

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

JUNE 30, 2008

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

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BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

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CURRENT FUND

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Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

REPORT OF INDEPENDENT AUDITOR

To the Honorable Mayor and Members
Of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Union Beach, New Jersey, as of June 30, 2008 and 2007, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended June 30, 2008. These financial statements are the responsibility of the Borough of Union Beach's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our

However, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough as of June 30, 2008 and the results of operations and changes in fund balance- regulatory basis of such funds for the year then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended June 30, 2008 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2008 on our consideration of the Borough of Union Beach's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of our 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 has been made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying additional schedules, information relating to federal and state grants and comments and recommendations section listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such additional information has been subjected to the 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, on the basis of accounting described in Note 1.

Robert A. Hulsart and Company

3.

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL

REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED

IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 misstatement 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 the regulatory basis of accounting prescribed by the Division 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 entity's internal control.

Our consideration of internal control financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

**Exhibit A
Sheet 1 of 2**

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Assets</u>			
Cash:			
Treasurer	A-4	\$ 1,246,822.39	\$ 1,847,932.71
Tax Collector	A-5	73,932.98	558,941.12
Borough Clerk	A-6	9,032.90	9,305.15
Change Fund		50.00	50.00
		<u>1,329,838.27</u>	<u>2,416,228.98</u>
 Due From State of New Jersey Veterans and Senior Citizens	 A-8	 <u>63,195.65</u>	 <u>64,195.65</u>
 Receivables With Full Reserves:			
Delinquent Taxes	A-7	148,523.85	145,060.63
Taxes in Bankruptcy	A-11	54,395.49	54,395.49
Property Acquired for Taxes	A-12	2,191,000.00	2,191,000.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

6.

CURRENT FUND

**Exhibit A
Sheet 2 of 2**

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 104,886.41	\$ 91,444.95
Encumbrances	A-3	37,500.00	37,500.00
Deferred Revenue	A-2,6	3,650.00	5,050.00
Tax Overpayments	A-11	336.82	2,679.05
Prepaid Taxes	A-5,7	14,531.86	14,758.82
Tax Anticipation Note	A-4	700,000.00	900,000.00
Due to Sewer Capital Fund	D	90,000.00	90,000.00
Due to Trust - Other	B	15,272.66	22,251.19
Due to Sewer Operating	D	35,758.68	
Emergency Note Payable	A-17	27,000.00	36,000.00
Due to Grant Fund	Contra		44,192.92
Due to General Capital Fund	C	210,489.90	754,635.00
Total Liabilities		1,239,426.33	1,998,511.93
Reserve for Receivables		2,414,760.70	2,458,949.46

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

7.

CURRENT FUND

Exhibit A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE

IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$ 453,700.00	570,000.00
Miscellaneous Revenue Anticipated	A-2	1,945,762.85	2,462,327.10
Receipts from Delinquent Taxes	A-2	141,534.16	141,979.20
Receipts from Current Taxes	A-2	12,789,260.85	12,248,902.37
Non-Budget Revenue	A-2	45,747.95	190,732.31
Other Credits to Income:			
Appropriation Reserves Lapsed	A-16	24,122.78	86,372.47
Budget Appropriations Cancelled	A-3	1,401.64	5,143.16
		<u>15,401,530.23</u>	<u>15,705,456.61</u>
<u>Expenditures</u>			
Budget Appropriations:			
Inside CAP:			
Salaries and Wages	A-3	3,017,728.00	2,835,692.05
Other Expenses	A-3	2,435,124.00	2,361,499.93

COUNTY OF MONMOUTH

FUND

1 - REGULATORY BASIS

ENDED JUNE 30, 2008

**Exhibit A-2
Sheet 1 of 2**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
	\$ 453,700.00	453,700.00	-
	5,750.00	5,750.00	-
	40,050.00	35,865.10	(4,184.90)
	145,000.00	120,807.13	(24,192.87)
	24,400.00	36,162.09	11,762.09
	26,937.00	26,937.00	-
	299,349.00	299,349.00	-
	565,296.00	565,296.00	-
	20,981.00	20,981.00	-
	94,000.00	105,573.00	11,573.00
	325,000.00	325,000.00	-
	7,161.64	7,161.64	-
	2,117.00	2,117.00	-
	5,284.69	5,284.69	-
	1,465.89	1,465.89	-
	1,523.17	1,523.17	-
	104,834.00	104,834.00	-
	7,550.00	13,550.85	6,000.85
	17,779.00	17,779.00	-
	39,805.00	41,222.28	1,417.28
	75,000.00	75,000.00	-
	50,327.11	50,327.11	-
	15,108.00	15,747.00	639.00
	1,260.00	1,260.00	-
	50,000.00	50,000.00	-
	21,975.00	16,769.90	(5,205.10)
	1,947,953.50	1,945,762.85	(2,190.65)
	120,000.00	141,534.16	21,534.16
	4,836,806.00	4,867,267.75	30,461.75
	7,358,459.50	7,408,264.76	49,805.26
	-	45,747.95	45,747.95
	<u>\$ 7,358,459.50</u>	<u>7,454,012.71</u>	<u>95,553.21</u>

COUNTY OF MONMOUTH

FUND

- REGULATORY BASIS

ENDED JUNE 30, 2008

Exhibit A-2
Sheet 2 of 2

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
\$	3,116.34	\$ 12,789,260.85	
	1,181.00	8,075,693.10	
	2,206.93	4,713,567.75	
	2,445.00	153,700.00	
	1,124.20		
	2,268.68		
	200.00		
	3,632.03		
	13,358.76		
	5,042.18		
	<u>14,289.17</u>		
		<u>45,747.95</u>	
			<u>\$ 45,747.95</u>

- COUNTY OF MONMOUTH

FUND

RES - REGULATORY BASIS

ENDED JUNE 30, 2008

Exhibit A-3
Sheet 1 of 7

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
25,500.00	25,499.75	0.25	
93,100.00	93,099.83	0.17	
28,450.00	28,311.57	138.43	
12,500.00	12,482.53	17.47	
2,240.00	2,240.00	-	
2,500.00	2,500.00	-	
74,500.00	74,497.06	2.94	
43,800.00	43,605.52	194.48	
37,500.00	37,500.00	-	
29,525.00	29,202.21	322.79	
3,600.00	3,517.60	82.40	
		-	
47,650.00	47,457.62	192.38	
7,500.00	7,499.30	0.70	
2,000.00	2,000.00	-	
200.00	-	200.00	
45,000.00	44,979.61	20.39	
57,000.00	56,651.84	348.16	
3,750.00	-	3,750.00	
2,750.00	2,499.96	250.04	
45,588.00	44,973.82	614.18	

COUNTY OF MONMOUTH

Exhibit A-3
Sheet 2 of 7

FUND

RES - REGULATORY BASIS

ENDED JUNE 30, 2008

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
174,800.00	174,567.92	232.08	
110,000.00	109,999.71	0.29	
5,000.00	5,000.00	-	
19,450.00	19,410.04	39.96	
1,550.00	1,515.73	34.27	
125.00	-	125.00	
25,880.00	25,879.96	0.04	
150.00	-	150.00	
-	-	-	
120,000.00	120,000.00	-	
96,200.00	96,117.56	82.44	
6,300.00	5,715.52	584.48	
1,923,000.00	1,922,999.84	0.16	
75,850.00	75,724.30	125.70	
12,000.00	-	12,000.00	
2,300.00	2,300.00	-	
4,300.00	4,300.00	-	

... COUNTY OF MONMOUTH

FUND

RES - REGULATORY BASIS

ENDED JUNE 30, 2008

Exhibit A-3
Sheet 3 of 7

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
7,400.00	7,313.71	86.29	
8,500.00	8,437.39	62.61	
500.00	-	500.00	
29,500.00	14,750.00	14,750.00	
2,000.00	2,000.00	-	
309,741.00	309,740.21	0.79	
37,000.00	36,986.43	13.57	
62,000.00	61,915.10	84.90	
233,500.00	233,500.00	-	
-	-	-	
295,500.00	295,497.88	2.12	
57,800.00	57,775.74	24.26	
88,660.00	88,628.49	31.51	
27,892.00	27,822.39	69.61	
6,350.00	6,347.99	2.01	
900.00	-	900.00	
750.00	750.00	-	
12,000.00	8,353.06	3,646.94	
6,100.00		6,100.00	

COUNTY OF MONMOUTH

FUND

RES - REGULATORY BASIS

ENDED JUNE 30, 2008

Exhibit A-3
Sheet 4 of 7

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
6,000.00	5,500.00	500.00	
3,800.00	2,412.00	1,388.00	
675.00	-	675.00	
71,500.00	71,499.52	0.48	
7,020.00	7,017.49	2.51	
3,500.00	3,411.35	88.65	
100.00	-	100.00	
<u>160,000.00</u>	<u>160,000.00</u>	<u>-</u>	
<u>140,500.00</u>	<u>140,478.84</u>	<u>21.16</u>	
<u>514,697.00</u>	<u>514,606.48</u>	<u>90.52</u>	
40,800.00	40,795.16	4.84	
5,000.00	4,991.82	8.18	
42,350.00	42,341.86	8.14	
2,500.00	2,489.31	10.69	
56,000.00	55,975.38	24.62	
47,259.00	47,166.95	92.05	
22,000.00	21,735.10	264.90	
<u>5,451,352.00</u>	<u>5,402,288.45</u>	<u>49,063.55</u>	<u>-</u>
<u>1,500.00</u>	<u>1,497.26</u>	<u>2.74</u>	
<u>5,452,852.00</u>	<u>5,403,785.71</u>	<u>49,066.29</u>	<u>-</u>
3,017,728.00	3,016,470.03	1,257.97	
2,435,124.00	2,387,315.68	47,808.32	

COUNTY OF MONMOUTH

Exhibit A-3
Sheet 5 of 7

FUND

FEES - REGULATORY BASIS

ENDED JUNE 30, 2008

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
3,658.11	3,658.11	-	-
7,356.00	-	7,356.00	-
231,000.00	230,981.06	18.94	-
242,014.11	234,639.17	7,374.94	-
5,694,866.11	5,638,424.88	56,441.23	-
12,973.00	12,973.00	-	-
34,000.00	34,000.00	-	-
6,000.00	5,938.85	61.15	-
137,492.00	137,492.00	-	-
112,550.00	90,466.13	22,083.87	-
47,000.00	44,053.00	2,947.00	-
350,015.00	324,922.98	25,092.02	-
7,161.64	7,161.64	-	-
5,284.69	5,284.69	-	-
2,117.00	2,117.00	-	-
1,465.89	1,465.89	-	-
1,260.00	1,260.00	-	-
1,523.17	1,523.17	-	-
18,812.39	18,812.39	-	-
368,827.39	343,735.37	25,092.02	-

- COUNTY OF MONMOUTH

Exhibit A-3
Sheet 6 of 7

FUND

RES - REGULATORY BASIS

ENDED JUNE 30, 2008

<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
25,000.00	25,000.00	-	
15,000.00	10,657.89	4,342.11	
1,000.00		1,000.00	
3,000.00		3,000.00	
2,000.00	1,988.95	11.05	
10,000.00	10,000.00	-	
15,000.00	-	15,000.00	
71,000.00	47,646.84	23,353.16	-
370,000.00	370,000.00		
234,400.00	234,400.00		
135,400.00	135,400.00		0.64
222,808.00	222,807.36		
54,050.00	54,028.59		21.41
44,408.00	43,028.41		
1,061,066.00	1,059,664.36	-	1,379.59
			1,401.64
9,000.00	9,000.00		
9,000.00	9,000.00		
1,509,893.39	1,460,046.57	48,445.18	1,401.64
7,204,759.50	7,098,471.45	104,886.41	1,401.64
153,700.00	153,700.00		
7,358,459.50	7,252,171.45	104,886.41	1,401.64
A-1		A	A-1

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

17.

TRUST FUND

Exhibit B

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Assets</u>			
<u>Dog License Fund</u>			
Deferred Charges - Deficit in Operations	B-2	\$ 6,333.24	3,658.11
<u>Payroll</u>			
Cash	B-1	15,176.62	23,814.19
<u>Unemployment Trust</u>			
Cash	B-1	3,347.43	3,347.43
<u>Trust - Other</u>			
Cash	B-1	138,001.39	412,151.08
Due from Current Fund	B-12	15,272.66	22,251.19
		<u>153,274.05</u>	<u>434,402.27</u>
Total Assets		<u>\$ 178,131.34</u>	<u>465,222.00</u>

Liabilities, Reserves and Fund Balance

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHGENERAL CAPITAL FUND

Exhibit C

COMPARATIVE BALANCE SHEETREGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Assets</u>			
Cash	C-a	\$ 29,009.01	
Grants Receivable	C-7	129,524.83	309,524.83
Due from Current Fund	C-9	210,489.90	754,635.00
Due from Federal and State Grants Fund	C-1	120,990.99	
Due from Sewer Capital Fund	C-1	30,139.73	
Deferred Charges to Future Taxation:			
Funded		3,784,092.49	4,213,271.57
Unfunded	C-2	5,106,725.00	4,829,875.00
Total Assets		<u>\$ 9,410,971.95</u>	<u>10,107,306.40</u>

Liabilities, Reserves and Fund Balance

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Assets</u>			
<u>Sewer Operating</u>			
Cash - Checking	D-4	\$ 121,719.96	-
Other Accounts Receivables	D-7	-	168,897.84
Due From Current Fund	D-8	35,758.68	-
Deferred Charges - Emergency Appropriation	D-3	-	119,122.72
		<u>157,478.64</u>	<u>288,020.56</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	D-5	45,211.92	45,211.92
		<u>45,211.92</u>	<u>45,211.92</u>
Total Sewer Operating		<u>202,690.56</u>	<u>333,232.48</u>
<u>Sewer Capital</u>			
Due from Sewer Operating		20,000.00	20,000.00
Due from Current Fund	D-14	90,000.00	90,000.00
Fixed Capital Authorized & Uncompleted		100,000.00	100,000.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHSEWER UTILITY FUND

Exhibit D-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCEREGULATORY BASIS

	<u>Ref.</u>	<u>Balance June 30, 2008</u>	<u>Balance June 30, 2007</u>
<u>Revenue and Other Income Realized</u>			
Sewer Service Charge	D-2	\$ 1,000,869.01	1,122,925.09
Bayshore Regional Sewerage Authority - Host Fees	D-2	9,461.28	12,579.72
Non-Budget Revenue	D-2	8,365.98	6,632.17
Other Credits to Income:			
Budget Appropriations Cancelled	D-3	21,244.71	6.00
Appropriation Reserves Lapsed	D-6	21,484.81	28,358.26
		<u>1,061,425.79</u>	<u>1,170,501.24</u>

Expenditures

Budget Appropriations:

Operating	D-3	813,152.00	962,222.72
Debt Service	D-3	117,675.00	113,400.00
		5,000.00	15,000.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

21.

SEWER UTILITY FUND

Exhibit D-2

STATEMENT OF REVENUES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1	\$ 1,050,000.00	1,000,869.01	(49,130.99)
Host Fees	D-1	9,450.00	9,461.28	11.28
Total Sewer Utility Revenues		1,059,450.00	1,010,330.29	(49,119.71)
Miscellaneous Revenue Not Anticipated	D-1	-	8,365.98	8,365.98
Total Revenues		<u>\$ 1,059,450.00</u>	<u>1,018,696.27</u>	<u>(40,753.73)</u>

COUNTY OF MONMOUTH

TY FUND

Exhibit D-3

EXPENDITURES

ENDED JUNE 30, 2008

Y BASIS

Budget After Modification	Paid or Charged	Reserved	Cancelled
50,240.00	50,240.00	-	
45,000.00	31,302.25	13,697.75	
717,912.00	696,699.90	-	21,212.10
5,000.00	5,000.00	-	
4,275.00	4,248.67	-	26.33
113,400.00	113,394.00	-	6.00
119,123.00	119,122.72	-	0.28
3,000.00	3,000.00		
1,500.00	1,500.00		
<u>1,059,450.00</u>	<u>1,024,507.54</u>	<u>13,697.75</u>	<u>21,244.71</u>

D-8

D

D-1

ement.

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E

PUBLIC ASSISTANCE TRUST FUNDS

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>Assets</u>			
Cash	E-1	\$ 11,091.77	11,030.04
<u>Liabilities</u>			
Reserve For:			
Public Assistance I		\$ 11,091.77	11,030.04

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

24.

GENERAL FIXED ASSETS

Exhibit F

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Balance</u> <u>June 30, 2008</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>Assets</u>		
Building and Building Improvements	\$ 2,160,700.00	2,160,700.00
Machinery and Equipment	580,988.72	580,988.72
Total Assets	<u>\$ 2,741,688.72</u>	<u>2,741,688.72</u>
<u>Liabilities</u>		
Reserve for Fixed Assets	<u>\$ 2,741,688.72</u>	<u>2,741,688.72</u>

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2008****NOTE 1: Summary of Significant Accounting Policies****A. Reporting Entity**

Except as noted below, the financial statements of the Borough of Union Beach, County of Monmouth, New Jersey (the “Borough”), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Union Beach as required by N.J.S. 40A:5-5.

B. Description of Funds

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

The accounting policies of the Borough 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 (the “Division”). Such principles and

NOTE 1: Summary of Significant Accounting Policies (Continued)**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 (GAAP) applicable to local government units. The more significant policies in New Jersey follow.

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

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

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures – unexpended or uncommitted appropriations at June 30, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – contractual orders at June 30 are reported as expenditures through the

NOTE 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. (See Note 4).

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

Interfunds – advances from the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

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

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”)

NOTE 1: Summary of Significant Accounting Policies (Continued)**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represents amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

F. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Borough to be reported separately.

NOTE 2: Cash and Cash Equivalents**A. Deposits**

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

NOTE 2: Cash and Cash Equivalents (Continued)

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- 1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- 2) Government money market mutual funds.
- 3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- 4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- 5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- 6) Municipal investment pools.
- 7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281; or
- 8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs

NOTE 2: Cash and Cash Equivalents (Continued)

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The Chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

	<u>Bank Balance</u>	
	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Depository Account		

NOTE 3: Debt

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

Long-Term Debt**General Capital Fund Bonds**

Variable Rate Fiscal Year Adjustment Bonds (4% to 7%) Issued	
April 1, 1992 through April 1, 2012	\$ 480,000.00
4.30% General Improvement Bonds Issued	
January 15, 2001 through January 15, 2015	<u>1,950,000.00</u>
	<u>\$ 2,430,000.00</u>

NOTE 3: Debt (Continued)

Year Ending <u>June 30</u>	<u>N.J. Environmental Infrastructure Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 31,330.01	11,637.50
2010	30,870.22	10,887.50
2011	30,410.44	10,137.50
2012	29,950.65	9,387.50
2013	30,490.87	8,637.50
2014-18	171,625.76	29,812.50
2019-21	<u>108,157.14</u>	<u>5,381.25</u>
	<u>\$ 432,835.09</u>	<u>85,881.25</u>

Year Ending <u>June 30</u>	<u>Sewer Utility Fund – U.S.D.A. Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 22,726.59	90,667.41
2010	23,818.93	89,837.50
2011	24,963.76	88,706.10
2012	26,163.52	87,520.32
2013	27,421.15	86,277.55
2014-18	158,188.82	410,552.11
2019-23	199,679.14	369,192.95
2024-28	252,961.33	316,977.34
2029-33	319,884.55	250,839.50
2034-38	404,512.96	167,204.28
	152,721.50	61,442.60

NOTE 6: Assessment and Collections of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (Board) by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (Collector) on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on August 1st and November 1st, and the final payments are due and payable on February 1st and May 1st. The N.J. statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien on real estate as of July 1st of the current tax year even though the amount due is not known.

NOTE 7: Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt.

NOTE 8: Pensions (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L.1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement Systems are required to contribute 8.5% of their annual covered salary. Contributions during the last three years for the plans are as follows from the Borough.

	<u>PERS</u>	<u>PFRS</u>
2007-2008	\$ 90,466	137,492
2006-2007	39,976	78,223
2005-2006	18,211	46,586

NOTE 9: Sewer Utility

The Borough has set-up a self liquidating sewer utility fund in the fiscal year 2002. This was an agreement with the federal government to fund the rehabilitation of the Borough's sewer system.

NOTE 10: Interfunds Receivable and Payable

The following interfund balances remained on the balance sheet at June 30, 2008.

NOTE 12: Contingencies

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Negligence and other types of liability suits of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

SUPPLEMENTARY DATA

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

	<u>Year 2008</u>		<u>Year 2007</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Miscellaneous - From Other Than Local Property				
Tax Levies	\$ 2,470,735.22	15.55%	\$ 3,314,575.04	21.10%
Collection of Delinquent Taxes and Tax Title Liens	141,534.16	0.92%	141,979.20	0.90%
Collection of Current Tax Levy	12,789,260.85	83.53%	12,248,902.37	77.99%
	<u>15,401,530.23</u>	<u>100.00%</u>	<u>15,705,456.61</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	7,204,759.50	47.14%	7,412,059.86	48.38%
County Taxes	1,829,517.10	11.97%	1,705,499.22	11.13%
Local School Tax	6,246,176.00	40.86%	6,153,919.00	40.16%
Other Expenditures	4,682.74	0.03%	50,426.69	0.33%
Total Expenditures	<u>15,285,135.34</u>	<u>100.00%</u>	<u>15,321,904.77</u>	<u>100.00%</u>

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
SEWER OPERATING FUND

	<u>Year</u> <u>2008</u>	<u>%</u>	<u>Year</u> <u>2007</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Collection of Sewer Charges	\$ 1,000,869.01	94.29%	\$ 1,122,925.09	95.94%
Miscellaneous From Other Than Sewer Charges	60,556.78	5.71%	47,576.15	4.06%
	<u>1,061,425.79</u>	<u>100.00%</u>	<u>1,170,501.24</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	813,152.00	71.68%	962,222.72	72.40%
Debt Service	117,675.00	10.37%	113,400.00	8.53%
Statutory Expenditures	5,000.00	0.44%	13,500.00	1.02%
Other Expenditures	123,623.00	10.90%	225,000.00	16.93%
Capital Outlay	75,000.00	6.61%	15,000.00	1.13%
	<u>1,134,450.00</u>	<u>100.00%</u>	<u>1,329,122.72</u>	<u>100.00%</u>
Less:				
Expenditures to be raised in subsequent years budget			<u>119,122.72</u>	

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2008	\$ 12,934,258.23	12,789,260.85	98.88%
2007	12,393,963.00	12,248,902.07	98.83%
2006	11,353,566.00	11,225,905.34	98.87%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Fiscal Year Ended June 30</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$ -	148,523.85	148,523.85	1.15%
2007	-	145,060.63	145,060.63	1.17%
2006	-	127,660.66	127,660.66	1.12%

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

LIST OF OFFICIALS AND SURETY BOND COVERAGE

JUNE 30, 2008

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Paul Smith, Jr.	Mayor	
Charles Cocuzza	Councilman	
Michael Harriott	Councilman - President	
Robert Howard, Jr.	Councilman	
Frank A. Wells	Councilman	
Victor Tuberton	Councilman	
Albin J. Wicki	Councilman	
Mary Sabik	Borough Clerk	
Desiree Durkin	Tax Collector	\$ 1,000,000.00
Joseph Faccione	Chief Financial Officer	1,000,000.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

40.

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance July 1, 2007	A	\$ 1,847,932.71
Increased by:		
Prepaid Licenses	A	3,650.00
Tax Collector	A-5	13,440,000.00
Borough Clerk	A-6	32,998.51
State of New Jersey Veterans and Senior Citizens	A-8	72,133.56
Revenue Accounts Receivable	A-15	1,697,046.44
Federal and State Grants Receivable	A-18	236,336.41
Federal and State Grants Unappropriated	A-20	20,570.68
Miscellaneous Revenue Not Anticipated	A-2	45,747.95
Tax Overpayments	A-10	19,060.98
Interfunds:		
Sewer Utility Capital	A	6,089,220.05
Sewer Utility Operating		1,125,758.68
Dog Trust		9,181.00
Trust Other	A	3,948.75

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

41.

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Balance July 1, 2007	A		\$ 558,941.12
Increased by:			
Taxes Receivable	A-7	12,844,902.63	
Third Party Liens		42,143.50	
Tax Overpayments	A-10	19,060.98	
Prepaid Taxes	A	14,581.36	
Interest and Costs on Taxes	A-15	28,649.01	
Advertising Fees	A-2	2,964.39	
Duplicate Bills	A-5	612.00	
Miscellaneous	A-2	<u>2,077.79</u>	
			<u>12,954,991.66</u>
			13,513,932.78

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

42.

CURRENT FUND

Exhibit A-6

SCHEDULE OF CASH - BOROUGH CLERK

	<u>Ref.</u>		
Balance July 1, 2007	A		\$ 9,305.15
Increased by:			
Sale of Property	A-2	10,000.00	
Cable Franchise Fees	A-2	15,747.00	
Peddler's Licenses	A-2	312.31	
Canvassing Permits	A-2	170.00	
Polling Rental	A-4	2,000.00	
Liquor License	A	4,350.00	
Wrecker's License	A-2	250.00	
Helper's Licenses	A-2	60.00	
Vending Licenses	A-15	260.00	
Photo Copies	A-15	<u>426.95</u>	
			<u>33,626.26</u>
			42,931.41

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF SENIOR CITIZEN AND VETERANS

DEDUCTIONS DUE FROM STATE OF NEW JERSEY

	<u>Ref.</u>		
Balance July 1, 2007	A		\$ 64,195.65
Increased by:			
Veterans Per Tax Billing		19,750.00	
Senior Citizens Per Tax Billings		54,500.00	
Veterans Allowed by Tax Collector		500.00	
	A-7		<u>74,750.00</u>
			138,945.65
Decreased by:			
Received from State	A-4	72,133.56	
Senior Citizens Disallowed by Tax Collector	A-7	<u>3,616.44</u>	
			<u>75,750.00</u>
Balance June 30, 2008	A		<u><u>\$ 63,195.65</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

45.

CURRENT FUND

Exhibit A-10

SCHEDULE OF TAX OVERPAYMENTS

Balance July 1, 2007	<u>Ref.</u> A		\$ 2,679.05
Increased by:			
Receipts	A-4-5	19,060.98	
Operations		<u>2,007.61</u>	
			<u>21,068.59</u>
			23,747.64
Decreased by:			
Refunded	A-4	22,332.26	
Applied to Current Taxes		<u>1,078.56</u>	
			<u>23,410.82</u>
Balance June 30, 2008	A		<u>\$ 336.82</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

46.

CURRENT FUND

Exhibit A-13

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES

	<u>Ref.</u>	
Levy School Year: July 1, 2007 to June 30, 2008	A-1	<u>\$ 6,246,176.00</u>
Decreased by: Paid	A-4	<u><u>\$ 6,246,176.00</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE

Exhibit A-14

Ref

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-15

47.

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Accrued</u>	<u>Receipts</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 5,750.00	5,750.00
Fees and Permits:			
Code Enforcement	A-2	15,755.00	15,755.00
Street Openings	A-2	5,893.10	5,893.10
Planning/Zoning Board	A-2	4,530.00	4,530.00
Tax Assessor	A-2	330.00	330.00
Borough Clerk	A-2	175.00	175.00
Tax Office	A-2	612.00	612.00
Sewer Connection	A-2	3,000.00	3,000.00
Landlord/Tenant Registration	A-2	4,345.00	4,345.00
Dumpsters	A-2	1,225.00	1,225.00
Municipal Court	A-2	120,807.13	120,807.13
Interest and Costs on Taxes	A-2	36,162.09	36,162.09
Interest on Investments	A-2	16,769.90	16,769.90
Energy Receipts Tax	A-2	565,296.00	565,296.00
Consolidated Municipal Property Tax Relief Aid	A-2	299,349.00	299,349.00
Municipal Property Tax Assistance Act	A-2	17,779.00	17,779.00
Uniform Construction Code Fees	A-2	105,573.00	105,573.00
Supplemental Energy Receipts	A-2	20,981.00	20,981.00
Reserve To Pay Debt Service	A-2	104,834.00	104,834.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

48.

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATION RESERVES

Balance July 1, 2007	<u>Ref.</u> A		\$ 91,444.95
Decreased by:			
Disbursed	A-4	67,322.17	
Balance Lapsed	A-1	<u>24,122.78</u>	
			<u>\$ 91,444.95</u>

COUNTY OF MONMOUTH

FUND

Exhibit A-17

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

Balance	Decreased	Balance
July 1, 2007	June 30, 2008	
<u>\$ 36,000.00</u>	<u>9,000.00</u>	<u>27,000.00</u>
<u>\$ 36,000.00</u>	<u>9,000.00</u>	<u>27,000.00</u>

A

A-3

A

COUNTY OF MONMOUTH

THE GRANT FUND

Exhibit A-18

ITS RECEIVABLE

<u>2008</u>	<u>Received</u>	<u>Transferred From Unappropriated Reserve</u>	<u>Balance June 30, 2008</u>
-			46,260.30
117.00		2,117.00	8,330.62
-	200,259.00		18,000.00
523.17		1,523.17	-
161.64		7,161.64	18.00
-	36,077.41		-
465.89		1,465.89	14,009.38
-	-		-
284.69	-	5,284.69	2,800.00
260.00	-	1,260.00	-
-	-		-
-	-		30.00
			38,811.50
			2,405.72
			<u>130,665.52</u>
812.39	236,336.41	18,812.39	
A-3	A-4	A-20	A

COUNTY OF MONMOUTH

Exhibit A-19

THE GRANT FUND

VARIATION RESERVES

Transfer From 2008 Budget	Expended	Balance June 30, 2008
7,161.64	-	426.77
	3,593.61	4,566.52
1,523.17	-	919.98
2,117.00	822.85	2,510.35
	200,207.10	4,680.25
-	146,026.20	51.90
-	-	-
-	25,089.60	30.00
1,465.89		3,447.85
	40,298.68	2,564.29
1,260.00	-	26,753.48
	2,500.00	1,281.00
5,284.69	3,552.96	
		1,731.73
		-
18,812.39	422,091.00	48,964.12

A-3

A-4

A

COUNTY OF MONMOUTH

THE GRANT FUND

APRIATED RESERVES

Exhibit A-20

Transferred To 2008	Received	Balance June 30, 2008
Appropriations		
1,523.17	1,696.88	1,696.88
1,465.89	1,178.00	1,178.00
5,284.69	6,178.82	6,178.82
1,260.00	1,844.00	1,844.00
2,117.00	2,117.00	2,117.00
7,161.64	7,555.98	7,555.98
18,812.39	20,570.68	20,570.68

A-18

A-4

A

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

53.

CURRENT FUND

Exhibit A-21

SCHEDULE OF DUE TO/FROM DOG TRUST FUND

	<u>Ref.</u>		
Balance July 1, 2007 Due From	A		\$ 3,658.11
Increased by:			
Disbursements Made in Current Fund	A-4		<u>15,514.24</u>
			19,172.35
Decreased by:			
Receipts	A-4	9,181.00	
Deferred Charges	A-3	<u>3,658.11</u>	
			<u>12,839.11</u>
Balance June 30, 2008 Due From	A		<u><u>\$ 6,333.24</u></u>

CITY OF MONMOUTH

Exhibit B-1

TREASURER

Performance Escrow	Regional Contribution Agreement	Tax Title Liens	Law Enforcement Trust	Tax Premium	Total
74,072.95	294,526.28	3,092.71	2,334.74	37,600.00	439,312.70
-	-	191,396.61	-	-	9,181.00
-	-	-	5,662.78	161,500.00	191,396.61
-	-	191,396.61	5,662.78	161,500.00	3,748,101.94
74,072.95	294,526.28	194,489.32	7,997.52	199,100.00	52,875.00
-	-	-	-	-	5,662.78
-	-	-	-	-	161,500.00
-	-	-	-	-	4,168,717.33
-	-	-	-	-	4,608,030.03
15,606.20	-	-	-	-	9,181.00
15,606.20	294,526.28	190,476.61	-	-	190,476.61
-	-	-	1,049.99	-	294,526.28
-	-	-	-	-	1,049.99
-	-	-	-	-	3,756,739.51
-	-	-	-	-	53,325.00
15,606.20	294,526.28	190,476.61	1,049.99	130,600.00	130,600.00
-	-	-	-	-	15,606.20
58,466.75	-	4,012.71	6,947.53	68,500.00	4,451,504.59
-	-	-	-	-	156,525.44

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-2

TRUST FUNDSCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>		
Balance July 1, 2007	B		\$ (3,658.11)
Increased by:			
Dog License Fees	B-1	9,181.00	
Budget Appropriations	B-3	<u>3,658.11</u>	
			<u>12,839.11</u>
			9,181.00
Decreased by:			
Expenditures Made in Current	B-3		<u>15,514.24</u>
Balance June 30, 2008	B		<u><u>\$ (6,333.24)</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-4

SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE

Ref.

Balance July 1, 2007 and 2008

B

\$ 3,347.43

SCHEDULE OF RESERVE FOR PERFORMANCE ESCROW

Exhibit B-5

Ref.

Balance July 1, 2007

B

\$ 83,924.75

Increased by:

Due from Current

B-12

34,460.20

118,384.95

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-6

SCHEDULE OF RESERVE FOR REGIONAL CONTRIBUTION

AGREEMENT TRUST

	<u>Ref.</u>	
Balance July 1, 2007	B	\$ 294,526.28
Decreased by:		
Disbursements	B-1	<u>294,526.28</u>
Balance June 30, 2008	B	<u><u>\$ -</u></u>

SCHEDULE OF RESERVE FOR TAX TITLE LIENS

Exhibit B-7

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-8

SCHEDULE OF RESERVEFOR LAW ENFORCEMENT TRUST

	<u>Ref.</u>		
Balance July 1, 2007	B		\$ 3,418.32
Increased by:			
Receipts	B-1		5,662.78
			<u>9,081.10</u>
Decreased by:			
Disbursements	B-1	1,049.99	
Due from Current	B-12	<u>1,083.58</u>	
			<u>2,133.57</u>
Balance June 30, 2008	B		<u><u>\$ 6,947.53</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-10

SCHEDULE OF SPECIAL DUTY POLICE

	<u>Ref.</u>	
Balance July 1, 2007	B	\$ 524.40
Increased by:		
Receipts	B-1	<u>52,875.00</u>
		53,399.40
Decreased by:		
Disbursements	B-1	<u>53,325.00</u>
Balance June 30, 2008	B	<u><u>\$ 74.40</u></u>

SCHEDULE OF RESERVE FOR VARIOUS RESERVES

Exhibit B-11

	<u>Ref.</u>	
Balance July 1, 2007	B	\$ 11,315.81
Increased by:		

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

60.

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH

Exhibit C-a

	<u>Ref.</u>		
Increased By Receipts:			
Current Fund	C-1		\$ 780,156.09
Decreased By Disbursements			
Interfund Grants	C-1	\$ 120,990.99	
Improvement Authorizations	C-4	<u>630,156.09</u>	
			<u>751,147.08</u>
Balance June 30,2008	C		<u><u>\$ 29,009.01</u></u>

COUNTY OF MONMOUTH

Exhibit C-1

TOTAL FUND

OF CASH

Items	Disbursements	Transfers		Balance June 30, 2008
		From	To	
		27,850.00	25,000.00	3,296.70
		160,000.00	120,000.00	(19,441.58)
		-	220,000.00	(40,000.00)
		104,834.00	5,984.72	500,000.00
		4,541,320.05	4,305,309.06	-
56.09				5,984.72
	120,990.99			(210,489.90)
				(6,333.25)
				(120,990.99)
				(750.00)
				1,385.71
				4,023.80
				75,780.77
				(463.22)
				18,609.79
				4,907.10
				12,951.97
				32,515.35
				(63,750.00)
				(595.17)
				(750.00)
				-
				-
				-
				2.05
			187,850.00	(136,745.11)
		30,139.73		(30,139.73)
156.09	751,147.08	4,864,143.78	4,864,143.78	29,009.01

C

COUNTY OF MONMOUTH

TOTAL FUND

Exhibit C-2

PROPERTY TAXATION - UNFUNDED

<u>Authorized In</u>	<u>Decreased</u>	<u>Balance</u>
<u>F.Y. 2008</u>		<u>June 30, 2008</u>
-	8,200.00	96,750.00
	13,100.00	77,800.00
	5,300.00	595,050.00
		237,750.00
	4,600.00	228,300.00
	11,200.00	335,550.00
	135,000.00	-
	28,600.00	1,059,525.00
	28,400.00	1,078,350.00
	17,900.00	499,900.00
		368,600.00
<u>529,150.00</u>		<u>529,150.00</u>
<u>529,150.00</u>	<u>252,300.00</u>	<u>5,106,725.00</u>
C-4	C-9	C

COUNTY OF MONMOUTH

PARTICIPATION NOTES

Exhibit C-3

Interest Rate	Balance July 1, 2007	Paid	Balance June 30, 2008
3.94%	\$ 86,000.00	8,200.00	77,800.00
3.94%	1,106,000.00	23,000.00	1,083,000.00
3.94%	323,600.00	11,200.00	312,400.00
4.25%	135,000.00	135,000.00	-
3.94%	1,087,400.00	28,600.00	1,058,800.00
4.25%	1,106,000.00	28,400.00	1,077,600.00
3.94%	517,000.00	17,900.00	499,100.00
3.94%	596,000.00		596,000.00
4.04%	368,600.00		368,600.00
	\$ 5,325,600.00	252,300.00	5,073,300.00

Ref.

C

C-9

C

COUNTY OF MONMOUTH

TOTAL FUND

Exhibit C-5

TRIAL BONDS

<u>of</u>	<u>Interest</u>	<u>Balance</u>	<u>Balance</u>
<u>ending</u>	<u>Rate</u>	<u>July 1, 2007</u>	<u>June 30, 2008</u>
<u>amount</u>			
9,000.00	4% to 7%	\$ 600,000.00	480,000.00
9,000.00	4.30%	2,200,000.00	1,950,000.00
		<u>\$ 2,800,000.00</u>	<u>2,430,000.00</u>

Ref.

C

C

to mandatory sinking fund redemption on April 1, 2003 and on of redemption.

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

66.

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance July 1, 2007	C	\$ 6,146.70
Increased by:		
Fiscal Year 2008 Appropriations	C-9	<u>25,000.00</u>
		31,146.70
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-4	<u>27,850.00</u>
Balance June 30, 2008	C	<u><u>\$ 3,296.70</u></u>

WINDHAM COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-7

ASSETS RECEIVABLE

Green Acres	Department of Transportation Ord. 635	Green Acres Ord. 805	Ord. 2003-22 Department of Transportation
220,000.00	19,441.58	6,333.25	63,750.00
-	-	-	-
220,000.00	-	-	-
-	19,441.58	6,333.25	63,750.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

69.

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance July 1, 2007 - Due From	C		\$ 754,635.00
Increased by:			
Reserve to Pay Debt	C	5,984.72	
Bond Anticipation Notes	C-3	3,627,100.00	
Other		72,160.27	
Grants Receivable	C-7	340,000.00	
Capital Improvement Fund	C-6	<u>25,000.00</u>	
			<u>4,070,244.99</u>
			4,824,879.99
Decreased by:			
Bond Anticipation Notes		3,879,400.00	
Improvement Authorizations Paid	C-4	630,156.09	
Capital Improvement Fund	C-1	104,834.00	

COUNTY OF MONMOUTH

TOTAL FUND

Exhibit C-10

ISSUED NOTES AUTHORIZED

ISSUED

Balance June 30, 2007	F. Y. 2008 Authorizations	Balance June 30, 2008
500.00	-	500.00
750.00	-	750.00
725.00	-	725.00
750.00	-	750.00
800.00	-	800.00
750.00	-	750.00
-	529,150.00	529,150.00
<u>4,275.00</u>	<u>529,150.00</u>	<u>533,425.00</u>

C

C-4

C

COUNTY OF MONMOUTH

CAPITAL FUND

GEN ARCES LOAN

Exhibit C-11

	Balance July 1, 2007	2008 Loan	Paid	Balance June 30, 2008
\$	478,802.95		21,623.12	457,179.83
\$	250,000.00		5,617.01	244,382.99
		220,000.00		220,000.00
\$	728,802.95	220,000.00	27,240.13	921,562.82

Ref.

C

C-1

C

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

72.

SEWER UTILITY FUND

Exhibit D-4

SCHEDULE OF CASH

	<u>Ref.</u>		
Balance July 1, 2007	D		\$ -
Increased by:			
Sewer Charges Receivable	D-2	967,978.86	
Other Accounts Receivable	D-7	168,897.84	
Miscellaneous Revenue Not Anticipated	D-2	<u>5,643.45</u>	
			<u>1,142,520.15</u>
			1,142,520.15
Decreased by:			
Check Fees		146.00	
Payments to Current Fund	D-8	<u>1,020,654.19</u>	
			<u>1,020,800.19</u>
Balance June 30, 2008	D		<u>\$ 121,719.96</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

73.

SEWER UTILITY FUND

Exhibit D-5

SCHEDULE OF SEWER RENTS RECEIVABLE

	<u>Ref.</u>	
Balance July 1, 2007	D	\$ 45,211.92
Increased by:		
Rents Levied		<u>1,000,869.01</u>
		1,046,080.93
Decreased by:		
Receipts - Sewer Account	D-2	<u>1,000,869.01</u>
Balance June 30, 2008	D	<u><u>\$ 45,211.92</u></u>

SCHEDULE OF APPROPRIATION RESERVES

Exhibit D-6

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-8 74.

SEWER OPERATING UTILITY FUND

SCHEDULE OF DUE TO/FROM CURRENT FUND

	<u>Ref.</u>		
Balance July 1, 2007 - Due to	D		\$ (50,327.11)
Increased by:			
Surplus Anticipated in Current Fund	A-2	75,000.00	
Disbursements Made in Current Fund		<u>895,327.08</u>	
			<u>(970,327.08)</u>
			(1,020,654.19)
Decreased by:			
Tax Sale Portion		35,758.68	
Payments to Current Fund	D-4	<u>1,020,654.19</u>	
			<u>1,056,412.87</u>
Balance June 30, 2008 - Due from	D		<u>\$ 35,758.68</u>

COUNTY OF MONMOUTH

Exhibit D-11
Sheet 1 of 2

CITY FUND

S.D.A. LOAN

Amount	Interest	Balance	Balance
	Rate	June 30, 2007	June 30, 2008
22,726.59	4.75%	\$1,936,086.76	1,914,402.40
23,818.93			
24,963.76			
26,163.52			
27,421.15			
28,739.13			
30,120.44			
31,568.15			
33,085.44			
34,675.66			
36,342.32			
38,089.08			
39,919.80			
41,838.50			
43,849.44			
45,957.02			
48,165.90			
50,480.95			
52,907.26			
55,450.20			
58,115.36			
60,908.62			
63,836.14			
66,904.37			
70,120.06			

COUNTY OF MONMOUTH

Exhibit D-11
Sheet 2 of 2

TY FUND

S.D.A. LOAN

<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2007</u>	<u>Paid</u>	<u>Balance June 30, 2008</u>
73,490.32				
77,022.56				
80,724.58				
84,604.53				
88,670.97				
92,932.85				
97,399.58				
02,081.00				
06,987.43				
54,320.72				

\$1,936,086.76

21,684.36

1,914,402.40

Ref.

D

D-3

D

COUNTY OF MONMOUTH

Exhibit D-12

UTILITY FUND

PARTICIPATION NOTES

<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance</u>
3/12/09	2.045%	100,000.00	June 30, 2008
		<u>100,000.00</u>	<u>100,000.00</u>

D

COUNTY OF MONMOUTH

Exhibit D-13

TY FUND

MENT AUTHORIZATIONS

Balance
June 30, 2007
Unfunded
\$ 30,139.73

Balance
June 30, 2008
Unfunded
-

D

D-16

D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

79.

SEWER CAPITAL UTILITY FUND

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit D-14

Ref.

Balance July 1, 2007 and June 30, 2008 - Due from

D

\$ 90,000.00

SEWER CAPITAL UTILITY FUND

SCHEDULE OF DUE FEDERAL & STATE GRANT FUND

Exhibit D-15

Ref.

Balance July 1, 2007 and June 30, 2008 - Due to

D

\$ 59,860.27

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

80.

Exhibit E-1

PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5

	<u>Ref.</u>	
Balance July 1, 2007	E	\$ 11,030.04
Increased by:		
Interest Earned		<u>61.73</u>
Balance June 30, 2008	E	<u><u>\$ 11,091.77</u></u>

MONMOUTH COUNTY

STATE ASSISTANCE

ENDING JUNE 30, 2008

Schedule B

	Balance July 1, 2007	Receipts	Disbursed	Balance June 30, 2008
03	\$ (46,260.30)			(46,260.30)
06	\$ (5,086.79)	36,077.41	30,990.62	0.00
07	\$ 101,026.20		115,035.58	(14,009.38)
03	(8,330.62)			(8,330.62)
07	7,161.64		2,595.12	4,566.52
06	998.49		998.49	-
08		7,555.98		7,555.98
08	2,564.29	1,178.00		3,742.29
05	8,000.00		25,573.23	(17,573.23)
07		200,259.00	200,207.10	51.90
07	4,680.25	2,117.00		6,797.25
03	919.98			919.98
08		1,696.88		1,696.88
05	318.59		318.59	-
07	2,996.61		504.26	2,492.35
06	1,232.02		1,232.02	-
07	(10,274.05)		25,089.60	(35,363.65)
07				-
07	(300.00)			(300.00)
04	(2,405.72)			(2,405.72)
07	6,544.69	6,178.82	3,552.96	9,170.55
	<u>\$ 63,785.28</u>	<u>255,063.09</u>	<u>375,106.95</u>	<u>(56,258.58)</u>

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED JUNE 30, 2008

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 10, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Union Beach that the RATE OF INTEREST to be CHARGED for the Non-Payment of Taxes or Assessments shall be EIGHT (8) PERCENT (%), per Annum on the first \$1,500.00 of delinquency and EIGHTEEN (18) PERCENT (%), per Annum on any amount in excess of \$1,500.00, to be calculated from the date the taxes are payable until the date of actual payment: and

BE IT FURTHER RESOLVED, the pursuant the N.J.S.A. 54:5-32 the maximum interest rate required for redemption of the Tax Sale Certificates shall be EIGHTEEN (18) PERCENT (%), per Annum; and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 54:5-34, the rate of interest for those Tax Sale Certificates for which there shall be no other purchaser and which are therefore struck off to the Borough of Union Beach, shall be 18% per Annum.

It is noted that a ten-day "grace period" is allowed in accordance with the provisions of the 1980 resolution.

On March 20, 1997 the governing body adopted a resolution authorizing the tax collector to

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, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2007 & 2008 Taxes	25
Payment of Sewer Utility	25

Foreclosed Property

The foreclosed property is the total from exempt property, so marked, appearing in the tax duplicate.

RECOMMENDATIONS

Fixed Assets

Finding: The Borough has a fixed asset accounting system, however it is not computerized.

Recommendation: That the Borough update its fixed assets with a computer program.

Capital