

**TOWNSHIP OF TEWKSBURY
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2008**

TOWNSHIP OF TEWKSBURY

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2008

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
County of Hunterdon, New Jersey

I have audited the accompanying balance sheets-statutory basis of the various funds of the Township of Tewksbury as of December 31, 2008 and 2007, and the related statements of operations and changes in fund balance-statutory basis for the year then ended and the related statement of revenues-statutory basis and statement of expenditures-statutory basis of the various funds for the year then ended. These financial statements are the responsibility of the Township of Tewksbury's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Government Audit 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 audits provide a reasonable basis for my opinion.

As described in Note 1, the Township of Tewksbury prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

-Continued-

In my opinion, because of the Township's policy 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 generally accepted accounting principles in the United States of America, the financial position of the Township of Tewksbury at December 31, 2008 and 2007, or the results of its operations.

However, in my opinion, the financial statements-statutory basis referred to above present fairly, in all material respects, the financial position-statutory basis of the various funds of the Township of Tewksbury, as of December 31, 2008 and 2007, and the results of operations and changes in fund balance-statutory basis of such funds for the year then ended and the statement of revenues-statutory basis and statement of expenditures-statutory basis of the various funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued my report dated April 29, 2009, on my consideration of the Township of Tewksbury's internal control 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 our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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 the audit.

My audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The information included in the supplementary exhibits listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements mentioned above 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 to the financial statements.



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 29, 2009



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

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
County of Hunterdon, New Jersey
Califon, New Jersey 07830

We have audited the financial statements of the Township of Tewksbury in the County of Hunterdon, State of New Jersey, as of and for the fiscal year ended December 31, 2008 and 2007, and have issued our report thereon dated April 29, 2009, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our 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 audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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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 entity'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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Committee, and to meet filing requirements for filing with the Division of Local Government Services, and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 29, 2009

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$11,037,235	\$12,909,262
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-18	<u>5,989</u>	<u>5,989</u>
		<u>11,043,224</u>	<u>12,915,251</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	415,486	476,884
Tax Title Liens Receivable	A-7	37,345	82,588
Amount Due from Other Agencies		31,567	30,883
Amount Due From Dog License Fund	B	-	308
Amount Due From Regional School Tax - Overpaid	A-16	<u>-</u>	<u>81,138</u>
Subtotal		<u>484,398</u>	<u>671,801</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-9	<u>-</u>	<u>1,253</u>
Subtotal		<u>11,527,622</u>	<u>13,588,305</u>
Federal And State Grant Fund:			
Due from Current Fund	A	12,413	27,309
Federal/State Grants Receivable	A-20	<u>-</u>	<u>1,250</u>
Subtotal		<u>12,413</u>	<u>28,559</u>
TOTAL ASSETS		<u>11,540,035</u>	<u>13,616,864</u>

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Reserve For Encumbrances	A-11	\$ 122,744	\$ 246,970
Appropriation Reserves	A-3:10	233,914	256,054
Amount Due To Federal and State Grant Fund	A	12,413	27,309
Amount Due To General Capital Fund	C	4,800	-
Taxes Collected In Advance	A-12	181,623	168,424
Tax Overpayments	A-13	4,554	17,799
County Taxes Payable	A-14	31,066	54,529
Local District School Taxes Payable	A-15	436,937	255,363
Municipal Open Space Tax Payable	A-17	3,189	7,644
Reserve for Garden State Trust Funds	A-19	428	428
Reserve for Trees	A-23	49,238	50,000
Reserve for Premium on Tax Sales and Outside Liens	A-24	104,922	21,450
Reserve for Debt Service	A-25	103,687	36,907
Reserve for Various	A-26	5,987	3,028
Reserve for Homeland Security	A-27	-	50,000
Reserve for Additional Aid to Fire Companies	A-28	61,247	72,438
Amount Due to State of New Jersey for Marriage License Fees	A-29	25	175
Amount Due to State of New Jersey for DCA Training	A-30	5,114	6,036
Subtotal		<u>1,361,888</u>	<u>1,274,554</u>
Reserve For Receivables And Other Assets	A	484,398	671,801
Fund Balance	A-1	<u>9,681,336</u>	<u>11,641,950</u>
Subtotal		<u>11,527,622</u>	<u>13,588,305</u>
Federal And State Grant Fund:			
Amount Due State of New Jersey	A	1,761	1,761
Reserve For State Grants - Appropriated	A-21	8,426	25,444
Reserve For State Grants - Unappropriated	A-22	<u>2,226</u>	<u>1,354</u>
Subtotal		<u>12,413</u>	<u>28,559</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$11,540,035</u>	<u>\$13,616,864</u>

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

		A-1	
REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2008</u>	<u>YEAR</u> <u>2007</u>
Fund Balance Utilized	A-2	\$ 2,772,454	\$ 1,504,884
Miscellaneous Revenue Anticipated	A-2	2,672,364	4,156,292
Receipts From Delinquent Taxes	A-2	472,977	479,270
Receipts From Current Taxes	A-2	29,372,008	29,847,095
Non-Budget Revenues	A-2	246,718	34,124
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-10	196,438	250,322
Refund of Prior Year Expenditures	A-4	1,980	
Tax Overpaid Canceled	A-13	3,327	-
TOTAL INCOME		<u>35,738,266</u>	<u>36,271,987</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	2,803,613	2,677,621
Other Expenses	A-3	2,514,868	2,651,410
Deferred Charges and Statutory Expenditures	A-3	224,253	217,451
Operations Excluded from "CAPS":			
Other Expenses	A-3	458,995	368,854
Capital Improvements	A-3	450,000	450,000
Municipal Debt Service	A-3	2,836,188	3,091,607
County Taxes	A-14	6,450,542	6,574,109
Amount Due County For Added and Omitted Taxes	A-14	31,066	54,529
Local District School Taxes	A-15	11,651,995	11,556,515
Regional School Tax	A-16	6,818,940	6,989,314
Municipal Open Space Tax	A-17	680,360	677,134
Refund of Prior Year Revenue	A-4	360	118,179
Interfund Advances	A:C	5,246	14,942
TOTAL EXPENDITURES		<u>34,926,426</u>	<u>35,441,665</u>
Excess (Deficit) Revenue Over Expenditures		811,840	830,322
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-9	-	1,253
Statutory Excess to Fund Balance		811,840	831,575
Fund Balance January 1	A	<u>11,641,950</u>	<u>12,315,259</u>
		12,453,790	13,146,834
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,772,454</u>	<u>1,504,884</u>
Fund Balance December 31	A	<u>\$ 9,681,336</u>	<u>\$ 11,641,950</u>

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	<u>BUDGET</u>	<u>ADDED BY NJSA 40A:4-87</u>	<u>REVENUE RECEIVED</u>	<u>EXCESS OR DEFICIT</u>
SURPLUS ANTICIPATED		\$ 2,772,454		\$ 2,772,454	
LICENSES:					
ALCOHOLIC BEVERAGES - CLERK	A-8	4,000		4,000	
OTHER - CLERK	A-8	1,600		1,955	\$ (355)
FEES AND PERMITS - TRAILER COURT FEES	A-8	60,000		54,513	5,487
FINES AND COSTS:					
MUNICIPAL COURT	A-8	90,000		74,407	15,593
INTEREST AND COSTS ON TAXES	A-5	85,000		114,305	(29,305)
INTEREST ON INVESTMENTS	A-8	600,000		287,566	312,434
JR. POLICE ACADEMY	A-8	2,000		1,361	639
CONSOLIDATED MUN PROPERTY TAX RELIEF	A-8	50,218		79,510	(29,292)
EMERGY RECEIPTS TAX	A-8	630,848		630,848	
GARDEN STATE TRUST FUND	A-19	428		428	
MUNICIPAL HOMELAND SECURITY AID	A-8			50,000	(50,000)
UNIFORM CONSTRUCTION CODES FEES	A-8	295,000		296,354	(1,354)
CLEAN COMMUNITIES PROGRAM	A-20	13,474		13,474	
CLEAN COMMUNITIES PROGRAM-PRIOR YEAR UNAPPROPRIATED	A-21	1,354		1,354	
BODY ARMOR	A-20	1,152		1,152	
RECYCLING TONNAGE GRANT	A-20		\$ 1,281	1,281	
CALIFON BORO - UNIFORM CONST CODE SER	A-8	75,415		79,675	(4,260)
HUNTERS GLEN SEWER UTILITY - DEBT SERVICE	A-8	25,971		24,438	1,533
RESERVE OPEN SPACE - DEBT SERVICE	A-8	675,000		675,000	
RESERVE DEBT SERVICE - CURRENT FUND	A-25	36,907		36,907	
STATE PLANING INCENTIVE GRANT REIMBURSMET	A-8	281,192		177,505	103,687
RESERVE DEBT SERVICE - GENERAL CAPITAL	A-8	53,054		53,054	
FIRE SAFETY FEES	A-8	7,500		13,277	(5,777)
		<u>2,990,113</u>	<u>1,281</u>	<u>2,672,364</u>	<u>319,030</u>
RECEIPTS FROM DELINQUENT TAXES	A-1	<u>390,000</u>	<u>-</u>	<u>472,977</u>	<u>(82,977)</u>
AMOUNT TO BE RAISED BY TAXES	A-6	<u>4,220,520</u>	<u>-</u>	<u>4,677,277</u>	<u>(456,757)</u>
TOTAL GENERAL REVENUES		<u>10,373,087</u>	<u>1,281</u>	<u>10,595,072</u>	<u>(220,704)</u>
NON-BUDGET REVENUE	A-2			<u>246,718</u>	<u>(246,718)</u>
		<u>\$ 10,373,087</u>	<u>\$ 1,281</u>	<u>\$ 10,841,790</u>	<u>\$ (467,422)</u>

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES	<u>REF.</u>
Allocation Of Current Tax Collections:	
Revenue from Collections	\$ 29,323,758
State of New Jersey, Senior Citizens and Veterans Deductions	<u>48,250</u>
	29,372,008
Allocated To:	
School and County Taxes	25,462,528
Balance for Support of Municipal Budget	3,909,480
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3 <u>767,797</u>
Amount For Support Of Municipal Budget Appropriations	A-2 <u>\$ 4,677,277</u>

ANALYSIS OF NON-BUDGET REVENUES	<u>REF</u>	
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Judgements - Stavola		\$ 200,394
Cable Franchise Fee		4,767
Califon Borough - Additional DPW Services		3,200
Canceled Losap not Vested		1,263
Construction Fines		1,000
Clean-Up Day		895
Lease of Municipal Facility		20,390
Senior Citizens and Veterans' Administrative Fee		965
Miscellaneous		<u>13,720</u>
	A-4	246,594
Tax Collector		
Miscelleneous	A-5	<u>124</u> <u>\$ 246,718</u>

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 210,000	\$ 210,000	\$ 208,605	\$ 1,395	
Other Expenses:					
Equipment Leases	8,000	12,000	11,614	386	
Miscellaneous Other Expenses	31,550	40,550	33,809	1,741	\$ 5,000
Mayor and Council:					
Salaries and Wages	21,501	21,501	21,501		
Other Expenses	15,000	15,000	10,314	4,686	
Financial Administration (Treasury):					
Salaries and Wages	132,868	132,868	132,390	478	
Other Expenses	11,000	7,500	6,645	355	500
Audit Services:					
Other Expenses	18,000	18,000	18,000		
Computerized Data Services:					
Other Expenses	64,250	54,950	48,487	6,463	
Revenue Administration (Tax Collection):					
Salaries and Wages	43,351	43,351	43,122	229	
Other Expenses	5,050	5,050	2,757	1,293	1,000
Tax Assessment Administration:					
Salaries and Wages	45,169	45,169	44,918	251	
Other Expenses	4,400	5,400	5,044	356	
Legal Services (Legal Dept.):					
Other Expenses	350,000	350,000	182,515	22,485	145,000
Engineering Services:					
Other Expenses	75,000	75,000	67,796	7,204	

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>BUDGET</u>	<u>APPROPRIATION BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	164,500	154,500	153,570	930	
Other Expenses:					
Wastewater Management Study	4,000	4,500	4,209	291	
Bartles Wastewater	93,335	63,335	58,291	5,044	
Miscellaneous Other Expenses	47,725	41,725	39,920	1,805	
CODE ENFORCEMENT AND ADMINISTRATION:					
Uniform Construction Code Enforcement Functions:					
Building Sub Code Officials:					
Salaries and Wages	227,250	227,250	225,522	1,728	
Other Expenses	12,450	6,450	3,852	2,598	
INSURANCE:					
General Liability Insurance	126,836	126,836	109,186	3,650	14,000
Workmens Compensation Insurance	93,165	98,465	98,450	15	
Employee Group Insurance	576,500	576,500	536,228	2,272	38,000
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	1,121,574	1,121,574	1,028,707	12,867	80,000
Other Expenses:					
PBA Contract Benefits	80,550	80,550	79,334	1,216	
Miscellaneous Other Expenses	69,250	54,250	50,000	3,750	500
Contribution to First Aid Organizations	72,976	72,976	72,976		
Aid to Volunteer Fire Companies:					
Other Expenses - Oldwick Fire Company	90,000	90,000	90,000		
Aid to Volunteer Fire Companies in Adjoining Municipalities	155,942	155,515	155,515		
Fire Department Office:					
Salaries and Wages	9,200	9,200	8,709	491	
Other Expenses:					
Fire Hydrant Services	18,500	18,500	15,539	2,961	
Municipal Prosecutor's Office:					
Salaries and Wages	10,000	10,000	10,000		

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
PUBLIC WORKS FUNCTIONS:				
Streets and Road Maintenance:				
Salaries and Wages	814,200	775,200	750,550	24,650
Other Expenses	150,000	150,000	128,867	21,133
Solid Waste Collection(Recycling Program):				
Other Expenses	6,000	16,000	12,162	3,838
Buildings and Grounds:				
Other Expenses	49,900	49,900	43,105	1,795
Vehicle Maintenance (Including Police Vehicles):				5,000
Other Expenses	90,000	90,000	64,538	25,462
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Public Health Services (Board of Health):				
Salaries and Wages	5,000	3,000	1,800	1,200
Other Expenses	2,700	2,700	2,347	353
Contribution to Social Services Agencies:				
Senior Citizens Centers	2,500	2,500	2,358	142
PARK AND RECREATION FUNCTIONS:				
Maintenance of Parks:				
Other Expenses:				
Miscellaneous Other Expenses	57,150	57,650	41,686	15,964
OTHER COMMON OPERATING FUNCTIONS:				
(Unclassified):				
Reserve for Sick Leave	100,000	130,000	130,000	

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	35,000	37,000	33,210	3,790	
Street Lighting	6,000	6,000	4,562	1,438	
Telephone (excluding equipment acquisition)	44,300	41,300	35,598	2,702	3,000
Gas (natural or propane)	19,000	19,000	15,724	3,276	
Fuel Oil	6,000	10,000	4,254	5,746	
Telecommunications Costs	28,000	30,500	27,782	2,718	
Gasoline	96,000	111,000	97,927	13,073	
MUNICIPAL COURT:					
Municipal Court:					
Other Expenses	126,565	125,992	125,087	905	
Public Defender:					
Other Expenses	4,274	4,274	4,274		
Total Operations - Within "CAPS "	5,651,481	5,610,481	5,103,356	215,125	292,000
Detail:					
Salaries and Wages	2,904,613	2,883,613	2,759,394	44,219	80,000
Other Expenses	2,746,868	2,726,868	2,343,962	170,906	212,000
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Deferred Charges :					
Overexpenditure of Appropriations	1,253	1,253	1,253		
Statutory Expenditures :					
Social Security System (O.A.S.I.)	230,000	230,000	216,389	6,611	7,000
Total Deferred Charges and Statutory Expenditures-within "CAPS"	231,253	231,253	217,642	6,611	7,000
Total General Appropriations for Municipal Purposes Within "CAPS"	5,882,734	5,841,734	5,320,998	221,736	299,000

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>		
OPERATIONS-EXCLUDED from "CAPS"					
Aid to Library	57,200	57,200	57,200		
Affordable Housing	13,375	13,375	1,354	2,021	10,000
LOSAP	60,000	60,000	60,000		
Statutory Expenditures:					
Contribution to PERS	92,145	92,145	92,145		
Contribution to PFRS	126,089	167,089	156,932	10,157	
Total Other Operations-Excluded from "CAPS"	348,809	389,809	367,631	12,178	10,000
Interlocal Municipal Service Agreements Excluded from "CAPS":					
Califon Borough Interlocal Agreement	61,925	61,925	61,925		
Total Interlocal Municipal Service Agreements	61,925	61,925	61,925		
Public and Private Programs Offset by Revenues- Excluded from "CAPS"					
Clean Communities Program:					
Other Expenses	14,828	14,828	14,828		
Recycling Tonnage Grant:					
Other Expenses		1,281	1,281		
Body Armor Grant:					
Other Expenses	1,152	1,152	1,152		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	15,980	17,261	17,261	-	-
Total Operations-Excluded from "CAPS"	426,714	468,995	446,817	12,178	10,000
Detail:					
Other Expenses	426,714	468,995	446,817	12,178	10,000

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	
Capital Improvements-Excluded from "CAPS":				
Capital Improvement Fund	450,000	450,000	450,000	
Total Capital Improvements-Excluded from "CAPS"	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	-
Municipal Debt Service-Excluded from "CAPS":				
Payment of Bond Principal	742,000	742,000	742,000	
Interest on Bonds	553,615	553,615	546,774	6,841
Payment of Bond Anticipation and Capital Notes	893,141	893,141	893,141	
Interest on Capital Notes	460,486	460,486	459,207	1,279
Loan Payments for Principal and Interest	170,628	170,628	170,628	
NJ Wastewater Treatment Trust	25,972	25,972	24,438	1,534
Total Municipal Debt Service	<u>2,845,842</u>	<u>2,845,842</u>	<u>2,836,188</u>	<u>9,654</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,722,556</u>	<u>3,764,837</u>	<u>3,733,005</u>	<u>12,178</u>
Subtotal General Appropriations	9,605,290	9,606,571	9,054,003	233,914
Reserve For Uncollected Taxes	767,797	767,797	767,797	318,654
TOTALS	<u>\$ 10,373,087</u>	<u>\$ 10,374,368</u>	<u>\$ 9,821,800</u>	<u>\$ 233,914</u>
			A	A-1

Budget	A-2	\$ 10,373,087
Appropriation 40A:4-87	A-2	1,281
		<u>\$ 10,374,368</u>

	<u>REF.</u>	
Reserve for State Grants	A-21	\$ 17,261
Reserve for Aid to Fire Companies	A-28	49,427
Reserve for Encumbrances	A-11	8,987,315
Reserve for Uncollected Taxes	A-2	767,797
		<u>\$ 9,821,800</u>

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 440	\$ 1,902
Total Dog License Fund		<u>440</u>	<u>1,902</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	696,997	718,495
Amount Due from Current Fund	B-6	<u>3,189</u>	<u>7,644</u>
Total Other Trust Funds		<u>700,186</u>	<u>726,139</u>
TOTAL ASSETS		<u>\$ 700,626</u>	<u>\$ 728,041</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 436	\$ 1,594
Amount Due State of New Jersey	B-4	4	-
Amount Due Current Fund	B-5	<u>-</u>	<u>308</u>
Total Dog License Fund		<u>440</u>	<u>1,902</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-7	351,559	426,541
Reserve for State Unemployment Insurance	B-8	65,573	66,248
Reserve for Whittemore Trust	B-9	13,410	39,150
Reserve for Accumulated Leave	B-10	83,444	81,935
Reserve for Developers Housing	B-11	22,597	3,726
Reserve for Open Space Trust Fund	B-12	163,023	107,971
Reserve for Outside Police Duty	B-13	21	9
Reserve for Ruthe Mueller Trust	B-14	<u>559</u>	<u>559</u>
Total Other Trust Fund		<u>700,186</u>	<u>726,139</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 700,626</u>	<u>\$ 728,041</u>

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
Cash and Cash Equivalents	C-2	\$ 1,466,124	\$ 3,677,763
Due Current Fund	C-3	4,800	
Accounts Receivable	C-4	150,000	300,000
Deferred Charges to Future Taxation:			
Funded	C-5	13,787,223	14,703,129
Unfunded	C-6	<u>12,044,411</u>	<u>12,937,552</u>
TOTAL ASSETS		<u>\$27,452,558</u>	<u>\$31,618,444</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-8	55,345	493,345
Loans Payable - State of New Jersey	C-9	866,223	1,040,129
Bond Anticipation Notes Payable	C-10	10,245,321	11,138,462
Serial Bonds Payable	C-12	12,921,000	13,663,000
Encumbrances	C-7	675,651	1,168,976
Improvement Authorizations:			
Funded	C-11	363,398	104,400
Unfunded	C-11	2,092,162	3,653,408
Various Reserves	C-13	5,074	218,128
Fund Balance	C-1	<u>228,384</u>	<u>138,596</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$27,452,558</u>	<u>\$31,618,444</u>

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

REF.

Balance December 31, 2007	C	\$ 138,596
Increased by:		
Bond Anticipation Note Premium	C-2	<u>89,788</u>
Balance December 31, 2008	C	<u>\$ 228,384</u>

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTALS DECEMBER 31,</u>	
				<u>2008</u>	<u>2007</u>
Operating Fund:					
Cash and Cash Equivalents	D-4	\$ 57,778	\$ 82,392	\$ 140,170	\$ 162,116
Receivables with Full Reserves:					
Consumer Accounts Receivable and Liens	D-6	<u>12</u>	<u>6,575</u>	<u>6,587</u>	<u>3,903</u>
Total Operating Fund		<u>57,790</u>	<u>88,967</u>	<u>146,757</u>	<u>166,019</u>
Capital Fund:					
Cash and Cash Equivalents	D-4	-	91,000	91,000	91,000
Fixed Capital	D-8	36,000	931,115	967,115	937,115
Fixed Capital - Authorized and Uncompleted	D-9		<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Capital Fund		<u>36,000</u>	<u>1,042,115</u>	<u>1,078,115</u>	<u>1,048,115</u>
 TOTAL ASSETS		 <u>\$ 93,790</u>	 <u>\$ 1,131,082</u>	 <u>\$ 1,224,872</u>	 <u>\$ 1,214,134</u>
 LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves :					
Encumbered	D-3	\$ 4,180	\$ 10,375	\$ 14,555	\$ 9,282
Uncumbered	D-3	8,600	5,394	13,994	18,780
Sewer Rent Prepaid	D-5	640			1,745
Reserve for Receivables	D	12	6,575	6,587	3,903
Fund Balance	D-1	<u>44,358</u>	<u>66,623</u>	<u>110,981</u>	<u>132,309</u>
Total Operating Fund		<u>57,790</u>	<u>88,967</u>	<u>146,757</u>	<u>166,019</u>
Capital Fund:					
General Electric Loan Payable	D-14		154,249	154,249	166,709
Capital Improvement Fund	D-11	-	71,000	71,000	71,000
Improvement Authorization - Funded	D-10		20,000	20,000	20,000
Deferred Reserve for Amortization	D-13		20,000	20,000	20,000
Reserve for Amortization	D-12	<u>36,000</u>	<u>776,866</u>	<u>812,866</u>	<u>770,406</u>
Total Capital Fund		<u>36,000</u>	<u>1,042,115</u>	<u>1,078,115</u>	<u>1,048,115</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 <u>\$ 93,790</u>	 <u>\$ 1,131,082</u>	 <u>\$ 1,224,872</u>	 <u>\$ 1,214,134</u>

SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE

D-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	HUNTERS		TOTALS	
		<u>GLEN</u>	<u>OLDWICK</u>	<u>2008</u>	<u>2007</u>
Operating Surplus	D-2	\$ 18,187	\$ 34,812	\$ 52,999	\$ 31,838
Rents	D-2	66,600	107,420	174,020	176,706
Miscellaneous	D-2				
Interest Earned	D-2	1,357	2,970	4,327	11,005
Interest/Penalties on Rent	D-2	1,078	3,683	4,761	7,995
Other Credits to Income					
Balance of Reserved Budget	D-7	14,159	2,704	16,863	14,285
Refund of Prior Year Revenue	D-4	(100)	-	(100)	-
Total Income		<u>101,281</u>	<u>151,589</u>	<u>252,870</u>	<u>241,829</u>
 EXPENDITURES					
Operating	D-3	76,487	94,070	170,557	183,230
Capital Improvements	D-3	10,000	20,000	30,000	20,000
Debt Service	D-3	-	20,642	20,642	20,642
Total Expenditures		<u>86,487</u>	<u>134,712</u>	<u>221,199</u>	<u>223,872</u>
Excess (Deficit) Revenue Over Expenditures		14,794	16,877	31,671	17,957
Balance January 1	D	<u>47,751</u>	<u>84,558</u>	<u>132,309</u>	<u>146,190</u>
		62,545	101,435	163,980	164,147
Decreased by:					
Utilized as Anticipated Revenue	D-1	<u>18,187</u>	<u>34,812</u>	<u>52,999</u>	<u>31,838</u>
Balance December 31	D	<u>\$ 44,358</u>	<u>\$ 66,623</u>	<u>\$ 110,981</u>	<u>\$ 132,309</u>

SEWER UTILITY FUND
STATEMENT OF REVENUES

D-2

HUNTERS GLEN

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 18,187	\$ 18,187	
Rents	D-1	65,000	66,600	\$ 1,600
Delinquent Penalties	D-1	3,300	1,078	(2,222)
Miscellaneous - Interest	D-1		1,357	1,357
 Total Sewer Utility Revenue		<u>\$ 86,487</u>	<u>\$ 87,222</u>	<u>\$ 735</u>
REF.		D-3	D-1	

OLDWICK

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 34,812	\$ 34,812	
Rents	D-1	110,000	107,420	\$ (2,580)
Delinquent Penalties	D-1	9,900	3,683	(6,217)
Miscellaneous - Interest	D-1		2,970	2,970
 Total Sewer Utility Revenue		<u>\$ 154,712</u>	<u>\$ 148,885</u>	<u>\$ (5,827)</u>
REF.		D-3	D-1	

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

HUNTERS GLEN

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 4,800	\$ 7,800	\$ 7,131	\$ 669
Other Expenses	71,237	68,237	60,306	7,931
DEP Permits	450	450	450	
Capital Improvement Fund	10,000	10,000	10,000	
Total Sewer Utility Appropriations	\$ 86,487	\$ 86,487	\$ 77,887	\$ 8,600

REF.

D-2

D

	Paid	D-4	\$ 73,707
Charged - Encumbered		D	4,180
			<u>\$ 77,887</u>

OLDWICK

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>BALANCE CANCELLED</u>
OPERATING:					
Salaries and Wages	\$ 13,000	\$ 13,000	\$ 12,996	\$ 4	
Other Expenses	97,770	97,380	71,996	5,384	\$ 20,000
Debt Service - Principal	12,460	12,460	12,460		
Debt Service - Interest	8,182	8,182	8,182		
DEP Permits	3,300	3,690	3,684	6	
Capital Improvement Fund	20,000	20,000	20,000		
Total Sewer Utility Appropriations	\$ 154,712	\$ 154,712	\$ 129,318	\$ 5,394	\$ 20,000

REF.

D-2

D

D-1

	Paid	D-4	\$ 118,943
Charged - Encumbered		D	10,375
			<u>\$ 129,318</u>

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
Cash and Cash Equivalents	E-1	\$ 8,553	\$ 8,399
TOTAL ASSETS		<u>\$ 8,553</u>	<u>\$ 8,399</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance		\$ 8,553	\$ 8,399
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,553</u>	<u>\$ 8,399</u>

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2008

F

	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
General Fixed Assets:		
Land and Buildings	\$ 36,420,685	\$ 35,704,548
Machinery and Equipment	7,973,710	6,244,181
Total General Fixed Assets	<u>\$ 44,394,395</u>	<u>\$ 41,948,729</u>
 Investment In General Fixed Assets	 <u>\$ 44,394,395</u>	 <u>\$ 41,948,729</u>

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

ASSETS	<u>BALANCE</u> <u>12/31/08</u>	<u>BALANCE</u> <u>12/31/07</u>
Cash and Cash Equivalents	\$ 796	\$ 4,009
TOTAL ASSETS	<u>\$ 796</u>	<u>\$ 4,009</u>
 LIABILITIES AND RESERVES 		
Payroll Deductions Payable	\$ 796	\$ 4,009
TOTAL LIABILITIES AND RESERVES	<u>\$ 796</u>	<u>\$ 4,009</u>

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Tewksbury include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by 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 Township of Tewksbury 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 Township of Tewksbury accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

General Capital Fund

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

B. Description of Funds (Continued)

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

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

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15,

May 15, August 15 and November 15. Open Space Levy, to be paid quarterly to the Township's other trust funds, on February 15, May 15, August 15 and November 15. When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

Foreclosed Property--Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds--Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets--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 generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

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 estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund
Public Assistance Fund
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing

body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1: SUMMARY OF SIGNIFICANT POLICIES (Continued)

C. Basis of Accounting (Continued)

Statutory-Basis Financial Statements--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township 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 practice differs from GAAP.

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2008, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 2: CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2008, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	\$ <u>13,441,315</u>	<u>\$13,441,315</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2008, was \$13,441,315 and the bank balance was \$13,727,653. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$100,559 was covered by federal depository insurances and \$13,627,094 was covered by collateral pool.

Note 3: LONG-TERM DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2008</u>	YEAR <u>2007</u>	YEAR <u>2006</u>
Issued			
General:			
Bonds and Notes	\$ 24,032,544	\$ 25,841,591	\$ 22,827,382
Sewer Utility:			
Bonds and Notes	154,249	166,709	178,569
Net Debt Issued	<u>24,186,793</u>	<u>26,008,300</u>	<u>23,005,951</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	1,799,090	1,799,090	3,214,090
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	<u>1,799,090</u>	<u>1,799,090</u>	<u>3,214,090</u>
Total Deductions	<u>(257,936)</u>	<u>(166,709)</u>	<u>(377,794)</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 25,727,947</u></u>	<u><u>\$ 27,640,681</u></u>	<u><u>\$ 25,842,247</u></u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 3: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.38%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 9,775,335	\$ 9,775,335	
Utility Debt	154,249	154,249	
General Debt	25,985,883	257,936	\$ 25,727,947
	\$ 35,915,467	\$ 10,187,520	\$ 25,727,947

Net Debt \$ 25,727,947 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$1,867,694,328 equals 1.38%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 65,369,301
Net Debt	25,727,947
Remaining Borrowing Power	\$ 39,641,354

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

Calendar <u>Year</u>	<u>General</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 959,709	\$ 256,298	\$ 13,091	\$ 7,551
2010	974,577	239,700	13,754	6,888
2011	963,570	222,680	14,450	6,192
2012-2016	4,878,128	805,829	83,994	19,216
2017-2021	3,555,239	201,884	28,960	2,003
2022-2026	2,456,000	195,756	-	-
	\$13,787,223	\$ 1,922,147	\$ 154,249	\$ 41,850

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans

The Township has outstanding at December 31, 2008, a New Jersey Green Trust Loan in the amount of \$692,983. This note matures on September 5, 2021. The interest rate on the note was 2%. Principal and interest on this note is paid on a semiannual basis from the current fund budget of the Township.

The Township has outstanding at December 31, 2008, a New Jersey Wastewater Loan in the amount of \$173,240. This note matures on August 1, 2021. The interest rate on the note is at zero interest. Principal on this note is paid on a semiannual basis from the current fund budget of the Township.

Refunding Bonds-Multi-Purposes-dated June 30, 2005, issued in the original amount of \$5,485,000 with interest rates ranging from 3.00% to 5.00% to advance refund \$5,269,000 bonds with interest rates of 5.00%. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments until the bonds are called on August 1, 2009. This refunding bond is payable in annual installments ranging from \$25,000 to \$500,000 through August 1, 2019. Interest is calculated at 3.0-5.0% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2008, was \$5,315,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated January 12, 2006, issued in the original amount of \$1,880,000. This bond is payable in annual installments ranging from \$117,000 to \$181,000 through January 1, 2019. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2008, was \$1,650,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

General Obligation Bonds-Open Space Purpose-dated January 12, 2006, issued in the original amount of \$6,396,000. This bond is payable in annual installments ranging from \$225,000 to \$1,590,000 through January 1, 2026. Interest is calculated ranging from 4.0% to 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2008, was \$5,956,000. Outstanding loan principal and interest is paid from the Current Fund of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2008, bond anticipation notes in the amount of \$5,086,041 payable to RBC Capital Markets, Inc. These notes mature on June 26, 2009. The interest rate on the notes are 3.0%. Principal and interest on this note is paid from the current fund budget.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 3: LONG-TERM DEBT (Continued)

Bond Anticipation Notes - (Continued)

The Township has outstanding at December 31, 2008, bond anticipation notes in the amount of \$5,159,280 payable to Commerce Capital Markets. These notes mature on June 26, 2009. The interest rate on the notes are 3.5%. Principal and interest on this note is paid from the current fund budget.

	<u>Debt Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 24,032,544
Total Sewer Utility Bonds, Loans and Notes Above	<u>154,249</u>
Total Debt Issued and Outstanding	<u><u>\$ 24,186,793</u></u>

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	<u>Balance 1/1/08</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance 12/31/08</u>
Land and Buildings	\$35,704,548	\$716,137		\$36,420,685
Machinery and Equipment	6,244,181	1,729,529	-	7,973,710
	<u>\$41,948,729</u>	<u>\$2,445,666</u>	<u>-</u>	<u><u>\$44,394,395</u></u>

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2008, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2009, were as follows:

Current Fund	\$3,368,000
Sewer Utility Fund	\$59,799

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the Township recorded the following deferred charges which are included in the following budgets:

	<u>Balance</u> <u>12/31/07</u>	<u>Raised as</u> <u>2008 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Overexpended Appropriations	\$ 1,253	\$ 1,253	None
	<u>\$ 1,253</u>	<u>\$ 1,253</u>	<u>None</u>

The appropriations in the 2009 Budget are not less than that required by statute.

Note 7: SCHOOL TAXES

Local District Tax has been raised and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	TOTAL DEFERRED TAX 12/31/08	LOCAL DISTRICT SCHOOL TAX BALANCE 12/31/08	BALANCE 12/31/07	TOTAL DEFERRED TAX 12/31/07	REGIONAL HIGH SCHOOL TAX BALANCE 12/31/08	BALANCE 12/31/07
Balance of Tax		\$ 5,956,941	\$ 5,775,367		\$ 3,324,282	\$ 3,494,657
Deferred		<u>5,520,004</u>	<u>5,520,004</u>		<u>3,324,282</u>	<u>3,494,657</u>
Tax Payable		<u>\$ 436,937</u>	<u>\$ 255,363</u>		<u>\$ -</u>	<u>\$ -</u>
Tax Deferred	<u>\$ 8,844,286</u>			<u>\$ 9,014,661</u>		

Note 8: PENSIONS

Description of Plans All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 8: PENSIONS-(Continued)

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

Vesting and Benefit Provisions The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 8: PENSIONS-(Continued)

<u>Three-Year Trend Information for PERS and PFRS</u>			
<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2008	\$249,077	100%	-0-
2007	\$168,343	100%	-0-
2006	\$79,648	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required the Public Employees' Retirement System (PERS) to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to P.L.1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education of county college with 25 years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in Fiscal Year 2007.

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon amount as determined by the Township Committee. At the time of audit the cost of such unpaid compensation totaled \$160,117. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

We are advised by Township Counsel, that the Township is not involved in any suits that would have a material impact on the Financial Statements.

Note 12: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Summary disclosures of debt service requirements for all types of outstanding debt. This requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major asset class. This requirement is met by Note 4.
- C. Summary disclosures of changes in general long-term debt. This requirement is met by Note 3.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 12: OTHER REQUIRED DISCLOSURES (Continued)

- D. Excesses of expenditures over appropriations in individual funds. There were no excess of expenditures over appropriations in any of the individual funds where budgets were required or employed as a management control device.
- E. Deficit fund balances or retained earnings balances of individual funds. There were no deficits in fund balances or retained earnings in any of the individual funds, except as noted in Note 6.
- F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2008:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund		\$ 15,602
Federal/State Grants Fund	\$ 12,413	
Other Trust Funds	<u>3,189</u>	<u>-</u>
	<u>\$ 15,602</u>	<u>\$ 15,602</u>

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance December 31, 2007	A	\$ 12,909,262
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	\$ 246,594
Refund of Prior Year Expenditures	A-1	1,980
Collector	A-5	30,218,730
Revenue Accounts Receivable	A-8	2,616,407
Senior Citizens/Veterans Deductions	A-18	48,250
Reserve for Garden State Pilot	A-19	428
Federal/State Grant Funds	A-20	17,157
Federal/State Grant Funds	A-22	2,226
Reserve for Debt Service	A-25	103,687
Reserve for Police	A-26	7,823
Marriage Fees	A-29	400
DCA Fees	A-30	<u>17,441</u>
		<u>33,281,123</u>
		46,190,385
Decreased by Disbursements:		
2007 Appropriation Reserves	A-10	296,921
Refund of Prior Year Revenues	A-1	360
Reserve for Encumbrances	A-11	9,036,372
Tax Overpayments Refunded	A-13	5,487
County Taxes	A-14	6,505,071
Local District School Tax	A-15	11,470,421
Regional District School Tax	A-16	6,818,940
Municipal Open Space Tax to Trust Fund	A-17	684,815
Federal/State Grant Funds	A-21	34,279
Reserve for Trees	A-23	762
Reserve for Tax Sale Premium Payments	A-24	215,327
Reserve for Police	A-26	4,864
Reserve for Aid to Fire Companies	A-28	60,618
Marriage Fees	A-29	550
DCA Fees	A-30	<u>18,363</u>
		<u>35,153,150</u>
Balance December 31, 2008	A	<u>\$ 11,037,235</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$ 114,305	
Miscellaneous	A-2	124	
Taxes Receivable	A-6	29,620,575	
2009 Prepaid Taxes	A-12	181,623	
Tax Overpayments	A-13	3,304	
Reserve for Tax Sale Premiums	A-24	151,900	
Reserve for Tax Outside Liens	A-24	<u>146,899</u>	<u>\$ 30,218,730</u>

Decreased by Disbursements:

Payments to Treasurer	A-4		<u>\$ 30,218,730</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE	ADDED	2008	CASH COLLECTIONS		OVERPAYMENTS	TRANSFERRED	CANCELLED	BALANCE
	12/31/07	TAXES	LEVY	2007	2008	APPLIED	TO TAX TITLE LIENS		12/31/08
2005	\$ 936	\$ 304							\$ 1,240
2006	1,533				\$ 1,315				218
2007	474,415	9,833			471,662			\$ 12,364	222
	476,884	10,137			472,977			12,364	1,680
2008			\$ 29,795,288	\$ 168,424	29,195,848	\$ 7,735	\$ 3,154	6,321	413,806
TOTALS	\$ 476,884	\$ 10,137	\$ 29,795,288	\$ 168,424	\$ 29,668,825	\$ 7,735	\$ 3,154	\$ 18,685	\$ 415,486
REF.	A			A-12		A-13	A-7		A

REF.

State of New Jersey -- Senior Citizens
and Veterans Deductions
Received by Collector

A-2	\$ 48,250
A-5	<u>29,620,575</u>
	<u>\$ 29,668,825</u>

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax	\$ 29,653,029	
Added Taxes (54:4-63.1 et.seq.)	<u>142,259</u>	<u>\$ 29,795,288</u>

Tax Levy:

	REF.		
Local District School Tax	A-15	\$ 11,651,995	
Regional High School Tax	A-16	6,648,565	
Municipal Open Space Tax	A-17	680,360	
County Taxes:			
County Tax (Abstract)	A-14	\$ 5,398,844	
County Library Tax (Abstract)	A-14	468,836	
County Open Space Tax	A-14	582,862	
Due County for Added and Omitted Taxes(54.4-63.1,et.seq.)	A-14	<u>31,066</u>	6,481,608
Local Tax for Municipal Purposes	A-2		4,220,520
Add: Additional Tax Levied		<u>112,240</u>	<u>\$ 29,795,288</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 82,588
Increased by:		
Transfers from Taxes Receivable	A-6	<u>3,154</u>
		85,742
Decreased by:		
Canceled		<u>48,397</u>
Balance December 31, 2008	A	<u>\$ 37,345</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2008</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,000	\$ 4,000
Other - Clerk	A-2	1,955	1,955
Fees and Permits	A-2	54,513	54,513
Municipal Court:			
Fines and Costs	A-2	74,407	74,407
Interest on Investments and Deposits	A-2	114,305	114,305
Jr. Police Academy	A-2	287,566	287,566
Consolidated Municipal Property Tax Relief	A-2	79,510	79,510
Energy Receipts Tax	A-2	630,848	630,848
Municipal Homeland Security Aid	A-2	50,000	50,000
Uniform Construction Code Fees	A-2	296,354	296,354
Califon Borough - Uniform Construction Codes	A-2	79,675	79,675
Hunters Glen Sewer Utility - Debt Service	A-2	24,438	24,438
Reserve for Open Space	A-2	675,000	675,000
State Planning Incentive Grant Reimbursement	A-2	177,505	177,505
Reserve for Debt Service - General Capital Fund	A-2	53,054	53,054
Fire Safety Fees	A-2	13,277	13,277
 Totals		 <u>\$ 2,616,407</u>	 <u>\$ 2,616,407</u>
 REF.		 A-2	 A-4

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

A-9

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/07</u>	APPROPRIATED <u>IN 2008</u> <u>BUDGET</u>	<u>BALANCE</u> <u>12/31/08</u>
Overexpenditure of Appropriations	\$ 1,253	\$ 1,253	-
REF.	A	A-3	A

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2007

A-10
Sheet 1

	<u>BALANCE</u> <u>12/31/07</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/07</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Salaries and Wages	\$ 439	\$ 439		\$ 439
Other Expenses	10,682	11,896	\$ 1,020	10,876
Mayor and Committee:				
Salaries and Wages	1	1		1
Other Expenses	5,295	5,339	5,044	295
Financial Administration:				
Salaries and Wages	360	360		360
Other Expenses	4,331	5,116	1,244	3,872
Audit Services:				
Other Expenses		15,360	15,360	0
Computerized Data Processing	7,333	8,576	5,295	3,281
Tax Collection:				
Salaries and Wages	10	10		10
Other Expenses	108	108	11	97
Tax Assessment:				
Salaries and Wages	3,321	3,321		3,321
Other Expenses	819	875	160	715
Legal Services (Legal Dept.):				
Other Expenses	49,807	41,790	37,361	4,429
Engineering Services:				
Other Expenses	844	9,685	7,010	2,675
Public Building and Ground:				
Other Expenses		11,135	10,111	1,024
Wastewater Study:				
Other Expenses	152	11,489	11,383	106
Planning Board:				
Salaries and Wages	1,767	1,767		1,767
Other Expenses	8,908	29,416	28,859	557
Building Official:				
Salaries and Wages	1,247	1,247		1,247
Other Expenses	463	3,011	2,155	856
Insurance:				
Group		777	777	0
Other Expenses	4,095	4,095		4,095
Aid to Fire Company		24,500	24,500	0
Police:				
Salaries and Wages	17,337	17,337		17,337
Other Expenses	19,022	28,122	12,674	15,448
Fire Department:				
Salaries and Wages	273	273		273
Other Expenses	95			
Emergency Management:				
Other Expenses	63	63		63
Streets and Road Maintenance:				
Salaries and Wages	17,016	17,016		17,016
Other Expenses	28,701	53,619	30,158	23,461
Solid Waste Collection:				
Other Expenses	1,484			

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2007 - (Continued)

A-10
Sheet 2

	<u>BALANCE</u> <u>12/31/07</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/07</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
Building & Grounds:				
Other Expenses	1,491			
Board of Health:				
Salaries and Wages	625	625		625
Other Expenses	1,424	1,449	25	1,424
Senior Citizen Services	1,085	1,085		1,085
Recreation Services and Programs:				
Other Expenses	1,180	1,180		1,180
Park Maintenance:				
Other Expenses	15,932	22,108	11,223	10,885
Fleet Maintenance:				
Other Expenses		13,813	13,291	522
Garbage and Trash Removal:				
Other Expenses		2,212	728	1,484
Unclassified:				
Gas	16,353	5,392	4,667	725
Telecommunications	104	1,699	1,595	104
Gasoline and Diesel	4,057	28,548	18,738	9,810
Heating Fuel	2,015	2,015		2,015
Telephone	5,757	9,332	3,805	5,527
Street Lighting	3,418	3,824	821	3,003
Electricity	3,531	9,313	4,989	4,324
Reserve for Sick Leave	7,229	7,229		7,229
Water and Hydrants		1,858	1,552	306
Equipment Lease		1,385	1,385	0
Social Security System	3,532	3,561	31	3,530
Affordable Housing :				
Other Expenses	3,611	3,611		3,611
Public Employees Retirement System	737	10,247	9,511	736
Recycling		726		726
Drunk Driving		1,604	1,604	0
LOSAP		53,800	29,834	23,966
TOTALS	<u>\$ 256,054</u>	<u>\$ 493,359</u>	<u>\$ 296,921</u>	<u>\$ 196,438</u>

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Reserve	A	\$ 256,054
Encumbrances	A-11	<u>237,305</u>
		<u>\$ 493,359</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 246,970
Increased by:		
Encumbrances Added		\$ 162,136
Transfer from Current Year Appropriations	A-3	<u>8,987,315</u>
		<u>9,149,451</u>
		9,396,421
Decreased by:		
Encumbrances Cancelled		
Transfer to Appropriations Reserve	A-10	237,305
Cash Disbursements	A-4	<u>9,036,372</u>
		<u>9,273,677</u>
Balance December 31, 2008	A	<u>\$ 122,744</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-12

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 168,424
Increased by:		
2009 Taxes Collected in Advance	A-5	<u>181,623</u> 350,047
Decreased by:		
Applied to 2008 Taxes Receivable	A-6	<u>168,424</u>
Balance December 31, 2008	A	<u>\$ 181,623</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-13

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 17,799
Increased by:		
2008 Tax Overpayments	A-5	<u>3,304</u>
		21,103
Decreased by:		
Applied to 2008 Taxes Receivable	A-6	\$ 7,735
Canceled	A-1	3,327
Refunded	A-4	<u>5,487</u> <u>16,549</u>
Balance December 31, 2008		<u>\$ 4,554</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2007		\$ 54,529
Increased by:		
2008 Levy:		
County Taxes	A-1:6	\$5,398,844
County Library Taxes	A-1:6	468,836
County Open Space Tax	A-1:6	582,862
County Added and Omitted Taxes	A-1:6	<u>31,066</u>
		<u>6,481,608</u>
		6,536,137
Decreased by:		
Payments	A-4	<u>6,505,071</u>
Balance December 31, 2008		<u>\$ 31,066</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2007:			
School Tax Payable		\$ 255,363	
School Tax Deferred	A	<u>5,520,004</u>	\$ 5,775,367
Increased by:			
Levy - School Year July 1, 2008 to June 30, 2009	A-6		<u>11,651,995</u>
			17,427,362
Decreased by:			
Payments	A-4		<u>11,470,421</u>
Balance December 31, 2008:			
School Tax Payable	A	\$ 436,937	
School Tax Deferred		<u>5,520,004</u>	<u>\$ 5,956,941</u>
2008 Liability for Local District School Tax:			
Tax Paid			\$ 11,470,421
Tax Payable 12/31/08			<u>5,956,941</u>
			17,427,362
Less -- Tax Payable 12/31/07			<u>5,775,367</u>
Amount Charged to 2008 Operations	A-1		<u>\$ 11,651,995</u>

CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-16

	<u>REF.</u>	
Balance December 31, 2007:		
School Tax Deferred		\$ 3,494,657
Increased by:		
Levy - School Year July 1, 2008 to June 30, 2009	A-6	<u>6,648,565</u> 10,143,222
Decreased by:		
Payments	A-4	<u>6,818,940</u>
Balance December 31, 2008:		
School Tax Payable	A	-
School Tax Deferred		<u>\$ 3,324,282</u>
		<u>\$ 3,324,282</u>
2008 Liability for Regional District School Tax:		
Tax Paid		\$ 6,818,940
Add -- Tax Payable 12/31/08		<u>3,324,282</u> 10,143,222
Add -- Reversal of Deferred School Tax - Levy Decrease		170,375
Less -- Tax Payable 12/31/07		<u>3,494,657</u>
Amount Charged to 2008 Operations	A-1	<u>\$ 6,818,940</u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-17

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 7,644
Increased by:		
Levy - 2008	A-1:A-6	\$ 677,171
Added Levy	A-1:A-6	<u>3,189</u>
		<u>680,360</u>
		688,004
Decreased by:		
Payments to Other Trust Fund	A-4	<u>684,815</u>
Balance December 31, 2008		<u>\$ 3,189</u>
 <u>ANALYSIS OF BALANCE</u>		
2008 ADDED LEVY		<u>\$ 3,189</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-18

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 5,989
Increased by:		
Received in Cash From State	A-4	<u>48,250</u>
		54,239
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 4,500
Veterans Deductions per Tax Billings		44,250
Sr and Vet Disallowed		<u>(500)</u>
		<u>48,250</u>
Balance December 31, 2008	A	<u>\$ 5,989</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR GARDEN STATE TRUST FUND

A-19

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 428
Increased by:		
Amount Received-State Aid for 2009 Budget	A-4	<u>428</u> 856
Decreased by:		
Anticipated as Revenue in 2008 Budget	A-2	<u>428</u>
Balance December 31, 2008	A	<u>\$ 428</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-20

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/07</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/08</u>
Clean Communities		\$ 13,474	\$ 13,474	
Recycling Grant		1,281	1,281	
Body Armor Grant		1,152	1,152	
Storm Water Management Grant - 2007	1,250		1,250	
Totals	\$ 1,250	\$ 15,907	\$ 17,157	-
REF.	A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-21

	<u>BALANCE</u> <u>12/31/07</u>	TRANSFER FROM 2008 BUDGET <u>APPROPRIATIONS</u>	<u>APPROPRIATION</u> <u>BY 40A:4-87</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>12/31/08</u>
Clean Communities - CY 08		\$ 13,474		\$ 13,474	
Clean Communities - CY 07		1,354		1,354	
Tonnage Grant	\$ 727		\$ 1,281	1,282	\$ 726
Drunk Driving Enforcement Fund	1,604			1,604	-
Storm Water Management Grant - 2007	7,447				7,447
Body Armor Replacement Fund		1,152		1,152	-
US Forest Service Grant	236				236
Juvenile Accountability Block Grant	4,471			4,471	-
Hepatitis Grant	201			184	17
Trail Grant	10,758			10,758	-
Totals	\$ 25,444	\$ 15,980	\$ 1,281	\$ 34,279	\$ 8,426
	A	A-3	A-3	A-4	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-22

	<u>BALANCE</u> <u>12/31/07</u>	<u>TRANSFER</u> <u>TO</u> <u>2008 BUDGET</u> <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/08</u>
Clean Communities	\$ 1,354	\$ 1,354	\$ 2,202	\$ 2,202
Body Armor Replacement Fund			24	24
Totals	<u>\$ 1,354</u>	<u>\$ 1,354</u>	<u>\$ 2,226</u>	<u>\$ 2,226</u>
	A	A-21	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TREES

	A-23
	<u>REF.</u>
Balance December 31, 2008	\$ 50,000
Decreased by:	
Expenditures	A-4 <u> 762</u>
Balance December 31, 2008	A <u>\$ 49,238</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS AND OUTSIDE LIENS

A-24

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 21,450
Increased by:		
Receipts-Liens	A-5	\$ 146,899
Receipts-Premiums	A-5	<u>151,900</u>
		<u>298,799</u>
		320,249
Decreased by:		
Payments-Liens	A-4	135,927
Payments-Premiums	A-4	<u>79,400</u>
		<u>215,327</u>
Balance December 31, 2008	A	<u>\$ 104,922</u>
<u>Detail:</u>		
Tax Sale Premiums		\$ 93,950
Outside Liens		<u>10,972</u>
		<u>\$ 104,922</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

A-25

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 36,907
Increased by:		
Receipts - Watts Hitchcock	A-4	<u>103,687</u> 140,594
Decreased by:		
Realized Revenue	A-2	<u>36,907</u>
Balance December 31, 2008	A	<u>\$ 103,687</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS

A-26

REF.

Balance December 31, 2007	A	\$ 3,028
Increased by:		
Receipts	A-4	<u>7,823</u> 10,851
Decreased by:		
Expenses	A-4	<u>4,864</u>
Balance December 31, 2008	A	<u>\$ 5,987</u>
 <u>Detail:</u>		
OEM Vehicle		\$ 1,000
Police Mini-Academy		2,635
DDEF		<u>2,352</u>
		<u>\$ 5,987</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR HOMELAND SECURITY

A-27

REF.

Balance December 31, 2007	A	<u>\$ 50,000</u>
Decreased by:		
Anticipated as Revenue in 2008 Budget	A-2	<u>\$ 50,000</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR ADDITION AID TO FIRE COMPANIES

A-28

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 72,438
Increased by:		
Budget Appropriation - 2008	A-3	<u>49,427</u>
		121,865
Decreased by:		
Transfer to General Capital to Fund Improvement Authorization	A-4	<u>60,618</u>
Balance December 31, 2008	A	<u>\$ 61,247</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

	A-29	
	<u>REF.</u>	
Balance December 31, 2007	A	\$ 175
Increased by:		
Receipts	A-4	<u>400</u>
		575
Decreased by:		
Payments	A-4	<u>550</u>
Balance December 31, 2008	A	<u>\$ 25</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - DCA FEES PAYABLE

A-30

	<u>REF.</u>	
Balance December 31, 2007	A	\$ 6,036
Increased by:		
Fees	A-4	<u>17,441</u>
		23,477
Decreased by:		
Payments - State of New Jersey	A-4	<u>18,363</u>
Balance December 31, 2008	A	<u>\$ 5,114</u>

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>		
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>	
Balance December 31, 2007	B	\$ 1,902	\$ 718,495	
Increased by Receipts:				
Dog License Fees	B-3	13,123		
State Dog License Fees	B-4	1,910		
Amount Due Current Fund	B-5:6	67	684,815	
Developers Escrow Deposits	B-7		257,247	
Unemployment Trust	B-8		1,203	
Whittemore Trust Deposits	B-9		47,442	
Accumulated Leave Deposits	B-10		1,509	
Developers Housing Deposits	B-11		136,078	
Open Space Deposits	B-12		60,279	
Outside Police Duty	B-13		3,282	
Total Receipts		<u>15,100</u>	<u>1,191,855</u>	
		<u>17,002</u>	<u>1,910,350</u>	
Decreased by Disbursements:				
Administrative Expenses	B-3	14,281		
State Dog License Fees	B-4	1,906		
Amount Due Current Fund	B-5	375		
Developers Escrow Deposits	B-7		332,229	
Unemployment Trust	B-8		1,878	
Whittemore Trust Deposits	B-9		73,182	
Developers Housing Deposits	B-11		117,207	
Open Space Deposits	B-12		685,587	
Outside Police Duty	B-13		3,270	
Total Disbursements		<u>16,562</u>	<u>1,213,353</u>	
Balance December 31, 2008	B	<u>\$ 440</u>	<u>\$ 696,997</u>	

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 1,594
Increased by:		
Dog License Fees Collected	B-2	13,123
		<u>14,717</u>
Decreased by:		
Administrative Expenses	B-2	14,281
		<u>14,281</u>
Balance December 31, 2008	B	<u>\$ 436</u>

LICENSE FEES COLLECTED

CY 2007	\$ 11,969
CY 2006	<u>13,571</u>
	<u>\$ 25,540</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

REF.

Increased by:

Collected in 2008:		
State Board of Health Fees	B-2	\$ <u>1,910</u>
		1,910

Decreased By:

Payments	B-2	\$ <u>1,906</u>
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Balance December 31, 2007	B	\$ <u><u>4</u></u>
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TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 308
Increased by:		
Interest Credits Due Current Fund	B-2	<u>67</u> 375
Decreased by:		
Interest Credits Paid to Current Fund	B-2	<u>375</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

	<u>REF.</u>		
Balance December 31, 2007	B	\$	7,644
Increased by:			
2008 Municipal Open Space Levy-Added/Omitted	B-12	\$	3,189
2008 Municipal Open Space Levy	B-12	<u>677,171</u>	<u>680,360</u>
			688,004
Decreased by:			
Amounts Transferred from Current Fund	B-2		<u>684,815</u>
Balance December 31, 2008	B	<u>\$</u>	<u>3,189</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 426,541
Increased by:		
Escrow Deposits	B-2	<u>257,247</u>
		683,788
Decreased by:		
Escrow Refunds	B-2	<u>332,229</u>
Balance December 31, 2008	B	<u>\$ 351,559</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-8

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 66,248
Increased by:		
Receipts	B-2	<u>1,203</u> 67,451
Decreased by:		
Quarterly Unemployment Charges	B-2	<u>1,878</u>
Balance December 31, 2008	B	<u>\$ 65,573</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WHITTEMORE TRUST DEPOSITS
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 39,150
Increased by:		
Escrow Deposits	B-2	<u>47,442</u>
		86,592
Decreased by:		
Escrow Refunds	B-2	<u>73,182</u>
Balance December 31, 2008	B	<u>\$ 13,410</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 81,935
Increased by:		
Escrow Deposits	B-2	<u>1,509</u>
Balance December 31, 2008	B	<u>\$ 83,444</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 3,726
Increased by:		
Escrow Deposits	B-2	<u>136,078</u>
		139,804
Decreased by:		
Escrow Refunds	B-2	<u>117,207</u>
Balance December 31, 2008	B	<u>\$ 22,597</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

B-12

	<u>REF.</u>		
Balance December 31, 2007	B		\$ 107,971
Increased by:			
Open Space Levy	B-6	\$ 680,360	
Hunterdon County Open Space Trust	B-2	58,259	
Interest Credits	B-2	<u>2,020</u>	<u>740,639</u>
			848,610
Decreased by:			
Transfer to Current Fund-Anticipated Revenue for Op. Space Debt Service	B-2	675,000	
Open Space Expenses	B-2	<u>10,587</u>	<u>685,587</u>
Balance December 31, 2008	B		<u>\$ 163,023</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE POLICE DUTY DEPOSITS

B-13

	<u>REF.</u>	
Balance December 31, 2007	B	\$ 9
Increased by:		
Police Deposits	B-2	<u>3,282</u>
		3,291
Decreased by:		
Police Refunds	B-2	<u>3,270</u>
Balance December 31, 2008	B	<u>\$ 21</u>

TRUST FUND
SCHEDULE OF RESERVE FOR RUTHE MUELLER TRUST

B-14

	<u>REF.</u>	
Balance December 31, 2007	B	\$ <u>559</u>
Balance December 31, 2008	B	\$ <u>559</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2007	C		\$ 3,677,763
Increased by Receipts:			
Receipt from Current Fund for Ordinance #09-2008	C-3	\$ 60,618	
From Water Capital Improvement fund for Ordinance # 09-2008	C-11	30,000	
Premiums Received on BAN's	C-1	89,788	
Grant Receipt	C-4	150,000	
Reimbursement from Current Fund - BAN Principal & Interest	C-3	1,146,550	
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-8	450,000	
Interest Credits	C-3	49,980	
Bond Anticipation Note Renewal	C-3	<u>10,245,321</u>	<u>12,222,257</u>
			15,900,020
Decreased by Disbursements:			
Maturity of Bond Anticipation Notes-Principal	C-3	11,138,462	
Maturity of Bond Anticipation Notes-Interest	C-3	253,409	
Payment to Current Fund for Capital Reserves Anticipated in Budget	C-13	53,054	
Payment to Current Fund for Interest Credits	C-3	49,980	
Prior Year Encumbrances Paid	C-7	1,168,976	
Improvements Authorizations Paid	C-11	<u>1,770,015</u>	<u>14,433,896</u>
Balance December 31, 2008	C		<u>\$ 1,466,124</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

REF.

Increased by:

Receipt from Current Fund for Ordinance #09-2008	C-2	\$ 60,618	
Interest Credits	C-2	49,980	
BAN Renewal Proceeds	C-2	10,245,321	
Reimbursement from Current Fund - BAN Principal	C-2	<u>1,146,550</u>	<u>\$ 11,502,469</u>
			11,502,469

Decreased by:

Payment of Interest Credits to Current Fund	C-2	49,980	
Amount due from Current Fund for Fire Reserve Ord#09-2008	C-13	65,418	
Maturity of Bond Anticipation Notes	C-2	<u>11,391,871</u>	<u>11,507,269</u>

Balance December 31, 2008	C		<u><u>\$ (4,800)</u></u>
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GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

C-4

REF.

Balance December 31, 2007	C	\$ 300,000
Decreased by:		
Receipt of NJDOT Grant Ordinance # 07-2008 - Bissell Road	C-2	<u>150,000</u>
Balance December 31, 2008	C	<u>\$ 150,000</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance December 31, 2007	C	C-5 \$ 14,703,129
Decreased by:		
2008 Budget Appropriations - Loans Payable	C-9	\$ 173,906
2008 Budget Appropriations - Bond Principal	C-12	<u>742,000</u> <u>915,906</u>
Balance December 31, 2008	C	<u>\$ 13,787,223</u>

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

C-6

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE 12/31/07</u>	<u>BUDGET APPROPRIATION DEBT SERVICE PAYMENTS</u>	<u>BALANCE 12/31/08</u>
N/A	Acquisition of Development Easements	\$ 485		\$ 485
21-1998	Purchase of Gurasich Property	50,000		50,000
19-2001	Various Capital Improvements	1,187,000		1,187,000
21-2001	Various Road Improvements	40		40
16-2003	Acquisition of Easement in Real Property	1,266,986	175,611	1,091,375
22-2003	Purchase of Parcels of Real Estate	2,543,097	384,100	2,158,997
23-2003	Purchase of First Aid Squad Building	158,292	23,258	135,034
15-2005	Various Improvements	684,287	75,411	608,876
17-2005	Acquisition of Easement in Real Property	318,343	39,793	278,550
05-2006 (Amended by 03-2007)	Acquisition of Easements in Real Estate	1,039,984	88,436	951,548
07-2006	Various Improvements	852,258	106,532	745,726
14-2006	Acquisition of Easements in Real Property	1,425,000		1,425,000
06-2007	Acquisition of Easements in Real Property	766,030		766,030
07-2007	Various Capital Improvements	2,645,750		2,645,750
		<u>\$12,937,552</u>	<u>\$893,141</u>	<u>\$12,044,411</u>

REF.

C

C-10

C

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-7

	<u>REF.</u>	
Balance December 31, 2007	C	\$ 1,168,976
Increased by:		
Improvement Authorization Purchase Orders Issued	C-11	<u>675,651</u>
		1,844,627
Decreased by:		
Payment of Prior Year Encumbrances	C-2	<u>1,168,976</u>
Balance December 31, 2008	C	<u>\$ 675,651</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-8

	<u>REF.</u>	
Balance December 31, 2007	C	\$ 493,345
Increased by:		
2008 Budget Appropriations	C-2	<u>450,000</u>
		943,345
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-11	<u>888,000</u>
Balance December 31, 2008	C	<u>\$ 55,345</u>

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY LOAN PROGRAMS

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/07</u>	<u>DECREASED</u>	<u>BALANCE 12/31/08</u>
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2009-2011	\$133,427 to \$69,077	2.0%	\$ 469,412	\$ 130,798	\$ 338,614
New Jersey Green Trust Loan Program Department of Environmental Protection	1991	2009-2021	\$24,124 to \$30,631	2.0%	378,018	23,649	354,369
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	11/1/1995	2009-2015	\$10,000 to \$15,000	None	110,000	10,000	100,000
New Jersey Wastewater Treatment Fund Loan Program New Jersey Environmental Infrastructure Trust	11/1/1995	2009-2015	\$9,158 to \$11,389	4.0% to 5.5%	82,699	9,459	73,240
					\$ 1,040,129	\$ 173,906	\$ 866,223
REF.					C	C-5	C

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-10

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE 12/31/07	DECREASED	BALANCE 12/31/08
16-2003	Acquisition of Easement in Real Property	11/19/03	6/19/08	6/26/09	3.00%	\$ 1,053,665	\$ 175,611	\$ 878,054
22-2003	Purchase of Parcels of Real Estate	11/19/03	6/19/08	6/26/09	3.00%	2,304,598	384,100	1,920,498
23-2003	Purchase of First Aid Squad Building	11/19/03	6/19/08	6/26/09	3.00%	139,547	23,258	116,289
15-2005	Various Capital Improvements	8/09/05	6/19/08	6/26/09	3.00%	603,287	75,411	527,876
17-2005	Acquisition of Easement in Real Property	8/09/05	6/19/08	6/26/09	3.00%	318,343	39,793	278,550
5-2007	Acquisition of Easements in Real Estate	8/09/05	6/19/08	6/26/09	3.00%	707,484	88,436	619,048
7-2007	Various Capital Improvements	8/09/05	6/19/08	6/26/09	3.00%	852,258	106,532	745,726
14-2007	Acquisition of Easements in Real Estate	10/16/07	10/14/08	6/26/09	3.50%	1,425,000		1,425,000
03-2008 (Amending 5- 2007)	Acquisition of Easements in Real Estate	10/16/07	10/14/08	6/26/09	3.50%	322,500		322,500
06-2008	Acquisition of Easements in Real Estate	10/16/07	10/14/08	6/26/09	3.50%	766,030		766,030
07-2008	Various Capital Improvements	10/16/07	10/14/08	6/26/09	3.50%	2,645,750		2,645,750
						\$ 11,138,462	\$ 893,141	\$ 10,245,321
	REF.					C	C-6	C

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-11

<u>IMPROVEMENT DESCRIPTION</u>	<u>NO.</u>	<u>ORDINANCE</u>		<u>BALANCE 12/31/07</u>		<u>CAPITAL IMPROVEMENT FUND</u>	<u>CAPITAL RESERVES</u>	<u>PAID OR CHARGED</u>	<u>BALANCE 12/31/08</u>	
		<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>				<u>FUNDED</u>	<u>UNFUNDED</u>
Various Improvements	19-2001	7/10/01	\$ 2,880,000		\$ 7,828			\$ 7,828		
Construction of Tot Lot/Oldwick Fields Driveway	17-2003	6/10/03	105,000	\$ 39,634				39,634		
Acquisition of Easements in Real Estate	14-2006	7/25/06	1,500,000	1,354	1,425,000			716,137		\$ 710,217
Open Space Acquisition and Emergency Service Com	16-2006	9/12/06	310,000	24,045					\$ 24,045	-
Acquisition of Easements in Real Estate	06-2007	5/22/07	806,350	39,367	766,030			28	39,339	766,030
Various Capital Improvements	07-2007	5/22/07	3,085,000		1,454,550			838,635		615,915
Hunter's Glen Generator, Road, Stormwater, Athletic Fields Improvements, Rescue Squad Irrigation Equip., Munic. Bldg Impr, Fire Equip	09-2008	5/13/08	1,143,418			\$ 888,000	\$ 255,418	843,404	300,014	
				\$ 104,400	\$ 3,653,408	\$ 888,000	\$ 255,418	\$ 2,445,666	\$ 363,398	\$ 2,092,162
REF.				C	C	C-8	C-13		C	C
						C-13	\$ 225,418			
						C-2	30,000			
							<u>\$ 255,418</u>			
						Cash Disbursements	C-2	\$ 1,770,015		
						Encumbrances	C-7	675,651		
								<u>\$ 2,445,666</u>		

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-12

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/07</u>	<u>DECREASED</u>	<u>BALANCE 12/31/08</u>
General Bonds of 1999	8/1/1999	\$ 8,144,000				\$ 375,000	\$ 375,000	-
Refunding Bonds of 2005	6/30/05	\$ 5,485,000	8/1/09	425,000	3.125%	5,340,000	25,000	\$ 5,315,000
			8/1/10	420,000	3.250%			
			8/1/11	460,000	3.250%			
			8/1/12	310,000	4.500%			
			8/1/12 *	145,000	3.375%			
			8/1/13	500,000	4.500%			
			8/1/14	500,000	5.000%			
			8/1/15	500,000	5.000%			
			8/1/16	525,000	5.000%			
			8/1/17	300,000	5.000%			
			8/1/17 *	225,000	4.000%			
			8/1/18	520,000	4.000%			
			8/1/19	485,000	4.000%			
General Improvement Bonds Series 2006	1/12/06	\$ 1,880,000	1/1/09	123,000	4.000%	1,767,000	117,000	1,650,000
			1/1/10	127,000	4.000%			
			1/1/11	133,000	4.000%			
			1/1/12	137,000	4.000%			
			1/1/13	143,000	4.000%			
			1/1/14	149,000	4.000%			
			1/1/15	154,000	4.000%			
			1/1/16	161,000	3.600%			
			1/1/17	168,000	3.650%			
			1/1/18	174,000	3.700%			
1/1/19	181,000	3.750%						
Open Space Bonds Series 2006	1/12/06	\$ 6,396,000	1/1/09	235,000	4.000%	6,181,000	225,000	5,956,000
			1/1/10	240,000	4.000%			
			1/1/11	250,000	4.000%			
			1/1/12	260,000	4.000%			
			1/1/13	275,000	4.000%			
			1/1/14	285,000	4.000%			
			1/1/15	295,000	4.000%			
			1/1/16	305,000	3.600%			
			1/1/17	320,000	3.650%			
			1/1/18	330,000	3.700%			
			1/1/19	345,000	3.750%			
			1/1/20	360,000	3.800%			
			1/1/24 *	1,590,000	3.950%			
1/1/26 *	866,000	4.050%						
						\$ 13,663,000	\$ 742,000	\$ 12,921,000

C

C-5

C

* - Term Bond

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-13

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/07</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/08</u>
Municipal Facilities	\$ 160,074		\$ 160,000	\$ 74
Offsite/Ontract Improvements	5,000			5,000
Debt Service	53,054		53,054	-
Fire Aid		\$ 65,418	65,418	
	<u>\$ 218,128</u>	<u>\$ 65,418</u>	<u>\$ 278,472</u>	<u>\$ 5,074</u>
REF.	C	C-3		C
	C-2		\$ 53,054	
	C-11		<u>225,418</u>	
			<u>\$ 278,472</u>	

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

HUNTERS GLEN

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2007	D	\$ 68,041	\$ 20,000
Increased by Receipts:			
Water Rents	D-5	\$ 65,968	
Capital Improvement Fund	D-3		\$ 10,000
Interest on Investment income	D-2	<u>2,435</u>	<u>10,000</u>
		68,403	-
		136,444	30,000
Decreased by Disbursements:			
2007 Appropriation Reserve	D-7	4,859	
Refund of Prior Year Revenue	D-1	100	
Transfer to General Capital for Ordinance # 09-2008	D-10		30,000
2008 Appropriations	D-3	<u>73,707</u>	<u>30,000</u>
		78,666	-
Balance December 31, 2008	D	<u>\$ 57,778</u>	<u>-</u>

OLDWICK

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2007	D	\$ 94,075	\$ 71,000
Increased by Receipts:			
Water Rents	D-5	\$ 106,947	
Capital Improvement Fund	D-3		\$ 20,000
Interest on Investment income	D-2	<u>6,653</u>	<u>20,000</u>
		113,600	-
		207,675	91,000
Decreased by Disbursements:			
2007 Appropriation Reserve	D-7	6,340	
2008 Appropriations	D-3	<u>118,943</u>	<u>-</u>
		125,283	-
Balance December 31, 2008	D	<u>\$82,392</u>	<u>\$91,000</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Increased by Receipts:				
Prepaid Rents	D	\$ 640		\$ 640
Consumer Accounts Receivable Collections	D-6	<u>65,328</u>	<u>\$ 106,947</u>	<u>172,275</u>
		65,968	106,947	172,915
Decreased by Disbursements:				
Payment to Treasurer	D-4	<u>\$ 65,968</u>	<u>\$ 106,947</u>	<u>\$ 172,915</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

		HUNTERS			
	REF.	GLEN	OLDWICK	TOTAL	
Balance December 31, 2007	D	\$ 981	\$ 2,922	\$ 3,903	
Increased by:					
Water Rents Levied		66,612	113,990	180,602	
		67,593	116,912	184,505	
Decreased by:					
Canceled		981	2,917	3,898	
Pre-Paid in 2007	D-2	1,272	473	1,745	
Collection	D-2:5	65,328	106,947	172,275	
		67,581	110,337	177,918	
Balance December 31, 2008	D	\$ 12	\$ 6,575	\$ 6,587	

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2007

D-7

HUNTER'S GLEN

	<u>BALANCE</u> <u>12/31/07</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 284	\$ 284		\$ 284
Other Expenses	18,734	18,734	\$ 4,859	13,875
TOTALS	<u>\$ 19,018</u>	<u>\$ 19,018</u>	<u>\$ 4,859</u>	<u>\$ 14,159</u>

REF. D D-4 D-1

Appropriation Reserves	\$ 16,164
Encumbrances	<u>2,854</u>
	<u>\$ 19,018</u>

OLDWICK

	<u>BALANCE</u> <u>12/31/07</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 2,589	\$ 2,589		\$ 2,589
Other Expenses	6,455	6,455	\$ 6,340	115
TOTALS	<u>\$ 9,044</u>	<u>\$ 9,044</u>	<u>\$ 6,340</u>	<u>\$ 2,704</u>

REF. D D-4 D-1

Appropriation Reserves	\$ 2,616
Encumbrances	<u>6,428</u>
	<u>\$ 9,044</u>

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2008

D-8

	<u>Balance December 31, 2007</u>		<u>FIXED CAPITAL</u>	<u>Balance December 31, 2008</u>	
	<u>Hunters Glen</u>	<u>Oldwick</u>	<u>ADDITIONS</u>	<u>Hunters Glen</u>	<u>Oldwick</u>
Land Acquisition		\$ 91,720			\$ 91,720
Wind Monitoring Device		10,000			10,000
Monitoring Well	\$ 6,000			\$ 6,000	
Sanitary Sewer System		816,395			816,395
Emergency Power/Alarm		13,000			13,000
Hunter's Glen Generator			\$ 30,000	30,000	
	\$ 6,000	\$ 931,115	\$ 30,000	\$ 36,000	\$ 931,115

REF.	D	D		D	D
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SEWER UTILITTY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/07</u>	<u>BALANCE 12/31/08</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITTY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	BALANCE FUNDED <u>12/31/07</u>	<u>AUTHORIZATIONS</u>	PAID OR CHARGED	BALANCE FUNDED <u>12/31/08</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000			\$ 20,000
2008-09	Hunter's Glen Generator	5/13/08		\$ 30,000	\$ 30,000	
			\$ 20,000	\$ 30,000	\$ 30,000	\$ 20,000
	REF.		D	D-11	D-4	D

SEWER UTILITY FUND
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND

D-11

	<u>REF.</u>	<u>HUNTERS</u>		<u>TOTAL</u>
		<u>GLEN</u>	<u>OLDWICK</u>	
Balance December 31, 2007	D	\$ 20,000	\$ 51,000	\$ 71,000
Increased by:				
2008 Budget Appropriation	D-3	<u>10,000</u>	<u>20,000</u>	<u>30,000</u>
		30,000	71,000	101,000
Decreased by:				
Appropriation to Finance Improvement Authorizations	D-10	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Balance December 31, 2008	D	<u>-</u>	<u>\$ 71,000</u>	<u>\$ 71,000</u>

SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2007	D	\$ 6,000	\$ 764,406	\$ 770,406
Increased by:				
Fixed Capital Additions - Hunter's Glen Generator	D-8	30,000		30,000
General Electric Loan Paid by Sewer Operating Budget	D-3	-	12,460	12,460
		36,000	776,866	812,866
Balance December 31, 2008	D	<u>\$ 36,000</u>	<u>\$ 776,866</u>	<u>\$ 812,866</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/07</u>	<u>BALANCE 12/31/08</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF LOANS PAYABLE

D-14

	<u>REF.</u>	<u>OLDWICK</u>
Balance December 31, 2007	D	\$166,709
Decreased by:		
Principal Payments	D-12	<u>12,460</u>
Balance December 31, 2008	D	<u>\$154,249</u>

Schedule of Principal and Interest Payments

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 13,091	\$ 7,551	\$ 20,642
2010	13,754	6,888	20,642
2011	14,450	6,192	20,642
2012	15,182	5,460	20,642
2013	15,951	4,692	20,643
2014	16,758	3,884	20,642
2015	17,606	3,036	20,642
2016	18,497	2,145	20,642
2017	19,434	1,208	20,642
2018	9,526	795	10,321
	<u>\$ 154,249</u>	<u>\$ 41,851</u>	<u>\$ 196,100</u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2007	E	\$ 8,399	\$ 8,399
Increased by Receipts:			
Interest Credits		154	154
Total Receipts		<u>154</u>	<u>154</u>
		<u>8,553</u>	<u>8,553</u>
Balance December 31, 2008	E	<u>\$ 8,553</u>	<u>\$ 8,553</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2008

F-1

	<u>BALANCE</u> <u>12/31/07</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/08</u>
General Fixed Assets:				
Land and Buildings	\$ 35,704,548	\$ 716,137		\$ 36,420,685
Machinery and Equipment	6,244,181	1,729,529		7,973,710
Total General Fixed Assets	<u>\$ 41,948,729</u>	<u>2,445,666</u>	<u>-</u>	<u>\$ 44,394,395</u>
 Investment In General Fixed Assets	 <u>\$ 41,948,729</u>	 <u>\$2,445,666</u>	 <u>-</u>	 <u>\$ 44,394,395</u>

**PART III
SUPPLEMENTARY INFORMATION**

GENERAL COMMENTS

SCHEDULE OF FEDERAL/STATE AWARDS

STATUS OF PRIOR AUDIT FINDINGS

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS-
GENERAL FINDINGS**

GENERAL COMMENTS

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Tewksbury, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

a.

When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b.

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c.

Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection **a.** of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

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

Effective July 1, 2005, the bid threshold in accordance with N.J.S.A.40A:11-3(c)(as amended) is increased from \$17,500 to \$21,000.

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

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

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 determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory thresholds "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2008, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2007, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2008, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 1, 2008 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2008, include real property taxes from the 2008, 2007, 2006 and 2005 tax levy.

The last tax sale was held on October 23, 2008 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2008	8
2007	9
2006	9

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

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 12, 2008. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

<u>Verification Type</u>	<u>Type of Receivable - Real Property Tax</u>		<u>Date of Circulars - November 12, 2008-Real Estate</u>	
	<u>Request Form</u>	<u>Total No. of Items</u>	<u>Total No. of Circular</u>	<u>Total No. Returned</u>
2008 Property Tax	Positive	3,150	100	32
2009 Property Tax	Positive	3,150	100	32
2008 Delinquent Tax	Negative	348	25	6

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Tewksbury to these new directives are as follows:

<u>Requirement</u>	FY 2008 Required	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
CURRENT FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2008</u>	<u>%</u>	<u>YEAR 2007</u>	<u>%</u>
Fund Balance Utilized	\$ 2,772,454	7.76%	\$ 1,504,884	4.15%
Miscellaneous - From Other Than				
Local Property Tax Levies	3,120,827	8.73%	4,440,738	12.24%
Collection of Delinquent Taxes and				
Tax Title Liens	472,977	1.32%	479,270	1.32%
Collection of Current Tax Levy	<u>29,372,008</u>	<u>82.19%</u>	<u>29,847,095</u>	<u>82.29%</u>
Total Income	<u>35,738,266</u>	<u>100.00%</u>	<u>36,271,987</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	9,287,917	26.59%	9,456,943	26.68%
County Taxes	6,481,608	18.56%	6,628,638	18.70%
Local and Regional Taxes	18,470,935	52.89%	18,545,829	52.33%
Municipal Open Space Tax	680,360	1.95%	677,134	1.91%
Other Expenditures	<u>5,606</u>	<u>0.02%</u>	<u>133,121</u>	<u>0.38%</u>

Total Expenditures	<u>\$34,926,426</u>	<u>100.00%</u>	<u>\$35,441,665</u>	<u>100.00%</u>
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Excess (Deficit) Revenue Over Expenditures	811,840		830,322	
--	---------	--	---------	--

Adjustments to Income Before Fund Balance:

Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>-</u>		<u>1,253</u>	

Statutory Excess to Fund Balance	811,840		831,575	
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Fund Balance January 1	11,641,950		12,315,259	
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Less:

Utilization as Anticipated Revenue	<u>2,772,454</u>		<u>1,504,884</u>	
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Fund Balance December 31	<u>\$ 9,681,336</u>		<u>\$ 11,641,950</u>	
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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2008</u>	<u>%</u>	<u>YEAR 2007</u>	<u>%</u>
Operating Surplus	\$ 52,999	20.96%	\$ 31,838	13.17%
Rents	174,020	68.82%	176,706	73.07%
Miscellaneous	9,088	3.59%	19,000	7.86%
Other Credits to Income	<u>16,763</u>	<u>6.63%</u>	<u>14,285</u>	<u>5.91%</u>
Total Income	252,870	100.00%	241,829	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>221,199</u>	100.00%	<u>223,872</u>	100.00%
Excess in Revenue	31,671		17,957	
Fund Balance January 1	132,309		146,190	
Less:				
Utilization as Anticipated Revenue	<u>52,999</u>		<u>31,838</u>	
Fund Balance December 31	<u>\$ 110,981</u>		<u>\$ 132,309</u>	

Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	<u>\$2.187</u>	<u>\$2.240</u>	<u>\$2.220</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.311	\$0.312	\$0.311
Municipal Open Space Tax	\$0.050	\$0.050	\$0.050
County	\$0.477	\$0.498	\$0.483
Local School	\$0.859	\$0.860	\$0.835
Regional High School	\$0.490	\$0.520	\$0.541

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2008	\$1,355,876,883
2007	\$1,343,168,486
2006	\$1,322,948,999

Comparison of Tax Levies and Collection Currently

A study of this tabulation could 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 Collections</u>
2008	\$29,795,288	\$29,372,007	98.57%
2007	\$30,335,422	\$29,847,094	98.39%
2006	\$29,682,817	\$29,195,258	98.35%

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.

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$37,345	\$415,486	\$452,831	1.52%
2007	\$82,588	\$476,884	\$559,472	1.84%
2006	\$82,364	\$473,376	\$555,740	1.87%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2008 by foreclosure or deed as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

<u>Current Fund</u>		Utilized	
<u>Year</u>	Balance <u>December 31</u>	<u>In Budget of Succeeding Year</u>	
		<u>Regular</u>	
2008	\$ 9,681,336	\$	3,368,000
2007	\$ 11,641,950	\$	2,772,454
2006	\$ 12,315,259	\$	1,504,884
2005	\$ 11,507,514	\$	1,478,731

Sewer Utility Fund

2008	\$ 110,981	\$	59,799
2007	\$ 132,309	\$	52,999
2006	\$ 146,190	\$	31,838
2005	\$ 97,222	\$	22,500

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
William Voyce	Mayor		
Robert Hoffman	Committeeperson		
William Mennen	Committeeperson		
Shaun C. Van Doren	Committeeperson		
Louis DiMare	Committeeperson		
Jesse W. Landon	Administrator		
Roberta Brassard	Township Clerk; Assessment Search Officer		
Katherine Winzenreid	Tax Collector; Sewer Collector; Tax Search Officer	\$250,000	Selective Insurance Co.

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Judie A. McGrorey	Certified Municipal Finance Officer	\$250,000	Selective Insurance Co.
Ann Marie Obiedzinski	Assessor		
Michael Selvaggi	Attorney		
Charles Rogers	Construction Official		
Allen Layton	Fire Sub-Code Official		
Robert O'Conner	Plumbing Sub-Code Official		
Shana L. Goodchild	Land Use Administrator		
Bonnie McCarthy	Land Use Clerk/Planning Board Secretary		
Randall Benson	Zoning/Housing Officer		

The minimum bond coverage required for the Tax Collector and the Municipal Court personnel based on their respective prior years' tax levies and Court income, would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2008	\$155,339

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$250,000. provided by the National Casualty Company.

All the bonds were examined and were properly executed.

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008
N/A

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/08	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/08
<u>DEPT. OF LAW AND PUBLIC SAFETY</u>									
Body Armor Grant	N/A		2008	A		\$ 1,176		\$ 1,152	\$ 24
Drunk Driving Enforcement Fund	4250-760-050000-63		Prior Years	A	1,604			1,604	-
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900		2008 2007	A A		15,676 1,354		13,474 1,354	2,202
Storm Water Management Grant	N/A	N/A	2006	A	6,197	1,250			7,447
Recycling Tonnage Grant			2008 2007	A A		1,281 727		1,281 1	726
<u>DEPT. OF HUMAN SERVICES</u>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	8,399	154			8,553
<u>DEPT. OF COMMUNITY AFFAIRS</u>									
Domestic Violence Grant	2008-100-8030-803-PT-6130 2007-100-8030-803-PT-6130		2008 2007	A A					
<u>OTHER STATE AIDS</u>									
US Forest Service Grant	N/A	N/A	N/A	A	236				236
Juvenile Accountability Block Grant	N/A	N/A	N/A	A	4,471			4,471	-
Hepatitis Grant	N/A	N/A	N/A	A	201			184	17
Trail Grant	N/A	N/A	N/A	A	10,758			10,758	-
TOTAL STATE ASSISTANCE					\$ 33,947 \$ 19,537 \$ - \$ 34,279 \$ 19,205				

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY
Occurrence

N/A

SCHEDULE OF FINDINGS AND RECOMMENDATIONS-
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

GENERAL FINDINGS

Reportable Conditions

Segregation of Duties:

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Certain functions are handled by one person. While this situation is not unusual in operations the size of the municipality, management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. In order to mitigate segregation of duties control risk, the municipality has segregated the check signing and purchase order issuance functions.

My audit did not reveal any errors or irregularities resulting from lack of segregation of employees duties and responsibilities.

Findings and Recommendations

N/A

(*) Prior Year Finding