161.72
		\$ <u>1,137,543.15</u>

**Sewer Utility Fund**  
**Statement of Expenditures**

D-5

		<u>Appropriations</u>			<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			
<b><u>Operating</u></b>							
Salaries and Wages	\$	153,000.00	153,000.00	148,732.16	0.00	4,267.84	0.00
Other Expenses		901,500.00	901,500.00	674,338.27	197,427.18	29,734.55	0.00
<b><u>Capital Improvements</u></b>							
Capital Improvement Fund		10,000.00	10,000.00	10,000.00	0.00	0.00	0.00
<b><u>Debt Service</u></b>							
Interest on Notes		8,000.00	8,000.00	5,143.61	0.00	0.00	2,856.39
Payment of Note Principal		50,000.00	50,000.00	50,000.00	0.00	0.00	0.00
<b><u>Statutory Expenditures</u></b>							
P.E.R.S.		7,000.00	7,000.00	7,000.00	0.00	0.00	0.00
Social Security System		13,000.00	13,000.00	10,344.81	0.00	2,655.19	0.00
	\$	<u>1,142,500.00</u>	<u>1,142,500.00</u>	<u>905,558.85</u>	<u>197,427.18</u>	<u>36,657.58</u>	<u>2,856.39</u>

Ref.

D-4

D-4:D-1

D-8:D-31,  
D-32:D-36

D

D

D-1

See accompanying notes to financial statements

**Public Assistance Fund**  
**Comparative Balance Sheet**

E

	<u>Reference</u>	<u>Balance Dec. 31 2009</u>	<u>Balance Dec. 31 2008</u>
<b><u>Assets</u></b>			
Cash	E-1	\$ <u>97,906.22</u>	\$ <u>87,008.47</u>
 <b><u>Liabilities and Reserves</u></b>			
Assistance Commitments Payable	E-6	\$ 0.00	\$ 0.00
Reserve	E	<u>97,906.22</u>	<u>87,008.47</u>
<b><u>Total Liabilities and Reserves</u></b>		<u>\$ 97,906.22</u>	<u>\$ 87,008.47</u>

See accompanying notes to financial statements

**Bond and Interest Fund**  
**Comparative Balance Sheet**

F

None

See accompanying notes to financial statements

**Board of Recreation Commission**  
**Comparative Balance Sheet**

		Balance	G-1 Balance
	<u>Ref.</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
<b><u>Assets</u></b>			
Cash	G-2	\$ <u>60,486.57</u>	\$ <u>63,727.32</u>
<b><u>Liabilities and Reserves</u></b>			
Reserve for Recreation Commission Expenditures	G-1	\$ <u>60,486.57</u>	\$ <u>63,727.32</u>

See accompanying notes to financial statements

**Environmental Advisory Commission**  
**Comparative Balance Sheet**

		Balance	G-3 Balance
	<u>Ref.</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
<b><u>Assets</u></b>			
Cash	G-4	\$ <u>37,041.27</u>	\$ <u>25,160.67</u>
<b><u>Liabilities and Reserves</u></b>			
Reserve for Environmental Advisory Commission Expenditures	G-3	\$ <u>37,041.27</u>	\$ <u>25,160.67</u>

See accompanying notes to financial statements

**Statement of General Fixed Assets**

H

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 2,894,000.00	\$ 2,894,000.00
Buildings	2,111,300.00	2,111,300.00
Furnishings and Equipment	734,908.97	672,148.97
Vehicles	<u>1,400,374.73</u>	<u>1,421,579.73</u>
Total General Fixed Assets	<u>\$ 7,140,583.70</u>	<u>\$ 7,099,028.70</u>
<b><u>Liabilities and Reserves</u></b>		
Investment in General Fixed Assets	<u>\$ 7,140,583.70</u>	<u>\$ 7,099,028.70</u>

See accompanying notes to financial statements

**Borough of Neptune City**

**Notes to Financial Statements**

**Year Ended December 31, 2009**

**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 31<sup>st</sup> 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, 2009, 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>
2010	\$0.00
2011	0.00
2012	0.00
2013	0.00
2014	0.00

**NOTE 3 – FIXED ASSETS**

The fixed assets records of the Borough reflect the following changes and values for 2009:

	Balance Dec. 31 <u>2008</u>	2009 <u>Additions</u>	2009 <u>Dispositions</u>	Balance Dec. 31 <u>2009</u>
<b>General Fixed Assets Account Group:</b>				
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	672,148.97	64,060.00	1,300.00	734,908.97
Vehicles	1,421,579.73	0.00	21,205.00	1,400,374.73
<b>Water-Sewer Utility Fund:</b>				
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, 2009, the Borough had funds invested and on deposit in certificates of deposit, savings, and checking 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	\$ 381,248.40
2	2,549,131.60
3	0.00
	<u>\$2,930,380.00</u>

**NOTE 5 – FUND BALANCES (SURPLUS) APPROPRIATED**

Fund balances (surplus) at December 31, 2009 which were appropriated and included as anticipated revenue for the year ending December 31, 2010 were as follows:

Current Fund	\$400,000.00
Sewer Utility Fund	70,000.00
Sewer Utility Fund in Current Fund	80,000.00

**NOTE 6 – DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

	Balance Dec. 31 <u>2009</u>	2010 <u>Budget</u>	Balance To Future <u>Budgets</u>
Current Fund: Special Emergency Authorizations	2,500.00	2,500.00	0.00

The appropriations in the 2010 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 5.5% 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, 2009 and 2008 were \$421,136.00 and \$414,704.40 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 1<sup>st</sup> and November 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup>. If taxes are delinquent on or after April 1<sup>st</sup> 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 1<sup>st</sup> 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>2009</u>	<u>2008</u>
Balance of Tax	\$2,490,313.38	\$2,328,638.88
Deferred Tax	<u>1,325,272.50</u>	<u>1,325,272.50</u>
Balance Payable	<u>\$1,165,040.88</u>	<u>\$1,003,366.38</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, 2009, 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 if an employee meets certain requirements. The Borough assumes a percentage of the

health benefits coverage of the retiree and their eligible dependents if:

1. he or she has 25 or more years of service with the Borough of Neptune City; or
2. he or she retired on an approved disability retirement.

Currently, five employees meet the eligibility requirements. During 2009, the Borough paid approximately \$73,000.00 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 \$535,000.00. The amount due has been partially funded. As reported on Exhibit B-30, the funded portions for December 31, 2009 and 2008 were \$5,249.01 and \$3,227.61 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, 2009 and 2008 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, 2009 the Borough of Neptune City introduced ordinances for various capital improvements authorizing the issuance of debt in the amount of \$541,025.00. In addition, the Borough awarded various contracts for approximately \$465,000.00 of which approximately \$65,000.00 is expected to be reimbursed through federal and state grants.

**SUPPLEMENTARY INFORMATION**

**Current Fund**  
**Schedule of Current Fund Cash - Collector and Treasurer**

A-4

	<u>Ref.</u>	<u>Regular</u>
<b><u>Balance</u></b> - December 31, 2008	A	\$ 1,651,391.32
<b><u>Increased by Receipts</u></b>		
Interest and Costs on Taxes	A-2.1	49,452.65
Property Taxes Receivable	A-15	10,358,932.42
Prepaid Taxes	A-29	84,587.58
Revenue Accounts Receivable	A-22	485,504.23
State Aid	A-2.1	600,712.00
Miscellaneous Revenue Not Anticipated	A-2.2	77,624.20
Due to State of New Jersey -		
Senior Citizen and Veterans	A-41	71,131.68
Interfunds	A	100,000.00
Due to State of New Jersey - Construction Training Fees	A	406.00
Reserve for Hazardous Discharge Site Remediation Grant	A:A-2.1	333,500.00
Reserve for Clean Communities Grant	A:A-3	8,556.23
Reserve for Alcohol Education Rehabilitation Fund	A	835.37
Reserve for Alliance to Prevent Alcohol and Drug Abuse Grant	A:A-2.1	9,374.58
Reserve for Drunk Driving Enforcement Fund	A:A-3	7,124.20
Reserve for Safe and Secure Communities Program	A:A-2.1	53,049.37
Petty Cash Funds	A-11	350.00
		12,241,140.51
		13,892,531.83
<b><u>Decreased by Disbursements</u></b>		
Appropriation Expenditures	A-3	5,206,943.74
Appropriation Reserves	A-25	261,867.72
County Taxes	A-35	1,529,016.43
District School Taxes	A-37	4,818,952.50
Interfunds	A	100,000.00
Petty Cash Funds	A-11	350.00
Reserve for Drunk Driving Enforcement Fund	A:A-3	135.00
Reserve for Clean Communities Grant	A:A-3	6,799.13
Reserve for Alliance to Prevent Alcohol and Drug Abuse Grant	A:A-3	7,010.88
Reserve for Body Armor Grant	A:A-3	2,439.00
Reserve for Safe and Secure Communities Program	A:A-3	116,363.42
Reserve for Alcohol Education Rehabilitation Fund	A	1,250.00
Reserve for Hazardous Discharge Site Remediation Grant	A:A-3	345,419.50
		12,396,547.32
 <b><u>Balance</u></b> - December 31, 2009	 A	 \$ 1,495,984.51

**Current Fund**  
**Schedule of Change Funds**

A-10

	<u>Balance</u>		<u>Balance</u>
	<u>Dec. 31, 2008</u>	<u>Received</u>	<u>Dec. 31, 2009</u>
<u>Office</u>			
Collector - Treasurer	\$ 350.00	0.00	350.00
Community Center	150.00	0.00	150.00
Library	45.00	0.00	45.00
Municipal Court	200.00	0.00	200.00
	<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

	<u>Received</u>	<u>Returned</u>	<u>Balance</u>
	<u>Dec. 31, 2009</u>		
<u>Office</u>			
Municipal Clerk	\$ 200.00	200.00	0.00
Community Center	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	2009 Levy	Collections	Over-	Canceled	Transferred to	Balance
	Dec. 31			Payments		Tax Title	Dec. 31
	2008			Applied		Liens	2009
2009	0.00	10,485,318.84	10,295,654.53	0.00	3,885.50	10,284.41	175,494.40
2008	203,153.74	2,166.39	205,320.13	0.00	0.00	0.00	0.00
	\$ 203,153.74	10,487,485.23	10,500,974.66	0.00	3,885.50	10,284.41	175,494.40
<b>Ref.</b>	A	A-15		A-30		A-16	A
A-29	Prepaid Applied		71,292.24				
A-4	Cash Received		10,358,932.42				
A-41	Veterans and Senior Citizens Allowance		70,750.00				
			<u>\$ 10,500,974.66</u>				

<b>Tax Yield</b>	<b>Ref.</b>	
General Purpose Tax		\$ 10,445,855.00
Added Tax (54:4-63.1 et. seq.)		<u>39,463.84</u>
	A-15	<u>\$ 10,485,318.84</u>

<b>Tax Levy</b>	<b>Ref.</b>	
Local District School Tax (Abstract)	A-37	\$ 4,980,627.00
County Tax (Abstract)	A-35	1,333,353.62
County Library Tax (Abstract)	A-35	78,771.57
County Health Tax (Abstract)	A-35	25,433.94
County Open Space Taxes	A-35	87,532.64
Due County for Added Taxes (R.S. 54:4-63.1 et. seq.)	A-35	<u>5,754.03</u>
		<u>1,530,845.80</u>
		6,511,472.80
Local Tax for Municipal Purposes (Abstract)	A-2.1	3,939,617.22
Add: Additional Tax Levies		33,709.81
Add: Excess in Yield		<u>519.01</u>
		<u>3,973,846.04</u>
		<u>\$ 10,485,318.84</u>

**Schedule of Tax Title Liens**

	<b>Ref.</b>	
<b>Balance</b> - December 31, 2008	A	\$ 231,963.64
<b>Increased by</b>		
Transfers from Taxes Receivable	A-15	<u>10,284.41</u>
<b>Balance</b> - December 31, 2009	A	<u>\$ 242,248.05</u>

**Schedule of Property Acquired for Taxes**  
**(At Assessed Valuation)**

	<b>Ref.</b>	
<b>Balance</b> - December 31, 2008 and December 31, 2009	A	<u>\$ 53,213.00</u>

No change in 2009

**Current Fund**  
**Schedule of Revenue Accounts Receivable**

A-22

		Balance Dec. 31 2008	Accrued in 2009	Collected by Treasurer	Balance Dec. 31 2009
<b>Licenses</b>					
Alcoholic Beverages	A-2.1	\$ 0.00	9,300.00	9,300.00	0.00
Mercantile	A-2.1	0.00	16,547.50	16,547.50	0.00
Trailer Park	A-2.1	0.00	14,400.00	14,400.00	0.00
Marriage	A-2.2	0.00	75.00	75.00	0.00
Bingo and Raffle	A-2.2	0.00	80.00	80.00	0.00
<b>Fees and Permits</b>					
Uniform Construction Code	A-2.1	0.00	61,270.00	61,270.00	0.00
Certificate of Occupancy	A-2.1	0.00	12,740.00	12,740.00	0.00
Certified Copies	A-2.2	0.00	1,061.00	1,061.00	0.00
Street Opening Permits	A-2.2	0.00	3,000.00	3,000.00	0.00
<b>Municipal Court</b>					
Fines and Costs	A-2.1	15,993.33	212,159.58	215,107.71	13,045.20
Uniform Fire Safety Act	A-2.1	0.00	12,948.32	10,443.22	2,505.10
Cable Television Franchise Fees	A-2.1	22,481.55	26,747.80	22,481.55	26,747.80
Community Center Fees	A-2.1	0.00	52,797.35	52,797.35	0.00
<b>Payments in Lieu of Taxes</b>					
Housing Authority	A-2.1	0.00	53,141.40	53,141.40	0.00
Fire Prevention Permits	A-2.1	0.00	8,568.00	8,568.00	0.00
Search Fees	A-2.2	0.00	520.00	520.00	0.00
Police Accident Reports	A-2.2	0.00	3,971.50	3,971.50	0.00
		<u>\$ 38,474.88</u>	<u>489,327.45</u>	<u>485,504.23</u>	<u>42,298.10</u>
	<u>Ref.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>

**Schedule of Deferred Charges**

A-23

		Balance Dec. 31 2008	Added in 2009	Raised in 2009 Budget	Balance Dec. 31 2009
Emergency Authorizations (40A:4-47)		\$ 40,000.00	0.00	40,000.00	0.00
	<u>Ref.</u>	<u>A</u>	<u>A-3</u>	<u>A-3</u>	<u>A</u>

**Schedule of Deferred Charges - Special Emergency Authorizations**

A-24

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31 2008	Added in 2009	Raised in Budget	Balance Dec. 31 2009
06/27/05	Master Plan	12,500.00	2,500.00	5,000.00	0.00	2,500.00	2,500.00
				<u>\$ 5,000.00</u>	<u>0.00</u>	<u>2,500.00</u>	<u>2,500.00</u>
	<u>Ref.</u>			<u>A</u>	<u>A-1</u>	<u>A-3</u>	<u>A</u>

**Current Fund**  
**Schedule of Appropriation Reserves and Reserve for Encumbrances - 2008**

A-25

	Balance Dec. 31 2008	Balance After Transfer	Paid or Charged	Lapsed
<b>Salaries and Wages</b>				
Administrator's Office	\$ 131.08	131.08	0.00	131.08
Mayor and Council	1,840.99	1,840.99	0.00	1,840.99
Municipal Clerk's Office	123.73	123.73	0.00	123.73
Financial Administration	167.44	167.44	0.00	167.44
Collection of Taxes	18.15	18.15	0.00	18.15
Municipal Court	717.76	717.76	0.00	717.76
Public Defender	1,238.60	1,238.60	0.00	1,238.60
Code Enforcement	10.46	10.46	0.00	10.46
Police	7,675.97	7,675.97	5,300.28	2,375.69
Fire Prevention Bureau	0.69	0.69	0.00	0.69
Emergency Management Services	41.29	41.29	0.00	41.29
Public Buildings and Grounds	584.40	584.40	0.00	584.40
Administration of Public Assistance	26.40	26.40	0.00	26.40
Construction Official	357.30	357.30	0.00	357.30
Plumbing Inspector	39.04	39.04	0.00	39.04
Electrical Inspector	56.00	56.00	0.00	56.00
Fire Inspector	40.80	40.80	0.00	40.80
<b>Other Expenses</b>				
Administrator's Office	4,603.58	4,603.58	4,136.37	467.21
Mayor and Council	90.10	90.10	0.00	90.10
Municipal Clerk's Office	668.54	668.54	0.00	668.54
Audit Services	14,200.00	14,200.00	14,200.00	0.00
Assessment of Taxes	1,855.40	1,855.40	247.59	1,607.81
Collection of Taxes	1,689.09	1,689.09	490.41	1,198.68
Legal Services and Costs	20,666.69	15,666.69	10,078.49	5,588.20
Municipal Court	4,128.75	4,128.75	3,349.63	779.12
Public Defender	300.00	300.00	0.00	300.00
Engineering Services and Costs	792.80	792.80	792.00	0.80
Land Use Board	4,226.09	4,226.09	4,013.95	212.14
Code Enforcement	89.79	89.79	80.00	9.79
General Liability	216.09	216.09	0.00	216.09
Workers Compensation	6.00	6.00	0.00	6.00
Employee Group Health Insurance	26,744.32	25,072.32	24,225.15	847.17
Fire Hydrant Service	4,349.50	4,349.50	3,346.56	1,002.94
Fire - Misc. Other Expenses	3,118.70	3,118.70	3,067.84	50.86
Police	20,703.16	27,803.16	24,552.11	3,251.05
First Aid Organization	100.00	100.00	0.00	100.00
Fire Prevention Bureau	767.58	767.58	550.00	217.58
Emergency Management Services	1,410.43	810.43	237.50	572.93
Road Repairs and Maintenance	5,859.02	5,859.02	5,435.34	423.68

Current Fund  
Schedule of Appropriation Reserves and Reserve for Encumbrances - 2008

A-25  
(Continued)

	Balance Dec. 31 2008	Balance After Transfer	Paid or Charged	Lapsed
<b><u>Other Expenses - Continued</u></b>				
Traffic Lights	1,531.80	431.80	279.93	151.87
Solid Waste Collection	61,912.14	61,912.14	60,958.33	953.81
Public Buildings and Grounds	3,227.42	3,502.42	3,497.39	5.03
Maintenance of Borough Vehicles	2,194.02	2,194.02	2,193.56	0.46
Maintenance of Abandoned Properties	37,795.00	37,795.00	32,750.00	5,045.00
Administration of Public Assistance	249.76	249.76	99.98	149.78
Animal Control	1,108.10	1,108.10	978.38	129.72
Board of Recreation	739.88	739.88	38.48	701.40
Parks and Playgrounds	32.19	32.19	17.68	14.51
Community Center	3,878.07	3,878.07	3,209.83	668.24
Library	1,049.34	1,121.34	1,121.34	0.00
Construction Official	511.09	511.09	0.00	511.09
Building Inspector	200.00	200.00	48.00	152.00
Plumbing Inspector	100.00	100.00	0.00	100.00
Electrical Inspector	100.00	100.00	0.00	100.00
Fire Inspector	100.00	100.00	0.00	100.00
Interest on Tax Appeals	455.00	455.00	0.00	455.00
Celebration of Public Events	521.62	521.62	397.50	124.12
Electric	3,486.00	3,486.00	3,485.97	0.03
Street Lighting	6,759.42	7,584.42	7,577.93	6.49
Telephone	316.70	1,916.70	1,566.53	350.17
Water	278.54	278.54	184.97	93.57
Natural Gas	5,210.19	3,710.19	3,586.35	123.84
Gasoline	7,120.09	7,120.09	5,443.72	1,676.37
Landfill/Solid Waste Disposal	572.88	572.88	0.00	572.88
Contingent	1,555.63	1,555.63	362.11	1,193.52
Social Security Administration	156.66	156.66	0.00	156.66
Public Employee's Retirement System	0.60	0.60	0.00	0.60
Length of Service Awards Program	30,000.00	30,000.00	27,050.00	2,950.00
Purchase of Leaf Collection Machine	5,500.00	5,500.00	0.00	5,500.00
Purchase of Office Equipment	3,610.01	3,610.01	2,916.52	693.49
	<u>\$ 309,927.88</u>	<u>309,927.88</u>	<u>261,867.72</u>	<u>48,060.16</u>
	Ref.			A-1
Appropriation Reserves	A	217,491.36		
Reserve for Encumbrances	A	92,436.52		
		<u>\$ 309,927.88</u>		
Expended by Cash	A-4		<u>\$ 261,867.72</u>	



**Current Fund**  
**Schedule of County Taxes Payable**

	<u>Ref.</u>		<u>A-35</u>
<b><u>Balance</u></b> - December 31, 2008	A	\$	3,924.66
<b><u>Increased by</u></b>			
2009 Levy	A-1:A-15	1,525,091.77	
Added Taxes (2009 - \$5,754.03; 2008 - \$331.41)	A-1:A-15	<u>6,085.44</u>	
			<u>1,531,177.21</u>
			1,535,101.87
<b><u>Decreased by</u></b>			
Payments	A-4		<u>1,529,016.43</u>
<b><u>Balance</u></b> - December 31, 2009	A	\$	<u><u>6,085.44</u></u>

**Schedule of Local District School Tax**

	<u>Ref.</u>		<u>A-37</u>
<b><u>Balance</u></b> - December 31, 2008			
School Tax Deferred		\$ 1,325,272.50	
School Tax Payable	A	<u>1,003,366.38</u>	
			2,328,638.88
<b><u>Increased by</u></b>			
Levy - School Year			
July 1, 2009 to June 30, 2010	A-15		<u>4,980,627.00</u>
			7,309,265.88
<b><u>Decreased by</u></b>			
Payments	A-4		<u>4,818,952.50</u>
<b><u>Balance</u></b> - December 31, 2009			
School Tax Deferred		1,325,272.50	
School Tax Payable	A	<u>1,165,040.88</u>	
2009 Liability for Local District School Tax			<u><u>\$ 2,490,313.38</u></u>
Tax Paid	A-37	\$	4,818,952.50
Tax Payable - December 31, 2009	A-37		<u>1,165,040.88</u>
			5,983,993.38
Less: Tax Payable - December 31, 2008	A-37		<u>1,003,366.38</u>
Amount Charged to 2009 Operations	A-1	\$	<u><u>4,980,627.00</u></u>

**Current Fund**  
**Schedule of Due To State of New Jersey**

A-41

	<u>Ref.</u>		
<b><u>Balance</u></b> - December 31, 2008.			
( Due to State of New Jersey)	A		\$ 43,554.76
<b><u>Increased by</u></b>			
Senior Citizens Deductions Disallowed			
by Tax Collector	A-15	1,250.00	
Veterans Deductions Disallowed by Tax Collector	A-15	250.00	
Received in Cash From State of New Jersey	A-4	<u>71,131.68</u>	
			<u>72,631.68</u>
			116,186.44
<b><u>Decreased by</u></b>			
Senior Citizens Deductions per Tax Billings	A-15	16,250.00	
Veterans Deductions per Tax Billings	A-15	53,750.00	
Veterans Deductions Allowed by Tax Collector	A-15	1,500.00	
Senior Citizens Deductions Allowed by Tax Collector	A-15	750.00	
Prior Year Overpayment Cancelled	A-1	<u>43,936.44</u>	
			<u>116,186.44</u>
 <b><u>Balance</u></b> - December 31, 2009			
( Due to State of New Jersey)	A		\$ <u><u>0.00</u></u>

**Trust Fund**  
**Schedule of Trust Cash - Treasurer**

B-4

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 253,501.49
<b><u>Increased by Receipts</u></b>		
Dog License Fees	B-23	6,879.40
Interest on Investments	B-23:B-26:B-27:B-28, B-30:B-31	142.07
Miscellaneous Fines and Assessments	B-23:B-26:B-27:B-28	7,430.00
Miscellaneous Fees	B-23:B-29	4,817.10
Miscellaneous Donations and Fundraisers	B-31	1,303.10
Miscellaneous Trust Deposits	B-24	275,375.52
Budget Appropriations	B-30	2,000.00
Developer Escrow Deposits	B-25	<u>75,129.72</u>
		<u>373,076.91</u>
		626,578.40
<b><u>Decreased by Disbursements</u></b>		
Developers' Expenses	B-25	99,275.77
Expenditures Under R.S. 4:19-15.11	B-23	6,655.00
Miscellaneous Expenses	B-26:B-27:B-28, B-29:B-30:B-31	6,226.82
Miscellaneous Trust Disbursements	B-23:B-24	<u>246,109.02</u>
		<u>358,266.61</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 268,311.79</u>

**Trust Fund**  
**Schedule of Reserve for Dog Fund Expenditures**

B-23

	<u>Ref.</u>		
<b><u>Balance</u></b> - December 31, 2008	B		\$ 816.71
<b><u>Increased by</u></b>			
Dog License Fees Collected	B-4	6,879.40	
Late Fees Collected	B-4	1,215.00	
Interest on Investments	B-4	24.31	
Fees Collected Due State of New Jersey	B-4	<u>1,038.60</u>	
			9,157.31
			<u>9,974.02</u>
<b><u>Decreased by</u></b>			
Expenditure Under R.S. 4:19-15.11	B-4	6,655.00	
Paid to State of New Jersey	B-4	<u>1,038.60</u>	
			<u>7,693.60</u>
<b><u>Balance</u></b> - December 31, 2009	B		<u>\$ 2,280.42</u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2007	\$ 3,835.20
2008	<u>7,115.40</u>
	<u>\$ 10,950.60</u>

**Schedule of Reserve for Special Trust Items**

B-24

	Balance Dec. 31 2008	Increased by Deposits	Decreased by Expenses	Balance Dec. 31 2009
Rental Deposits	\$ 1,200.00	6,430.00	6,730.00	900.00
Marriage Licenses	0.00	675.00	550.00	125.00
Police Vest Funds	1,602.00	0.00	0.00	1,602.00
POAA	2,647.43	20.00	0.00	2,667.43
Tax Sale Premiums	14,502.00	62,500.00	16,201.00	60,801.00
Escrow Funds	39,353.56	123,132.88	138,439.17	24,047.27
Third Party Tax Liens	0.00	81,306.63	81,306.63	0.00
Burial Permits	0.00	35.00	35.00	0.00
Federal and State Grants	4,860.00	0.00	0.00	4,860.00
Donations	5,864.38	1,276.01	1,808.62	5,331.77
	<u>\$ 70,029.37</u>	<u>275,375.52</u>	<u>245,070.42</u>	<u>100,334.47</u>
<u>Ref.</u>	B	B-4	B-4	B

**Trust Fund**  
**Schedule of Reserve for Developers' Escrow Trust Fund**

B-25

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 164,827.15
<b><u>Increased by</u></b>		
Developers' Deposits	B-4	75,129.72
		<u>239,956.87</u>
<b><u>Decreased by</u></b>		
Developers' Expenses	B-4	<u>99,275.77</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 140,681.10</u>

**Schedule of Reserve for Law Enforcement Trust Fund**

B-26

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 11,261.31
<b><u>Increased by</u></b>		
Receipts from Forfeitures	B-4	540.00
Interest on Investments	B-4	<u>66.96</u>
		<u>606.96</u>
		11,868.27
<b><u>Decreased by</u></b>		
Law Enforcement Expenses	B-4	<u>209.92</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 11,658.35</u>

**Trust Fund**  
**Schedule of Reserve for Emergency Management Trust Fund**

B-27

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 2,151.05
<b><u>Increased by</u></b>		
Interest on Investments	B-4	16.05
Fines and Assessments	B-4	<u>2,875.00</u>
		2,891.05
		<u>5,042.10</u>
<b><u>Decreased by</u></b>		
Emergency Management Expenses	B-4	<u>164.25</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 4,877.85</u>

**Schedule of Reserve for Fire Prevention Trust Fund**

B-28

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 143.43
<b><u>Increased by</u></b>		
Interest on Investments	B-4	8.37
Fines and Assessments	B-4	<u>2,800.00</u>
		2,808.37
		<u>2,951.80</u>
<b><u>Decreased by</u></b>		
Fire Prevention Expenses	B-4	<u>1,072.85</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 1,878.95</u>

**Schedule of Reserve for Public Defender Trust Fund**

B-29

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	B	\$ 703.88
<b><u>Increased by</u></b>		
Fees Charged	B-4	<u>3,778.50</u>
		4,482.38
<b><u>Decreased by</u></b>		
Public Defender Expenses	B-4	<u>4,164.35</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 318.03</u>

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

	<u>Ref.</u>	<u>B-30</u>
<b><u>Balance</u></b> - December 31, 2008	B	\$ 3,227.61
<b><u>Increased by</u></b>		
Interest on Investments	B-4	21.40
Budget Appropriation	A-3:A-25	<u>2,000.00</u>
		2,021.40
		<u>5,249.01</u>
<b><u>Decreased by</u></b>		
Unused Accumulated Sick Time Expenses	B-4	<u>0.00</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 5,249.01</u>

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

	<u>Ref.</u>	<u>B-31</u>
<b><u>Balance</u></b> - December 31, 2008	B	\$ 340.98
<b><u>Increased by</u></b>		
Donations and Fundraisers	B-4	1,303.10
Interest on Investments	B-4	<u>4.98</u>
		1,308.08
		<u>1,649.06</u>
<b><u>Decreased by</u></b>		
Alliance Expenses	B-4	<u>615.45</u>
<b><u>Balance</u></b> - December 31, 2009	B	<u>\$ 1,033.61</u>

**Capital Fund**  
**Schedule of General Capital Cash - Treasurer**

	Ref.	C-2	
<b>Balance - December 31, 2008</b>	C		\$ 121,360.76
<b>Increased by Receipts</b>			
Interest on Investments	C-11	1,033.54	
Interfund with Current Fund	C-11	100,000.00	
Capital Improvement Fund	C-12	20,000.00	
Federal and State Aid	C-4:C-10:C-14	<u>473,167.99</u>	
			<u>594,201.53</u>
			<u>715,562.29</u>
<b>Decreased by Disbursements</b>			
Improvement Authorizations	C-14	480,835.38	
Interfund with Current Fund	C-11	<u>1,033.54</u>	
			<u>481,868.92</u>
<b>Balance - December 31, 2009</b>	C		\$ <u>233,693.37</u>

**Analysis of General Capital Cash**

	Dec. 31				Dec. 31
	2008	Receipts	Disbursements	Transfers	2009
Capital Improvement Fund	\$ 10,850.00	20,000.00	0.00	(13,075.00)	17,775.00
Fund Balance	14,931.50	0.00	0.00	0.00	14,931.50
Interfund Due to Current Fund	426,840.08	101,033.54	1,033.54	0.00	526,840.08
Federal and State Aid Receivable	(79,779.75)	268,453.99	0.00	(278,410.24)	(89,736.00)
Improvement Authorizations:					
Renovations to Municipal Building	13,865.34	0.00	0.00	0.00	13,865.34
Improvements to Oliver Drive, Etc.	68.47	0.00	0.00	0.00	68.47
Purchase of Fire Vehicle-2000	(225.00)	0.00	0.00	0.00	(225.00)
Purchase of Police Dispatch Equipment	19,705.43	0.00	0.00	0.00	19,705.43
Purchase of Leaf Collector	(225.00)	0.00	0.00	0.00	(225.00)
Pedestrian Corridor-Sylvania Avenue	(225.00)	0.00	5,787.50	0.00	(6,012.50)
2003 Road Improvements - Laurel, Woodland, Etc.	(4,511.39)	0.00	0.00	0.00	(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	(4,421.88)	0.00	0.00	0.00	(4,421.88)
Purchase of Communication Equipment	(20,396.45)	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.	(4,256.24)	0.00	0.00	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	(112,644.00)	0.00	9,256.20	0.00	(121,900.20)
Improvements to Fourth Ave., Etc.	(42,521.56)	0.00	0.00	37,466.24	(5,055.32)
Improvements to Fifth Ave.	(1,788.80)	0.00	0.00	0.00	(1,788.80)
Purchase of Leaf Collector 2008	(30,295.00)	0.00	0.00	0.00	(30,295.00)
Improvements to East End, W. Sylvania	(5,396.10)	204,714.00	234,389.50	0.00	(35,071.60)
Improvements to Fifth Ave. Phase II	0.00	0.00	204,413.06	192,944.00	(11,469.06)
Improvements to Adams Field	0.00	0.00	19,741.77	52,500.00	32,758.23
Purchase of Video Equipment	0.00	0.00	218.60	1,325.00	1,106.40
Installation of Underground Fuel System	0.00	0.00	6,525.15	2,000.00	(4,525.15)
Purchase of Dump Truck	0.00	0.00	503.60	5,250.00	4,746.40
	\$ 121,360.76	594,201.53	481,868.92	0.00	233,693.37
Ref.	C	C-2	C-2		C

**Capital Fund**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**

C-10

Date	Improvement Description	Charges and				Analysis of Balance December 31, 2009			Unexpended
		Balance	Federal and	Notes Paid	By Budget	Balance	Payable	Expenditures	
		Dec. 31, 2008	State Aid	Appropriation	Dec. 31, 2009	Notes		Authorizations	
		\$							
12/31/94	Purchase of Fire Pumper Truck	10,862.87	0.00	0.00	10,862.87	0.00	0.00	10,862.87	
04/08/96	Roadway Improvements	6,566.36	0.00	0.00	6,566.36	0.00	0.00	6,566.36	
03/09/98	Purchase of Dump Truck	1,322.17	0.00	0.00	1,322.17	0.00	0.00	1,322.17	
04/27/98	Improvements to Oliver Drive	4,500.00	0.00	0.00	4,500.00	0.00	0.00	4,500.00	
12/28/98, 08/08/99	Improvements to Wall Road	1,450.00	0.00	0.00	1,450.00	0.00	0.00	1,450.00	
04/10/00	Purchase of Fire Vehicle-2000	26,985.50	0.00	6,000.00	20,985.50	20,000.00	225.00	760.50	
06/26/00	Improvement to Riverdale and Locust Aves.	210,230.67	0.00	0.00	210,230.67	0.00	0.00	210,230.67	
08/28/00	Purchase of Police Equipment	142,500.00	0.00	0.00	142,500.00	117,500.00	0.00	25,000.00	
08/28/00, 06/11/01	Purchase of Leaf Collector	3,768.24	0.00	1,200.00	2,568.24	0.00	225.00	2,343.24	
12/1/00	Pedestrian Corridor/Sylvania Avenue	29,978.30	0.00	0.00	29,978.30	11,000.00	6,012.50	12,965.80	
05/09/01	2001 Roadway Improvements	28,071.20	0.00	21,000.00	7,071.20	0.00	0.00	7,071.20	
11/12/01	Construction of Recreation Center	369,000.00	0.00	49,000.00	320,000.00	320,000.00	0.00	0.00	
11/12/01, 03/08/04	Improvements to Firehouse	47,211.24	0.00	7,000.00	40,211.24	40,000.00	0.00	211.24	
04/08/02, 09/09/02	Improvements to Laurel Avenue	124,362.97	0.00	19,000.00	105,362.97	100,500.00	4,511.39	351.58	
07/08/02	Video Conferencing Equipment	14,250.00	0.00	0.00	14,250.00	0.00	8,823.24	5,426.76	
09/09/02	Purchase of Dump Truck	66,500.00	0.00	0.00	66,500.00	64,000.00	441.88	2,058.12	
12/23/02	Improvements to Laird Avenue	102,000.00	0.00	5,000.00	97,000.00	90,000.00	6,520.62	479.38	
12/22/03	Improvements to Avondale Avenue	154,850.00	0.00	10,000.00	144,850.00	110,000.00	4,421.88	30,428.12	
03/08/04	Purchase of Communication Equipment	38,000.00	0.00	0.00	38,000.00	17,500.00	20,396.45	103.55	
05/10/04	Improvements to Ridge Ave. and McAneny St.	48,439.00	0.00	0.00	48,439.00	36,000.00	254.25	12,184.75	
05/10/04	Purchase of Front End Loader	118,500.00	0.00	6,800.00	111,700.00	68,200.00	19,478.13	24,021.87	
04/11/05, 11/28/05	Improvements to Evergreen Ave., Etc.	159,350.00	0.00	10,000.00	149,350.00	140,000.00	4,256.24	5,093.76	
06/15/05	Purchase of Telephone System	20,900.00	0.00	0.00	20,900.00	0.00	20,813.26	86.74	
06/15/05	Purchase of Street Sweeper	118,500.00	0.00	15,000.00	103,500.00	100,000.00	3,500.00	0.00	
11/14/05	Improvements to Bennett Ave., Etc.	126,350.00	0.00	0.00	126,350.00	120,000.00	5,956.79	393.21	
07/24/06	Improvements to Third Avenue	120,687.00	0.00	0.00	120,687.00	100,000.00	0.00	20,687.00	
07/24/06, 02/26/07	Improvements to Adams Field	196,500.00	0.00	0.00	196,500.00	74,599.80	121,900.20	0.00	
02/26/07	Improvements to Fourth Ave., Etc.	183,350.00	0.00	0.00	145,883.76	125,000.00	5,055.32	15,828.44	
04/11/08	Improvements to Fifth Ave.	55,100.00	0.00	0.00	55,100.00	0.00	1,788.80	53,311.20	
06/23/08	Purchase of Leaf Collector 2008	31,350.00	0.00	-0.00	31,350.00	0.00	30,295.00	1,055.00	
04/28/08	Improvements to East End, W. Sylvania	242,250.00	0.00	0.00	37,536.00	0.00	35,071.60	2,464.40	
03/09/09	Improvements to Fifth Ave. Phase II	0.00	0.00	0.00	18,556.00	0.00	11,469.06	7,086.94	
04/13/09	Improvements to Adams Field	0.00	0.00	0.00	17,500.00	0.00	0.00	17,500.00	
10/26/09	Purchase of Video Equipment	0.00	0.00	0.00	25,175.00	0.00	0.00	25,175.00	
10/26/09	Installation of Underground Fuel System	0.00	0.00	0.00	38,000.00	0.00	4,525.15	33,474.85	
10/26/09	Purchase of Dump Truck	0.00	0.00	0.00	99,750.00	0.00	0.00	99,750.00	
		\$ 2,803,685.52	291,180.24	150,000.00	2,610,486.28	1,654,299.80	315,941.76	640,244.72	

Ref. C-22 C-14-C-22 A-3-C-19 C C-19 C-4 Ref. C-14 C-4

Improvement Authorizations - Unfunded 714,216.47

Less: Excess Financing 73,971.75

\$ 640,244.72

**Capital Fund**  
**Schedule of Interfund With Current Fund**

C-11

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008 (Due to)	C	\$ 426,840.08
<b><u>Increased by</u></b>		
Interest on Investments	C-2	1,033.54
Cash Received	C-2	<u>100,000.00</u>
		<u>101,033.54</u>
		527,873.62
<b><u>Decreased by</u></b>		
Interest Transfers	C-2	<u>1,033.54</u>
<b><u>Balance</u></b> - December 31, 2009 (Due to)	C	<u><u>\$ 526,840.08</u></u>

**Schedule of Capital Improvement Fund**

C-12

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	C	\$ 10,850.00
<b><u>Increased by</u></b>		
Budget Appropriation - Capital Improvement Fund	C-2	<u>20,000.00</u>
		30,850.00
<b><u>Decreased by</u></b>		
Appropriation to Finance Improvement Authorizations	C-2:C-14	<u>13,075.00</u>
<b><u>Balance</u></b> - December 31, 2009	C	<u><u>\$ 17,775.00</u></u>

**Capital Fund**  
**Improvement Authorizations - General Capital**

C-14

Improvement Description	Date	Amount	Balance		Capital Improvement Fund	Deferred Charges To Future Taxation	State Aid	Paid or Charged	Balance	
			December 31, 2008						December 31, 2009	
			Funded	Unfunded					Funded	Unfunded
Purchase of Fire Pumper Truck	12/31/1994	395,000.00	\$ 10,862.87	0.00	0.00	0.00	0.00	0.00	10,862.87	
Renovation of Municipal Building	12/11/95	85,000.00	13,865.34	0.00	0.00	0.00	0.00	0.00	13,865.34	
Roadway Improvement Program	04/08/96	240,000.00	6,566.36	0.00	0.00	0.00	0.00	0.00	6,566.36	
Purchase of Dump Truck	03/09/98	60,000.00	1,322.17	0.00	0.00	0.00	0.00	0.00	1,322.17	
Improvements to Oliver Drive, Etc.	04/27/98	110,000.00	4,568.47	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	1,450.00	0.00	0.00	0.00	0.00	0.00	1,450.00	
Purchase of Fire Vehicle 2001	04/10/00	35,000.00	760.50	0.00	0.00	0.00	0.00	0.00	760.50	
Improvement to Riverdale/Locust Avenues	06/26/00	270,000.00	210,230.67	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	44,705.43	0.00	0.00	0.00	0.00	0.00	44,705.43	
Purchase of Leaf Collector	08/28/00	30,000.00	2,343.24	0.00	0.00	0.00	0.00	0.00	2,343.24	
Pedestrian Corridor-Sylvania Avenue	12/11/00	10,000.00	18,753.30	0.00	0.00	0.00	5,787.50	0.00	12,965.80	
2001 Roadway Improvements	05/29/01	250,000.00	7,071.20	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	211.24	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	351.58	0.00	0.00	0.00	0.00	0.00	351.58	
Video Conferencing Equipment	07/08/02	15,000.00	5,426.76	0.00	0.00	0.00	0.00	0.00	5,426.76	
Purchase of Dump Truck	09/09/02	70,000.00	2,058.12	0.00	0.00	0.00	0.00	0.00	2,058.12	
Improvements to Laird Avenue	12/23/02	320,000.00	479.38	0.00	0.00	0.00	0.00	0.00	479.38	
Improvements to Avondale Avenue	12/22/03	370,000.00	30,428.12	0.00	0.00	0.00	0.00	0.00	30,428.12	
Purchase of Communication Equipment	03/08/04	40,000.00	103.55	0.00	0.00	0.00	0.00	0.00	103.55	
Improvement to Ridge Ave., McAnery St., Etc.	05/10/04	250,000.00	12,184.75	0.00	0.00	0.00	0.00	0.00	12,184.75	
Purchase of Front End Loader	05/10/04	130,000.00	24,021.87	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	5,093.76	0.00	0.00	0.00	0.00	0.00	5,093.76	
Purchase of Telephone System	06/15/05	22,000.00	86.74	0.00	0.00	0.00	0.00	0.00	86.74	
Improvements to Bennett Ave., Etc.	11/14/05	300,000.00	393.21	0.00	0.00	0.00	0.00	0.00	393.21	
Improvements to Third Avenue	07/24/06	330,000.00	28,261.28	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	9,256.20	0.00	0.00	0.00	9,256.20	0.00	0.00	
Improvements to Fourth Ave., Etc.	02/26/07	360,000.00	15,828.44	0.00	0.00	0.00	0.00	0.00	15,828.44	
Improvements to Fifth Ave.	04/11/08	250,000.00	53,311.20	0.00	0.00	0.00	0.00	0.00	53,311.20	
Purchase of Leaf Collector 2008	06/23/08	33,000.00	1,055.00	0.00	0.00	0.00	0.00	0.00	1,055.00	
Improvements to East End, W. Sylvania	04/28/08	255,000.00	236,853.90	0.00	0.00	0.00	234,389.50	0.00	2,464.40	
Improvements to Fifth Ave. Phase II	03/09/09	211,500.00	0.00	1,000.00	18,556.00	191,944.00	204,413.06	0.00	7,086.94	
Improvements to Adams Field	04/13/09	70,000.00	0.00	3,500.00	66,500.00	0.00	19,741.77	0.00	50,258.23	
Purchase of Video Equipment	10/26/09	26,500.00	0.00	1,325.00	25,175.00	0.00	218.60	1,106.40	25,175.00	
Installation of Underground Fuel System	10/26/09	40,000.00	0.00	2,000.00	38,000.00	0.00	6,525.15	0.00	33,474.85	
Purchase of Dump Truck	10/26/09	105,000.00	0.00	5,250.00	99,750.00	0.00	503.60	4,746.40	99,750.00	
		\$	747,904.65	13,075.00	247,981.00	191,944.00	480,835.38	5,852.80	714,216.47	

Ref

C C-2 C-2 C

Capital Fund  
Schedule of Bond Anticipation Notes

Original Date of Issue	Date of Issue	Maturity	Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
2001 Roadway Improvements	12/09/03			21,000.00	0.00	21,000.00	0.00
Improvements to Laurel Avenue	12/09/03	12/04/10	[a]	119,500.00	0.00	19,000.00	100,500.00
Construction of Senior/ Recreation Center	12/09/03	05/21/10	2.00%	249,000.00	0.00	39,000.00	210,000.00
Construction of Senior/ Recreation Center	12/09/03	12/03/10	[a]	120,000.00	0.00	10,000.00	110,000.00
Purchase of Street Sweeper	07/13/05	07/08/10	2.00%	115,000.00	0.00	15,000.00	100,000.00
Purchase of Fire Vehicle	12/27/05	12/21/10	[a]	26,000.00	0.00	6,000.00	20,000.00
Purchase of Front End Loader	12/27/05	12/21/10	[a]	75,000.00	0.00	6,800.00	68,200.00
Purchase of Leaf Collector	12/27/05	12/08/10	[a]	1,200.00	0.00	1,200.00	0.00
Improvements to Laird Avenue	12/27/05	12/09/09	[a]	95,000.00	0.00	5,000.00	90,000.00
Improvements to Avondale Avenue	12/27/05	12/08/10	[a]	100,000.00	0.00	10,000.00	90,000.00
Improvements to Avondale Avenue	12/10/08	12/09/10	1.25%	20,000.00	0.00	0.00	20,000.00
Improvements to Evergreen Ave., Etc.	12/27/05	12/08/10	[a]	95,000.00	0.00	5,000.00	90,000.00
Improvements to Evergreen Ave., Etc.	12/10/08	12/09/10	1.25%	55,000.00	0.00	5,000.00	50,000.00
Improvements to Firehouse	12/10/06	12/04/09	[a]	47,000.00	0.00	7,000.00	40,000.00
Pedestrian Corridor	12/10/06	12/03/10	[a]	11,000.00	0.00	0.00	11,000.00
Improvements to Ridge Ave., Etc.	10/12/07	10/07/10	1.25%	36,000.00	0.00	0.00	36,000.00
Improvements to Bennett Ave., Etc.	10/12/07	10/07/10	1.25%	120,000.00	0.00	0.00	120,000.00
Improvements to Third Avenue	10/12/07	10/07/10	1.25%	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	12/09/10	[a]	37,500.00	0.00	0.00	37,500.00
Improvements to Adams Field	12/23/07	12/22/09	[a]	74,599.80	0.00	0.00	74,599.80
Improvements to Fourth Ave., Etc.	12/10/08	12/09/10	1.25%	125,000.00	0.00	0.00	125,000.00
Purchase of Communication Equipment	12/10/08	12/09/10	[a]	17,500.00	0.00	0.00	17,500.00
			Ref.	C	C-22	A-3	C-C-10
				\$ 1,804,299.80	0.00	150,000.00	1,654,299.80

[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		Funded by Budget Appropriation	Federal and State Aid	Bond Anticipation Notes Issued	Balance	
			Dec. 31 2008	2009 Authorized				Dec. 31 2009	2009
Purchase of Fire Pumper Truck	12/31/94	395,000.00	\$ 10,862.87	0.00	0.00	0.00	0.00	10,862.87	
Roadway Improvement Program	04/08/96	228,000.00	6,566.36	0.00	0.00	0.00	0.00	6,566.36	
Purchase of Dump Truck	03/09/98	57,000.00	1,322.17	0.00	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	4,500.00	
Improvements to Wall Road, Etc.	12/28/98, 08/09/98	223,250.00	1,450.00	0.00	0.00	0.00	0.00	1,450.00	
Purchase of Fire Vehicle 2001	04/10/00	33,250.00	985.50	0.00	0.00	0.00	0.00	985.50	
Improvements to Riverdale and Locust Avenues	06/26/00	256,500.00	210,230.67	0.00	0.00	0.00	0.00	210,230.67	
Purchase of Police Dispatch Equipment	08/28/00, 06/11/01	142,500.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00	
Purchase of Leaf Collector	08/28/00	28,500.00	2,568.24	0.00	0.00	0.00	0.00	2,568.24	
Pedestrian Corridor-Sylvania Avenue	12/11/00	190,000.00	18,978.30	0.00	0.00	0.00	0.00	18,978.30	
2001 Roadway Improvements	05/29/01	237,500.00	7,071.20	0.00	0.00	0.00	0.00	7,071.20	
Improvements to Firehouse	11/21/01, 03/8/04	47,500.00	211.24	0.00	0.00	0.00	0.00	211.24	
Improvements to Laurel Avenue	04/08/02, 09/09/02	375,250.00	4,862.97	0.00	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	14,250.00	
Purchase of Dump Truck	09/09/02	66,500.00	2,500.00	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	7,000.00	
Improvements to Avondale Avenue	12/22/03	361,850.00	34,850.00	0.00	0.00	0.00	0.00	34,850.00	
Purchase of Communication Equipment	03/08/04	38,000.00	20,500.00	0.00	0.00	0.00	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	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	43,500.00	
Improvements to Evergreen Ave., Etc.	04/11/05, 11/28/05	164,350.00	9,350.00	0.00	0.00	0.00	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	20,900.00	
Purchase of Street Sweeper	06/15/05	123,500.00	3,500.00	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	6,350.00	
Improvements to Third Avenue	07/24/06	313,500.00	142,587.20	0.00	0.00	0.00	0.00	142,587.20	
Improvements to Fourth Ave., Etc.	02/26/07	183,350.00	58,350.00	0.00	0.00	0.00	0.00	58,350.00	
Improvements to Fifth Ave.	04/11/08	55,100.00	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	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	242,250.00	0.00	0.00	0.00	0.00	242,250.00	
Improvements to Fifth Ave. Phase II	03/09/09	18,556.00	0.00	18,556.00	0.00	0.00	0.00	18,556.00	
Improvements to Adams Field	04/13/09	66,500.00	0.00	66,500.00	0.00	0.00	0.00	66,500.00	
Purchase of Video Equipment	10/26/09	25,175.00	0.00	25,175.00	0.00	0.00	0.00	25,175.00	
Installation of Underground Fuel System	10/26/09	38,000.00	0.00	38,000.00	0.00	0.00	0.00	38,000.00	
Purchase of Dump Truck	10/26/09	99,750.00	0.00	99,750.00	0.00	0.00	0.00	99,750.00	
		\$	999,385.72	247,981.00	0.00	291,180.24	0.00	956,186.48	

Ref.

C

C-10

C-10

C-10

C-10-C-14

C

C-19

C

**Sewer Utility Fund**  
**Schedule of Sewer Utility Cash - Treasurer**

D-8

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
<b><u>Balance</u></b> - December 31, 2008	D	\$ <u>239,235.25</u>	<u>316,118.89</u>
 <b><u>Increased by Receipts</u></b>			
Sewer Rental Receivables	D-4:D-14	1,100,381.43	0.00
Prepaid Sewer Rentals	D	28,632.01	0.00
Sewer Rent Overpayments Collected	D-38	50.00	0.00
Interest on Rents and Assessments	D-1	10,421.96	0.00
Interest on Investments	D-1:D-31	5,523.54	850.20
Miscellaneous Sewer Charges	D-1	128.43	0.00
Interfund with Sewer Operating/Sewer Capital	D-31	<u>200,000.00</u>	<u>0.00</u>
		<u>1,345,137.37</u>	<u>850.20</u>
		<u>1,584,372.62</u>	<u>316,969.09</u>
 <b><u>Decreased by Disbursements</u></b>			
Appropriation and Encumbrance Reserves	D-34	59,004.13	0.00
Budget Appropriations	D-5	885,765.82	0.00
Interfund with Current Fund	D-32	100,000.00	0.00
Interfund with Sewer Operating/Sewer Capital	D-31	0.00	200,000.00
Sewer Rent Overpayments Refunded	D-38	<u>50.00</u>	<u>0.00</u>
		<u>1,044,819.95</u>	<u>200,000.00</u>
<b><u>Balance</u></b> - December 31, 2009	D	\$ <u><u>539,552.67</u></u>	<u><u>116,969.09</u></u>

**Sewer Utility Fund**  
**Analysis of Sewer Capital Cash**

D-13

	Balance Dec. 31 2008	Receipts	Disburse- ments	Transfers	Balance Dec. 31, 2009
Capital Improvement Fund	\$ 71,795.75	0.00	0.00	10,000.00	81,795.75
Fund Balance	22,411.84	0.00	0.00	0.00	22,411.84
Interest Income	0.00	850.20	0.00	(850.20)	0.00
Interfund with Sewer Operating Fund	195,700.56	0.00	200,000.00	(9,149.80)	(13,449.24)
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	(530.30)	0.00	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
	\$ 316,118.89	850.20	200,000.00	0.00	116,969.09
Ref.	D	D-8	D-8		D

**Schedule of Consumer Accounts Receivable**

D-14

<b><u>Balance</u></b> - December 31, 2008	Ref. D	\$ 101,971.95
<b><u>Increased by</u></b>		
Sewer Rents Charged in 2009		1,126,039.16
		<u>1,228,011.11</u>
<b><u>Decreased by</u></b>		
Collections	D-8	1,100,381.43
Overpayments Applied	D-38	0.00
Prepayments Applied	D-4	<u>37,161.72</u>
		<u>1,137,543.15</u>
<b><u>Balance</u></b> - December 31, 2009	D	\$ <u>90,467.96</u>

**Sewer Utility Fund**  
**Schedule of Sewer Utility Liens**

D-15

**Balance** - December 31, 2008 and December 31, 2009

Ref.

D      \$      2,525.00

No change in 2009

**Schedule of Fixed Capital**

D-28

	Balance Dec. 31, 2008	Additions	Balance Dec. 31, 2009
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
	<b>\$ 1,009,754.05</b>	<b>0.00</b>	<b>1,009,754.05</b>
<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		Balance	2008	Costs to	Balance
	Date	Amount	Dec. 31			
			2008	Authorizations	Fixed	Dec. 31
					Capital	2009
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	08/20/00	40,000.00	40,000.00	0.00	0.00	40,000.00
Laird Ave Pump Station 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 Capital Fund**  
**Sewer Operating Fund**

D-31

	<u>Ref.</u>	
<b>Balance</b> - December 31, 2008 (Due from)	D	\$ 195,700.56
<b>Increased by</b>		
Interest on Investments	D-1	850.20
		<u>196,550.76</u>
<b>Decreased by</b>		
Cash Received	D-8	200,000.00
Capital Improvement Fund Appropriations	D-5	<u>10,000.00</u>
		<u>210,000.00</u>
<b>Balance</b> - December 31, 2009 (Due to)	D	\$ <u>(13,449.24)</u>

**Schedule of Interfund With Current Fund**  
**Sewer Operating Fund**

D-32

	<u>Ref.</u>	
<b>Balance</b> - December 31, 2008 (Due from)	D	\$ 63,000.00
<b>Increased by</b>		
Cash Disbursed	D-8	100,000.00
		<u>163,000.00</u>
<b>Decreased by</b>		
Bond Anticipation Note Payments	D-44	10,000.00
Fund Balance Appropriated	D-1	<u>80,000.00</u>
		<u>90,000.00</u>
<b>Balance</b> - December 31, 2009 (Due from)	D	\$ <u>73,000.00</u>

**Sewer Utility Fund**  
**Schedule of 2008 Appropriation Reserves and**  
**Reserve for Encumbrances**

D-34

	Balance Dec. 31 2008	Balance Dec. 31 Transfers	Paid or Charged	Balance Lapsed
<b><u>Operating</u></b>				
Salaries and Wages	\$ 580.67	580.67	0.00	580.67
Other Expenses	89,795.63	89,795.63	59,004.13	30,791.50
Social Security System	591.85	591.85	0.00	591.85
	<u>\$ 90,968.15</u>	<u>90,968.15</u>	<u>59,004.13</u>	<u>31,964.02</u>
<u>Ref.</u>	D		D-8	D-1

**Schedule of Accrued Interest on Notes**

D-36

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	D	\$ 548.66
<b><u>Increased by</u></b>		
Budget Appropriation - Interest on Notes	D-5	<u>5,143.61</u>
		5,692.27
<b><u>Decreased by</u></b>		
Payment of Note Interest	D-8	<u>5,350.58</u>
<b><u>Balance</u></b> - December 31, 2009	D	<u>\$ 341.69</u>

**Schedule of Sewer Rent Overpayments**

D-38

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	D	\$ 0.00
<b><u>Increased by</u></b>		
Sewer Rent Overpayments Collected	D-8	<u>50.00</u>
		50.00
<b><u>Decreased by</u></b>		
Sewer Rent Overpayments Refunded	D-8	<u>50.00</u>
<b><u>Balance</u></b> - December 31, 2009	D	<u>\$ 0.00</u>

**Sewer Utility Fund**  
**Schedule of Improvement Authorizations**

D-43

Improvement Description	Date	Amount	Balance		2009 Authorizations		Balance		
			December 31, 2008		Capital Improvement Fund	Deferred Charges to Future Revenue	December 31, 2009		
			Funded	Unfunded			Paid or Charged	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	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	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	0.00	6,112.97
Purchase of Sewer Jet Laird Ave Pump Station	08/28/00	40,000.00	0.00	2,469.70	0.00	0.00	0.00	0.00	2,469.70
Improvements	04/14/03	350,000.00	0.00	46,781.09	0.00	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	0.00
			\$ 4,074.85	61,635.89	0.00	0.00	0.00	4,074.85	61,635.89
Ref.			D	D	D-29	D-29	D-8	D	D

**Schedule of Bond Anticipation Notes**

Improvement Description	Original Date of Issue	Date of Issue	Maturity	Interest Rate	Balance			
					Increased	Decreased		
					Dec. 31, 2008		Dec. 31, 2009	
Improvement to Sewer System - Windsor Court	10/27/03	10/24/08	10/23/09	[a]	\$ 60,000.00	0.00	10,000.00	50,000.00
Improvement to Sewer System - Ridge Avenue	11/26/06	11/25/08	11/24/09	1.00%	36,000.00	0.00	10,000.00	26,000.00
Laird Ave Pump Station Improvements	11/26/06	11/25/08	11/24/09	1.00%	223,000.00	0.00	30,000.00	193,000.00
Purchase of Sewer Jet	12/11/08	12/11/08	12/10/09	1.25%	35,000.00	0.00	0.00	35,000.00
					\$ 354,000.00	0.00	50,000.00	304,000.00
				Ref.	D	D-8	D-5	D

D-44

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

**Sewer Utility Fund**  
**Schedule of Sewer Capital Improvement Fund**

D-45

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	D	\$ 71,795.75
<b><u>Increased by</u></b> Budget Appropriation	D-5	<u>10,000.00</u>
<b><u>Balance-</u></b> December 31, 2009	D	<u>\$ 81,795.75</u>

**Schedule of Reserve for Amortization**

D-49

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008 and December 31, 2009	D	<u>\$ 1,009,754.05</u>
No change in 2009		

**Schedule of Deferred Reserve for Amortization**

D-50

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	D	\$ 320,500.00
<b><u>Increased by</u></b> Bond Anticipation Note Payment	D-44	<u>50,000.00</u>
<b><u>Balance-</u></b> December 31, 2009	D	<u>\$ 370,500.00</u>

**Schedule of Bonds and Notes Authorized But Not Issued**

D-56

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008 and December 31, 2009	D	<u>\$ 39,500.00</u>
No change in 2009		

**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>
<b><u>Balance</u></b> - December 31, 2008	E	\$ 44,510.29	42,498.18	87,008.47
 <b><u>Increased by</u></b>				
State Aid for Public Assistance		0.00	70,400.00	70,400.00
Interest Income		263.63	121.61	385.24
Client Refunds		0.00	500.00	500.00
SSI Refunds		0.00	14,335.75	14,335.75
		<u>263.63</u>	<u>85,357.36</u>	<u>85,620.99</u>
		<u>44,773.92</u>	<u>127,855.54</u>	<u>172,629.46</u>
 <b><u>Decreased by</u></b>				
Public Assistance - 2009		275.22	74,448.02	74,723.24
Public Assistance - 2008		0.00	0.00	0.00
SSI Payments		0.00	0.00	0.00
		<u>275.22</u>	<u>74,448.02</u>	<u>74,723.24</u>
<b><u>Balance</u></b> - December 31, 2009	E	\$ <u>44,498.70</u>	<u>53,407.52</u>	<u>97,906.22</u>

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

E-2

<b>Balance</b> - December 31, 2009	<u>Ref.</u> E-1		\$ 97,906.22
<b><u>Increased by Receipts</u></b>			
Cash Receipts Record			
- Interest		198.46	
- State Aid		14,900.00	
- Client Refunds		280.00	
- SSI Refunds		<u>7,112.00</u>	
			<u>22,490.46</u>
			120,396.68
<b><u>Decreased by Disbursements</u></b>			
Cash Disbursements Record			
- 2010 Assistance		33,760.08	
- 2009 Assistance		0.00	
Assistance Ineligible For State Aid		0.00	
SSI Reimbursements		<u>0.00</u>	
			<u>33,760.08</u>
<b>Balance</b> - June 30, 2010			<u>\$ 86,636.60</u>

	PATF I Account	PATF II Account	Total
<b><u>Reconciliation - June 30, 2010</u></b>			
Balance on Deposit per Bank Statements:			
- Checking	\$ 44,609.17	49,756.43	94,365.60
Less: Outstanding Checks Permanently Recorded	<u>0.00</u>	<u>7,729.00</u>	<u>7,729.00</u>
<b>Balance</b> - June 30, 2010	<u>\$ 44,609.17</u>	<u>42,027.43</u>	<u>86,636.60</u>

**Public Assistance Fund**  
**Schedule of Public Assistance Cash and Reconciliation**

E-3

	<u>Ref.</u>	
<b>Balance</b> - December 31, 2008	E-1	\$ 87,008.47
<b>Increased by Receipts</b>		
Cash Receipts Record		<u>85,620.99</u>
		172,629.46
<b>Decreased by Disbursements</b>		
Cash Disbursements Record		
- 2009 Assistance		74,723.24
- 2008 Assistance		0.00
- SSI Reimbursements		<u>0.00</u>
		<u>74,723.24</u>
<b>Balance</b> - December 31, 2009	E-1	\$ <u>97,906.22</u>

	PATF I Account	PATF II Account	Total
<b>Reconciliation - December 31, 2009</b>			
Balance on Deposit per Bank Statements:			
- Checking	\$ 44,498.70	53,407.52	97,906.22
Add: Deposits in Transit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	44,498.70	53,407.52	97,906.22
Less: Outstanding Checks Permanently Recorded	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Balance</b> - December 31, 2009	\$ <u>44,498.70</u>	<u>53,407.52</u>	<u>97,906.22</u>

**Public Assistance Fund**  
**Schedule of Public Assistance Revenues**

E-4

	PATF I	PATF II	Fund Total
State Aid Payments	\$ 0.00	70,400.00	70,400.00
Municipal Appropriation - Budget	0.00	0.00	0.00
Interest Earned	263.63	121.61	385.24
Refunds - State Matched Assistance	0.00	500.00	500.00
Refunds - Non-State Matched	0.00	0.00	0.00
Supplemental Security Income:			
State/Municipal Refund	0.00	14,335.75	14,335.75
Client Refund	0.00	0.00	0.00
Other Revenues:			
Automated Pharm. Program	0.00	0.00	0.00
<b>Total Revenues (PATF)</b>	<b>263.63</b>	<b>85,357.36</b>	<b>85,620.99</b>
Interfund Transfers	0.00	0.00	0.00
<b>Total Receipts</b>	<b>\$ 263.63</b>	<b>85,357.36</b>	<b>85,620.99</b>

Ref.

E-1

**Schedule of Public Assistance Expenditures**

E-5

	PATF I	PATF II	Fund Total
<b>Payments for Current Year Assistance ( Reported):</b>			
Maintenance Payments	\$ 0.00	39,065.48	39,065.48
Nursing Home Care	0.00	0.00	0.00
Other Medical	0.00	0.00	0.00
Other:			
Transportation	0.00	226.00	226.00
Burial	0.00	1,970.00	1,970.00
Housing	0.00	31,946.54	31,946.54
Work Related	0.00	365.00	365.00
Emergency Assistance	0.00	875.00	875.00
Assistance Ineligible for State Aid	0.00	0.00	0.00
<b>Total Payments Reported</b>	<b>0.00</b>	<b>74,448.02</b>	<b>74,448.02</b>
Assistance Not Reported	275.22	0.00	275.22
Interfund Transfers	0.00	0.00	0.00
<b>Payments for Assistance Reported in Prior Year (E-6):</b>			
Eligible for State Aid	0.00	0.00	0.00
Ineligible for State Aid	0.00	0.00	0.00
SSI Payments:	0.00	0.00	0.00
Reimbursement to Clients	0.00	0.00	0.00
<b>Total Disbursements (PATF)</b>	<b>\$ 275.22</b>	<b>74,448.02</b>	<b>74,723.24</b>

Ref.

E-1

**Public Assistance Fund**  
**Schedule of Assistance Commitments Payable**

E-6

<b><u>Balance</u></b> - December 31, 2008 and December 31, 2009	<u>Ref.</u> E	\$ <u>0.00</u>
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No change in 2009

**Detail of Assistance Commitments Payable - December 31, 2009**

None

**Board of Recreation Commission**  
**Schedule of Cash**

G-2

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	G-1	\$ 63,727.32
<b><u>Increased by</u></b>		
Interest on Investments		381.26
Donations		2,300.00
Program Fees		<u>101,559.54</u>
		<u>104,240.80</u>
		167,968.12
<b><u>Decreased by</u></b>		
Recreation Program Costs		<u>107,481.55</u>
<b><u>Balance</u></b> - December 31, 2009	G-1	\$ <u>60,486.57</u>

**Environmental Advisory Commission**  
**Schedule of Cash**

G-4

	<u>Ref.</u>	
<b><u>Balance</u></b> - December 31, 2008	G-3	\$ 25,160.67
<b><u>Increased by</u></b>		
Donations		40.00
Interest on Investments		148.93
Recycling Tonnage Grant		21,597.06
Recycling Program Proceeds		<u>279.00</u>
		<u>22,064.99</u>
		47,225.66
<b><u>Decreased by</u></b>		
Environmental Program Costs		<u>10,184.39</u>
<b><u>Balance</u></b> - December 31, 2009	G-3	\$ <u>37,041.27</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)**

	2009	2008	2007
<u>Issued</u>			
General			
Serial Bonds	\$ 0.00	0.00	0.00
Notes Payable	1,654,299.80	1,804,299.80	1,818,500.00
Sewer Utility			
Serial Bonds	0.00	0.00	0.00
Notes Payable	304,000.00	354,000.00	344,000.00
<u>Net Debt Issued</u>	1,958,299.80	2,158,299.80	2,162,500.00
<u>Authorized But Not Issued</u>			
General			
Bonds and Notes	956,186.48	999,385.72	1,095,347.40
Sewer Utility			
Bonds and Notes	39,500.00	39,500.00	74,500.00
<u>Total Authorized But Not Issued</u>	995,686.48	1,038,885.72	1,169,847.40
<u>Net Bonds and Notes Issued and Authorized But Not Issued</u>	\$ 2,953,986.28	3,197,185.52	3,332,347.40

**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 0.45%

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 8,720,000.00	8,720,000.00	0.00
Sewer Utility Debt	343,500.00	343,500.00	0.00
General Debt	2,610,486.00	0.00	2,610,486.00
	\$ 11,673,986.00	9,063,500.00	2,610,486.00

Net debt \$2,610,486.00 divided by equalized valuation basis per N.J.S. 40A:2-2, \$574,259,486.00 = 0.45%.

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

3 1/2% of Average Equalized Valuation Basis of Real Property	\$ 20,099,073.93
Net Debt	<u>2,610,486.00</u>
Remaining Borrowing Power	<u>\$ 17,488,587.93</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, 2008 under R.S. 40:1-16(d) as shown on Annual Debt Statement	\$ 0.00
Deduct: Net amount authorized in 2009	<u>0.00</u>
Remaining balance of debt incurring capacity under R.S. 40:1-16(d) at December 31, 2009	<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	\$ 1,154,467.28
Deductions	
Operating and Maintenance Costs	1,074,500.00
Debt Services per Sewer Account	<u>55,143.61</u>
Total Deductions	<u>1,129,643.61</u>
Excess in Revenue	<u>\$ 24,823.67</u>

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

**Bonds and Notes Authorized But Not Issued**

At December 31, 2009 the Borough of Neptune City had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	\$ 956,186.48
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>2009</u>	<u>2008</u>	<u>2007</u>
	\$ <u>2.42</u>	<u>2.30</u>	<u>2.26</u>
<b><u>Apportionment of Tax Rate</u></b>			
Municipal	0.91	0.88	0.80
County	0.35	0.35	0.35
Local School	<u>1.16</u>	<u>1.07</u>	<u>1.11</u>
<b><u>Assessed Valuations</u></b>			
2009	\$ <u>431,468,608</u>		
2008		\$ <u>434,729,358</u>	
2007			\$ <u>431,881,853</u>

**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>
2009	\$ 10,485,318.84	10,295,654.53	98.19%
2008	10,027,993.31	9,810,653.62	97.83%
2007	9,798,859.91	9,581,174.31	97.78%

**Comparison of Sewer Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Collections [b]</u>
2009	\$ 1,126,039.16	1,137,543.15
2008	1,127,391.00	1,116,060.76
2007	1,123,391.00	1,115,355.66

[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 2009.

<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>
2009	\$ 242,248.05	175,494.40	417,742.45	3.98%
2008	231,963.64	203,153.74	435,117.38	4.34%
2007	222,188.99	205,795.75	427,984.74	4.37%

**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>
2009	\$ 53,213.00
2008	53,213.00
2007	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>
2009	\$ 745,010.13	400,000.00	336,044.97	70,000.00	80,000.00
2008	1,141,484.46	650,000.00	369,257.28	65,000.00	80,000.00
2007	796,039.01	610,000.00	366,551.07	50,780.00	80,000.00

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

**COMMENTS**

Year Ended December 31, 2009

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, 2009, 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, 2009 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>
2009	1
2008	1
2007	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>
Delinquent Taxes	10
Sewer Charges Unpaid	33

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
Susan Mitchell	President of Council
Robert Brown	Member of Council
Barbara Shafer	Member of Council
Lawrence Cross	Member of Council
Richard Pryor	Member of Council
Charles Hartl	Member of Council
Mark Aikins	Attorney
Matt Shafai	Engineer
J. Stephen Walters	Assessor
Mark Apostolou	Judge
Dorothy Reibrich	Court Administrator
Mary Sapp	Administrator, Clerk, Treasurer and Tax Collector
William Folk	Chief Financial Officer
Tamara Brown	Deputy Clerk, Deputy Treasurer
Madonna Hempsted	Deputy Tax Collector
Annie Cook	Purchasing Agent
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
Robert Reynolds	Code Enforcement Officer

### 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, 2009

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**

**\*09-01**

**Finding** – Interfund receivables and payables existed at December 31, 2009.

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

**\*09-02**

**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		6012.50
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		4,421.88
03/08/04	Purchase of Communication Equipment		20,396.26
05/10/04	Improvements to Ridge Avenue		254.25
05/10/04	Purchase of Front End Loader		19,478.13
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.

**Other Departments**

**\*09-03**

**Finding** – The police department 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.

**\*09-04**

**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.

**SINGLE AUDIT SECTION**

**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 WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

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

**Compliance**

I have audited the compliance of the Borough of Neptune City, State of New Jersey with the types of compliance requirements described in the "New Jersey State Office of Management and Budget (OMB) Circular 04-04 State Grant Compliance Supplement" that are applicable to its major state programs for the year ended December 31, 2009. The Borough of Neptune City's major state programs are identified in the Summary of Audit Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough's management. My responsibility is to express an opinion on the Borough of Neptune City's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and New Jersey OMB Circular 04-04. Those standards and New Jersey OMB Circular 04-04 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Neptune City's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Borough of Neptune City's compliance with those requirements.

In my opinion, the Borough of Neptune City, State of New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.

**Internal Control Over Compliance**

The management of the Borough of Neptune City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and

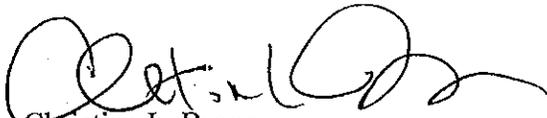
grants applicable to state programs. In planning and performing my audit, I considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of the Borough of Neptune City's internal control over financial reporting.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

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

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

September 23, 2010

Borough of Neptune City

Notes to the Schedule of Expenditures of State Awards

Year Ended December 31, 2009

**NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION**

The Borough of Neptune City, State of New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Borough has delegated the administration of grant programs and the reporting function to various departments within the Borough. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately within the Borough's financial records. The Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Borough's grants are presented on the modified accrual basis of accounting utilizing the following method:

Current Fund Grants

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the Current Fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Grants

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions, if required, are raised in the current fund budget. The percentage of matching contributions varies with each program.

Expenditures

Expenditures, as reported on the accompanying schedule of expenditures of state awards, reflect actual cash disbursements charged directly to a grant program and outstanding encumbrances and contracts at year end. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to fund balance when the grant is closed out.

**NOTE 2 – CONTINGENCIES**

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant programs for economy, efficiency and program results. However, the Borough's management does not believe such audits would result in material amounts of disallowed costs.

Borough of Neptune City

Schedule of Findings and Questioned Costs

For Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Modified due to required use of an Other Comprehensive Basis of Accounting

Internal Control over financial reporting:

1. Material weaknesses identified?        Yes   X   No

2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   No

Noncompliance material to the financial statements noted?        Yes   X   No

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Type of auditor's report issued: Unqualified

Auditee qualified as low-risk auditee?        Yes   X   No

Internal Control over compliance:

1. Material weaknesses identified?        Yes   X   No

2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   No

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04?        Yes   X   No

Identification of major programs: Hazardous Discharge Site Remediation Grant

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None

SECTION III - STATE AWARDS FINDINGS AND QUESTIONED COSTS

None