

TOWNSHIP OF PITTSBORO
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2008

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PART I

PETRONI & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Pittsgrove
County of Salem, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Pittsgrove as of December 31, 2008 and 2007, the related statements of operations and changes in fund balance – statutory basis for the years then ended, and the related statements of revenues – statutory basis and statement of expenditures – statutory basis of the various funds, as listed in the table of contents for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township of Pittsgrove's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, because of the effects of preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Pittsgrove as of December 31, 2008 and 2007, or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – statutory basis of the various funds and account groups of the Township of Pittsgrove as of December 31, 2008 and 2007, and the results of its operations and changes in fund balance – statutory basis of such funds for the years then ended and the statement of revenues – statutory basis and statement of expenditures – statutory basis of the various funds for the years ended December 31, 2008 and 2007 on the modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2009 on our consideration of the Township of Pittsgrove’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of Pittsgrove taken as a whole. The accompanying supplemental schedules and information presented in the “Supplementary Data”, “General Comments” and “Findings and Recommendations” sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Pittsgrove. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PETRONI & ASSOCIATES

The image shows a handwritten signature in cursive script that reads "Petroni & Associates". The signature is written in dark ink and is positioned below the printed name of the firm.

June 1, 2009

PETRONI & ASSOCIATES

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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

Honorable Mayor and Members
of the Township Committee
Township of Pittsgrove
County of Salem, New Jersey

We have audited the financial statements of the Township of Pittsgrove as of and for the year ended December 31, 2008, and have issued our report thereon dated June 1, 2009. We conducted our audit on a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township of Pittsgrove'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 of Pittsgrove's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the 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 result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township'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 of Pittsgrove's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and recommendations.

This report is intended solely for the information and use of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES

A handwritten signature in cursive script that reads "Petroni & Associates".

June 1, 2009

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	2,040,633.39	2,137,402.77
Cash - Collector	A-6	449,602.46	245,100.16
Change Fund	A-8	900.00	900.00
		<u>2,491,135.85</u>	<u>2,383,402.93</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	371,683.18	405,702.22
Tax Title Liens Receivable	A-10	7,356.36	5,997.15
Property Acquired for Taxes - Assessed Valuation	A-11	1,390,900.00	1,390,900.00
Revenue Accounts Receivable	A-15	10,627.77	10,352.87
Due from Performance Bond Escrow	B	4.27	
Due from Accumulated Absence Trust	B	112.40	1,034.95
Due from Environmental Commission Trust Fund	B	0.09	3.15
Due from Pittsgrove Day Trust	B	1.34	22.64
Due from Tax Sale Trust Fund	B	17.61	
Due from Trust Assessment Fund	B	220.37	601.93
Due From General Capital Fund	C	91.79	484.35
Due from Public Defender Trust			11.07
Due from Animal Control Trust	B	0.24	377.58
Due from Federal and State Grant Fund	A	148,325.86	227,458.37
Due from Developer's Escrow Trust Fund	B	18.85	306.00
		<u>1,929,360.13</u>	<u>2,043,252.28</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves			171.40
Emergency Appropriation			10,000.00
Special Emergency Appropriation	A-14	40,000.00	39,100.00
		<u>40,000.00</u>	<u>49,271.40</u>
		<u>4,460,495.98</u>	<u>4,475,926.61</u>
<u>Federal and State Grant Fund</u>			
Cash - Treasurer			188,397.61
Grants Receivable	A-12	772,309.33	359,328.20
		<u>772,309.33</u>	<u>547,725.81</u>
		<u>5,232,805.31</u>	<u>5,023,652.42</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Regular Fund</u>			
Liabilities:			
Appropriation Reserves	A-3:A-16	233,933.71	239,424.02
Encumbrances Payable	A-17	287,830.02	98,383.10
Due County for Added & Omitted Taxes		36,166.77	78,309.38
Due From State of New Jersey - Senior Citizen and Veterans Deductions	A-18	10,539.78	5,106.42
Prepaid Taxes		120,177.30	134,231.09
Prepaid Licenses	A-4	5,670.00	5,720.00
Payroll Taxes Payable		6,791.58	6,028.37
Tax Overpayments		250.00	443.87
Due State of New Jersey - Marriage License Fees		220.00	210.00
Due State of New Jersey - DCA Fees		930.00	847.00
Special Emergency Note Payable			39,100.00
Due Open Space Trust Fund	B	5,554.27	15,739.05
Due Unemployment Trust Fund	B	25.66	326.86
Due Public Defender	B	1,499.66	
Due Tax Sale Trust Fund			0.05
Due Affordable Housing Trust Fund	B	2,851.34	7,924.49
Reserve for Garden State Pilot - Unappropriated	A-4	15,900.11	19,527.53
Reserve for Donations	A-24	1,078.00	1,078.00
		<u>729,418.20</u>	<u>652,399.23</u>
Reserve for Receivables		1,929,360.13	2,043,252.28
Fund Balance	A-1	1,801,717.65	1,780,275.10
		<u>4,460,495.98</u>	<u>4,475,926.61</u>
<u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-22	202,654.22	298,175.51
Encumbrances Payable	A-23	421,329.25	22,091.93
Due Current Fund	A	148,325.86	227,458.37
		<u>772,309.33</u>	<u>547,725.81</u>
		<u>5,232,805.31</u>	<u>5,023,652.42</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
Fund Balance Utilized	A-2	784,355.98	469,620.53
Miscellaneous Revenue Anticipated	A-2	1,872,734.97	1,564,429.10
Receipts from Delinquent Taxes	A-2	410,268.68	281,934.38
Receipts from Current Taxes	A-2	17,684,478.81	17,077,693.42
Non-Budget Revenue	A-2	179,557.76	245,059.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-16	215,174.58	157,369.80
Encumbrances Lapsed	A-17	1,775.61	8,282.41
Grant Reserve Canceled	A-22	37,832.79	1,955.08
Tax Overpayment Canceled			95.42
Interfund Loan Returned		87,764.04	21,639.11
Total Income		<u>21,273,943.22</u>	<u>19,828,078.26</u>
 <u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	1,041,917.00	989,469.54
Other Expenses	A-3	1,580,650.68	1,448,898.85
Deferred Charges and Statutory Expenditures	A-3	114,494.19	92,020.00
Budget Appropriations Excluded From "CAPS"			
Operations:			
Other Expenses	A-3	108,994.15	143,169.08
Public and Private Programs Offset by Revenues	A-3	630,879.74	134,005.56
Capital Improvements	A-3	135,000.00	51,000.00
Deferred Charges and Statutory Expenditures	A-3	49,100.00	39,100.00
Debt Service	A-3	288,210.54	305,104.11
County Taxes	A-9	6,764,345.71	6,250,777.42
County Open Space	A-9	149,164.40	136,249.39
Due County for Added Taxes	A-9	36,166.77	78,309.38
Local District School Tax	A-19	8,813,214.00	8,698,365.50
Special District Taxes	A-9	573,580.17	551,940.92
Municipal Open Space Tax	A-9	180,136.00	178,251.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2008	Special N.J.S.A. 40A:4-87		
Fund Balance Anticipated	A-1	784,355.98		784,355.98	
Miscellaneous Revenues:					
Licenses - Alcohol	A-15	4,200.00		4,150.00	(50.00)
Fees and Permits	A-15	102,000.00		94,687.46	(7,312.54)
Fines and Costs:					
Municipal Court	A-15	50,000.00		43,505.24	(6,494.76)
Interest and Costs on Taxes	A-15	70,000.00		105,077.74	35,077.74
Tower Lease	A-15	13,800.00		20,550.00	6,750.00
Legislative Initiative Municipal Block Grant	A-15				
Consolidated Municipal Property Tax Relief	A-15	213,509.00		213,509.00	
Energy Receipts Tax	A-15	675,031.00		675,031.00	
Garden State Trust Pilot	A	19,528.00		19,527.53	(0.47)
Uniform Construction Code Fees	A-15	113,400.00		127,525.32	14,125.32
Recycling Grant	A-12		3,342.27	3,342.27	
Clean Communities Program	A-12	12,602.24	1,579.13	14,181.37	
Municipal Alliance Program	A-12	6,420.08		6,420.08	
Senior Citizens & Disabled Residents	A-12	105,200.00	16,000.00	121,200.00	
Uniform Fire Safety Act	A-12	13,258.15		13,258.15	
Small Cities	A-12		400,000.00	400,000.00	
Gypsy Moth Reimbursement	A-15	7,619.81		7,619.81	
Bureau of Fire Safety	A-15	3,125.00		3,150.00	25.00
Total Miscellaneous Revenues		1,409,693.28	420,921.40	1,872,734.97	42,120.29
Receipts from Delinquent Taxes	A-2	325,000.00		410,268.68	85,268.68
Subtotal General Revenues		1,734,693.28	420,921.40	1,729,196.84	127,388.97
Amount to be Raised by Taxation	A-2	1,434,541.00		1,612,677.66	178,136.66
Budget Totals		3,953,590.26	420,921.40	4,126,230.48	305,525.63
Non-Budget Revenue	A-2			179,557.76	
		3,953,590.26	420,921.40	4,305,788.24	
Ref.		A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES

Analysis of Realized Revenue

	<u>Ref.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-9	17,684,478.81
Allocated to:		
School, County Taxes, Fire District and Municipal Open Space		<u>16,516,607.05</u>
Balance for Support of Municipal Appropriations		1,167,871.76
Increased by: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>444,805.90</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>1,612,677.66</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-9	401,413.15
Tax Title Liens	A-10	8,855.53
	A-2	<u><u>410,268.68</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Sale of Municipal Property	A-15	3,220.80
Payments in Lieu of Taxes	A-15	11,955.98
Housing Rehabilitation	A-15	13,827.00
Donations	A-15	609.00
Rent of Municipal Property	A-15	2,107.00
Interest	A-15	55,826.13
Photocopies, OPRA	A-15	474.15
Licenses Other	A-15:A	5,855.00
Maps	A-15	39.80
Miscellaneous	A-15	27,991.02
Cable TV Franchise Fees	A-15	26,019.24
Administrative Fee	A-15	2,765.00
Recycling	A-15	28,867.64
	A-2	<u><u>179,557.76</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
GENERAL GOVERNMENT						
Administrative & Executive						
Salaries and Wages	80,359.00	80,359.00	75,104.73		5,254.27	
Salary Adjustment	3,000.00					
Other Expenses	20,562.00	26,562.00	18,704.04	5,633.14	2,224.82	
Consultant	75,700.00	95,700.00	25,419.69	36,483.49	33,796.82	
Mayor and Township Committee						
Salaries & Wages	26,265.00	25,265.00	22,176.00		3,089.00	
Other Expenses	5,000.00	5,000.00	4,185.55	270.95	543.50	
Township Clerk/Administration Office						
Salaries & Wages	163,529.00	160,529.00	151,378.79		9,150.21	
Other Expenses						
Miscellaneous Other Expenses	11,500.00	11,500.00	6,192.11	1,273.33	4,034.56	
Codification of Ordinances	5,000.00	5,000.00	3,442.25		1,557.75	
Elections						
Other Expenses	200.00	200.00	26.40		173.60	
Financial Administration						
Salaries & Wages	72,474.00	72,474.00	71,514.09		959.91	
Other Expenses	16,350.00	16,350.00	12,579.74	713.73	3,056.53	
Audit Services						
Other Expenses	35,000.00	35,000.00	34,460.00		540.00	
Revenue Administration (Tax Collection)						
Salaries & Wages	46,350.00	46,350.00	46,064.49		285.51	
Other Expenses	12,750.00	12,750.00	7,101.44	436.80	5,211.76	
Liquidation of Tax Title Liens & Foreclosed Property						
Other Expenses	4,100.00	4,100.00			4,100.00	
Assessment of Taxes						
Salaries & Wages	44,105.00	41,605.00	40,866.52		738.48	
Other Expenses						
Miscellaneous Other Expenses	17,375.00	7,375.00	6,038.50	543.58	792.92	
Revision of Tax Map	4,000.00	3,500.00	1,491.00	460.00	1,549.00	
Legal Services & Costs						
Other Expenses						
Solicitor	100,000.00	100,000.00	73,356.85	2,739.25	23,903.90	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Engineering Services						
Other Expenses	25,000.00	39,000.00	24,911.50	12,920.12	1,168.38	
Economic Development						
Salaries & Wages	3,090.00	2,590.00	920.88		1,669.12	
Other Expenses	8,000.00	8,710.00	8,671.44		38.56	
Agriculture Advisory Committee						
Other Expenses	1,500.00	500.00	190.95		309.05	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries & Wages	49,323.00	48,123.00	46,678.56		1,444.44	
Other Expenses	64,088.68	51,888.68	35,290.87	9,818.26	6,779.55	
Revisions of Master Plan		40,000.00	40,000.00			
Zoning and Housing Officer						
Salaries & Wages	32,124.00	32,324.00	32,296.96		27.04	
Other Expenses	12,500.00	3,500.00	1,912.67		1,587.33	
Housing Rehabilitation						
Other Expenses	200.00	200.00			200.00	
Affordable Housing						
Other Expenses	10,000.00	10,000.00		10,000.00		
CODE ENFORCEMENT AND ADMINISTRATION						
Rent Control Board						
Salaries & Wages	620.00	620.00	393.82		226.18	
Other Expenses	1,000.00	1,000.00	525.05	13.72	461.23	
INSURANCE						
Liability Insurance	77,304.00	58,804.00	55,783.00		3,021.00	
Surety Bond Premiums	1,000.00					
Workers Compensation Insurance	72,240.00	72,240.00	72,240.00			
Group Insurance Plan for Employees	227,000.00	222,000.00	203,362.65		18,637.35	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
PUBLIC SAFETY						
House Numbering System						
Other Expenses	450.00	450.00	158.40		291.60	
Office of Emergency Management						
Salaries & Wages	5,738.00	5,738.00	5,713.76		24.24	
Other Expenses	6,000.00	3,000.00	1,801.19		1,198.81	
Aid to Volunteer Ambulance Corps (2)	14,000.00	14,000.00	14,000.00			
Fire						
Other Expenses	425.00	425.00			425.00	
Prosecutor						
Salaries & Wages	9,600.00	9,600.00	3,978.30	5,569.62	52.08	
PUBLIC WORKS						
Road Repairs & Maintenance						
Other Expenses	70,000.00	75,000.00	69,809.14	4,324.00	866.86	
Other Public Works Functions						
Salaries & Wages	316,210.00	340,210.00	340,178.02		31.98	
Other Expenses	18,750.00	24,250.00	20,743.97	3,165.48	340.55	
Recycling						
Other Expenses	9,000.00	9,000.00	6,217.95	665.88	2,116.17	
Recycling Coordinator						
Salaries & Wages	1,030.00	2,030.00	1,790.68		239.32	
Public Buildings & Grounds						
Other Expenses	60,000.00	76,000.00	58,436.45	17,069.35	494.20	
Shade Tree Advisory Committee						
Other Expenses	500.00	500.00	295.00		205.00	
Vehicle Maintenance						
Other Expenses	40,000.00	45,000.00	34,178.53	4,286.42	6,535.05	
HEALTH & HUMAN SERVICES						
Board of Health						
Other Expenses	100.00	100.00			100.00	
Environmental Commission						
Other Expenses	5,000.00	5,000.00	986.09		4,013.91	
Animal Control						
Other Expenses	18,220.00	18,220.00	13,204.00		5,016.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
PARK AND RECREATION						
Recreation Services and Programs						
Salaries and Wages	2,302.00	2,302.00	1,217.53		1,084.47	
Other Expenses	27,560.00	13,560.00	12,757.22		802.78	
Senior Center						
Other Expenses	500.00	500.00	163.58	151.20	185.22	
EDUCATION FUNCTIONS						
Expense of Participating in Free County Library						
Other Expenses	500.00	500.00	500.00			
Expense of Participating in Elmer Library						
Other Expenses	1,000.00	1,000.00	1,000.00			
OTHER COMMON OPERATING FUNCTIONS						
Accumulated Leave Compensation	500.00	500.00			500.00	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	2,000.00	2,000.00			2,000.00	
UTILITIES						
Electricity	45,696.00	45,696.00	42,293.90		3,402.10	
Street Lighting	21,000.00	21,000.00	16,597.82		4,402.18	
Telephone	14,000.00	14,000.00	9,635.18		4,364.82	
Fuel Oil	30,000.00	30,000.00	22,375.55	2,309.97	5,314.48	
Telecommunication Costs	5,700.00	5,700.00	4,954.65	491.22	254.13	
Postage and Express Mail	13,000.00	6,000.00	5,110.57	16.65	872.78	
Gasoline	39,800.00	50,800.00	48,026.44		2,773.56	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill Fees	252,800.00	242,800.00	218,064.69	13,308.14	11,427.17	
Sanitary Landfill - Postclosure						
Other Expenses	8,500.00	8,500.00	5,843.60		2,656.40	
MUNICIPAL COURT FUNCTIONS						
Municipal Court						
Salaries and Wages	75,276.00	76,476.00	76,424.09		51.91	
Other Expenses	8,000.00	8,000.00	5,693.28	291.17	2,015.55	
Public Defender						
Other Expenses	500.00	500.00			500.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code					
Construction Official					
Salaries and Wages	49,440.00	49,440.00	46,646.37		2,793.63
Other Expenses	31,980.00	22,770.00	22,021.17	384.30	364.53
Sub-Code Officials:					
Building Official/Inspector					
Salaries and Wages	20,842.00	20,842.00	20,842.00		
Plumbing Inspector					
Salaries and Wages	6,669.00	6,669.00	6,619.95		49.05
Fire Protection Official					
Salaries and Wages	8,956.00	8,956.00	8,123.07		832.93
Electrical Inspector					
Salaries and Wages	9,415.00	9,415.00	9,345.00		70.00
Total Operations within "CAPS"	<u>2,579,567.68</u>	<u>2,617,567.68</u>	<u>2,279,027.68</u>	<u>133,339.77</u>	<u>205,200.23</u>
Contingent	<u>5,000.00</u>	<u>5,000.00</u>			<u>5,000.00</u>
Total Operations including Contingent within "CAPS"	<u>2,584,567.68</u>	<u>2,622,567.68</u>	<u>2,279,027.68</u>	<u>133,339.77</u>	<u>210,200.23</u>
Salary and Wages	1,026,717.00	1,041,917.00	1,008,273.61	5,569.62	28,073.77
Other Expenses	<u>1,557,850.68</u>	<u>1,580,650.68</u>	<u>1,270,754.07</u>	<u>127,770.15</u>	<u>182,126.46</u>
DEFERRED CHARGES & STATUTORY EXPENDITURES					
DEFERRED CHARGES					
Overexpenditure of Appropriation Reserve	171.40	171.40	171.40		
Deficit in Animal Control Trust Fund	664.22	664.22	664.22		
Prior Year Bills:					
Administrative and Executive					
Other Expenses:					
The Daily Journal					
Year 2002	187.64	187.64		187.64	
Year 2003	269.10	269.10		269.10	
Year 2004	999.15	999.15		999.15	
Year 2005	20.80	20.80		20.80	
Year 2006	281.88	281.88		181.28	100.60

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
STATUTORY EXPENDITURES					
Contributions to:					
Social Security System (O.A.S.I.)	103,000.00	103,000.00	84,382.95		18,617.05
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00		
State Disability Program	1,900.00	3,900.00	3,257.27		642.73
Total Deferred Charges and Statutory Expenditures	112,494.19	114,494.19	93,475.84	1,657.97	19,360.38
Total Appropriations for Municipal Purposes					
Within "CAPS"	2,697,061.87	2,737,061.87	2,372,503.52	134,997.74	229,560.61
DEFERRED CHARGES & STATUTORY EXPENDITURES					
PUBLIC WORKS FUNCTIONS					
Gypsy Moth					
Other Expenses	33,200.00	33,200.00	33,136.32		63.68
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	13,200.00	13,200.00	7,366.59	1,523.99	4,309.42
STATUTORY EXPENDITURES					
Contributions to:					
Public Employees' Retirement System	49,336.00	49,336.00	49,336.00		
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES					
Uniform Fire Safety Act (PL 1983, C 383)					
Fire Official					
Other Expenses	13,258.15	13,258.15	13,258.15		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities	12,602.24	14,181.37	14,181.37		
Municipal Alliance for Alcohol and Drug Abuse	8,025.10	8,025.10	8,025.10		
Senior Citizen and Disabled Resident Transportation	105,200.00	121,200.00	121,200.00		
NJ Recycling Tonnage Grant		3,342.27	3,342.27		
Small Cities		480,000.00	480,000.00		
SFSP Fire District Payments	4,131.00	4,131.00	4,131.00		
Matching Funds for Grants	100,000.00	20,000.00			20,000.00
Total Operations Excluded from "CAPS"	338,952.49	759,873.89	733,976.80	1,523.99	20,000.00
Detail:					
Other Expenses	338,952.49	759,873.89	733,976.80	1,523.99	20,000.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
CAPITAL IMPROVEMENTS					
Purchase of Ambulance	135,000.00	135,000.00	135,000.00		
Total Capital Improvements	<u>135,000.00</u>	<u>135,000.00</u>	<u>135,000.00</u>		
MUNICIPAL DEBT SERVICE					
Payment of Bond Principal	210,000.00	210,000.00	210,000.00		
Interest on Bonds	76,670.00	76,670.00	76,670.00		
Interest on Notes	2,000.00	2,000.00	1,540.54		459.46
Total Municipal Debt Service	<u>288,670.00</u>	<u>288,670.00</u>	<u>288,210.54</u>		<u>459.46</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges:					
Emergency Authorization	10,000.00	10,000.00	10,000.00		
Special Emergency Authorizations - 5 Years	39,100.00	39,100.00	39,100.00		
Total Deferred Charges - Municipal - Excluded from CAPS	<u>49,100.00</u>	<u>49,100.00</u>	<u>49,100.00</u>		
Total General Appropriations - Excluded from CAPS	811,722.49	1,232,643.89	1,206,287.34	1,523.99	20,459.46
Subtotal General Appropriations	<u>3,508,784.36</u>	<u>3,969,705.76</u>	<u>3,578,790.86</u>	<u>136,521.73</u>	<u>20,459.46</u>
RESERVE FOR UNCOLLECTED TAXES	444,805.90	444,805.90	444,805.90		
TOTAL GENERAL APPROPRIATIONS	<u>3,953,590.26</u>	<u>4,414,511.66</u>	<u>4,023,596.76</u>	<u>136,521.73</u>	<u>20,459.46</u>
Ref.	A-2			A-17	A
Appropriation by 40A:4-87	Ref.	A-2	420,921.40		
Special Emergency Appropriation	A-14		40,000.00		
Budget	A-3		3,953,590.26		
			<u>4,414,511.66</u>		
			Ref.		
Reserve for Uncollected Taxes		A-2	444,805.90		
Reserve for Federal & State Grants-Appropriated		A-22	644,137.89		
Reserve for Master Plan			40,000.00		
Deferred Charges					
Overexpenditure of Appropriation Reserve		A-13	171.40		
Emergency Authorization		A-13	10,000.00		
Special Emergency Authorizations - 5 Years		A-14	39,100.00		
Disbursed		A-4	2,845,381.57		
			<u>4,023,596.76</u>		

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
<u>Assessment Trust Fund</u>			
Cash - Treasurer	B-4	27,798.10	31,297.79
Assessments Receivable	B-8	24,006.19	30,888.06
		<u>51,804.29</u>	<u>62,185.85</u>
<u>Animal Control Trust Fund</u>			
Cash - Treasurer	B-4	1,495.81	
Deficit in Reserve for Dog Fund Expenditures			664.22
		<u>1,495.81</u>	<u>664.22</u>
<u>Open Space Trust Fund</u>			
Cash - Treasurer	B-4	574,497.69	567,417.45
Due from Current Fund	A	5,554.27	15,739.05
		<u>580,051.96</u>	<u>583,156.50</u>
<u>Tax Title Lien Redemption Trust Fund</u>			
Cash - Collector	B-6	94,017.61	211,057.14
Due from Current Fund			0.05
		<u>94,017.61</u>	<u>211,057.19</u>
<u>Developer's Escrow Trust Fund</u>			
Cash - Treasurer	B-4	124,625.27	136,215.91
<u>Unemployment Trust Fund</u>			
Cash - Treasurer	B-4	5,368.53	3,808.01
Due from Current Fund	A	25.66	326.86
		<u>5,394.19</u>	<u>4,134.87</u>
<u>Public Defender Trust Fund</u>			
Cash - Treasurer	B-4	1,981.90	4,355.63
Due from Current Fund	A	1,499.66	
		<u>3,481.56</u>	<u>4,355.63</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Affordable Housing Trust Fund</u>			
Cash - Treasurer	B-4	237,842.48	221,344.87
Due from Current Fund	A	2,851.34	7,924.49
		<u>240,693.82</u>	<u>229,269.36</u>
<u>Accumulated Absenses</u>			
Cash - Treasurer	B-4	32,831.31	33,753.86
<u>Landfill Closure Trust Fund</u>			
Cash - Treasurer	B-4	148,104.30	141,935.45
<u>Small Cities Trust Fund</u>			
Cash - Treasurer	B-4	44,627.67	43,013.90
<u>Pittsgrove Day</u>			
Cash - Treasurer	B-4	7,752.51	8,734.24
<u>Environmental Commission</u>			
Cash - Treasurer	B-4	505.04	508.10
<u>Lake Centerton Park Homeowner Escrow</u>			
Cash - Treasurer	B-4	5,030.02	
<u>Performance Bond Escrow</u>			
Cash - Treasurer	B-4	25,970.67	
		<u>1,366,386.03</u>	<u>1,458,985.08</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Assessment Trust Fund</u>			
Assessment Serial Bonds Payable	B-10	48,000.00	58,000.00
Due Current Fund	A	220.37	601.93
Reserve for Assessments and Liens	B-9	2,227.08	2,227.08
Fund Balance	B-1	1,356.84	1,356.84
		<u>51,804.29</u>	<u>62,185.85</u>
<u>Animal Control Trust Fund</u>			
Due Current Fund	A	0.24	377.58
Due State of New Jersey		22.20	4.20
Deficit in Cash	B-4		282.44
Reserve for Dog Fund Expenditures	B-12	1,473.37	
		<u>1,495.81</u>	<u>664.22</u>
<u>Open Space Trust Fund</u>			
Encumbrances Payable			8,000.00
Reserve for Open Space Expenditures	B-15	580,051.96	575,156.50
		<u>580,051.96</u>	<u>583,156.50</u>
<u>Tax Title Lien Redemption Trust Fund</u>			
Reserve for Miscellaneous Revenue			200,257.19
Due Current Fund	A	17.61	
Reserve for Tax Sale Premiums	B-14	94,000.00	10,800.00
		<u>94,017.61</u>	<u>211,057.19</u>
<u>Developer's Escrow Trust Fund</u>			
Due Current Fund	A	18.85	306.00
Encumbrances Payable		10,173.47	22,536.55
Reserve for Escrow Deposits		114,432.95	113,373.36
		<u>124,625.27</u>	<u>136,215.91</u>
<u>Unemployment Trust Fund</u>			
Reserve for Unemployment Compensation	B-21	5,394.19	4,134.87
<u>Landfill Closure Trust Fund</u>			
Reserve for Landfill Closure	B-17	148,104.30	141,935.45

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Public Defender Trust Fund</u>			
Due Current Fund			11.07
Encumbrance Payable		1,500.00	
Reserve for Public Defender Fees	B-19	1,981.56	4,344.56
		<u>3,481.56</u>	<u>4,355.63</u>
<u>Affordable Housing Trust Fund</u>			
Encumbrances Payable		513.50	237.81
Reserve for Affordable Housing	B-18	240,180.32	229,031.55
		<u>240,693.82</u>	<u>229,269.36</u>
<u>Small Cities Trust Fund</u>			
Encumbrances Payable		11,230.70	5,000.00
Reserve for Small Cities	B-11	33,396.97	38,013.90
		<u>44,627.67</u>	<u>43,013.90</u>
<u>Accumulated Absences Trust Fund</u>			
Due Current Fund	A	112.40	1,034.95
Reserve for Accumulated Absences	B-16	32,718.91	32,718.91
		<u>32,831.31</u>	<u>33,753.86</u>
<u>Pittsgrove Day</u>			
Due Current Fund	A	1.34	22.64
Reserve for Pittsgrove Day	B-20	7,751.17	8,711.60
		<u>7,752.51</u>	<u>8,734.24</u>
<u>Environmental Commission</u>			
Due Current Fund	A	0.09	3.15
Reserve for Environmental Commission	B-22	504.95	504.95
		<u>505.04</u>	<u>508.10</u>
<u>Lake Centerton Park Homeowner Escrow</u>			
Reserve for Lake Centerton Park Homeowner Escrow		<u>5,030.02</u>	
<u>Performance Bond Escrow</u>			
Due Current Fund	A	4.27	
Reserve for Performance Bond Escrow		25,966.40	
		<u>25,970.67</u>	
		<u>1,366,386.03</u>	<u>1,458,985.08</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B-1

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2007	B	<u>1,356.84</u>
Balance December 31, 2008	B	<u><u>1,356.84</u></u>

EXHIBIT B-2

STATEMENT OF REVENUES - ASSESSMENT TRUST FUND

	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	<u>10,000.00</u>	<u>10,000.00</u>

EXHIBIT B-3

STATEMENT OF EXPENDITURES - ASSESSMENT TRUST FUND

	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	<u>10,000.00</u>	<u>10,000.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
Cash - Treasurer	C-1	651,771.15	170,197.21
Deferred Charges - Funded	C-5	1,880,000.00	2,090,000.00
Deferred Charges - Unfunded	C-6	696,645.00	396,645.00
		<u>3,228,416.15</u>	<u>2,656,842.21</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-9	1,880,000.00	2,090,000.00
Bond Anticipation Notes Payable	C-10	502,195.00	
Encumbrances Payable		88,000.20	20,020.84
Improvement Authorizations:			
Funded	C-8	167,816.14	167,801.38
Unfunded	C-8	520,285.27	268,820.51
Capital Improvement Fund	C-7	29,311.50	19,311.50
Reserve for:			
Improvements to Bikeway		12,700.57	15,435.52
Improvements to Municipal Parks		5,024.00	5,024.00
Resurfacing of Roads		13,884.32	13,884.32
Purchase of Shredder			50.00
Purchase of Tractor			20,000.00
Senior Citizen Center		9,055.98	1,008.41
Improvements to Municipal Building and Grounds			35,000.00
Due Current Fund	A	91.79	484.35
Fund Balance	C-1	51.38	1.38
		<u>3,228,416.15</u>	<u>2,656,842.21</u>

The accompanying notes to the financial statements are an integral part of this statement.

SCHEDULE OF CAPITAL FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2007	C	1.38
Increased by:		
Purchase of Shredder Canceled		<u>50.00</u>
Balance December 31, 2008	C	<u><u>51.38</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT D

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
General Fixed Assets:		
Land	1,088,418.36	984,305.46
Buildings and Grounds	3,517,999.38	3,517,999.38
Equipment	<u>2,372,503.96</u>	<u>2,337,354.00</u>
	<u><u>6,978,921.70</u></u>	<u><u>6,839,658.84</u></u>
Investment in General Fixed Assets	<u><u>6,978,921.70</u></u>	<u><u>6,839,658.84</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Pittsgrove was incorporated on December 6, 1769 and is located in Salem County, New Jersey.

The Township has a five-member committee form of government. The Mayor is separately appointed each year by the existing elected committee members.

Except as noted below, the financial statements of the Township of Pittsgrove included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Pittsgrove, as required by N.J.S.A. 40A:5-5.

B. Description of Funds and Account Groups

The accounting policies of the Township of Pittsgrove 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 Pittsgrove accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the three fund, two account group presentation as required by G.A.A.P.

Current Fund – Resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

General Capital Fund – Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Payroll Account – Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets – To account for fixed assets used in governmental operations.

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 governmental units. The more significant accounting principles are as follows:

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Budget – The Township adopts an annual budget in accordance with N.J.S.A. 40:4. Once approved, the Township may make emergency appropriations for purposes which are not foreseen at the time the budget was adopted per N.J.S.A. 40A:4-46. After approval from the Director, the Township may also make amendments for any special item of revenue made available by any public or private funding source per N.J.S.A. 40A:4-87.

Authorized budget amendments were approved as follows:

Current Fund:

Special Items of Revenue:	
Various grants as detailed on Exhibit A-2	\$420,921.40
Emergency Appropriation	\$40,000.00

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and 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 to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and 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 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Taxes – Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1, and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

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.

Insurance – Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

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

D. General Fixed Assets

In accordance with N.J.A.C. 5:30-5.6, 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 Township has developed 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 recorded at historical cost or estimated historical cost if actual historical cost is not available, in accordance with the N.J.A.C. 5:30-5.6. However, land and improvements are recorded at its assessed value which is a departure from the aforementioned directive.

No depreciation has been 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. Fixed assets acquired through grants in aid have not been accounted for separately.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports' amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. 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.

G. Departures from Generally Accepted Accounting Principles

The accounting principles and practices followed by the Township of Pittsboro differ in some respects, which in some instances may be material, from 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 and recognized as revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.

No provision is made for accumulated vested vacation and sick leave.

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.

Depreciation expense is not calculated on fixed assets.

Encumbrances are reported as a liability in the financial statement.

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

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey municipalities are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute N.J.S.A. 17:9-41, et seq. provides a list of permissible investments that may be purchased by New Jersey municipalities.

Additionally, the Township has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under provisions of Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41, et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

I. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

TOWNSHIP OF PITTSBURGH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

New Jersey statutes require that municipalities deposit public funds in contracted 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 funds in the State of New Jersey Cash Management Fund.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 was enacted, which temporarily raises the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. The legislation provides that the basic deposit insurance limit will return to \$100,000 after December 31, 2009.

The carrying amount of the Township's cash and cash equivalents at December 31, 2008, was \$4,475,355.91 and the bank balance was \$4,561,824.77. Of the bank balance, \$200,000.00 was covered by federal depository insurance (including public and custodial funds) and \$4,311,824.77 was covered by a collateral pool maintained by the bank as required by New Jersey statutes.

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2008, all of the Township's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Township does not have a policy for custodial credit risk.

Credit risk: The Township does not have an investment policy regarding the management of credit risk. G.A.S.B. 40 requires that disclosure be made as to the credit rating of all securities except for obligations of the U.S. government or investments guaranteed by the U.S. government which is considered to have no credit risk.

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

Foreign currency risk: The Township does not have a policy for foreign currency risk since statutes preclude municipalities from investing in these types of securities.

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.
- c. Bonds or other obligations of the Township or bonds or other obligations of the Township school district.
- d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in N.J.S.A. 40A:5-15.1(a).
- g. Certificates of Deposit at federally insured banks.

As of December 31, 2008, the Township did not have any investments.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2008.

	Balance			Balance
	<u>Dec. 31, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Dec. 31, 2008</u>
Land	984,305.46	104,112.90		1,088,418.36
Buildings & Grounds	3,517,999.38			3,517,999.38
Equipment	2,337,354.00	44,729.96	9,580.00	2,372,503.96
	<u>6,839,658.84</u>	<u>148,842.86</u>	<u>9,580.00</u>	<u>6,978,921.70</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2008.

	<u>Due from</u>	<u>Due to</u>
Current Fund		
Animal Control Trust	0.24	
Assessment Trust Fund	220.37	
Performance Bond Escrow	4.27	
Federal & State Grant Fund	148,325.86	
Public Defender Trust Fund		1,499.66
General Capital Fund	91.79	
Pittsgrove Day Trust Fund	1.34	
Environmental Commission	0.09	
Developer's Escrow Trust Fund	18.85	
Affordable Housing		2,851.34
Accumulated Absence Trust Fund	112.40	
Open Space Trust Fund		5,554.27
Unemployment Trust Fund		25.66
Tax Sale Trust	17.61	
Federal & State Grant Fund		
Current Fund		148,325.86
General Capital Fund		
Current Fund		91.79
Animal Control Trust Fund		
Current Fund		0.24
Open Space Trust Fund		
Current Fund	5,554.27	
Accumulated Absence Trust		
Current Fund		112.40
Assessment Trust Fund		
Current Fund		220.37
Tax Sale Trust		
Current Fund		17.61
Developer's Escrow Trust Fund		
Current Fund		18.85
Affordable Housing		
Current Fund	2,851.34	
Performance Bond Escrow		
Current Fund		4.27
Environmental Commission Trust Fund		
Current Fund		0.09
Pittsgrove Day		
Current Fund		1.34
Unemployment Trust Fund		
Current Fund	25.66	
Public Defender Trust Fund		
Current Fund	1,499.66	
	<u>158,723.75</u>	<u>158,723.75</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt Service

During the calendar year 2008, the following changes occurred in the municipal debt of the Township:

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Issued/ Authorized</u>	<u>Retired/ Reduction</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>ISSUED:</u>				
General:				
Serial Bonds Payable	2,090,000.00		210,000.00	1,880,000.00
Bond Anticipation Notes		502,195.00		502,195.00
Assessment:				
Serial Bonds Payable	58,000.00		10,000.00	48,000.00
<u>AUTHORIZED BUT NOT ISSUED:</u>				
General:				
Bond Anticipation Notes	396,645.00	300,000.00	502,195.00	194,450.00
Total Debt Issued and Authorized but Not Issued	<u>2,544,645.00</u>	<u>802,195.00</u>	<u>722,195.00</u>	<u>2,624,645.00</u>

Permanently funded debt as of December 31, 2008, consists of general obligation serial bonds and Green Trust loans as follows:

	<u>Date of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
General Bonds:				
Various Capital Improvements	10/15/2004	2009/2016	3.25%-3.70%	1,880,000.00
Special Assessment	9/1/1993	2009/2013	5.00%	48,000.00
				<u>1,928,000.00</u>

Temporary unfunded debt as of December 31, 2008, consists of one year maturity or less of bond anticipation notes as follows:

	<u>Interest Rate</u>	<u>Amount</u>
General Capital:		
Various Capital Improvements	3.00%	202,195.00
Various Capital Improvements	3.00%	300,000.00
		<u>502,195.00</u>

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 5: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

As of December 31, 2008, debt service requirements on long-term debt in future years are:

Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Serial Bonds:			
2009	240,000.00	67,857.55	307,857.55
2010	240,000.00	59,595.00	299,595.00
2011	240,000.00	51,332.50	291,332.50
2012	240,000.00	43,070.00	283,070.00
2013	238,000.00	34,750.00	272,750.00
2014-2016	730,000.00	53,800.00	783,800.00
	<u>1,928,000.00</u>	<u>310,405.05</u>	<u>2,238,405.05</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .37%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	10,921,103.68	10,921,103.68	
General	2,624,645.00		2,624,645.00
	<u>13,545,748.68</u>	<u>10,921,103.68</u>	<u>2,624,645.00</u>

Net Debt \$2,624,645/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended
\$705,735,600 = .37%

Borrowing Power Under N.J.S.A. 40:A2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	24,700,746.00
Net Debt	2,624,645.00
Remaining Borrowing Power	<u>22,076,101.00</u>

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 6: ACCUMULATED ABSENCE BENEFITS

All employees are granted vacation benefits in varying amounts depending on their length of service with the Township. All employees are granted twelve sick days per year. The Township does not permit employees to accrue unused vacation pay.

The total value of compensated absences owed to employees as of December 31, 2008 was \$119,793.39. The Township has appropriated \$500.00 in the 2009 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance of \$32,718.91.

NOTE 7: PENSION FUNDS

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 is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the retirement systems. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Public Employees' Retirement System – This Public Employees' Retirement System (P.E.R.S.) 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 generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not a member of another State-administered retirement system.

Defined Contribution Retirement Program (D.C.R.P.) – The Township established the Defined Contribution Retirement Program by ordinance on October 28, 2008 as required by Chapter 92 of the Laws of 2007 and N.J.S.A. 43:15C-1 et. seq. D.C.R.P. provides for employee contributions of 5.5% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

Retirement - Members are eligible for retirement at age sixty with an annual benefit generally determined to be the number of years of service divided by fifty-five, times the final average salary. 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). Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

TOWNSHIP OF PITTSBORO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 7: PENSION FUNDS (CONTINUED)

Vesting and Benefit Provisions – The vesting and benefit provisions for P.E.R.S. are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after twenty-five years of service. The P.E.R.S. system provides for specified medical benefits for members who retire after achieving twenty-five years of qualified service, as defined, or under the disability provisions of the system.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 115, P.L. of 1997, and requires contributions by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provides for employee contributions of 5% until July 1, 2008 and 5 ½% subsequent to July 1, 2008 of employees’ annual base salary. Employers are required to contribute at an actuarial determined rate in P.E.R.S. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Trend Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Payroll	1,106,228.46	1,092,407.52	992,381.13
P.E.R.S. Covered Payroll	967,161.00	948,519.00	830,121.00
Employer Required Contribution	42,762.00	28,585.20	16,703.20
Percentage of P.E.R.S. Covered Payroll	4.42%	3.01%	2.01%

NOTE 8: POST-RETIREMENT BENEFITS

In addition to the pension benefits described in Note 7, the State provides post-retirement healthcare benefits, in accordance with State statutes, to all employees who retire and are already covered by the State Health Benefits Program (S.H.B.P.) through their employer. If a member of the Public Employees’ Retirement System (P.E.R.S.) is not eligible for employer-paid coverage, they may continue the coverage by paying the appropriate premium. The costs of these benefits are actuarially determined and advance funded through contributions by the State. As of December 31, 2008, there were two employees who met the eligibility requirements for post-retirement healthcare benefits.

NOTE 9: RISK MANAGEMENT

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

TOWNSHIP OF PITTSGROVE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 10: CONTINGENCIES

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Township of Pittsgrove Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Pittsgrove that would have an adverse effect on the financial position in the future.

NOTE 11: 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 following deferred charges are shown on the balance sheets of the various funds.

	Balance <u>Dec. 31, 2008</u>	2009 Budget <u>Appropriation</u>	Budget of Succeeding <u>Year</u>
Special Emergency Appropriation	<u>40,000.00</u>	<u>8,000.00</u>	<u>32,000.00</u>

NOTE 12: FUND BALANCES APPROPRIATED

Of the \$1,801,717.65 Current Fund Balance at December 31, 2008, \$804,880.86 was appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2009.

SUPPLEMENTARY DATA

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

	Year 2008		Year 2007	
	Amount	%	Amount	%
<u>Revenue & Other Income Realized</u>				
Fund Balance Utilized	784,355.98	3.69%	469,620.53	2.37%
Miscellaneous - From Other Than Local Property Tax Levies	2,052,292.73	9.65%	1,809,488.11	9.13%
Collection of Delinquent Taxes and Tax Title Liens	410,268.68	1.93%	281,934.38	1.42%
Collection of Current Tax Levy	17,684,478.81	83.13%	17,077,693.42	86.13%
Other Credits to Income	342,547.02	1.60%	189,341.82	0.95%
Total Income	<u>21,273,943.22</u>	<u>100.00%</u>	<u>19,828,078.26</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Municipal Purposes	3,949,246.30	19.26%	3,202,767.14	16.67%
Special Taxes	573,580.17	2.80%	551,940.92	2.87%
County Taxes	6,949,676.88	33.89%	6,465,336.19	33.65%
Local District School Taxes	8,813,214.00	42.97%	8,698,365.50	45.28%
Municipal Open Space Taxes	180,136.00	0.88%	178,251.00	0.93%
Interfund Loans Created	8,431.27	0.04%	103,997.12	0.54%
Other Expenditures	33,860.07	0.16%	10,648.88	0.06%
Total Expenditures	<u>20,508,144.69</u>	<u>100.00%</u>	<u>19,211,306.75</u>	<u>100.00%</u>
Excess in Revenue	765,798.53		616,771.51	
Adjustments to Income before Fund Balance				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>40,000.00</u>		<u>10,000.00</u>	
Statutory Excess to Fund Balance	805,798.53		626,771.51	
Fund Balance January 1	<u>1,780,275.10</u>		<u>1,623,124.12</u>	
	2,586,073.63		2,249,895.63	
Decreased by:				
Utilization as Anticipated Revenue	<u>784,355.98</u>		<u>469,620.53</u>	
Fund Balance December 31	<u>1,801,717.65</u>		<u>1,780,275.10</u>	

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	2.889	2.822	2.522
<u>Apportionment of Tax Rate</u>			
Municipal	0.238	0.252	0.025
County	1.152	1.076	1.013
Local School	1.468	1.464	1.454
Open Space	0.031	0.030	0.030
<u>Special District Tax Rates:</u>			
Fire District No. 1	0.100	0.100	0.101
Fire District No. 2	0.074	0.070	0.070
Fire District No. 3	0.125	0.120	0.121

Assessed Valuation

2008	600,450,594		
2007		594,170,863	
2006			584,075,909

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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2008	18,025,697.88	17,684,478.81	98.11%
2007	17,508,937.26	17,077,693.42	97.54%
2006	16,863,027.16	16,493,661.54	97.81%

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.

December 31 <u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	7,356.36	371,683.18	379,039.54	2.10%
2007	5,997.15	405,702.22	411,699.37	2.35%
2006	2,819.89	425,872.82	428,692.71	2.54%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2008	1,390,900.00
2007	1,390,900.00
2006	1,398,100.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2008	1,801,717.65	804,880.86
	2007	1,780,275.10	784,355.98
	2006	1,623,124.12	469,620.53
	2005	1,185,983.92	585,889.30
	2004	860,166.85	368,050.94
Trust Assessment	2008	1,356.84	
	2007	1,356.84	
	2006	10,976.47	10,000.00
	2005	18,369.74	10,000.00
	2004	24,939.05	10,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	
Peter I. Voros	Mayor		
Jeffrey T. Ridgway, Sr.	Deputy Mayor		
Michael Bifulco	Committee Member		
H. Kirk Craver	Committee Member		
Linda A. DuBois	Committee Member		
Deborah Turner-Fox	Township Administrator		
Donna Jacobs	Chief Financial Officer	1,000,000.00	
Constance S. Garton	Township Clerk		
Gwendolyn H. Matlack	Deputy Township Clerk		
Jennafer L. Hernandez	Tax Collector	130,000.00	(2)
	Tax Search Officer		
Adam Telsey	Solicitor		
Theodore E. Baker	Magistrate	24,000.00	(1)
Geraldine Harvey	Court Administrator	1,000,000.00	

Bonds were written with:

(1) = CNA Surety

(2) = Western Surety

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current</u>	<u>Grant Fund</u>
Balance December 31, 2007	A	<u>2,137,402.77</u>	<u>188,397.61</u>
Increased by Receipts:			
Transfer from Collector	A-6	17,872,900.93	
Grants Receivable	A-12	12,102.75	111,080.24
Revenue Accounts Receivable	A-15	1,349,342.60	
Due from Grant Fund	A-4	178,997.96	
Due Current Fund			2,469.11
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-18	138,250.00	
Due State of NJ - DCA Fees		7,698.00	
Due State of NJ - Marriage License Fees		1,510.00	
Garden State Trust - Unappropriated	A	15,900.11	
Due from Accumulated Absence Trust		1,034.95	
Due from Environmental Commission Trust		3.15	
Due from Pittsgrove Day Trust		22.64	
Due from General Capital Fund		484.35	
Due from Public Defender Trust		1,511.07	
Due from Assessment Trust Fund		10,601.93	
Due from Animal Control Trust Fund		377.58	
Due from Developer's Escrow Trust Fund		306.00	
Due Federal and State Fund		3,320.41	
Net Payroll		799,662.98	
Payroll Taxes Payable		394,605.76	
Prepaid Licenses		5,670.00	
		<u>20,794,303.17</u>	<u>113,549.35</u>
		<u>22,931,705.94</u>	<u>301,946.96</u>

SCHEDULE OF CASH - TREASURER

		<u>Current</u>	<u>Grant Fund</u>
Decreased by Disbursements:			
2008 Budget Appropriations	A-3	2,845,381.57	
2007 Appropriation Reserves	A-16	24,249.44	
Encumbrances Payable	A-17	86,107.49	
Special Emergency Notes	A-21	39,100.00	
Reserve for Grants - Appropriated	A-22	179,640.07	100,857.07
Federal and State Grant Encumbrances Payable	A-23		22,091.93
Tax Overpayments		15,171.75	
County Taxes	A-9	6,913,510.11	
Municipal Open Space Tax	A-9	180,136.00	
Due County for Added & Omitted Taxes		78,309.38	
Local District School Tax	A-19	8,813,214.00	
Special District Taxes	A-20	477,912.00	
Due State of NJ - Marriage License Fees		1,500.00	
Due State of NJ - DCA Fees		7,615.00	
Due Assessment Trust Fund		10,000.00	
Due Open Space Trust		15,739.05	
Due Affordable Housing Trust Fund		7,924.49	
Due Unemployment Trust Fund		326.86	
Due Tax Sale Trust Fund		0.05	
Prior Year Refund	A-1	1,729.76	
Due Current Fund	A-4		178,997.96
Net Payroll		799,662.98	
Payroll Taxes Payable		393,842.55	
		<u>20,891,072.55</u>	<u>301,946.96</u>
Balance December 31, 2008	A	<u>2,040,633.39</u>	

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Current</u>
Balance December 31, 2008	A-4	<u>2,040,633.39</u>
Increased by Receipts:		
Cash Receipts Record		<u>8,566,421.94</u>
		<u>10,607,055.33</u>
Decreased by Disbursements:		
Cash Disbursements Record		<u>9,826,610.13</u>
Balance April 30, 2009	A-5	<u><u>780,445.20</u></u>
<u>Cash Reconciliation - April 30, 2009</u>		
Balance per Statement		
The Bank		789,359.08
Add: Deposits in Transit		55.97
Less: Outstanding Checks		<u>8,969.85</u>
Balance April 30, 2009	A-5	<u><u>780,445.20</u></u>

SCHEDULE OF CURRENT FUND CASH - COLLECTOR

Balance December 31, 2007	<u>Ref.</u> A		245,100.16
Increased by Receipts:			
Taxes Receivable	A-9	17,807,957.11	
Revenue Accounts Receivable	A-15	119,300.73	
Prepaid Taxes		120,177.30	
Tax Title Liens	A-10	8,855.53	
Tax Overpayments		21,112.56	
		<hr/>	<u>18,077,403.23</u>
			18,322,503.39
Decreased by:			
Paid to Treasurer	A-4		<u>17,872,900.93</u>
Balance December 31, 2008	A		<u><u>449,602.46</u></u>

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2008		449,602.46
Increased by Receipts:		
Cash Receipts Record		<u>6,275,231.15</u>
		<u>6,724,833.61</u>
Decreased by Disbursements:		
Cash Disbursements Record		<u>5,250,045.19</u>
Balance April 30, 2009		<u><u>1,474,788.42</u></u>
<u>Cash Reconciliation - April 30, 2009</u>		
Balance per Statement		
The Bank		1,271,143.54
Add: Deposit in Transit		<u>203,644.88</u>
Balance April 30, 2009		<u><u>1,474,788.42</u></u>

SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance December 31, 2007	A	<u>900.00</u>
Balance December 31, 2008	A	<u><u>900.00</u></u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2008 Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2007			2007	2008				Dec. 31, 2008
2002	8,476.48				5,383.84				3,092.64
2003	8,096.74				3,122.09			1,490.33	3,484.32
2004	15,278.48				9,163.26			2,351.24	3,763.98
2005	5,945.35							2,530.78	3,414.57
2006	11,073.86		7,334.25		7,334.25			1,473.65	9,600.21
2007	356,831.31		32,886.42		376,409.71		350.75	88.25	12,869.02
	405,702.22		40,220.67		401,413.15		350.75	7,934.25	36,224.74
2008		18,025,697.88		134,231.09	17,549,253.16	994.56	3,528.42	2,232.21	335,458.44
	405,702.22	18,025,697.88	40,220.67	134,231.09	17,950,666.31	994.56	3,879.17	10,166.46	371,683.18
Ref.	A			A				A-10	A
				<u>Ref.</u>					
		Cash - Collector		A-6	17,807,957.11				
		Due State of New Jersey		A-18	142,709.20				
					<u>17,950,666.31</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:			
Business Personalty Tax	47,003.08		
General Property Tax	17,288,007.61		
Special Assessment Taxes	577,775.05		
		17,912,785.74	
Added Taxes (54:4-63.1 et seq.)		112,912.14	
			18,025,697.88

Ref.

Tax Levied

Local District School Tax (Abstract)	A-19	8,813,214.00	
County Taxes:			
County Tax (Abstract)	6,764,345.71		
County Open Space (Abstract)	149,164.40		
Due County for Added Taxes (54:4-63.1 et seq.)	36,166.77		
Total County Taxes		6,949,676.88	
Fire District #1	A-20	156,091.55	
Fire District #2	A-20	190,907.58	
Fire District #3	A-20	226,581.04	
Total Special District Taxes		573,580.17	
Municipal Open Space		180,136.00	
Local Tax for Municipal Purposes	A-2	1,434,541.00	
Add: Additional Taxes Levied		74,549.83	
		1,509,090.83	
			18,025,697.88

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2007	A		5,997.15
Increased by:			
Transfers from Taxes Receivable	A-9	10,166.46	
Interest and Costs		<u>48.28</u>	
			<u>10,214.74</u>
			16,211.89
Decreased by:			
Cash Receipts	A-6		<u>8,855.53</u>
Balance December 31, 2008	A		<u><u>7,356.36</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance December 31, 2007	A	<u>1,390,900.00</u>
Balance December 31, 2008	A	<u><u>1,390,900.00</u></u>

SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance Dec. 31, 2007	2008 Budget Revenue Realized	Received	Canceled	Balance Dec. 31, 2008
<u>Federal Grants:</u>					
Small Cities - Senior Citizen Center Phase III		400,000.00			400,000.00
Small Cities Development Block Grant	83,993.00				83,993.00
	<u>83,993.00</u>	<u>400,000.00</u>			<u>483,993.00</u>
<u>State Grants:</u>					
Municipal Alliance	5,190.06	6,420.08	3,917.46	2,178.06	5,514.62
Senior Citizens Disabled Resident Transportation Act	4,716.23	121,200.00	87,705.19		38,211.04
Recycling Tonnage Grant		3,342.27	3,342.27		
Transportation Trust - Bikeway Path Program	100,000.00				100,000.00
Transportation Trust	14,025.69			14,025.69	
Clean Communities Program		14,181.37	14,181.37		
NJ Department of Transportation	125,000.00				125,000.00
Uniform Fire Safety	7,869.22	13,258.15	14,036.70		7,090.67
Hazardous Discharge Site Remediation	4,032.00				4,032.00
Municipal Stormwater Regulation Program	12,702.00			4,234.00	8,468.00
Community Forestry	1,800.00			1,800.00	
	<u>275,335.20</u>	<u>158,401.87</u>	<u>123,182.99</u>	<u>22,237.75</u>	<u>288,316.33</u>
Total Grants	<u>359,328.20</u>	<u>558,401.87</u>	<u>123,182.99</u>	<u>22,237.75</u>	<u>772,309.33</u>
Ref.	A	A-2	A-4	A-1	A

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2007	Budget Appropriation
Current Fund:		
Emergency Appropriation	10,000.00	10,000.00
Overexpenditure of Appropriation Reserves	171.40	171.40
	<u>10,171.40</u>	<u>10,171.40</u>
Ref.	A	A-3

SCHEDULE OF SPECIAL EMERGENCY APPROPRIATION
PER N.J.S.A. 40A:4-53

<u>Date</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2007</u>	<u>Added in 2008</u>	<u>Reduced in 2008</u>	<u>Balance Dec. 31, 2008</u>
3/25/03	Revaluation of Real Property	176,500.00	35,300.00	35,300.00		35,300.00	
3/25/03	Revitalization of the Code of the Township	19,000.00	3,800.00	3,800.00		3,800.00	
4/08/08	Revision of Master Plan	40,000.00	8,000.00		40,000.00		40,000.00
		<u>235,500.00</u>	<u>47,100.00</u>	<u>39,100.00</u>	<u>40,000.00</u>	<u>39,100.00</u>	<u>40,000.00</u>
	Ref.			A	A-3	A-3	A

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued	Collected		Balance
	<u>Dec. 31, 2007</u>	<u>in 2008</u>	<u>Treasurer</u>	<u>Collector</u>	<u>Dec. 31, 2008</u>
<u>Miscellaneous Revenue Anticipated</u>					
Licenses:					
Alcoholic Beverages		4,150.00	4,150.00		
Fees and Permits	975.00	94,422.46	94,545.46	142.00	710.00
Fines and Costs:					
Municipal Court	3,209.64	44,493.57	43,505.24		4,197.97
Payments in Lieu of Taxes					
Interest and Costs on Taxes		105,077.74		105,077.74	
Tower Antenna Leases		20,550.00	20,550.00		
Energy Receipts Tax		675,031.00	675,031.00		
Consolidated Municipal Property Tax Relief		213,509.00	213,509.00		
Uniform Construction Code Fees	6,127.00	127,115.32	127,525.32		5,717.00
Gypsy Moth Reimbursement		7,619.81	7,619.81		
Bureau of Fire Safety		3,150.00	3,150.00		
<u>Miscellaneous Revenue Not Anticipated</u>					
Sale of Municipal Property		3,220.80	3,220.80		
Payments in Lieu of Taxes		11,955.98	11,955.98		
Housing Rehabilitation		13,827.00	13,827.00		
Donations		609.00	609.00		
Rent of Municipal Property		2,107.00	2,107.00		
Interest	41.23	55,787.70	42,711.70	13,114.43	2.80
Photocopies, OPRA		474.15	474.15		
Licenses Other		135.00	135.00		
Maps		39.80	39.80		
Miscellaneous		27,991.02	27,024.46	966.56	
Cable TV Franchise Fees		26,019.24	26,019.24		
Administrative Fee		2,765.00	2,765.00		
Recycling		28,867.64	28,867.64		
	<u>10,352.87</u>	<u>1,468,918.23</u>	<u>1,349,342.60</u>	<u>119,300.73</u>	<u>10,627.77</u>
Ref.	A		A-4	A-6	A

SCHEDULE OF 2007 APPROPRIATION RESERVES

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses				
Administrative & Executive	3,264.16	1,264.16	243.34	1,020.82
Township Clerk/Administration Office	3,217.01	3,217.01	602.43	2,614.58
Revenue Administration (Tax Collection)	1,854.23	1,854.23	235.20	1,619.03
Assessment of Taxes	2,646.29	2,646.29	12.60	2,633.69
Revision of Tax Map	1,784.72	1,784.72	1,719.00	65.72
Legal Services				
Engineering Service	1,003.61	3,003.61	2,200.25	803.36
Planning Board	448.90	2,448.90	2,238.28	210.62
Zoning & Housing Officer	2,383.49	883.49	58.95	824.54
Other Public Works Functions	2,204.49	2,204.49	712.10	1,492.39
Recycling	1,645.26	1,645.26	269.00	1,376.26
Public Buildings & Grounds	181.42	3,181.42	1,414.49	1,766.93
Environmental Commission	550.87	550.87	231.52	319.35
Electricity	4,500.58	6,500.58	5,928.15	572.43
Street Lighting	3,011.83	3,011.83	1,711.20	1,300.63
Telephone	5,607.71	1,607.71		1,607.71
Fuel Oil	3,498.56	3,498.56	172.98	3,325.58
Postage and Express Mail	7,506.84	506.84		506.84
Gasoline	1,002.98	6,502.98	5,778.07	724.91
Sanitary Landfill - Postclosure	821.40	821.40	313.50	507.90
Construction Official	1,649.43	1,649.43	375.75	1,273.68
Municipal Court	32.63	32.63	32.63	
Other Accounts - No Change	190,607.61	190,607.61		190,607.61
	<u>239,424.02</u>	<u>239,424.02</u>	<u>24,249.44</u>	<u>215,174.58</u>
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2007	A		98,383.10
Increased by:			
Charges to 2008 Appropriations	A-3	136,521.73	
Fire District Taxes	A-20	95,668.17	
Revision of Tax Map		40,000.00	
Tax Overpayments		<u>5,140.12</u>	
			<u>277,330.02</u>
			375,713.12
Decreased by:			
Payments	A-4	86,107.49	
Balance Lapsed	A-1	<u>1,775.61</u>	
			<u>87,883.10</u>
Balance December 31, 2008	A		<u><u>287,830.02</u></u>

SCHEDULE OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZEN AND VETERANS DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2007	A		5,106.42
Increased by:			
Receipts	A-4		<u>138,250.00</u>
			143,356.42
Decreased by:			
2008 Deductions Per Tax Duplicate		139,000.00	
2008 Deductions Allowed by Collector		4,500.00	
2008 Deductions Disallowed by Collector		<u>(790.80)</u>	
	A-9	142,709.20	
2007 Deductions Disallowed by Collector	A-1	<u>(9,892.56)</u>	
			<u>132,816.64</u>
Balance December 31, 2008	A		<u><u>10,539.78</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
2008 Calendar Year School Levy	A-9	8,813,214.00
Decreased by:		
Payments	A-4	<u>8,813,214.00</u>
2008 Tax Liability for Local District School Tax:		
Tax Paid	A-19	<u>8,813,214.00</u>
Amount Charged to 2008 Operations	A-1	<u><u>8,813,214.00</u></u>

SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

	2008 District Tax Levy	Payments	Encumbrance
	<u> </u>	<u> </u>	<u> </u>
Fire District #1	156,091.55	117,068.64	39,022.91
Fire District #2	190,907.58	190,907.58	
Fire District #3	226,581.04	169,935.78	56,645.26
	<u>573,580.17</u>	<u>477,912.00</u>	<u>95,668.17</u>
Ref.	A-9	A-4	A-17

SPECIAL EMERGENCY NOTE PAYABLE

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Decreased</u>
Special Emergency Note Payable	4/17/07	4/17/08	3.94%	<u>39,100.00</u>	<u>39,100.00</u>
			Ref.	A	A-4

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2007	Transferred from 2008 Budget Appropriation	Paid or Charged	Encumbrance	Canceled	Balance Dec. 31, 2008
<u>Federal Grants:</u>						
Small Cities - Senior Citizen Center Phase III		480,000.00	24,566.88	400,000.00		55,433.12
Small Cities Development Block Grant	49,251.93		151.90			49,100.03
Total Federal Grants	49,251.93	480,000.00	24,718.78	400,000.00		104,533.15
<u>State Grants:</u>						
Recycling Tonnage Grant	5,565.05	3,342.27	5,564.35	2,142.00	0.70	1,200.27
Senior Citizen and Disabled Residents Transportation Program	11,556.26	121,200.00	123,556.57	6,565.38		2,634.31
Clean Communities	834.10	14,181.37	11,965.51	1,915.67		1,134.29
Municipal Alliance Program	5,872.90	8,025.10	5,279.15	1,621.38		6,997.47
New Jersey Transportation Trust - Bikeway Path	100,000.00		91,965.18	8,034.82		
New Jersey Transportation Trust	1,004.15				1,004.15	
New Jersey Transportation Trust	2,541.00				2,541.00	
New Jersey Transportation Trust	18,531.94				18,531.94	
NJ State Police HEOP Grant	575.19		575.19			
Municipal Stormwater Regulation Program	14,819.00				6,351.00	8,468.00
Municipal Court Alcohol Education and Rehabilitation	1,859.92		165.00			1,694.92
Uniform Fire Safety Act	66,472.26	13,258.15	7,141.47	1,050.00		71,538.94
Community Forestry	8,000.00				8,000.00	
Hazardous Discharge Site Remediation	10,669.81		6,216.94			4,452.87
SFSP Fire District		4,131.00	2,727.00		1,404.00	
NJ Dept of Transp - Christian Drive	622.00		622.00			
Total State Grants	248,923.58	164,137.89	255,778.36	21,329.25	37,832.79	98,121.07
Total Grants	298,175.51	644,137.89	280,497.14	421,329.25	37,832.79	202,654.22
Ref.	A	A-3		A-23	A-1	A

SCHEDULE OF FEDERAL AND STATE GRANT ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	22,091.93
Increased by:		
Charges to Grants Appropriated	A-22	<u>421,329.25</u>
		443,421.18
Decreased by:		
Disbursements	A-4	<u>22,091.93</u>
Balance December 31, 2008	A	<u><u>421,329.25</u></u>

SCHEDULE OF RESERVE FOR DONATIONS

	<u>Ref.</u>	
Balance December 31, 2007	A	<u>1,078.00</u>
Balance December 31, 2008	A	<u><u>1,078.00</u></u>

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

		Assessment	Animal	Open	Developer's	Unemployment	Public	Affordable	Landfill	Small	Performance	Lake Centerton	Pittsgrove	Environmental	Accumulated
	Ref.	Trust	Control	Space	Escrow	Trust	Defender	Housing	Closure	Cities	Bond	Park	Day	Commission	Absence
		Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Escrow	Homeowners	Trust	Trust	Trust
												Loan Escrow			
Balance December 31, 2007	B	31,297.79	(282.44)	567,417.45	136,215.91	3,808.01	4,355.63	221,344.87	141,935.45	43,013.90			8,734.24	508.10	33,753.86
Increased by Receipts:															
Assessments Receivable	B-8	6,881.87													
Interest on Delinquent Assessments		1,307.34													
Due from Current Fund			664.22	15,739.05	3.08	326.86		7,924.49							1,187.52
Dog License Fees:															
Municipal Share	B-12		13,319.60												
State Share			3,756.40												
Public Defender Fees	B-19						3,637.00								
Escrow Deposits					124,720.08										
Performance Bond Escrow											25,966.40				
Lake Centerton Park Homeowners Escrow												5,000.00			
Unemployment	B-21					5,000.00									
Affordable Housing Fees	B-18							31,506.50							
Small Cities	B-11									1,347.03					
Municipal Open Space	B-15			180,136.00											
Pittsgrove Day Donations	B-20												8,115.00		
Interest Earned		413.40	52.38	5,622.61	1,782.35	26.52	68.44	2,890.75	6,168.85	554.24	4.27	30.02	129.03	6.49	
		8,602.61	17,792.60	201,497.66	126,505.51	5,353.38	3,705.44	42,321.74	6,168.85	1,901.27	25,970.67	5,030.02	8,244.03	6.49	1,187.52
Decreased by Disbursements:															
Expenditures Under RS 4:19-15.11	B-12		11,846.23												
NJ State Department of Health			3,738.40												
Municipal Open Space	B-15			180,863.15											
Unemployment Claims	B-21					3,767.20									
Escrow Charges					136,262.28										
Public Defender	B-19						6,000.00								
Affordable Housing Fees	B-18							22,734.98							
Pittsgrove Day	B-20												9,075.43		
Loans Disbursed	B-11									287.50					
Encumbrances Payable				8,000.00				237.81							
Due Current Fund		12,102.30	429.72	5,554.27	1,833.87	25.66	79.17	2,851.34					150.33	9.55	2,110.07
		12,102.30	16,014.35	194,417.42	138,096.15	3,792.86	6,079.17	25,824.13		287.50			9,225.76	9.55	2,110.07
Balance December 31, 2008	B	27,798.10	1,495.81	574,497.69	124,625.27	5,368.53	1,981.90	237,842.48	148,104.30	44,627.67	25,970.67	5,030.02	7,752.51	505.04	32,831.31

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

	Ref.	Assessment Trust	Animal Control Trust	Open Space Trust	Developer's Escrow Trust	Unemployment Trust	Public Defender Trust	Affordable Housing	Landfill Closure Trust	Small Cities	Performance Bond Escrow	Lake Centeron Park Homeowners Loan Escrow	Pittsgrove Day Trust	Recreation Fees	Environmental Commission	Accumulated Absence Trust
Balance December 31, 2008	B-4	27,798.10	1,495.81	574,497.69	124,625.27	5,368.53	1,981.90	237,842.48	148,104.30	44,627.67	25,970.67	5,030.02	7,752.51		505.04	32,831.31
Increased by Receipts:																
Cash Receipts Record		2,459.33	16,778.37	6,449.31	29,426.56	31.28	1,167.85	29,818.97	2,056.49	30,335.58	27.18	5.27	3,555.25	50.00	0.53	402.36
		30,257.43	18,274.18	580,947.00	154,051.83	5,399.81	3,149.75	267,661.45	150,160.79	74,963.25	25,997.85	5,035.29	11,307.76	50.00	505.57	33,233.67
Decreased by Disbursements:																
Cash Disbursements Record		220.37	8,179.83		33,666.53			513.50		36,432.56	4.27		1.34		0.09	112.40
Balance April 30, 2009	B-5	30,037.06	10,094.35	580,947.00	120,385.30	5,399.81	3,149.75	267,147.95	150,160.79	38,530.69	25,993.58	5,035.29	11,306.42	50.00	505.48	33,121.27
<u>Cash Reconciliation - April 30, 2009</u>																
Balance per Statement																
The Bank		30,037.06	9,971.35	580,947.00	120,385.30	5,399.81	3,149.75	267,147.95	150,160.79	38,530.69	25,993.58	5,035.29	11,306.42	50.00	505.48	33,121.27
Add: Deposit in Transit			131.00													
		30,037.06	10,102.35	580,947.00	120,385.30	5,399.81	3,149.75	267,147.95	150,160.79	38,530.69	25,993.58	5,035.29	11,306.42	50.00	505.48	33,121.27
Less: Outstanding Checks			8.00													
Balance April 30, 2009	B-5	30,037.06	10,094.35	580,947.00	120,385.30	5,399.81	3,149.75	267,147.95	150,160.79	38,530.69	25,993.58	5,035.29	11,306.42	50.00	505.48	33,121.27

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2007	<u>Ref.</u> B		211,057.14
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-13	374,153.19	
Interest Earned		5,751.00	
Due Current Fund		0.05	
Deposits for Tax Sale Premiums	B-14	<u>408,000.00</u>	
			<u>787,904.24</u>
			998,961.38
Decreased by:			
Due Current Fund		5,733.39	
Miscellaneous Reserve		200,257.19	
Tax Sale Premiums	B-14	324,800.00	
Tax Sale Certificates	B-13	<u>374,153.19</u>	
			<u>904,943.77</u>
Balance December 31, 2008	B		<u><u>94,017.61</u></u>

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2008	B-6	94,017.61
Increased by:		
Cash Receipts Record		<u>468,814.75</u>
		562,832.36
Decreased by:		
Cash Disbursements Record		<u>283,019.78</u>
Balance April 30, 2009	B-7	<u><u>279,812.58</u></u>
		<u><u>Cash Reconciliation - April 30, 2009</u></u>
Balance per Statement		
The Bank	B-7	<u><u>279,812.58</u></u>

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Confirmation</u>	<u>Annual or Semi-Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2007</u>	<u>Collected</u>	<u>Balance Dec. 31, 2008</u>
Madison, Lincoln and Jefferson Roads	86-1	2/25/87	20	11/1/08-13	2,227.08		2,227.08
Lincoln and Cedar Ridge Park Roads	91-18	4/27/94	40	6/1/08-13	28,660.98	6,881.87	21,779.11
					<u>30,888.06</u>	<u>6,881.87</u>	<u>24,006.19</u>
				Ref.	B	B-4	B

SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE AND LIENS

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2007</u>	<u>Balance Dec. 31, 2008</u>
Madison, Lincoln and Jefferson Roads	86-1	<u>2,227.08</u> B	<u>2,227.08</u> B

SCHEDULE OF ASSESSMENT SERIAL BONDS

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Lincoln and Cedar Ridge Park Roads	9/1/93	198,000.00	9/1/09-2012	10,000.00	5.00%	58,000.00	10,000.00	48,000.00
			9/1/13	8,000.00				
				Ref.		<u>B</u>	<u>B</u>	<u>B</u>

SCHEDULE OF RESERVE FOR SMALL CITIES REHABILITATION

	<u>Ref.</u>		
Balance December 31, 2006	B		38,013.90
Increased by:			
Interest Earned	B-4	554.24	
Receipts	B-4	1,347.03	
		<u>1,901.27</u>	<u>39,915.17</u>
Decreased by:			
Loan Issued	B-4	287.50	
Encumbered		6,230.70	
		<u>6,518.20</u>	<u>33,396.97</u>
Balance December 31, 2008	B		<u><u>33,396.97</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>	
Increased by:		
Municipal Share of Dog License Fees	B-4	<u>13,319.60</u>
Decreased by:		
Expenditures Under R.S.4:19-15.11: Cash	B-4	<u>11,846.23</u>
Balance December 31, 2008	B	<u><u>1,473.37</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	14,246.00
2007	<u>14,307.00</u>
	<u><u>28,553.00</u></u>

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

	<u>Ref.</u>	
Increased by:		
Deposits Received	B-6	<u>374,153.19</u>
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-6	<u>374,153.19</u>

SCHEDULE OF DEPOSITS OF TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2007	B	10,800.00
Increased by:		
Premiums Received	B-6	<u>408,000.00</u>
		418,800.00
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-6	<u>324,800.00</u>
Balance December 31, 2008	B	<u><u>94,000.00</u></u>

SCHEDULE OF RESERVE FOR OPEN SPACE PRESERVATION

	<u>Ref.</u>		
Balance December 31, 2007	B		575,156.50
Increased by:			
Tax Levy	B-4	180,136.00	
Interest Received	B-4	<u>5,622.61</u>	
			<u>185,758.61</u>
			760,915.11
Decreased by:			
Disbursements	B-4		<u>180,863.15</u>
Balance December 31, 2008	B		<u><u>580,051.96</u></u>

SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES

	<u>Ref.</u>		
Balance December 31, 2007	B		<u>32,718.91</u>
Balance December 31, 2008	B		<u><u>32,718.91</u></u>

SCHEDULE OF RESERVE FOR LANDFILL CLOSURE

	<u>Ref.</u>	
Balance December 31, 2007	B	141,935.45
Increased by:		
Interest Received	B-4	<u>6,168.85</u>
Balance December 31, 2008	B	<u><u>148,104.30</u></u>

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

	<u>Ref.</u>		
Balance December 31, 2007	B		229,031.55
Increased by:			
Cash Receipts	B-4	31,506.50	
Interest Received	B-4	<u>2,890.75</u>	
			<u>34,397.25</u>
			263,428.80
Decreased by:			
Disbursements	B-4	22,734.98	
Encumbrances		<u>513.50</u>	
			<u>23,248.48</u>
Balance December 31, 2008	B		<u><u>240,180.32</u></u>

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES

	<u>Ref.</u>	
Balance December 31, 2007	B	4,344.56
Increased by:		
Public Defender Fees	B-4	<u>3,637.00</u>
		7,981.56
Decreased by:		
Cash Disbursements	B-4	<u>6,000.00</u>
Balance December 31, 2008	B	<u><u>1,981.56</u></u>

SCHEDULE OF RESERVE FOR PITTSBORO DAY DONATIONS

	<u>Ref.</u>	
Balance December 31, 2007	B	8,711.60
Increased by:		
Donations	B-4	<u>8,115.00</u>
		16,826.60
Decreased by:		
Cash Disbursements	B-4	<u>9,075.43</u>
Balance December 31, 2008	B	<u><u>7,751.17</u></u>

EXHIBIT B-21

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

	<u>Ref.</u>		
Balance December 31, 2007	B		4,134.87
Increased by:			
Cash Receipts	B-4	5,000.00	
Interest Earned	B-4	<u>26.52</u>	
			<u>5,026.52</u>
			9,161.39
Decreased by:			
Cash Disbursements	B-4		<u>3,767.20</u>
Balance December 31, 2008	B		<u><u>5,394.19</u></u>

EXHIBIT B-22

SCHEDULE OF RESERVE FOR ENVIRONMENTAL COMMISSION

	<u>Ref.</u>		
Balance December 31, 2007	B		<u>504.95</u>
Balance December 31, 2008	B		<u><u>504.95</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2007	<u>Ref.</u> C		170,197.21
Increased by:			
Interest Earned		2,651.40	
Budget Appropriation			
Capital Improvement Fund	C-7	135,000.00	
Bond Anticipation Notes	C-10	<u>502,195.00</u>	
			<u>639,846.40</u>
			810,043.61
Decreased by:			
Due Current Fund		3,043.96	
Encumbrances Payable		11,344.60	
Improvement Authorizations	C-8	<u>143,883.90</u>	
			<u>158,272.46</u>
Balance December 31, 2008	C		<u><u>651,771.15</u></u>

SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	
Balance December 31, 2008	C-2	651,771.15
Increased by:		
Cash Receipts Record		649.20
		<u>652,420.35</u>
Decreased by:		
Cash Disbursements Record		52,100.99
		<u>52,100.99</u>
Balance April 30, 2009	C-3	<u><u>600,319.36</u></u>
		<u>Cash Reconciliation - April 30, 2009</u>
Balance per Statement		
The Bank	C-3	<u><u>600,319.36</u></u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2007	Receipts			Disbursements			Balance Dec. 31, 2008
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Miscellaneous	Transfers	
Capital Improvement Fund	19,311.50	135,000.00					(125,000.00)	29,311.50
Fund Balance	1.38						50.00	51.38
Due Current Fund	484.35			2,651.40		3,043.96		91.79
Reserves for:								
Resurfacing of Road	13,884.32							13,884.32
Senior Citizen Center	1,008.41						(669.76)	338.65
Bikeway	15,435.52						(2,734.95)	12,700.57
Municipal Parks	5,024.00							5,024.00
Purchase of Shredder	50.00						(50.00)	
Purchase of Tractor	20,000.00						(20,000.00)	
Improvements to Municipal Building	35,000.00						(35,000.00)	
Encumbrances Payable	20,020.84					11,344.60	88,041.29	96,717.53
Improvement Authorizations:								
<u>Ordinance Number</u>								
10-95 Acquisition of Public Works Equipment, Resurfacing of Parking Lot, Emergency Management Equipment	3,577.01				3,577.01			
3-01 Various Capital Improvements	19,132.03							19,132.03
1-02/5-02/6-03 Various Capital Improvements	113,503.59						(113,503.59)	
5-03 Various Capital Improvements	31,588.75				199.00			31,389.75
7-04 Various Capital Improvements							628.67	628.67
6-06 Various Capital Improvements	(113,955.10)							(113,955.10)
2-07 Various Capital Improvements	(13,869.39)		202,195.00		5,239.99		(2,392.50)	180,693.12
2-08 Purchase of Land Block 903 Lot 19 Reappropriation of Unexpended Balance of Previous Ordinance per N.J.S.A. 40A: 2-39 for the purpose of:							110,000.00	110,000.00
5-08 Purchase of Land Block 903 Lot 19					106,837.90		113,503.59	6,665.69
7-08 Various Capital Improvements			300,000.00		28,030.00		(12,872.75)	259,097.25
	<u>170,197.21</u>	<u>135,000.00</u>	<u>502,195.00</u>	<u>2,651.40</u>	<u>143,883.90</u>	<u>14,388.56</u>		<u>651,771.15</u>
Ref.	C	C-7	C-10	C-2	C-8	C-2		C

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED

	<u>Ref.</u>	
Balance December 31, 2007	C	2,090,000.00
Decreased by:		
Payment of Bonds Payable	C-9	<u>210,000.00</u>
Balance December 31, 2008	C	<u><u>1,880,000.00</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	C	19,311.50
Increased by:		
Budget Appropriation	C-2	<u>135,000.00</u>
		154,311.50
Decreased by:		
Improvement Authorization	C-8	<u>125,000.00</u>
Balance December 31, 2008	C	<u><u>29,311.50</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	2008 Authorizations							Balance Dec. 31, 2008		
				Balance Dec. 31, 2007		Deferred Charges	Capital Improvement Fund	Paid or Charged	Encumbered	Encumbrance Canceled	Transferred	Funded	Unfunded
				Funded	Unfunded								
10-95	Acquisition of Public Works Equipment, Resurfacing of Parking Lot, Emergency Management Equipment	11/25/95	114,700.00	3,577.01				3,577.01					
3-01	Various Capital Improvements	8/14/01	403,175.00	19,132.03								19,132.03	
1-02/5-02/6-03	Various Capital Improvements	11/12/02	565,000.00	113,503.59							(113,503.59)		
5-03	Various Capital Improvements	7/8/03	315,500.00	31,588.75				199.00				31,389.75	
7-04	Various Capital Improvements	9/14/08	480,000.00							628.67		628.67	
6-06	Various Capital Improvements	6/27/06	151,500.00		29,969.90								29,969.90
2-07	Various Capital Improvements	5/8/07	267,720.00		238,850.61			5,239.99	2,392.50				231,218.12
2-08	Purchase of Land Block 903 Lot 19	3/25/08	110,000.00				110,000.00					110,000.00	
5-08	Reappropriation of Unexpended Balance of Previous Ordinance per N.J.S.A. 40A: 2-39 for the purpose of: Purchase of Land Block 903 Lot 19	5/27/08	113,503.59					106,837.90			113,503.59	6,665.69	
7-08	Various Capital Improvements	7/22/08	315,000.00			300,000.00	15,000.00	28,030.00	27,872.75				259,097.25
				167,801.38	268,820.51	300,000.00	125,000.00	143,883.90	30,265.25	628.67		167,816.14	520,285.27
	Ref.			C	C	C-6	C-7	C-2				C	C

SCHEDULE OF GENERAL SERIAL BONDS

<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2008</u>
			<u>December 31, 2008</u>	<u>Amount</u>				
			<u>Date</u>					
09/01/93	Closure of Pittsgrove Township Landfill	900,000.00				85,000.00	85,000.00	
10/13/04	General Obligation Bonds 2004	2,380,000.00	10/15/09-11	230,000.00	3.375%			
			10/15/12	230,000.00	3.400%			
			10/15/2013-14	230,000.00	3.500%			
			10/15/15	250,000.00	3.600%			
			10/15/16	250,000.00	3.700%	<u>2,005,000.00</u>	<u>125,000.00</u>	<u>1,880,000.00</u>
						<u>2,090,000.00</u>	<u>210,000.00</u>	<u>1,880,000.00</u>
					Ref.	C	C-5	C

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2008</u>
02-07	Various Capital Improvements	09/04/08	09/04/08	09/04/09	3.00%	202,195.00	202,195.00
07-08	Various Capital Improvements	09/04/08	09/04/08	09/04/09	3.00%	300,000.00	300,000.00
						<u>502,195.00</u>	<u>502,195.00</u>
					Ref.	C-2:C-11	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2007	Authorization	Issued	Balance Dec. 31, 2008
6-06	Various Capital Improvements	143,925.00			143,925.00
2-07	Various Capital Improvements	252,720.00		202,195.00	50,525.00
7-08	Various Capital Improvements		300,000.00	300,000.00	
		<u>396,645.00</u>	<u>300,000.00</u>	<u>502,195.00</u>	<u>194,450.00</u>
Ref.			C-6	C-10	

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2007</u>	Additions	Retirements	Balance <u>Dec. 31, 2008</u>
Land	984,305.46	104,112.90		1,088,418.36
Building & Grounds	3,517,999.38			3,517,999.38
Equipment	<u>2,337,354.00</u>	<u>44,729.96</u>	<u>9,580.00</u>	<u>2,372,503.96</u>
	<u>6,839,658.84</u>	<u>148,842.86</u>	<u>9,580.00</u>	<u>6,978,921.70</u>
Ref.	D			D

PART II

GENERAL COMMENTS

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

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

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

The minutes indicate that bids were requested by public advertisement for various items including:

- 2008 Solid Waste Disposal Program
- 2008 Road Maintenance Program
- Renovation to the Pittsgrove Township Senior Center Phase III

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S.A. 40A:11.5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold “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.A. 40A:11-6.

N.J.S.A. 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 2, 2008, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 provides that the governing body of the municipality may fix a rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment on an installment is made within the tenth calendar day following the date upon which same became payable; and

WHEREAS, the said statute provides that the rate so fixed by the governing body shall not exceed 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment; and

WHEREAS, the said statute further provides that the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 if he fails to pay that delinquency prior to the end of the calendar year and that said penalty shall not exceed 6% of the amount of the delinquency; and

WHEREAS, the Pittsgrove Township Committee deems it to be in the interest of the Township to impose the maximum rate of interest and penalty on payment of delinquent taxes and assessments;

WHEREAS, the statutes of the State of New Jersey, expressly N.J.S.A. 54:5 et seq., provide for the enforcement and collection of such delinquencies through a tax lien sale; and

WHEREAS, the Tax Collector is empowered by statute to conduct and preside over the sale of liens;

NOW THEREFORE, BE IT RESOLVED, that pursuant to N.J.S.A. 54:4-67 the Pittsgrove Township Committee hereby fixes a rate of interest to be charged for nonpayment of taxes and assessments on or before the date when they would become delinquent at 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 to be calculated from the date that the tax was payable until the date of actual payment. No interest shall be charged, however, on payment of any installment made within the tenth calendar day following the date upon which the same became payable. A penalty shall be charged to a taxpayer with delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year. The penalty so fixed shall be 6% of the amount of the delinquency as provided by N.J.S.A. 54:4-67; and

BE IT FURTHER RESOLVED that the tax collector is authorized and directed to enforce all municipal liens in accordance with New Jersey law, and as stated above.

It appears from an examination of the collector's records that interest was collected in accordance with the statutes.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on January 15, 2008 and was complete.

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	5
2007	6
2006	4

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 tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. All notices returned were reviewed and no discrepancies were noted. A separate report will be rendered if any irregularities develop after the date of the audit.

OTHER COMMENTS

Chief Financial Officer/Treasurer

A review of the records maintained by the Chief Financial Officer noted the following exceptions:

A fixed asset accounting and reporting system has been established as required by N.J.A.C. 5:30-5.6.

An encumbrance accounting system has been established as required by N.J.A.C. 5:30-5.2. An encumbrance accounting system must be designed to record charges against amounts appropriated for other expenses as financial obligations are entered into, as opposed to when bills are actually rendered or paid.

A general ledger has been established as required by N.J.A.C. 5:30-5.7. The general ledger is the official permanent financial record of the Township, which provides a summary of all financial transactions as they have been recorded in the books of original entry utilizing a “double entry” accounting system.

The general ledger is not maintained properly. General journal entries are not posted in a timely manner. Balances in the general ledger are not reviewed for accuracy.

W-2's were not filed for election workers.

Tax Collector

The records maintained by the Tax Collector were found to be in good condition.

Township Clerk

The records maintained by the Township Clerk were found to be in good condition.

Planning and Zoning Board

The records maintained by the Planning and Zoning Board were found to be in good condition.

Construction Code Official

The records maintained by the Construction Code Official were found to be in good condition with the following exception:

Receipts were not deposited within 48 hours or in definite amounts.

Zoning/Housing Official

The records maintained by the Zoning/Housing Official were found to be in good condition.

Fire Official

The records maintained by the Fire Official were found to be in good condition.

Municipal Court

The records maintained by the Court Administrator were found to be in good condition.

Corrective Action Plan

A corrective action plan for the year 2007 was filed. However, corrective action has not been implemented for all prior year findings.

FINDINGS AND RECOMMENDATIONS

Control Deficiencies:

*1. Finding:
A general ledger is not maintained properly as required by N.J.A.C. 5:30-5.7. General journal entries are not being made in a timely manner. The Township's general ledgers of the various funds are not being reviewed for accuracy.

Recommendation:
A general ledger should be properly maintained as required by N.J.A.C. 5:30-5.7. General journal entries should be made and general ledgers should be reviewed on a monthly basis.

2. Finding:
W-2's were not filed for election workers.

Recommendation: Internal Revenue Service form W-2 be filed for election workers earning more than \$600.

*3. Finding:
Construction Code department does not deposit receipts within 48 hours.

Recommendation:
Construction Code department deposit all funds within 48 hours as prescribed by N.J.S.A. 40A:5-15.

* This recommendation appeared in prior reports and corrective action has not been taken.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

PETRONI & ASSOCIATES

Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252