

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

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PART I

PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Monroe
County of Gloucester, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Monroe 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 Monroe'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 Monroe 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 Monroe 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 Monroe 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 26, 2009 on our consideration of the Township of Monroe’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 Monroe 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 Monroe. 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



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

June 26, 2009

PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

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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 Council
Township of Monroe
County of Gloucester, New Jersey

We have audited the financial statements of the Township of Monroe as of and for the year ended December 31, 2008, and have issued our report thereon dated June 26, 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 Monroe'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 Monroe'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 Monroe'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



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

June 26, 2009

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2007</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	7,610,124.61	8,560,606.39
Cash - Change Fund	A-6	750.00	750.00
		<u>7,610,874.61</u>	<u>8,561,356.39</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	2,554,436.75	2,524,153.92
Tax Title Liens Receivable	A-8	396,013.33	343,624.85
Property Acquired for Taxes - Assessed Valuation	A-9	1,293,700.00	1,329,000.00
Revenue Accounts Receivable	A-13	20,902.08	16,054.88
Assessments Receivable	A-10	13,361.00	13,353.00
Local Grants Receivable	A-11	3,575.00	
Due from Federal and State Grant Fund	A	245,407.95	
		<u>4,527,396.11</u>	<u>4,226,186.65</u>
Deferred Charges:			
Special Emergency Authorization	A-12	540,000.00	720,000.00
		<u>540,000.00</u>	<u>720,000.00</u>
		<u>12,678,270.72</u>	<u>13,507,543.04</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-19	2,915,038.05	2,697,716.75
Due from Current Fund			44,572.63
		<u>2,915,038.05</u>	<u>2,742,289.38</u>
		<u>15,593,308.77</u>	<u>16,249,832.42</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-15	1,401,315.28	1,758,632.52
Encumbrances Payable	A-16	932,758.99	1,048,057.21
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-14	41,429.39	38,385.59
Prepaid Taxes		397,091.55	345,630.26
Tax Overpayments		210,027.64	176,656.97
Due State - Marriage License Fees		1,590.00	1,735.00
Due State of New Jersey - DCA Fees		3,233.00	4,837.00
Payroll Taxes Payable		167,780.74	141,744.85
Due County for Added & Omitted Taxes		216,326.25	210,571.78
Reserve for Local Grants	A-18	48,999.47	35,378.91
Reserve for Revaluation			64,888.91
Due Trust Fund	B	4,499.42	
Due Grant Fund			44,572.63
		<u>3,425,051.73</u>	<u>3,871,091.63</u>
Reserve for Receivables		4,527,396.11	4,226,186.65
Fund Balance	A-1	4,725,822.88	5,410,264.76
		<u>12,678,270.72</u>	<u>13,507,543.04</u>
<u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-20	2,580,970.20	2,569,888.62
Reserve for Grants - Unappropriated	A	245,407.95	
Encumbrances Payable	A-21	88,659.90	172,400.76
		<u>2,915,038.05</u>	<u>2,742,289.38</u>
		<u>15,593,308.77</u>	<u>16,249,832.42</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	3,802,895.66	3,958,903.30
Miscellaneous Revenue Anticipated	A-2	9,091,920.45	11,807,121.31
Receipts from Delinquent Taxes	A-2	2,613,187.92	2,024,583.59
Receipts from Current Taxes	A-2	70,843,666.28	66,787,317.41
Non-Budget Revenue	A-2	725,274.41	483,996.35
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	1,722,074.74	1,610,783.03
Encumbrances Payable - Canceled	A-16	146,205.16	180,118.61
Interfund Loan Returned		500.00	21,829.30
Overpayments Canceled			2,034.59
Grant Reserve Balance Canceled			18,083.35
Total Income		<u>88,945,724.62</u>	<u>86,894,770.84</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	12,749,040.00	12,117,200.00
Other Expenses	A-3	11,386,925.00	11,728,500.00
Deferred Charges and Statutory Expenditures	A-3	635,000.00	644,461.74
Budget Appropriations Excluded from "CAPS"			
Operations:			
Other Expenses	A-3	2,713,181.85	4,753,349.04
Capital Improvements	A-3	481,100.00	150,000.00
Municipal Debt Service	A-3	1,869,101.95	1,362,060.34
Deferred Charges	A-3	418,000.00	233,000.00
County Taxes	A-7	16,008,233.07	14,564,762.99
Due County for Added Taxes	A-7	216,326.25	210,571.78
Municipal Open Space Tax	A-7	290,240.00	287,223.00
Local District School Tax	A-17	38,764,259.50	37,767,760.00
Grant Receivables Canceled	A-19	22,741.42	18,083.35
Interfund Loan Advanced		248,982.95	
Prior Year Deductions Disallowed	A-14	10,077.80	6,593.48
Refund of Prior Year Revenue	A-4	14,061.05	5,100.00
Total Expenditures		<u>85,827,270.84</u>	<u>83,848,665.72</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>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
Excess in Revenue		3,118,453.78	3,046,105.12
<u>Fund Balance</u>			
Balance January 1	A	5,410,264.76	6,323,062.94
		8,528,718.54	9,369,168.06
Decreased by:			
Utilization as Anticipated Revenue	A-1	3,802,895.66	3,958,903.30
Balance December 31	A	<u>4,725,822.88</u>	<u>5,410,264.76</u>

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	3,802,895.66		3,802,895.66	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	33,000.00		32,850.00	(150.00)
Other	A-13	37,000.00		38,956.16	1,956.16
Fees and Permits	A-13	500,000.00		432,566.83	(67,433.17)
Fines and Costs:					
Municipal Court	A-13	285,000.00		307,083.82	22,083.82
Interest and Costs on Taxes	A-13	335,000.00		520,824.04	185,824.04
Interest on Investments and Deposits	A-13	500,000.00		232,485.25	(267,514.75)
Insurance Reimbursements - Ambulance	A-13	700,000.00		824,838.40	124,838.40
Consolidated Municipal Property Tax Relief	A-13	845,429.00		845,429.00	
Energy Receipts Tax	A-13	4,341,434.00		4,341,434.00	
Garden State PILOT Trust	A-13	23,925.00		21,400.18	(2,524.82)
Pinelands Property Tax Stabilization Aid	A-13	196,292.00		196,292.00	
Uniform Construction Code Fees	A-13	400,000.00		444,566.00	44,566.00
Uniform Fire Safety Act	A-13	33,914.50		36,052.24	2,137.74
Franchise Fees-Cable TV	A-13	107,500.68		107,500.68	
Engineering Review Fees	A-13	90,000.00		69,650.00	
Click it or Ticket	A-19		4,000.00	4,000.00	
CDBG - Main Street Façade	A-19		4,500.00	4,500.00	
CDBG - Virginia Avenue Sidewalks	A-19	75,000.00		75,000.00	
NJ Transportation Trust - Virginia Avenue	A-19	156,100.00		156,100.00	
NJ DOT Bike Path	A-19	200,000.00		200,000.00	
Hepatitis B Innoculation	A-19		1,655.00	1,655.00	
Municipal Alliance Youth Service	A-19	19,960.00		19,960.00	
Drunk Driving Enforcement	A-19		10,470.66	10,470.66	

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget 2008</u>	<u>Special N.J.S.A. 40A:4-87</u>		
Clean Communities	A-19	39,179.66		39,179.66	
Police Over the Limit, Under Arrest	A-19	5,000.00	5,000.00	10,000.00	
Police Body Armor	A-19	7,028.42	6,294.84	13,323.26	
Recycling Tonnage Grant	A-19		28,080.27	28,080.27	
Safe and Secure	A-19	56,298.00		56,298.00	
NJ Highway Safety Aggressive Driving	A-19		7,500.00	7,500.00	
NJ Highway Safety Smooth Operator	A-19		5,850.00	5,850.00	
JIF Safety Incentive Program	A-11	8,075.00		8,075.00	
Total Miscellaneous Revenues		<u>8,995,136.26</u>	<u>73,350.77</u>	<u>9,091,920.45</u>	<u>43,783.42</u>
Receipts from Delinquent Taxes	A-2	<u>2,300,000.00</u>		<u>2,613,187.92</u>	<u>313,187.92</u>
Subtotal General Revenues		<u>15,098,031.92</u>	<u>73,350.77</u>	<u>15,508,004.03</u>	<u>356,971.34</u>
Amount to be Raised by Taxation		<u>17,625,397.00</u>		<u>17,914,140.30</u>	<u>288,743.30</u>
Budget Totals		<u>32,723,428.92</u>	<u>73,350.77</u>	<u>33,422,144.33</u>	<u>645,714.64</u>
Non-Budget Revenue	A-2			725,274.41	
		<u>32,723,428.92</u>	<u>73,350.77</u>	<u>34,147,418.74</u>	
	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-7	70,843,666.28
Allocated to:		
Municipal Open Space		290,240.00
School and County Taxes	A-7	54,988,818.82
		15,564,607.46
Balance for Support of Municipal Budget Appropriations		15,564,607.46
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,349,532.84
		17,914,140.30
Amount for Support of Municipal Budget Appropriations	A-2	17,914,140.30
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-7	2,590,904.51
Tax Title Liens	A-8	22,283.41
		2,613,187.92
	A-2	2,613,187.92

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-13	7,503.08
JIF Dividends/Safety Incentive	A-13	138,245.18
Ads on Bus Shelters	A-13	3,625.00
Inspection Fees	A-13	13,283.67
In Lieu of Taxes	A-13	19,607.70
Tax Map Maintenance	A-13	2,120.00
Sale of Property	A-13	25,967.00
Administrative Fees Off-Duty Police	A-13	148,451.25
Administrative Fees - Senior Citizen Deductions	A-13	9,910.63
Street Opening Restoration	A-13	96,000.00
School Security Officers Reimbursement	A-13	171,000.00
Excess Dog Fees	A-13	10,957.39
Miscellaneous	A-13	16,841.14
Hotel/Motel Tax Revenue	A-13	45,774.32
Demolition/Boarding Up	A-13	1,075.00
Gypsy Moth Reimbursement	A-13	14,913.05
	A-2	725,274.41
		725,274.41

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	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries & Wages	142,000.00	142,000.00	141,354.97		645.03	
Other Expenses	42,000.00	42,000.00	36,432.98	3,069.89	2,497.13	
Human Resources (Personnel)						
Salaries & Wages	111,800.00	111,800.00	106,804.18		4,995.82	
Other Expenses	22,000.00	22,000.00	16,698.48	58.20	5,243.32	
Mayor and Township Council						
Salaries & Wages						
Mayor	61,000.00	61,000.00	59,804.56		1,195.44	
Council	62,500.00	62,500.00	59,622.55		2,877.45	
Other Expenses						
Mayor	3,000.00	3,000.00	1,805.68		1,194.32	
Council	1,000.00	1,000.00	697.54	55.00	247.46	
Municipal Clerk						
Salaries & Wages	195,000.00	196,000.00	192,788.89		3,211.11	
Other Expenses	76,000.00	76,000.00	64,678.60	736.23	10,585.17	
Elections						
Salaries & Wages	4,100.00	4,600.00	4,504.11		95.89	
Other Expenses	36,000.00	36,000.00	19,650.01		16,349.99	
Financial Administration						
Salaries & Wages	229,500.00	229,500.00	215,018.96		14,481.04	
Other Expenses	56,000.00	56,000.00	45,074.36	6,607.85	4,317.79	
Audit Services						
Other Expenses	54,000.00	54,000.00	54,000.00			
Municipal Information Services (MIS)						
Salaries & Wages	113,000.00	113,000.00	104,169.15		8,830.85	
Other Expenses	72,000.00	72,000.00	65,752.29	2,197.14	4,050.57	
Revenue Administration (Tax Collection)						
Salaries & Wages	216,000.00	216,000.00	206,048.28		9,951.72	
Other Expenses	22,000.00	22,000.00	9,446.46	561.26	11,992.28	

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

STATEMENT OF EXPENDITURES

OPERATIONS WITHIN "CAPS" - (continued)	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
GENERAL GOVERNMENT						
Director of Real Estate						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Tax Assessment Administration						
Salaries & Wages	244,500.00	244,500.00	229,351.33		15,148.67	
Other Expenses	58,000.00	58,000.00	50,492.43	4,520.25	2,987.32	
Legal Services & Costs						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Other Expenses	235,000.00	335,000.00	274,226.35	57,502.73	3,270.92	
Engineering Services & Costs						
Other Expenses	195,000.00	225,000.00	175,397.16	2,416.65	47,186.19	
Economic Development						
Other Expenses	20,000.00	20,000.00			20,000.00	
Historical Society (40:48-2)						
Other Expenses	1,500.00	1,500.00	311.92	1,185.79	2.29	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	161,400.00	161,400.00	152,439.57		8,960.43	
Other Expenses	118,000.00	118,000.00	92,203.62	13,975.10	11,821.28	
Zoning Board and Board of Adjustment						
Salaries & Wages	5,000.00	5,000.00	2,225.00		2,775.00	
Other Expenses	22,900.00	32,900.00	20,728.77	7,938.91	4,232.32	
CODE ENFORCEMENT AND ADMINISTRATION						
Code Enforcement Officer						
Salaries & Wages	181,400.00	181,400.00	173,765.84		7,634.16	
Other Expenses	19,000.00	19,000.00	4,063.43	14,631.50	305.07	
INSURANCE						
Insurance Safety Program	18,000.00	18,000.00	14,702.21	3,127.00	170.79	
Liability Insurance	574,000.00	574,000.00	572,529.00		1,471.00	
Workmans Compensation Insurance	778,000.00	778,000.00	778,000.00			
Group Plans for Employees	4,200,000.00	4,130,000.00	4,098,006.91	1,156.80	30,836.29	

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

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY FUNCTIONS						
Director of Public Safety						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Police						
Salaries & Wages	6,349,000.00	6,249,000.00	5,917,733.77		331,266.23	
Other Expenses	419,000.00	509,000.00	342,192.50	158,733.58	8,073.92	
Office of Emergency Management						
Salaries & Wages	114,500.00	114,500.00	94,963.81		19,536.19	
Other Expenses	15,500.00	15,500.00	12,055.42	2,809.44	635.14	
First Aid Organization- Ambulances						
Cecil Ambulance	42,000.00	42,000.00	29,351.11	9,551.24	3,097.65	
Monroe Township Ambulance	61,500.00	61,500.00	30,745.68	29,643.46	1,110.86	
Fire						
Other Expenses						
Fire Hydrant Service	25,000.00	25,000.00	24,625.00		375.00	
Cecil Fire Company	63,500.00	63,500.00	46,359.68	15,857.89	1,282.43	
Williamstown Fire Company	52,300.00	52,300.00	42,738.50	8,386.54	1,174.96	
Uniform Fire Safety Act (P.L. 1983, C383)						
Salaries & Wages	60,500.00	60,500.00	50,461.62		10,038.38	
Other Expenses	5,500.00	5,500.00	2,855.65	809.25	1,835.10	
Ambulance						
Salaries & Wages	310,000.00	310,000.00	290,379.98		19,620.02	
Other Expenses	134,000.00	134,000.00	79,974.10	12,347.42	41,678.48	
Prosecutor						
Salaries & Wages	18,000.00	18,000.00	18,000.00			

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	
PUBLIC WORKS FUNCTIONS						
Road Repairs & Maintenance						
Salaries & Wages	884,450.00	853,950.00	763,830.29		90,119.71	
Other Expenses	30,575.00	30,575.00	15,679.04	5,136.03	9,759.93	
Snow Removal						
Other Expenses	40,000.00	40,000.00	40,000.00			
Garbage & Trash Removal						
Salaries & Wages	1,210,875.00	1,159,875.00	1,117,414.09		42,460.91	
Other Expenses	4,000.00	4,000.00	1,054.34	102.63	2,843.03	
Public Buildings & Grounds						
Salaries & Wages	332,000.00	337,000.00	330,785.23		6,214.77	
Other Expenses	97,000.00	97,000.00	72,770.15	9,796.97	14,432.88	
Vehicle Maintenance						
Salaries & Wages	300,500.00	305,500.00	300,246.47		5,253.53	
Other Expenses	333,000.00	358,000.00	341,621.09	16,153.50	225.41	
Community Services Act						
Condominium Trash Services	100,000.00	100,000.00	77,910.59	7,839.66	14,249.75	
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health)						
Salaries & Wages	77,000.00	77,000.00	74,691.22		2,308.78	
Other Expenses	3,250.00	3,250.00	822.80	221.44	2,205.76	
Social Concerns						
Other Expenses	1,000.00	1,000.00	1,000.00			
Environmental Commission (40:56A et. seq.)						
Salaries & Wages	1,600.00	1,600.00	420.00		1,180.00	
Other Expenses	4,000.00	4,000.00	595.00		3,405.00	

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

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
RECREATION FUNCTIONS						
Parks & Playgrounds						
Salaries & Wages	21,000.00	21,000.00	21,000.00			
Other Expenses	58,700.00	58,700.00	18,764.61	11,337.56	28,597.83	
Park & Recreation						
Salaries & Wages	190,715.00	210,715.00	203,282.05		7,432.95	
Other Expenses	40,000.00	40,000.00	35,717.96	4,259.66	22.38	
Community Center						
Salaries & Wages	183,000.00	183,000.00	183,000.00			
Other Expenses	7,850.00	7,850.00	2,996.07		4,853.93	
Community Transportation Service						
Salaries & Wages	82,000.00	82,000.00	63,125.27		18,874.73	
Other Expenses	600.00	600.00			600.00	
Senior Citizen Center						
Salaries & Wages	600.00	600.00	480.00		120.00	
Other Expenses	10,300.00	10,300.00	7,970.04		2,329.96	
OTHER COMMON OPERATING FUNCTIONS						
Accumulated Absence Management	50,000.00	50,000.00	50,000.00			
Celebration of Public Event Anniversary or Holiday						
Other Expenses	35,000.00	35,000.00	31,234.82	324.50	3,440.68	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	255,000.00	255,000.00	204,926.36	12,592.00	37,481.64	
Street Lighting	465,000.00	465,000.00	394,870.23	39,307.00	30,822.77	
Telephone and Telegraph	125,000.00	125,000.00	114,566.14	1,841.47	8,592.39	
Natural Gas	125,000.00	125,000.00	77,209.24	13,253.69	34,537.07	
Fuel Oil	5,000.00	5,000.00	3,655.58	1,344.42		
Gasoline	708,000.00	708,000.00	564,455.69	142,540.28	1,004.03	

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

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
LANDFILL AND SOLID WASTE DISPOSAL COSTS						
Gloucester County Landfill						
Other Expenses	1,484,850.00	1,439,850.00	1,204,577.64	104,349.30	130,923.06	
MUNICIPAL COURT FUNCTIONS						
Municipal Court						
Salaries & Wages	242,700.00	252,700.00	249,117.98		3,582.02	
Other Expenses	28,100.00	28,100.00	21,041.12	5,048.98	2,009.90	
Public Defender						
Salaries & Wages	8,000.00	8,000.00	6,418.00		1,582.00	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	432,400.00	432,400.00	372,108.04		60,291.96	
Other Expenses	125,000.00	125,000.00	51,611.64	30,368.00	43,020.36	
Total Operations within "CAPS"	<u>24,135,965.00</u>	<u>24,135,965.00</u>	<u>22,058,201.20</u>	<u>763,696.21</u>	<u>1,314,067.59</u>	
Detail:						
Salaries & Wages	12,789,040.00	12,749,040.00	11,987,581.56	57,502.73	703,955.71	
Other Expenses	11,346,925.00	11,386,925.00	10,070,619.64	706,193.48	610,111.88	
STATUTORY EXPENDITURES						
Contribution to:						
Social Security System (O.A.S.I.)	620,000.00	620,000.00	556,918.06		63,081.94	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00			
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>635,000.00</u>	<u>635,000.00</u>	<u>571,918.06</u>		<u>63,081.94</u>	

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

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	24,770,965.00	24,770,965.00	22,630,119.26	763,696.21 1,377,149.53	
PUBLIC WORKS FUNCTIONS					
Gypsy Moth					
Other Expenses	71,300.00	71,300.00	65,445.81		5,854.19
PUBLIC SAFETY FUNCTIONS					
Length of Service Awards Program (P.L. 1997, c. 388)	148,000.00	148,000.00		148,000.00	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	757,000.00	757,000.00	757,000.00		
LANDFILL AND SOLID WASTE DISPOSAL COSTS					
Recycling Tax					
Other Expenses	28,000.00	28,000.00	27,149.24		850.76
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	365,000.00	365,000.00	363,707.20		1,292.80
Police and Firemen's Retirement System of NJ	1,040,000.00	1,040,000.00	1,038,832.00		1,168.00
Total Other Operations - Excluded from "CAPS"	2,409,300.00	2,409,300.00	2,252,134.25	148,000.00	9,165.75
PUBLIC AND PRIVATE PROGRAMS					
OFF-SET BY REVENUES					
Click It or Ticket		4,000.00	4,000.00		
CDBG - Virginia Avenue Sidewalks	75,000.00	75,000.00	75,000.00		
CDBG - Main Street Façade		4,500.00	4,500.00		
Hepatitis B Innoculation		1,655.00	1,655.00		
Municipal Alliance Youth Service	24,950.00	24,950.00	24,950.00		
Drunk Driving Enforcement		10,470.66	10,470.66		
Clean Communities	39,179.66	39,179.66	39,179.66		
Police Over the Limit, Under Arrest	5,000.00	10,000.00	10,000.00		
Police Body Armor	7,028.42	13,323.26	13,323.26		

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

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Recycling Tonnage Grant		28,080.27	28,080.27			
Safe and Secure	56,298.00	56,298.00	56,298.00			
NJ Highway Safety Aggressive Driving		7,500.00	7,500.00			
NJ Highway Safety Smooth Operator		5,850.00	5,850.00			
JIF Safety Incentive Program	8,075.00	8,075.00	8,075.00			
Matching Funds for Grants	15,000.00	15,000.00			15,000.00	
Total Operations Excluded from "CAPS"	2,639,831.08	2,713,181.85	2,541,016.10	148,000.00	24,165.75	
Detail:						
Salaries and Wages						
Other Expenses	2,639,831.08	2,713,181.85	2,541,016.10	148,000.00	24,165.75	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	125,000.00	125,000.00	125,000.00			
NJ Transportation Trust - Virginia Avenue	156,100.00	156,100.00	156,100.00			
NJ DOT Bike Path	200,000.00	200,000.00	200,000.00			
Total Capital Improvements Excluded from "CAPS"	481,100.00	481,100.00	481,100.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Bond Principal	885,000.00	885,000.00	885,000.00			
Interest on Bonds	437,000.00	437,000.00	436,428.75			571.25
Green Trust Loan Repayments - Principal & Interest	42,000.00	42,000.00	40,937.82			1,062.18
Capital Lease Obligations Approved Prior to July 1, 2007						
Principal	503,000.00	503,000.00	456,313.06			46,686.94
Interest	197,000.00	197,000.00	50,422.32			146,577.68
Total Municipal Debt Service Excluded From "CAPS"	2,064,000.00	2,064,000.00	1,869,101.95			194,898.05

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

STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES EXCLUDED FROM CAPS						
Special Emergency Authorizations - 5 Years	180,000.00	180,000.00	180,000.00			
Deferred Charges to Future Taxation -						
Unfunded - Ordinance 37-05	38,000.00	38,000.00	38,000.00			
Unfunded - Ordinance 10-07	200,000.00	200,000.00	200,000.00			
Total Deferred Charges Excluded from "CAPS"	418,000.00	418,000.00	418,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,602,931.08	5,676,281.85	5,309,218.05	148,000.00	24,165.75	194,898.05
Subtotal General Appropriations	30,373,896.08	30,447,246.85	27,939,337.31	911,696.21	1,401,315.28	194,898.05
RESERVE FOR UNCOLLECTED TAXES	2,349,532.84	2,349,532.84	2,349,532.84			
TOTAL GENERAL APPROPRIATIONS	<u>32,723,428.92</u>	<u>32,796,779.69</u>	<u>30,288,870.15</u>	<u>911,696.21</u>	<u>1,401,315.28</u>	<u>194,898.05</u>
Ref.	A-2			A-16	A	
	<u>Ref.</u>					
Budget	A-3	32,723,428.92				
Appropriations by 40A:4-87	A-2	73,350.77				
		<u>32,796,779.69</u>				
	<u>Ref.</u>					
Reserve for Federal and State Grants	A-20		636,906.85			
Reserve for Uncollected Taxes	A-3		2,349,532.84			
Reserve for Local Grants	A-18		8,075.00			
Special Emergency	A-12		180,000.00			
Disbursed	A-4		27,114,355.46			
			<u>30,288,870.15</u>			

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

TRUST FUND

EXHIBIT B

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>Trust Fund</u>			
Cash - Treasurer	B-1	2,576,858.78	3,181,553.09
Due Current Fund	A	4,499.42	
		<u>2,581,358.20</u>	<u>3,181,553.09</u>
<u>Escrow Trust Fund</u>			
Cash - Treasurer	B-1	765,784.56	751,962.50
		<u>3,347,142.76</u>	<u>3,933,515.59</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>Trust Fund</u>			
Encumbrances Payable	B-21	73,407.31	83,064.21
Reserve for Dog Fund Expenditures	B-3	26,050.00	27,852.00
Reserve for Forfeited Funds	B-4	31,362.73	29,051.07
Reserve for Off-Duty Police Fees	B-5	38,988.03	79,924.78
Deposits for Redemption of Tax Sale Certificates	B-6	3,099.33	3,392.30
Reserve for Tax Sale Premiums	B-6	401,800.00	154,100.00
Reserve for Parks and Recreation	B-7	298,408.74	607,710.07
Reserve for Veterans Affairs Donations	B-8	100.00	
Reserve for POAA Fees	B-9	747.67	683.67
Reserve for Recycling Fees	B-11	15,699.48	42,119.81
Reserve for Sidewalk Trust Fund	B-12	125,230.44	107,230.44
Reserve for Snow Removal	B-13	63,983.10	24,183.10
Reserve for Accumulated Absences	B-14	230,000.00	180,000.00
Reserve for Basin Maintenance Trust	B-15	487,988.00	495,000.00
Reserve for Municipal Open Space	B-16	585,775.49	1,190,795.66
Reserve for COAH	B-17	154,956.61	107,398.20
Reserve for Unemployment Compensation	B-18	21,524.86	21,964.25
Reserve for Municipal Alliance Donations	B-19	4,225.86	3,572.98
Reserve for Historical Society Donations	B-20	18,010.55	23,510.55
		<u>2,581,358.20</u>	<u>3,181,553.09</u>
<u>Escrow Trust Fund</u>			
Encumbrances Payable		79,786.71	2,782.39
Reserve for Developers Escrow		685,997.85	749,180.11
		<u>765,784.56</u>	<u>751,962.50</u>
		<u>3,347,142.76</u>	<u>3,933,515.59</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>	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
Cash - Treasurer	C-1	2,488,347.61	583,486.64
Amount to be Provided by Lease Payments		4,401,000.00	4,904,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	15,959,934.29	12,443,967.07
Unfunded			1,957,000.00
Due from GCIA-Capital Projects		488,228.68	144,615.48
		<u>23,337,510.58</u>	<u>20,033,069.19</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-9	15,691,000.00	12,140,000.00
Loan Payable - Green Trust	C-8	268,934.29	303,967.07
Encumbrances Payable	C-11	1,734,945.16	1,102,984.60
Obligations under Capital Lease	C-12	4,401,000.00	4,904,000.00
Capital Improvement Fund	C-6	321.08	18,321.08
Improvement Authorizations:			
Funded	C-7	1,241,310.05	1,180,330.21
Unfunded			383,466.23
		<u>23,337,510.58</u>	<u>20,033,069.19</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT D

STATEMENT OF GENERAL FIXED ASSETS

	<u>2008</u>	<u>2007</u>
Buildings	9,619,800.00	9,619,800.00
Land	4,067,750.00	3,780,500.00
Equipment	1,147,666.56	888,454.72
Vehicles	8,383,363.27	7,036,330.58
	<u>23,218,579.83</u>	<u>21,325,085.30</u>
Investment in General Fixed Assets	<u>23,218,579.83</u>	<u>21,325,085.30</u>
Ref.	D-1	D-1

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds and Account Groups

The accounting policies of the Township of Monroe 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 Monroe 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/Payroll Agency 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:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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	\$73,350.77
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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 MONROE
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.

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.

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.

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 MONROE
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 Monroe 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 MONROE
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.

J. Other Post-Employment Benefit Obligation

In 2008, the Township implemented G.A.S.B. Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. G.A.S.B. Statement 45 requires governmental units to disclose the actuarially determined liability for all Other Post-Employment Benefits (O.P.E.B.). O.P.E.B. are non-pension benefits that a government has contractually or otherwise agreed to provide employees once they have retired. See Note 7.

TOWNSHIP OF MONROE
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 \$13,441,865.56 and the bank balance was \$13,785,412.77. Of the bank balance, \$1,229,162.17 was covered by federal depository insurance (including public and custodial funds) and \$12,556,250.60 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 MONROE
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: FUND BALANCES APPROPRIATED

Of the \$4,725,822.88 Current Fund balance at December 31, 2008, \$3,694,576.08 was appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2009.

NOTE 4: 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 MONROE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

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

	Due From	Due To
Current Fund		
Federal and State Grant Fund	245,407.95	
Trust Fund		4,499.42
Federal and State Grant Fund		
Current Fund		245,407.95
Trust Fund		
Current Fund	4,499.42	
	249,907.37	249,907.37

NOTE 6: FIXED ASSETS

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

	Balance Dec. 31, 2007	Additions	Retirements	Balance Dec. 31, 2008
Buildings	9,619,800.00			9,619,800.00
Land	3,780,500.00	306,250.00	19,000.00	4,067,750.00
Equipment	888,454.72	300,369.83	41,157.99	1,147,666.56
Vehicles	7,036,330.58	1,424,461.45	77,428.76	8,383,363.27
	21,325,085.30	2,031,081.28	137,586.75	23,218,579.83

NOTE 7: ACCUMULATED ABSENCE BENEFITS

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2008 was \$1,717,215.39. The Township had appropriated \$50,000.00 in the 2008 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance of \$230,000.00.

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

NOTE 8: PENSION FUNDS

Description of Plans - All required employees of the Township are covered by either the Public Employees' Retirement System or Police and Firemen's 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.

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).

Police and Firemen's Retirement System (P.F.R.S.) – The Police and Firemen's Retirement System was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions of law enforcement or firefighting in the State of New Jersey.

Retirement - Members are eligible for retirement at age fifty-five with a benefit equal to two percent of final compensation for each year of creditable service up to twenty years. Members with at least twenty years but less than twenty-five years of creditable service will receive fifty percent of final compensation. Special retirement is available at any age to those with twenty-five years of service credit. The annual benefit calculation is equal to sixty-five percent of final compensation plus one percent for each year of creditable service over twenty-five years but not to exceed thirty years.

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

NOTE 8: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (D.C.R.P.) – The Township established Defined Contribution Retirement Program by ordinance on July 22, 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 ½% of employees’ annual base salary. Employers are required to contribute 3% of the employees’ base salary.

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% of employees’ annual base salary through July 1, 2008, 5 ½% subsequent to July 1, 2008 and 8 ½% for P.F.R.S. 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	12,395,063.76	11,879,517.92	11,172,258.75
P.E.R.S. Covered Payroll	5,436,922.00	5,981,028.00	5,440,173.00
Employer Required Contribution	363,707.20	202,831.20	113,000.00
Percentage of P.E.R.S. Covered Payroll	6.69%	3.39%	2.08%
P.F.R.S. Covered Payroll	5,056,291.00	4,615,827.00	4,463,394.00
Employer Required Contribution	1,038,832.00	685,982.40	432,415.80
Percentage of P.F.R.S. Covered Payroll	20.55%	14.86%	9.69%

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

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description. Township of Monroe, New Jersey Postemployment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Southern NJ Regional Employee Benefits Fund. MRHIF provides fully-insured medical and prescription drug coverage to eligible retirees and their spouses.

Funding Policy. The contribution requirements of the Township healthcare plan are established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2008, the Township contributed \$701.1 thousand to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

Annual O.P.E.B. Cost and Net O.P.E.B. Obligation. The Township's annual other postemployment benefit (O.P.E.B.) cost (expense) is calculated based on the *annual required contribution of the employer (A.R.C.)*, an amount actuarially determined in accordance with the parameters of G.A.S.B. Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual O.P.E.B. cost for the year, the amount actually contributed to the plan, and changes in the Township's net O.P.E.B. obligation to MTHBP (dollar amounts in thousands):

Annual required contribution (thousands)	\$5,464.9
Interest on net O.P.E.B. obligation	\$ 0
Adjustment to annual required contribution	<u>\$ 0</u>
Annual O.P.E.B. cost (expense) (thousands)	\$5,464.9
Contributions made (thousands)	<u>\$ 701.1</u>
Increase in net O.P.E.B. obligation(thousands)	\$4,763.8
Net O.P.E.B. obligation-beginning of year	<u>\$ 0</u>
Net O.P.E.B. obligation-end of year (thousands)	<u>\$4,763.8</u>

The Township's annual O.P.E.B. cost, the percentage of annual O.P.E.B. cost contributed to the plan, and the net O.P.E.B. obligation for 2008 was as follows (dollar amounts in thousands):

Calendar Year Ended	Annual O.P.E.B. Cost (Thousands)	Percentage of Annual O.P.E.B. Cost Contributed	Net O.P.E.B. Obligation (Thousands)
12/31/2008	\$5464.9	12.8%	\$4,763.8

Funded Status and Funding Progress. As of December 31, 2008, the Township is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

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

NOTE 9: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

The Actuarial Accrued Liability (“AAL”) is the present value of all future expected postretirement medical payments and administrative costs which are attributable to past service. The Township’s unfunded AAL is calculated to be \$49,647.1 (thousands).

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit method with amortization on a straight line basis, for a period of 30 years.

NOTE 10: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are held by an independent administrator, The NPC Group of Companies and Equitable.

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.

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>2009</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Special Emergency:			
Preparation of Reassessment	540,000.00	180,000.00	360,000.00
	540,000.00	180,000.00	360,000.00
	540,000.00	180,000.00	360,000.00

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

NOTE 12: 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>12/31/2007</u>	<u>Issued/</u> <u>Authorized</u>	<u>Retired/</u> <u>Reduction</u>	<u>Balance</u> <u>12/31/2008</u>
Issued				
General:				
Serial Bonds Payable	12,140,000.00	4,436,000.00	885,000.00	15,691,000.00
Loan	303,967.07		35,032.78	268,934.29
Authorized But Not Issued				
General:				
Bonds and Notes	<u>1,957,000.00</u>	<u>2,717,000.00</u>	<u>4,674,000.00</u>	
	<u>14,400,967.07</u>	<u>7,153,000.00</u>	<u>5,594,032.78</u>	<u>15,959,934.29</u>

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

<u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturities</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
General Obligation Bonds of 1999	6/1/1999	6/1/09/2014	4.55%	3,295,000.00
General Obligation Bonds of 2003	6/15/2003	6/15/09/2018	3.25%-3.5%	7,960,000.00
General Obligation Bonds of 2008	11/1/2008	11/1/09/2028	4.75%-5.00%	4,436,000.00
Green Trust Loan	4/22/1994	Jan 27/July 27 2009/2011	2.00%	45,465.76
Green Trust Loan	1/22/1999	Jan 22/June 22 2009/2014	2.00%	27,859.62
Green Trust Loan	4/25/2005	Jan 25/July 25 2009/2020	2.00%	117,877.00
Green Trust Loan	3/10/2006	June 10/Dec. 10 2009/2018	2.00%	9,154.94
Green Trust Loan	9/26/2006	June 29/Dec. 29 2009/2026	2.00%	68,576.97
				<u>15,959,934.29</u>

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

NOTE 12: 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:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	1,020,737.01	619,779.65	1,640,516.66
2010	1,021,455.24	579,148.82	1,600,604.06
2011	1,057,820.22	537,772.42	1,595,592.64
2012	1,093,917.93	495,200.58	1,589,118.51
2013	1,094,298.20	451,981.82	1,546,280.02
2014-2018	6,686,426.85	1,580,624.50	8,267,051.35
2019-2023	1,637,961.40	814,144.82	2,452,106.22
2024-2028	2,347,317.44	366,341.81	2,713,659.25
	<u>15,959,934.29</u>	<u>5,444,994.42</u>	<u>21,404,928.71</u>

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 .57%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	71,640,842.08	71,640,842.08	
General Debt	15,959,934.29		15,959,934.29
	<u>87,600,776.37</u>	<u>71,640,842.08</u>	<u>15,959,934.29</u>

Net Debt \$15,959,934.29/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended
\$2,809,757,219 = .57%

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

3 1/2% of Equalized Valuation Basis (Municipal)	98,341,502.67
Net Debt	15,959,934.29
Remaining Borrowing Power	<u>82,381,568.38</u>

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

NOTE 13: LEASE OBLIGATIONS

The Township had lease agreements in effect at December 31, 2008 for various capital improvements.

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	526,000.00	175,518.26	701,518.26
2010	482,000.00	157,488.26	639,488.26
2011	496,000.00	139,628.26	635,628.26
2012	351,000.00	117,529.26	468,529.26
2013	356,000.00	102,546.26	458,546.26
2014-2018	1,350,000.00	325,308.80	1,675,308.80
2019-2023	810,000.00	79,072.52	889,072.52
2024	30,000.00	1,350.00	31,350.00
	<u>4,401,000.00</u>	<u>1,098,441.62</u>	<u>5,499,441.62</u>

NOTE 14: 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 Monroe Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Monroe that would have an adverse effect on the financial position in the future.

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	3,802,895.66	4.28%	3,958,903.30	4.56%
Miscellaneous - From Other				
Than Local Property Tax Levies	9,817,194.86	11.04%	12,291,117.66	14.14%
Collection of Delinquent Taxes and Tax Title Liens	2,613,187.92	2.94%	2,024,583.59	2.33%
Collection of Current Tax Levy	70,843,666.28	79.65%	66,787,317.41	76.86%
Other Income	1,868,779.90	2.09%	1,832,848.88	2.11%
Total Income	<u>88,945,724.62</u>	<u>100.00%</u>	<u>86,894,770.84</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Municipal Purposes	30,252,348.80	35.25%	30,988,571.12	36.96%
County Taxes	16,224,559.32	18.90%	14,775,334.77	17.62%
Local District School Taxes	38,764,259.50	45.17%	37,767,760.00	45.04%
Municipal Open Space	290,240.00	0.34%	287,223.00	0.34%
Other Expenditures	295,863.22	0.34%	29,776.83	0.04%
Total Expenditures	<u>85,827,270.84</u>	<u>100.00%</u>	<u>83,848,665.72</u>	<u>100.00%</u>
Excess in Revenue	3,118,453.78		3,046,105.12	
Fund Balance January 1	5,410,264.76		6,323,062.94	
	<u>8,528,718.54</u>		<u>9,369,168.06</u>	
Decreased by:				
Utilization as Anticipated Revenue	3,802,895.66		3,958,903.30	
Fund Balance December 31	<u>4,725,822.88</u>		<u>5,410,264.76</u>	

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	2.549	4.768	4.610
 <u>Apportionment of Tax Rate</u>			
Municipal	0.618	1.123	1.098
Municipal Open Space	0.010		
County	0.562	1.015	0.943
Local School	1.359	2.630	2.569
 <u>Assessed Valuation</u>			
2008	2,852,405,792		
2007		1,436,115,209	
2006			1,375,023,568

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>	Currently	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2008	73,547,157.90	70,843,666.28	96.32%
2007	69,375,626.05	66,787,317.41	96.27%
2006	65,214,592.95	63,134,298.23	96.81%

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.

<u>December 31, 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	396,013.33	2,554,436.75	2,950,450.08	4.01%
2007	343,624.85	2,524,153.92	2,867,778.77	4.13%
2006	323,449.77	1,978,436.84	2,301,886.61	3.53%

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	1,293,700.00
2007	1,329,000.00
2006	1,344,100.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2008	4,725,822.88	3,694,576.08
	2007	5,410,264.76	3,802,895.66
Current Fund	2006	6,323,062.94	3,958,903.30
	2005	3,798,546.52	2,613,569.43
	2004	3,045,322.44	2,171,408.48

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Michael F. Gabbianelli	Mayor	
Daniel P. Teefy	President of Council	
Ronald Garbowski	Vice President of Council	
Frank Caligiuri	Councilman	
Marvin J. Dilks	Councilman	
Ronald Garbowski	Councilman	
Bill A. Julio	Councilman	
William Sebastian	Councilman	
Kevin Heydel	Business Administrator	
Jeffrey Coles	Chief Financial Officer	1,000,000.00
Susan McCormick	Township Clerk	
Alma Alexander	Tax Collector	1,000,000.00
Bruce Coyle	Director of Assessments	
Charles Fiore	Solicitor	
Nicholas T. Lacovara	Magistrate	1,000,000.00
Cathleen Murphy	Court Administrator	1,000,000.00
Adams, Rehmann & Hegan	Engineer	

All bonds were examined and were properly executed.

Employees are covered through Municipal Excess Liability Joint Insurance Fund.

Bonds were written with the Commerce Banc Insurance Services

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

Balance December 31, 2007	<u>Ref.</u> A		8,560,606.39
Increased by Receipts:			
Taxes Receivable	A-7	72,339,841.46	
Tax Title Liens	A-8	22,283.41	
Prepaid Taxes		397,091.55	
Tax Overpayments		468,439.82	
Grants Receivable	A-19	391,854.13	
Revenue Accounts Receivable	A-13	9,177,203.01	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-14	495,517.28	
Due State of New Jersey - DCA Fees		24,405.00	
Local Grants Receivable	A-11	4,500.00	
Due State - Marriage Licenses		7,010.00	
Payroll Taxes Payable		4,784,734.29	
Net Payroll		12,953,476.18	
Due Monroe MUA		4,363.39	
Petty Cash		1,900.00	
Election Receipts		64,800.00	
			<u>101,137,419.52</u>
			109,698,025.91
Decreased by Disbursements:			
2008 Budget Appropriations	A-3	27,114,355.46	
2007 Appropriation Reserves	A-15	36,557.78	
Encumbrances Payable	A-16	871,918.66	
Federal & State Grant Encumbrances Payable	A-21	151,042.59	
Reserve for Grants - Appropriated	A-20	558,523.54	
Reserve for Local Grants	A-18	3,325.05	
Tax Overpayments		188,521.36	
County Taxes		16,008,233.07	
Due County Added & Omitted Taxes		210,571.78	

SCHEDULE OF CURRENT FUND CASH - TREASURER

	<u>Ref.</u>		
Due State of New Jersey - DCA Fees		26,009.00	
Municipal Open Space	B-1	285,240.58	
Local District School Tax	A-17	38,764,259.50	
Payroll Taxes Payable		4,758,698.40	
Net Payroll		12,953,476.18	
Election Worker Payments		64,800.00	
Refund of Prior Year Revenue	A-1	14,061.05	
Due Monroe MUA		4,363.39	
Due State - Marriage Licenses		7,155.00	
Reserve for Revaluation		64,888.91	
Petty Cash		1,900.00	
		<hr/>	102,087,901.30
Balance December 31, 2008	A		<hr/> <hr/> 7,610,124.61

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

	<u>Ref.</u>	
Balance December 31, 2008	A-4	7,610,124.61
Increased by Receipts:		
Cash Receipts Record		45,881,920.16
		<hr/> 53,492,044.77
Decreased by Disbursements:		
Cash Disbursements Record		45,968,152.29
		<hr/> 7,523,892.48
Balance May 29, 2009	A-5	<hr/> <hr/> 7,523,892.48
		<u>Cash Reconciliation - May 29, 2009</u>
Balance per Statement		
TD Bank		2,781,543.71
Monroe Savings Bank		5,064,966.59
Newfield National Bank		311,985.43
The Bank		9,271.14
Add: Deposit in Transit		93,617.93
Less: Outstanding Checks		737,492.32
		<hr/> 7,523,892.48
Balance May 29, 2009	A-5	<hr/> <hr/> 7,523,892.48

SCHEDULE OF CHANGE FUND

Balance December 31, 2007	Ref. A	750.00
		<hr/>
Balance December 31, 2008	A	750.00
		<hr/> <hr/>

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
2001					624.63			(624.63)	
2002					181.18			(659.14)	477.96
2003								(742.37)	742.37
2004	11,889.48		1,036.41		15,750.42			(6,714.38)	3,889.85
2005	15,014.79		1,022.50		13,268.57			(7,742.17)	10,510.89
2006	42,600.01		16,011.03		37,331.69				21,279.35
2007	2,454,649.64		139,629.30		2,523,748.02		15,142.21	22,549.21	32,839.50
	2,524,153.92		157,699.24		2,590,904.51		15,142.21	6,066.52	69,739.92
2008		73,547,157.90		345,630.26	70,251,488.23	246,547.79	166,010.96	52,783.83	2,484,696.83
	2,524,153.92	73,547,157.90	157,699.24	345,630.26	72,842,392.74	246,547.79	181,153.17	58,850.35	2,554,436.75
Ref.	A							A-8	A
				<u>Ref.</u>					
		Cash - Treasurer		A-4	72,339,841.46				
		Due State of New Jersey		A-14	502,551.28				
					72,842,392.74				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:			
Business Personalty Tax	251,812.96		
General Property Tax	72,456,032.33		
		72,707,845.29	
Added Taxes (54:4-63.1 et seq.)		839,312.61	
			73,547,157.90

Ref.

Tax Levied

Local District School Tax (Abstract)	A-17		38,764,259.50	
County Taxes:				
County Tax (Abstract)		14,844,914.90		
Due County for Open Space		1,163,318.17		
Due County for Added Taxes (54:4-63.1 et seq.)		216,326.25		
Total County Taxes			16,224,559.32	
Local Tax for Municipal Purposes	A-2	17,639,356.00		
Local Municipal Open Space		290,240.00		
Add: Additional Taxes Levied		628,743.08		
			18,558,339.08	
				73,547,157.90

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	343,624.85
Increased by:		
Transfers from Taxes Receivable	A-7	58,850.35
Interest and Costs		15,821.54
		<hr/> 74,671.89
		<hr/> 418,296.74
Decreased by:		
Cash Receipts	A-4	22,283.41
		<hr/>
Balance December 31, 2008	A	<hr/> <hr/> 396,013.33

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance December 31, 2007	A	1,329,000.00
Decreased by:		
Property Foreclosed in Error		35,300.00
		<hr/>
Balance December 31, 2008	A	<hr/> <hr/> 1,293,700.00

SCHEDULE OF ASSESSMENTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	13,353.00
Increased by:		
Adjustment		8.00
		<hr/>
Balance December 31, 2008	A	<hr/> <hr/> 13,361.00

SCHEDULE OF LOCAL GRANTS RECEIVABLE

<u>Grant</u>	2008 Budget		Balance
	Revenue Realized	Receipts	Dec. 31, 2008
JIF Safety Incentive	8,075.00	4,500.00	3,575.00
Ref.	A-2	A-4	A

SCHEDULE OF SPECIAL EMERGENCY APPROPRIATION

PER N.J.S.A. 40A:4-55

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance Dec. 31, 2007</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
12/4/06	Preparation of Reassessment	900,000.00	720,000.00	180,000.00	540,000.00
			<u>720,000.00</u>	<u>180,000.00</u>	<u>540,000.00</u>
			A	A-3	A
	Ref.				

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2007	Accrued in 2008	Collected	Balance Dec. 31, 2008
<u>Miscellaneous Revenue Anticipated</u>				
Licenses:				
Alcoholic Beverages		32,850.00	32,850.00	
Other		38,956.16	38,956.16	
Fees and Permits		432,566.83	432,566.83	
Fines and Costs:				
Municipal Court	16,054.88	311,931.02	307,083.82	20,902.08
Interest and Costs on Taxes		520,824.04	520,824.04	
Interest on Investments and Deposits		232,485.25	232,485.25	
Insurance Reimbursements - Ambulance		824,838.40	824,838.40	
Consolidated Municipal Property Tax Relief		845,429.00	845,429.00	
Energy Receipts Tax		4,341,434.00	4,341,434.00	
Garden State PILOT Trust		21,400.18	21,400.18	
Pinelands Property Tax Stabilization Aid		196,292.00	196,292.00	
Uniform Construction Code Fees		444,566.00	444,566.00	
Uniform Fire Safety Act		36,052.24	36,052.24	
Franchise Fees-Cable TV		107,500.68	107,500.68	
Engineering Review Fees		69,650.00	69,650.00	
<u>Miscellaneous Revenue Not Anticipated</u>				
Refunds		7,503.08	7,503.08	
JIF Dividends/Safety Incentive		138,245.18	138,245.18	
Ads on Bus Shelters		3,625.00	3,625.00	
Inspection Fees		13,283.67	13,283.67	
In Lieu of Taxes		19,607.70	19,607.70	
Tax Map Maintenance		2,120.00	2,120.00	
Sale of Property		25,967.00	25,967.00	
Administrative Fees Off-Duty Police		148,451.25	148,451.25	
Administrative Fees - Senior Citizen Deductions		9,910.63	9,910.63	
Street Opening Restoration		96,000.00	96,000.00	
School Security Officers Reimbursement		171,000.00	171,000.00	
Excess Dog Fees		10,957.39	10,957.39	
Miscellaneous		16,841.14	16,841.14	
Hotel/Motel Tax Revenue		45,774.32	45,774.32	
Demolition/Boarding Up		1,075.00	1,075.00	
Gypsy Moth Reimbursement		14,913.05	14,913.05	
	16,054.88	9,182,050.21	9,177,203.01	20,902.08
Ref.	A		A-4	A

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

	<u>Ref.</u>		
Balance December 31, 2007	A		38,385.59
Increased by:			
Cash Receipts	A-4		495,517.28
			<hr/> 533,902.87
Decreased by:			
2008 Deductions Per Tax Duplicate		493,500.00	
2008 Deductions Allowed by Collector		15,500.00	
2008 Deductions Disallowed by Collector		(6,448.72)	
		<hr/> 502,551.28	
2007 Deductions Disallowed by Collector	A-1	(10,077.80)	
		<hr/> 492,473.48	
Balance December 31, 2008	A		<hr/> <hr/> 41,429.39

SCHEDULE OF 2007 APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2007</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Other Expenses				
General Administration	10,495.67	10,495.67	53.00	10,442.67
Municipal Clerk	9,452.93	9,452.93	542.99	8,909.94
Finance	6,469.74	6,469.74	286.50	6,183.24
Tax Assessment	26,399.48	26,399.48	354.50	26,044.98
Engineering	52,319.18	52,319.18	5,390.75	46,928.43
Planning Board	7,200.69	7,200.69	6,706.52	494.17
Zoning Board	11,679.88	11,679.88	1,240.10	10,439.78
Code Enforcement Officer	6,951.36	6,951.36	1,520.32	5,431.04
Street Lighting	20,060.58	20,060.58	2,566.26	17,494.32
Natural Gas	57,592.39	57,592.39	10,132.21	47,460.18
Construction Code Official	118,317.86	118,317.86	38.43	118,279.43
Group Plan for Employees	145,566.60	145,566.60	6,548.48	139,018.12
Salaries and Wages				
Park & Recreation	5,694.05	5,694.05	1,177.72	4,516.33
Other Accounts - No Change	1,280,432.11	1,280,432.11		1,280,432.11
	<u>1,758,632.52</u>	<u>1,758,632.52</u>	<u>36,557.78</u>	<u>1,722,074.74</u>
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2007	A		1,048,057.21
Increased by:			
Charges to 2008 Appropriations	A-3	911,696.21	
Charges to Local Grant Reserves	A-18	3,031.27	
		<hr/>	914,727.48
			<hr/>
			1,962,784.69
Decreased by:			
Payments	A-4	871,918.66	
Transfer to Local Grant Reserves	A-18	11,901.88	
Canceled	A-1	146,205.16	
		<hr/>	1,030,025.70
			<hr/>
Balance December 31, 2008	A		<hr/> <hr/> 932,758.99

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Increased by:			
2008 Calendar Year School Levy			38,764,259.50
Decreased by:			
Payments	A-4		38,764,259.50
			<hr/>
2008 Tax Liability for Local District School Tax:			
Tax Paid	A-17		38,764,259.50
			<hr/>
Amount Charged to 2008 Operations	A-1		<hr/> <hr/> 38,764,259.50

SCHEDULE OF RESERVE FOR LOCAL GRANTS - APPROPRIATED

	Balance Dec. 31, 2007	Transferred from 2008 Budget Appropriation	Paid or Charged	Encumbered	Encumbrance Canceled	Balance Dec. 31, 2008
Walmart Safe Grant					1,845.97	1,845.97
Winslow Road	10.00				9,400.00	9,410.00
Developers Donations	35,000.00					35,000.00
JIF Safety Incentive	368.91	8,075.00	3,325.05	3,031.27	655.91	2,743.50
	<u>35,378.91</u>	<u>8,075.00</u>	<u>3,325.05</u>	<u>3,031.27</u>	<u>11,901.88</u>	<u>48,999.47</u>
Ref.	A	A-3	A-4	A-16	A-16	A

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2007	2008 Budget Revenue Realized	Received	Canceled	Balance Dec. 31, 2008
<u>Federal Grants</u>					
Universal COPS #4	62,500.00		62,500.00		
Click It or Ticket		4,000.00	4,000.00		
Community Development Block Grant	213,300.00		82,750.66		130,549.34
CDBG - Main Street Façade		4,500.00			4,500.00
Bulletproof Vest Partnership	9,651.50		9,204.25		447.25
CDBG - Virginia Avenue Sidewalks		75,000.00			75,000.00
	<u>285,451.50</u>	<u>83,500.00</u>	<u>158,454.91</u>		<u>210,496.59</u>
<u>State Grants</u>					
NJ Transportation Trust - Radix Rd Phase I	8,170.82			8,170.82	
NJ Transportation Trust - Radix Rd Phase II	14,570.60			14,570.60	
NJ Transportation Trust - Winslow Rd	50,000.00				50,000.00
NJ Transportation Trust	25,000.00				25,000.00
NJ Transportation Trust - Virginia Avenue		156,100.00			156,100.00
NJ DOT Bike Path		200,000.00			200,000.00
Hepatitis B Innoculation		1,655.00	1,655.00		
NJ DEP Timber Lake Water Main	2,086,643.00				2,086,643.00
Hazardous Discharge Site - Petro Kiryk Site	61,582.00				61,582.00
Hazardous Discharge Site - American Training	33,106.00				33,106.00
Municipal Alliance Youth Service	6,189.00	19,960.00	6,189.00		19,960.00
Drunk Driving Enforcement		10,470.66	10,470.66		
Clean Communities		39,179.66	39,179.66		
Police Over the Limit, Under Arrest		10,000.00	10,000.00		
Police Body Armor		13,323.26	13,323.26		
NJ Highway Safety Aggressive Driving		7,500.00	7,500.00		
NJ Highway Safety Smooth Operator		5,850.00	5,850.00		
Recycling Tonnage Grant		28,080.27	28,080.27		
Delaware Valley Reg Planning Comm	12,003.83				12,003.83
Delaware Valley Reg Planning Comm	100,000.00		53,926.37		46,073.63
Safe and Secure	15,000.00	56,298.00	57,225.00		14,073.00
	<u>2,412,265.25</u>	<u>548,416.85</u>	<u>233,399.22</u>	<u>22,741.42</u>	<u>2,704,541.46</u>
	<u>2,697,716.75</u>	<u>631,916.85</u>	<u>391,854.13</u>	<u>22,741.42</u>	<u>2,915,038.05</u>
Ref.	A	A-2	A-4	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2007	Transferred from 2008 Budget Appropriation	Paid or Charged	Encumbered	Encumbrance Canceled	Balance Dec. 31, 2008
<u>Federal Grants:</u>						
Universal COPS #4	62,500.00		62,500.00			
CDBG - Main Street Façade		4,500.00	2,920.00			1,580.00
CDBG - Virginia Avenue Sidewalks		75,000.00				75,000.00
CDBG Housing/Community Façade	87,260.00		87,260.00			
CDBG	77,500.00		60,250.66			17,249.34
Buckle Up	2,000.00		2,000.00			
Click It or Ticket	4,000.00	4,000.00	8,000.00			
Bullet Proof Vest	19,711.00		12,960.75	3,481.50		3,268.75
	<u>252,971.00</u>	<u>83,500.00</u>	<u>235,891.41</u>	<u>3,481.50</u>		<u>97,098.09</u>
<u>State Grants:</u>						
NJ Transportation Trust-Piney Hollow	10,524.91		10,142.11			382.80
NJ Transportation Trust - Virginia Avenue		156,100.00				156,100.00
NJ Transportation Trust-Winslow Rd					4,426.34	4,426.34
NJ DOT Bike Path		200,000.00	14,412.50	22,837.50		162,750.00
NJ DT Walkways/Path	25,130.25			25,130.25		
Drunk Driving Enforcement	8,982.00	10,470.66	975.00			18,477.66
Police Over the Limit Grant	5,000.00	10,000.00	15,000.00			
NJ Highway Safety Aggressive Driving		7,500.00	7,500.00			
NJ Highway Safety Smooth Operator		5,850.00	5,850.00			
Clean Communities	16,807.48	39,179.66	32,351.34	4,040.00		19,595.80
Municipal Alliance		24,950.00	24,950.00			
Hazardous Discharge Site - Petro Kiryk Site	17,557.00			21,389.03	11,609.03	7,777.00
Hazardous Discharge Site - American Training	12,746.00		8,554.10	4,191.90		
Body Armor Grant	6,390.22	13,323.26	8,130.97			11,582.51
Timberlakes Water Main	2,086,643.00					2,086,643.00
NJ Recycling Tonnage Grant	13,220.55	28,080.27	41,300.82			
Livable Communities-Property	93,386.46		91,119.54	2,266.92		
Stormwater Grant	5,120.75		5,120.75			
Safe & Secure	15,000.00 #	56,298.00	57,225.00			14,073.00
Hepatitis B Innoculation	409.00	1,655.00				2,064.00
	<u>2,316,917.62</u>	<u>553,406.85</u>	<u>322,632.13</u>	<u>79,855.60</u>	<u>16,035.37</u>	<u>2,483,872.11</u>
	<u>2,569,888.62</u>	<u>636,906.85</u>	<u>558,523.54</u>	<u>83,337.10</u>	<u>16,035.37</u>	<u>2,580,970.20</u>
Ref.	A	A-3	A-4	A-21	A-21	A

SCHEDULE OF FEDERAL AND STATE GRANT ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	172,400.76
Increased by:		
Charges to Reserve for Grants Appropriated	A-20	83,337.10
		<hr/> 255,737.86
Decreased by:		
Payments	A-4	151,042.59
Transfer to Reserve for Grants Appropriated	A-20	16,035.37
		<hr/> 167,077.96
Balance December 31, 2008	A	<hr/> <hr/> 88,659.90

TRUST FUND

EXHIBIT B-1

SCHEDULE OF TRUST FUND CASH - TREASURER

	<u>Ref.</u>	<u>Trust Fund</u>	<u>Escrow Trust Fund</u>
Balance December 31, 2007	B	3,181,553.09	751,962.50
Increased by Receipts:			
Dog License Fees:			
Municipal Share	B-3	12,302.50	
State Share		2,663.40	
Forfeited Funds	B-4	5,694.86	
Off-Duty Police Fees	B-5	442,180.00	
Tax Sale Premiums	B-6	435,000.00	
Tax Sale Redemptions	B-6	634,715.93	
Park and Recreation Fees	B-7	182,992.77	
Veterans Affairs Donations	B-8	100.00	
POAA Fees	B-9	64.00	
Public Defender Fees	B-10	2,582.00	
Recycling Fees	B-11	95,178.20	
Sidewalk Trust	B-12	18,000.00	
Snow Removal	B-13	40,000.00	
Accumulated Absence	B-14	50,000.00	
Municipal Open Space	B-16	296,230.41	
Affordable Housing	B-17	118,378.72	
Unemployment Trust	B-18	32,606.54	
Municipal Alliance	B-19	25,110.00	
Escrow Fees			544,814.19
Due from Current Fund			13,194.73
		<u>2,393,799.33</u>	<u>558,008.92</u>
		<u>5,575,352.42</u>	<u>1,309,971.42</u>

EXHIBIT B-1
(Continued)

SCHEDULE OF TRUST FUND CASH - TREASURER

	<u>Ref.</u>	<u>Trust Fund</u>	<u>Escrow Trust Fund</u>
Decreased by Disbursements:			
Due State of New Jersey		2,663.40	
Escrow Fees			528,209.74
Expenditures Under RS 4:19-15.11	B-3	14,104.50	
Forfeited Funds	B-4	3,383.20	
Off-Duty Police Fees	B-5	483,116.75	
Tax Sale Premiums	B-6	180,200.00	
Tax Sale Redemptions	B-6	606,340.30	
Park and Recreation Fees	B-7	491,832.75	
Public Defender Fees	B-10	2,582.00	
Recycling Fees	B-11	120,348.53	
Basin Maintenance	B-15	7,012.00	
Municipal Open Space	B-16	906,250.00	
Affordable Housing	B-17	59,503.06	
Unemployment Compensation	B-18	33,045.93	
Municipal Alliance	B-19	19,458.46	
Historical Society Donations	B-20	5,500.00	
Encumbrances	B-21	63,152.76	2,782.39
Due Current Fund			13,194.73
		<hr/>	<hr/>
		2,998,493.64	544,186.86
Balance December 31, 2008	B	<hr/> <hr/>	<hr/> <hr/>
		2,576,858.78	765,784.56

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

	<u>Ref.</u>	<u>Trust Fund</u>	<u>Escrow Trust Fund</u>
Balance December 31, 2008	B-1	2,576,858.78	765,784.56
Increased by Receipts:			
Cash Receipts Record		600,238.89	327,919.20
		<u>3,177,097.67</u>	<u>1,093,703.76</u>
Decreased by Disbursements:			
Cash Disbursements Record		536,198.62	145,482.94
		<u>2,640,899.05</u>	<u>948,220.82</u>
Balance May 29, 2009	B-2	<u>2,640,899.05</u>	<u>948,220.82</u>

Cash Reconciliation - May 29, 2009

Balance Per Statement			
TD Bank		2,060,440.15	948,220.82
Monroe Savings		580,458.90	
		<u>2,640,899.05</u>	<u>948,220.82</u>
Balance May 29, 2009	B-2	<u>2,640,899.05</u>	<u>948,220.82</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2007	B	27,852.00
Increased by:		
Municipal Share of Dog License Fees	B-1	12,302.50
		40,154.50
Decreased by:		
Expenditures Under R.S.4:19-15.11	B-1	14,104.50
Balance December 31, 2008	B	26,050.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	13,264.50
2007	12,785.50
	26,050.00

SCHEDULE OF RESERVE FOR FORFEITED FUNDS

	<u>Ref.</u>	
Balance December 31, 2007	B	29,051.07
Increased by:		
Receipts	B-1	5,694.86
		34,745.93
Decreased by:		
Disbursements	B-1	3,383.20
Balance December 31, 2008	B	31,362.73

EXHIBIT B-5

SCHEDULE OF RESERVE FOR OFF-DUTY POLICE FEES

	<u>Ref.</u>	
Balance December 31, 2007	B	79,924.78
Increased by:		
Receipts	B-1	442,180.00
		<u>522,104.78</u>
Decreased by:		
Disbursements	B-1	483,116.75
		<u>483,116.75</u>
Balance December 31, 2008	B	<u><u>38,988.03</u></u>

EXHIBIT B-6

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION AND PREMIUMS

	<u>Ref.</u>	<u>Premiums</u>	<u>Redemptions</u>
Balance December 31, 2007	B	154,100.00	3,392.30
Increased by:			
Receipts	B-1	435,000.00	634,715.93
		<u>589,100.00</u>	<u>638,108.23</u>
Decreased by:			
Disbursements	B-1	180,200.00	606,340.30
Encumbrances	B-21	6,600.00	28,668.60
Due Current Fund		500.00	
		<u>187,300.00</u>	<u>635,008.90</u>
Balance December 31, 2008	B	<u><u>401,800.00</u></u>	<u><u>3,099.33</u></u>

SCHEDULE OF RESERVE FOR PARK AND RECREATION

	Balance Dec. 31, 2007	Receipts	Disbursements	Balance Dec. 31, 2008
Developers Donations	573,114.05	34,820.00	361,098.85	246,835.20
Other Park and Recreation Functions	34,596.02	148,172.77	131,195.25	51,573.54
	607,710.07	182,992.77	492,294.10	298,408.74
Ref.	B	B-1		B
		<u>Ref.</u>		
	Cash	B-1	491,832.75	
	Encumbered	B-21	461.35	
			492,294.10	

EXHIBIT B-8

SCHEDULE OF VETERANS AFFAIRS DONATIONS

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	<u>100.00</u>
Balance December 31, 2008		<u><u>100.00</u></u>

EXHIBIT B-9

SCHEDULE OF RESERVE FOR POAA FEES

	<u>Ref.</u>	
Balance December 31, 2007	B	683.67
Increased by:		
Receipts	B-1	<u>64.00</u>
Balance December 31, 2008	B	<u><u>747.67</u></u>

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	<u>2,582.00</u>
Decreased by:		
Disbursements	B-1	<u>2,582.00</u>

SCHEDULE OF RESERVE FOR RECYCLING FEES

	<u>Ref.</u>		
Balance December 31, 2007	B		42,119.81
Increased by:			
Receipts	B-1		<u>95,178.20</u>
			137,298.01
Decreased by:			
Disbursements	B-1	120,348.53	
Encumbrances	B-21	<u>1,250.00</u>	
			<u>121,598.53</u>
Balance December 31, 2008	B		<u><u>15,699.48</u></u>

EXHIBIT B-12

SCHEDULE OF RESERVE FOR SIDEWALK TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2007	B	107,230.44
Increased by:		
Receipts	B-1	<u>18,000.00</u>
Balance December 31, 2008	B	<u><u>125,230.44</u></u>

EXHIBIT B-13

SCHEDULE OF RESERVE FOR SNOW REMOVAL EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2007	B	24,183.10
Increased by:		
Cash Receipts	B-1	<u>40,000.00</u>
		64,183.10
Decreased by:		
Encumbrances	B-21	<u>200.00</u>
Balance December 31, 2008	B	<u><u>63,983.10</u></u>

SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES

	<u>Ref.</u>	
Balance December 31, 2007	B	180,000.00
Increased by:		
Budget Appropriation	B-1	<u>50,000.00</u>
Balance December 31, 2008	B	<u><u>230,000.00</u></u>

SCHEDULE OF RESERVE FOR BASIN MAINTENANCE

	<u>Ref.</u>	
Balance December 31, 2007	B	495,000.00
Decreased by:		
Disbursements	B-1	<u>7,012.00</u>
Balance December 31, 2008	B	<u><u>487,988.00</u></u>

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE

	<u>Ref.</u>		
Balance December 31, 2007	B		1,190,795.66
Increased by:			
Tax Levy	B-1	285,240.58	
Due Current Fund		4,999.42	
Interest	B-1	<u>10,989.83</u>	
			<u>301,229.83</u>
			1,492,025.49
Decreased by:			
Disbursements	B-1		<u>906,250.00</u>
Balance December 31, 2008	B		<u><u>585,775.49</u></u>

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

	<u>Ref.</u>		
Balance December 31, 2007	B		107,398.20
Increased by:			
Receipts	B-1		<u>118,378.72</u>
			225,776.92
Decreased by:			
Disbursements	B-1	59,503.06	
Encumbered	B-21	<u>11,317.25</u>	
			<u>70,820.31</u>
Balance December 31, 2008	B		<u><u>154,956.61</u></u>

SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>Ref.</u>	
Balance December 31, 2007	B	21,964.25
Increased by:		
Cash Receipts	B-1	<u>32,606.54</u>
		54,570.79
Decreased by:		
Cash Disbursements	B-1	<u>33,045.93</u>
Balance December 31, 2008	B	<u><u>21,524.86</u></u>

SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>Ref.</u>		
Balance December 31, 2007	B		3,572.98
Increased by:			
Cash Receipts	B-1		<u>25,110.00</u>
			28,682.98
Decreased by:			
Cash Disbursements	B-1	19,458.46	
Encumbered	B-21	<u>4,998.66</u>	
			<u>24,457.12</u>
Balance December 31, 2008	B		<u><u>4,225.86</u></u>

SCHEDULE OF RESERVE FOR HISTORICAL SOCIETY DONATIONS

Balance December 31, 2007	<u>Ref.</u> B	23,510.55
Decreased by:		
Cash Disbursements for:		
Historical Society	B-1	<u>5,500.00</u>
Balance December 31, 2008	B	<u><u>18,010.55</u></u>

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2007	B		83,064.21
Increased by Charges for:			
Tax Sale Premiums	B-6	6,600.00	
Tax Sale Redemptions	B-6	28,668.60	
Park and Recreation Expenditures	B-7	461.35	
Recycling	B-11	1,250.00	
Snow Removal	B-13	200.00	
Affordable Housing	B-17	11,317.25	
Municipal Alliance	B-19	4,998.66	
		<u>53,495.86</u>	
			<u>136,560.07</u>
Decreased by:			
Cash Disbursements	B-1		<u>63,152.76</u>
Balance December 31, 2008	B		<u><u>73,407.31</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2007	C		583,486.64
Increased by:			
Budget Appropriation	C-5:C-6	363,000.00	
Due from GCIA		203,853.57	
Serial Bonds	C-9	4,436,000.00	
Due Trust Fund		1,256,250.00	
		<hr/>	6,259,103.57
			<hr/>
			6,842,590.21
Decreased by:			
Improvement Authorizations	C-7	2,716,736.84	
Encumbrances Payable	C-11	1,090,038.99	
Due GCIA		547,466.77	
		<hr/>	4,354,242.60
			<hr/>
Balance December 31, 2008	C		<hr/> <hr/> 2,488,347.61

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

	<u>Ref.</u>	
Balance December 31, 2008	C-1	2,488,347.61
Increased by:		
Cash Receipts Record		<u>1,359,238.88</u>
		3,847,586.49
Decreased by:		
Cash Disbursements Record		<u>1,478,440.90</u>
Balance May 29, 2009	C-2	<u><u>2,369,145.59</u></u>
		<u>Cash Reconciliation - May 29, 2009</u>
Balance per Statement		
TD Bank	C-2	<u><u>2,369,145.59</u></u>

SCHEDULE OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2007	Receipts			Disbursements		Transfers To/(From)	Balance Dec. 31, 2008
		Budget	Serial Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous		
Fund Balance								
Capital Improvement Fund	18,321.08	125,000.00					(143,000.00)	321.08
Due from GCIA	(144,615.48)			203,853.57		547,466.77		(488,228.68)
Due to Trust Fund				1,256,250.00			(1,256,250.00)	
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
13-99 Various Capital Improvements	32,660.22							32,660.22
14-99 Acquisition of Equipment and Completion of Various Capital Improvements								
18-02 Various Capital Improvements	230,397.74						(99,640.28)	130,757.46
18-03 Various Capital Improvements	205,030.00						(145,290.70)	59,739.30
8-05 Various Capital Improvements	5,000.00							5,000.00
16-05 Development of Football Field	2,024.24							2,024.24
22-05 Various Capital Improvements	32,819.50				1,459.20		(1,100.00)	30,260.30
27-05 Development of Walking Path								
37-05 Various Capital Improvements	(142,000.00)	38,000.00	114,000.00					10,000.00
17-06 Various Capital Improvements	98,398.51				1,070.00			97,328.51
10-2007 Various Capital Improvements	(1,431,533.77)	200,000.00	1,605,000.00		118,705.49		(64,310.00)	190,450.74
53-2007 Improvements to Mary Mazza Duffy Memorial Park	450,000.00				449,985.46		(14.54)	
66-2007 Purchase of Recycling Truck	124,000.00				124,000.00			
3-2008 Development of the Mary Mazza Duffy Memorial Park					929,078.72		930,578.72	1,500.00
5-2008 Dam Remediation Engineering and Survey					41,581.25		91,756.25	50,175.00
8-2008 Petro Kiryk and ATS Property Site Remediation							7,066.00	7,066.00
16-2008 Purchase of Genova Farm					306,250.00		306,250.00	
18-2008 Reconstruction and Refurbishment of the Municipal Library Various Capital Improvements and Acquisition of Various Pieces of Equipment			2,375,000.00		355,821.14		(1,486,152.75)	533,026.11
20-2008 Pieces of Equipment			342,000.00		255,790.58		(1,892.25)	84,317.17
21-2008 SCBA Bottle Replacement and Thermal Imaging Camera					12,995.00		20,000.00	7,005.00
31-2008 Automated Trash Containers					120,000.00		120,000.00	
Encumbrances Payable	1,102,984.60					1,090,038.99	1,721,999.55	1,734,945.16
	<u>583,486.64</u>	<u>363,000.00</u>	<u>4,436,000.00</u>	<u>1,460,103.57</u>	<u>2,716,736.84</u>	<u>1,637,505.76</u>		<u>2,488,347.61</u>
Ref.	C	C-1	C-9	C-1	C-7	C-1		C

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>Ref.</u>		
Balance December 31, 2007	C		12,443,967.07
Increased by:			
Serial Bonds Issued	C-9		<u>4,436,000.00</u>
			16,879,967.07
Decreased by:			
Payments on General Serial Bonds	C-9	885,000.00	
Payments on Green Trust Loans	C-8	<u>35,032.78</u>	
			<u>920,032.78</u>
Balance December 31, 2008	C		<u><u>15,959,934.29</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2007	Authorizations	Budget Appropriation	Bonds Issued
37-05	Various Capital Improvements	152,000.00		38,000.00	114,000.00
10-07	Various Capital Improvements	1,805,000.00		200,000.00	1,605,000.00
18-2008	Reconstruction and Refurbishment of the Municipal Library		2,375,000.00		2,375,000.00
20-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment		342,000.00		342,000.00
		<u>1,957,000.00</u>	<u>2,717,000.00</u>	<u>238,000.00</u>	<u>4,436,000.00</u>
		Ref. C	C-7		C-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	C	18,321.08
Increased by:		
Budget Appropriation	C-1	<u>125,000.00</u>
		143,321.08
Decreased by:		
Funding of Ordinance	C-7	<u>143,000.00</u>
Balance December 31, 2008	C	<u><u>321.08</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2007		2008 Authorizations				Reappropriation of Ordinance	Paid or Charged	Encumbered	Balance Dec. 31, 2008
		Date	Amount	Funded	Unfunded	Open Space	Capital Improvement Fund	Deferred Charges Unfunded	Developer's Donations				
13-99	Various Capital Improvements	5-12-99	940,800.00	32,660.22									32,660.22
14-99	Acquisition of Equipment and Completion of Various Capital Improvements	5-12-99	6,944,400.00										
18-02	Various Capital Improvements	10-22-02	2,143,581.74	230,397.74					(46,588.50)		53,051.98		130,757.46
18-03	Various Capital Improvements	5-13-03	1,589,500.00	205,030.00					(145,290.70)				59,739.30
8-05	Various Capital Improvements	5-24-05	47,985.00	5,000.00									5,000.00
16-05	Development of Football Field	8-10-05	265,000.00	2,024.24									2,024.24
22-05	Various Capital Improvements	8-25-05	150,000.00	32,819.50							1,459.20	1,100.00	30,260.30
27-05	Development of Walking Path	10-11-05	3,500.00										
37-05	Various Capital Improvements	11-22-05	200,000.00		10,000.00								10,000.00
17-06	Various Capital Improvements	4-25-06	30,000.00	98,398.51							1,070.00		97,328.51
1-07	Trash and Recycling Containers	2-13-07	92,460.00										
9-07	Decorative Street Lighting-Poles & Fixtures	4-24-07	6,378.78										
10-07	Various Capital Improvements	4-24-07	1,900,000.00		373,466.23					(58,121.00)	118,705.49	6,189.00	190,450.74
53-07	Improvements to Mary Mazza Duffy Memorial Park	9-11-07	450,000.00	450,000.00							449,985.46	14.54	
66-07	Purchase of Recycling Truck	11-27-07	108,425.17	124,000.00							124,000.00		
3-08	Development of the Mary Mazza Duffy Memorial Park	2-12-08	950,000.00			600,000.00					929,078.72	19,421.28	1,500.00
5-08	Dam Remediation Engineering and Survey	3-11-08	100,000.00							100,000.00	41,581.25	8,243.75	50,175.00
8-08	Petro Kiryk and ATS Property Site Remediation	3-25-08	10,000.00							10,000.00	2,934.00		7,066.00
16-08	Purchase of Genova Farm	4-22-08	306,250.00			306,250.00					306,250.00		
18-08	Reconstruction and Refurbishment of the Municipal Library	6-24-08	2,500,000.00				125,000.00	2,375,000.00			355,821.14	1,611,152.75	533,026.11
20-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment	7-22-08	360,000.00				18,000.00	342,000.00			255,790.58	19,892.25	84,317.17
21-08	SCBA Bottle Replacement and Thermal Imaging Camera	9-9-08	20,000.00							20,000.00	12,995.00		7,005.00
31-08	Automated Trash Containers	9-9-08	120,000.00							120,000.00	120,000.00		
				<u>1,180,330.21</u>	<u>383,466.23</u>	<u>906,250.00</u>	<u>143,000.00</u>	<u>2,717,000.00</u>	<u>350,000.00</u>		<u>2,716,736.84</u>	<u>1,721,999.55</u>	<u>1,241,310.05</u>
	Ref.			C	C	C-1	C-6	C-4			C-1	C-11	C

SCHEDULE OF LOAN PAYABLE - GREEN TRUST

	<u>Ref.</u>	
Balance December 31, 2007	C	303,967.07
Decreased by:		
Payments	C-4	<u>35,032.78</u>
Balance December 31, 2008	C	<u><u>268,934.29</u></u>

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</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</u>			
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2007</u>
General Improvement of 1999	06/01/99	6,845,000.00	6-1-09/2013	550,000.00	4.55%	3,795,000.00		500,000.00	3,295,000.00
			6-1-14	545,000.00	4.55%				
General Improvement of 2003	6/15/03	8,755,000.00	6-15-09/2010	385,000.00	3.25%	8,345,000.00		385,000.00	7,960,000.00
			6-15-11	430,000.00	3.25%				
			6-15-12/2013	475,000.00	3.25%				
			6-15-14	540,000.00	3.25%				
			6-15-15	1,200,000.00	3.25%				
			6-15-16	1,300,000.00	3.50%				
			6-15-17	1,370,000.00	3.50%				
6-15-18	1,400,000.00	3.50%							
General Improvement of 2008	11/01/08	4,436,000.00	11/1/09-2018	50,000.00	4.75%		4,436,000.00		4,436,000.00
			11/1/19-2022	300,000.00	4.75%				
			11/1/23-2025	400,000.00	4.75%				
			11/1/26-2027	500,000.00	5.00%				
			11/1/2028	536,000.00	5.00%				
						<u>12,140,000.00</u>	<u>4,436,000.00</u>	<u>885,000.00</u>	<u>15,691,000.00</u>
					Ref.	C	C-1	C-4	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2007	Authorized	Funded by Budget	Bonds Issued
37-05	Various Capital Improvements	152,000.00		38,000.00	114,000.00
10-07	Various Capital Improvements	1,805,000.00		200,000.00	1,605,000.00
18-2008	Reconstruction and Refurbishment of the Municipal Library		2,375,000.00		2,375,000.00
20-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment		342,000.00		342,000.00
		<u>1,957,000.00</u>	<u>2,717,000.00</u>	<u>238,000.00</u>	<u>4,436,000.00</u>
	Ref.		C-7	C-1	C-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	C	1,102,984.60
Increased by:		
Charges	C-7	<u>1,721,999.55</u>
		2,824,984.15
Decreased by:		
Payments	C-1	<u>1,090,038.99</u>
Balance December 31, 2008	C	<u><u>1,734,945.16</u></u>

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE

<u>Purpose</u>	<u>Lease Number</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
				<u>Principal</u>	<u>Interest</u>		<u>Dec. 31, 2007</u>		<u>Dec. 31, 2008</u>
Various Capital Improvements	Series 2004C	12/07/04	20 Years	2,468,000.00	519,279.58	3%-4.5%	1,639,000.00	288,000.00	1,351,000.00
Various Capital Improvements	Series 2006	12/18/06	15 Years	3,405,000.00	1,079,650.02	3.75%-5%	3,265,000.00	215,000.00	3,050,000.00
							<u>4,904,000.00</u>	<u>503,000.00</u>	<u>4,401,000.00</u>
						Ref.	C		C

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	Balance Dec. 31, 2007	Additions	Retirements	Balance Dec. 31, 2008
Buildings	9,619,800.00			9,619,800.00
Land	3,780,500.00	306,250.00	19,000.00	4,067,750.00
Equipment	888,454.72	300,369.83	41,157.99	1,147,666.56
Vehicles	7,036,330.58	1,424,461.45	77,428.76	8,383,363.27
	<u>21,325,085.30</u>	<u>2,031,081.28</u>	<u>137,586.75</u>	<u>23,218,579.83</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:

- Additions and renovations to the Monroe Twp Library
- New generator package for the ambulance and rescue building
- Demolition and Clearing of unsafe structures
- Façade Program
- New mack cab and chassis
- Central Business District Revitalization of Main Street, Phase IV A

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 reveal 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 April 22, 2008, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments and to fix a penalty to be charged to a taxpayer with a delinquency.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Monroe as follows: There shall be interest on delinquent taxes during the year 2008 to be charged at the rate of eight (8%) per annum up to \$1,500.00 and eighteen (18%) per annum over \$1,500.00, the same to be calculated from the date the tax was payable until the date of actual payment, provided however, that no interest shall be charged if payment of taxes is made within ten (10) days after the date upon the same became payable.

BE IT FURTHER RESOLVED, there shall also be a penalty of six (6%) percent to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. For the purpose of this paragraph, "delinquency" means the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters of years.

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 September 9, 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	113
2007	106
2006	90

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. A separate report will be rendered if any irregularities develop after the date of the audit.

OTHER COMMENTS

Chief Financial Officer

The records maintained by the Chief Financial Officer were found to be in good condition.

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.

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 fixed asset accounting and reporting system has been maintained as required by N.J.A.C. 5:30-5.6. Fixed assets comprise the most significant investment of the Township; therefore, it is important that these assets are properly safeguarded. A system for maintaining and verifying fixed assets can provide these safeguards as well as provide valuable management information.

Payroll/Human Resources

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

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.

Housing Enforcement Official

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

Zoning Board of Adjustment

The records maintained by the Zoning Board of Adjustment were found to be in good condition.

Board of Health

The records maintained by the Board of Health were found to be in good condition.

Community Affairs

The records maintained by Community Affairs were found to be in good condition.

Park and Recreation

The records maintained by the Park and Recreation Department were found to be in good condition with the exception that receipts were not deposited within 48 hours or definite amounts as required by N.J.S.A. 40A:5-15.

Municipal Court

There were noncompliance issues and weaknesses in procedures that should be corrected as follows:

1. Local and state police tickets were not entered into the computer system within the required time frame.
2. In a few cases Failure to Appear Notices were not generated promptly.
3. There are "Tickets Issued but not Assigned" in the computer system.
4. A ticket was voided without any accompanying justification.

Corrective Action Plan

A corrective action plan for the 2007 audit was filed with the Division of Local Government Services by the Chief Financial Officer.

FINDINGS AND RECOMMENDATIONS

Control Deficiency:

1) Finding:
The receipts for the Park and Recreation Department were not deposited within 48 hours or definite amounts as required by N.J.S.A. 40A:5-15.

Recommendation:
Receipts for the Park and Recreation Department be deposited within 48 hours and in definite amounts as required by N.J.S.A. 40A:5-15.

2) Finding:
There were many exceptions noted during the audit of the Municipal Court with respect to case management processing.

Recommendation:
The Municipal Court review its procedures to insure that case management follow-up is completed in a timely manner.

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,



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