

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2008**

***Oliwa & Company***  
Certified Public Accountants

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

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**COUNTY OF OCEAN**  
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**BOROUGH OF LAVALLETTE**

**COUNTY OF OCEAN**

**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

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**YEAR ENDED DECEMBER 31, 2008**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Borough Council  
Borough of Lavallette  
County of Ocean  
Lavallette, New Jersey

We have audited the accompanying regulatory basis financial statements of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2008 and 2007, and for the year ended December 31, 2008, listed as financial statement exhibits in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 the 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 Borough 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 regulatory basis of accounting 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. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program (LOSAP) have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 32.89% of the assets and liabilities of the Borough's Trust Fund, as of December 31, 2008.

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2008 and 2007 or the results of its operations and changes in its fund balances for the years then ended.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough as of December 31, 2008 and 2007, and the results of its operations and changes in its fund balances for the year ended December 31, 2008, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2009 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements taken a whole. The accompanying supplementary data and schedules section and the comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory basis financial statements. 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, on the basis of accounting described in Note 1.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
July 24, 2009

**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 Borough Council  
Borough of Lavallette  
County of Ocean  
Lavallette, New Jersey

We have audited the regulatory basis financial statements of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2008, and have issued our report thereon dated July 24, 2009, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**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 opinion on the regulatory basis 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 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.

### **Internal Control Over Financial Reporting (Continued)**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

### **Compliance and Other Matters**

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

This report is intended for the information of the governing body, management, others within the Borough, 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.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
July 24, 2009

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents:			
Cash - Treasurer	1-A	\$2,234,273.05	\$2,258,408.35
Change Funds		150.00	150.00
Due From State of New Jersey (PL 1971, Ch.20)	2-A	1,099.82	250.51
		<u>2,235,522.87</u>	<u>2,258,808.86</u>
Receivables and Other Assets with Full Reserves:			
Cash Advance - Magistrate	10-A	1,000.00	1,000.00
Delinquent Property Taxes Receivable	3-A	335,846.14	188,486.05
Tax Title Liens Receivable	20-A	3,980.41	
Revenue Accounts Receivable	4-A	8,191.99	7,278.46
Due from General Capital Fund	6-A	2,380.00	
Due from Federal and State Grant Fund	8-A		17,160.53
	A	<u>351,398.54</u>	<u>213,925.04</u>
Deferred Charges:			
Emergency Authorization (40A:4-47)	5-A	15,000.00	
		<u>2,601,921.41</u>	<u>2,472,733.90</u>
<b><u>Federal and State Grant Fund</u></b>			
Due From Current Fund	15-A	15,633.36	
Grants Receivable	16-A	21,789.93	166,149.02
		<u>37,423.29</u>	<u>166,149.02</u>
		<u>\$2,639,344.70</u>	<u>\$2,638,882.92</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Appropriation Reserves	A-3,7-A	\$211,467.81	\$302,881.31
Due To:			
General Capital Fund	6-A		0.40
Federal and State Grant Fund	8-A	15,633.36	
Encumbrances Payable	9-A	195,539.55	142,148.37
County Taxes Payable	11-A	22,017.44	28,972.51
Prepaid Taxes	12-A	200,838.48	202,975.26
Tax Overpayments	13-A	13,318.10	5,261.22
Local District School Tax Payable	14-A	768,794.21	749,975.71
Reserve for:			
Private Donation		4,150.00	4,150.00
Outside Liens		2,043.30	
Cell Tower		3,360.00	
Beach Sale of Assets			1,200.00
		<u>1,437,162.25</u>	<u>1,437,564.78</u>
Reserve for Receivables	A	351,398.54	213,925.04
Fund Balance	A-1	<u>813,360.62</u>	<u>821,244.08</u>
		<u>2,601,921.41</u>	<u>2,472,733.90</u>
 <b><u>Federal and State Grant Fund</u></b>			
Due to Current Fund	15-A		17,160.53
Encumbrances Payable	17-A	2,835.46	48,060.19
Reserve for Grants Appropriated	18-A	20,323.28	97,421.32
Reserve for Grants Unappropriated	19-A	9,964.51	3,506.98
Due to Grantor	18-A	<u>4,300.04</u>	
		<u>37,423.29</u>	<u>166,149.02</u>
		<u>\$2,639,344.70</u>	<u>\$2,638,882.92</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2008 and 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>Revenue and Other Income Realized:</b>			
Fund Balance Utilized	A-2	\$460,000.00	\$580,000.00
Miscellaneous Revenue Anticipated	A-2	1,380,180.43	1,468,293.13
Receipts from Delinquent Taxes	A-2	189,486.05	184,842.93
Receipts from Current Taxes	A-2	15,012,984.55	14,228,090.31
Non-Budget Revenues	A-2	118,108.40	62,690.30
<b>Other Credits to Income:</b>			
Unexpended Balance of Appropriation Reserves	7-A	232,289.60	167,665.08
Interfunds Returned		17,160.53	
Cancellation of Grants Appropriated	15-A	40,575.92	
Return of Cash Advance - Magistrate			100.00
<b>Total Revenues</b>		<b>17,450,785.48</b>	<b>16,691,681.75</b>
<b>Expenditures:</b>			
<b>Budget Appropriations Within CAPS:</b>			
<b>Operations:</b>			
Salaries and Wages	A-3	2,973,541.33	2,827,886.93
Other Expenses	A-3	2,232,530.38	2,227,220.07
Deferred Charges and Statutory Expenditures	A-3	237,750.00	233,250.00
<b>Budget Appropriations Excluded From CAPS:</b>			
<b>Operations:</b>			
Other Expenses	A-3	282,561.34	274,229.32
Capital Improvements	A-3	53,375.00	57,000.00
Municipal Debt Service	A-3	546,139.59	518,084.10
Deferred Charges	A-3		20,000.40
County Taxes	11-A	7,449,025.70	6,956,082.89
Amount Due County for Added and Omitted Taxes	11-A	22,017.44	28,972.51
Local District School Tax	14-A	3,173,373.00	3,057,182.00
Interfunds Advanced		2,380.00	17,160.53
Refunds		819.00	395.00
Federal and State Grant Receivable Cancelled	15-A	39,156.16	
Prior Year Senior Citizen Deduction Disallowed	2-A	1,000.00	268.49
<b>Total Expenditures</b>		<b>17,013,668.94</b>	<b>16,217,732.24</b>
<b>Excess in Revenue</b>		<b>437,116.54</b>	<b>473,949.51</b>
<b>Adjustments to Income Before Fund Balance:</b>			
<b>Expenditures Included Above Which are by Statute</b>			
Deferred Charges to Budget of Succeeding Year		15,000.00	
<b>Statutory Excess</b>		<b>452,116.54</b>	<b>473,949.51</b>
<b>Fund Balance January 1</b>	<b>A</b>	<b>821,244.08</b>	<b>927,294.57</b>
		<b>1,273,360.62</b>	<b>1,401,244.08</b>
<b>Decreased By:</b>			
Utilized as Anticipated Revenue	A-1,A-2	460,000.00	580,000.00
<b>Fund Balance December 31</b>	<b>A</b>	<b>\$813,360.62</b>	<b>\$821,244.08</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

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Sheet 1 of 3

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	A-1	\$460,000.00		\$460,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	4-A	10,000.00		10,400.00	\$400.00
Other	4-A	11,000.00		12,774.00	1,774.00
Fees and Permits	4-A	36,000.00		39,431.00	3,431.00
Fines and Costs:					
Municipal Court	4-A	147,000.00		191,406.78	44,406.78
Interest and Costs on Taxes	4-A	42,000.00		53,701.13	11,701.13
Parking Meters	4-A	21,000.00		23,058.00	2,058.00
Interest on Investments and Deposits	4-A	105,000.00		48,679.18	(56,320.82)
Beach Fees	4-A	729,000.00		728,100.00	(900.00)
Cable TV Franchise Fees	4-A	20,356.00		20,356.00	
Energy Receipts Tax	4-A	193,246.00		193,366.00	120.00
Recycling Tonnage Grant	16-A	1,088.91		1,088.91	
Over the Limit Under Arrest	16-A		\$5,000.00	5,000.00	
Clean Communities Program	16-A		7,932.54	7,932.54	
Alcohol Education and Rehabilitation Fund	16-A	1,127.61	3,908.82	5,036.43	
Municipal Alliance on Alcoholism and Drug Abuse	16-A	19,200.00		19,200.00	
Private Donations - Concerts	4-A	4,000.00		4,000.00	
Body Armor Replacement Grant	16-A	1,370.46		1,370.46	
Ocean County Tourism Grant	16-A		1,050.00	1,050.00	
COPS in Shops Summer Shore Initiative	16-A		1,200.00	1,200.00	
Ocean County Transportation Mini Grant	16-A		3,000.00	3,000.00	
Reserve for Payment of Bonds	4-A	2,380.00		2,380.00	
Reserve for Sale of Beach Assets	4-A	1,200.00		1,200.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Insurance Reimbursement - Lifeboat	4-A	\$6,450.00		\$6,450.00	
	A-1	1,351,418.98	\$22,091.36	1,380,180.43	\$6,670.09
Receipts From Delinquent Taxes	A-1,3-A	180,000.00		189,486.05	9,486.05
Amount To Be Raised By Taxes for Support of Municipal Budget: Local Tax For Municipal Purposes	A-2,3-A	4,672,361.16		4,676,458.87	4,097.71
Budget Totals		6,663,780.14	22,091.36	6,706,125.35	<u>\$20,253.85</u>
Non-Budget Revenue	A-2			118,108.40	
		<u>\$6,663,780.14</u>	<u>\$22,091.36</u>	<u>\$6,588,016.95</u>	
	<u>Ref.</u>	A-3	A-3		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

A-2  
Sheet 3 of 3

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

**Analysis of Realized Revenues**

**Ref.**

Allocation of Current Tax Collections:		
Revenue from Collections	A-1,3-A	\$15,012,984.55
Allocated to School and County Taxes		<u>10,644,416.14</u>
Balance for Support of Municipal Budget		4,368,568.41
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>307,890.46</u>
Balance for Support of Municipal Budget Appropriations	A-2	<u><u>\$4,676,458.87</u></u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue not Anticipated:

Police Reports and Fees	\$1,784.50
Tennis	2,902.50
Street Openings	4,360.00
Verizon Mobile Contract	17,852.80
Appliance/Clean-up Fees	8,794.70
Tax Maps	12.00
Copies	260.37
Zoning and Code Books	60.00
Zoning Application Fees	14,550.00
Ocean County Construction Fees	7,510.40
Certificates of Occupancy	2,760.00
Newspaper Vending Machines	2,035.00
Other Miscellaneous Revenue	9,150.79
Sale of Municipal Assets	1,526.00
Returned Check Charges	290.00
Public Assistance Funds	20,228.07
2% Administrative Payment	1,385.00
Waterfront Owners List	180.00
Mercer County WWFM License	13,063.27
Gazebo/Pavilion Use Fee	3,200.00
Pole Rental	6,153.00
Re-Numbering of Properties	<u>50.00</u>

A-1,A-2,1-A

\$118,108.40

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

<b><u>General Appropriations</u></b> <b><u>OPERATIONS WITHIN CAPS</u></b>	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Salaries and Wages	\$56,700.00	\$56,700.00	\$56,636.98	\$63.02	
Other Expenses	3,350.00	3,350.00	2,960.23	389.77	
Human Resources (Personnel):					
Other Expenses	1,000.00				
Mayor and Council:					
Salaries and Wages	15,700.00	16,000.00	15,888.66	111.34	
Other Expenses	7,150.00	7,150.00	5,943.10	1,206.90	
Municipal Clerk:					
Salaries and Wages	66,500.00	66,500.00	55,218.37	1,831.63	\$9,450.00
Printing and Legal Advertising	11,000.00	14,000.00	13,046.68	953.32	
Office Equipment	2,400.00	2,400.00	2,316.46	83.54	
Miscellaneous Other Expenses	7,700.00	7,700.00	7,534.52	165.48	
Elections	1,000.00	1,000.00	324.71	675.29	
Financial Administration (Treasury):					
Salaries and Wages	56,500.00	56,500.00	54,369.04	2,130.96	
Other Expenses	13,000.00	13,000.00	12,852.62	147.38	
Audit Services:					
Other Expenses	12,000.00	12,000.00	12,000.00		
Computerized Data Processing:					
Other Expenses	7,500.00	13,500.00	13,242.39	257.61	
Revenue Administration (Tax Collection):					
Salaries and Wages	36,750.00	36,750.00	36,578.60	171.40	
Other Expenses	5,985.00	5,985.00	4,931.76	1,053.24	
Tax Assessment Administration:					
Salaries and Wages	18,600.00	18,600.00	18,483.92	116.08	
Other Expenses	1,900.00	1,900.00	1,235.30	664.70	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

<b><u>General Appropriations</u></b> <b><u>OPERATIONS WITHIN CAPS</u></b>	<b><u>Appropriated</u></b>		<b><u>Expended</u></b>		<b><u>Unexpended</u></b> <b><u>Balance</u></b> <b><u>Cancelled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after</u></b> <b><u>Modification</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Reserved</u></b>	
Legal Services (Legal Department):					
Other Expenses	\$65,000.00	\$65,000.00	\$65,000.00		
Engineering Services:					
Other Expenses	35,000.00	30,000.00	25,362.07	\$4,637.93	
Tax Map Update	1,500.00	1,500.00	360.00	1,140.00	
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	8,000.00	8,000.00	7,730.35	269.65	
Other Expenses	12,350.00	12,350.00	10,699.88	1,650.12	
Zoning Board of Adjustment:					
Salaries and Wages	15,000.00	15,000.00	12,104.74	2,895.26	
Other Expenses	900.00	900.00	219.32	680.68	
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Uniform Construction Code Official:					
Salaries and Wages	2,900.00	2,900.00	975.33		\$1,924.67
Other Expenses	1,000.00	1,000.00	85.38		914.62
Code Enforcement Officer:					
Salaries and Wages	15,000.00	15,000.00	12,215.59	2,784.41	
Other Expenses	900.00	900.00	127.02	772.98	
<b>INSURANCE</b>					
General Liability	93,000.00	93,000.00	85,938.80	2,261.20	4,800.00
Worker's Compensation	185,000.00	185,000.00	183,712.36	1,287.64	
Employee Group Health	768,000.00	768,000.00	764,862.35	3,137.65	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

<b><u>General Appropriations</u></b> <b><u>OPERATIONS WITHIN CAPS</u></b>	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	\$1,407,260.00	\$1,401,560.00	\$1,381,271.36	\$15,288.64	\$5,000.00
Other Expenses	99,500.00	104,500.00	102,264.94	2,235.06	
Office of Emergency Management:					
Salaries and Wages	2,600.00	2,600.00	2,600.00		
Other Expenses	4,960.00	4,960.00	4,850.66	109.34	
Aid to Volunteer Fire Companies	42,150.00	42,150.00	41,535.58	614.42	
First Aid Contribution	28,000.00	28,000.00	28,000.00		
Fire Department:					
Fire Hydrant Service	26,000.00	26,000.00	25,746.00	254.00	
Municipal Prosecutor's Office:					
Other Expenses	16,250.00	16,950.00	16,843.79	106.21	
Municipal Court:					
Salaries and Wages	101,340.00	101,340.00	98,775.58	2,564.42	
Other Expenses	7,825.00	7,825.00	4,524.16	3,300.84	
Public Defender:					
Other Expenses	1,000.00	1,000.00		1,000.00	
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Other Expenses	11,100.00	11,100.00	10,426.50	673.50	
Schedule C	4,000.00	19,100.00	19,100.00		
Other Public Works Functions:					
Salaries and Wages	947,706.00	927,706.00	835,699.42	82,006.58	10,000.00
Other Expenses	26,400.00	26,400.00	23,591.67	2,808.33	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

<b><u>General Appropriations</u></b> <b><u>OPERATIONS WITHIN CAPS</u></b>	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
Solid Waste Collection:					
Garbage	\$6,000.00	\$6,000.00	\$3,504.59	\$2,495.41	
Recycling and Source Separation	6,000.00	6,000.00	5,839.03	160.97	
Building and Grounds:					
Other Expenses	33,500.00	33,500.00	30,434.44	3,065.56	
Vehicle Maintenance:					
Other Expenses	75,000.00	75,000.00	73,930.38	1,069.62	
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health):					
Salaries and Wages	1,250.00	1,250.00	1,200.00	50.00	
Other Expenses	500.00	500.00		500.00	
Animal Control Services:					
Salaries and Wages	3,810.00	3,810.00	3,800.04	9.96	
Other Expenses	1,800.00	800.00	192.00	608.00	
<b>RECREATION AND EDUCATION</b>					
Recreation Services and Programs:					
Salaries and Wages	6,000.00	6,000.00	5,568.52	431.48	
Other Expenses	17,100.00	22,800.00	17,694.92	2,605.08	\$2,500.00
Community Service Programs:					
Other Expenses	2,400.00	2,400.00	1,623.12	776.88	
Maintenance of Parks:					
Other Expenses	6,500.00	6,500.00	6,257.12	242.88	
Beach and Boardwalk Operations:					
Salaries and Wages (Summer)	298,700.00	273,600.00	259,509.91	4,090.09	10,000.00
Other Expenses	33,000.00	43,000.00	38,852.25	4,147.75	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

<b><u>General Appropriations</u></b> <b><u>OPERATIONS WITHIN CAPS</u></b>	<b><u>Appropriated</u></b>		<b><u>Expended</u></b>		<b><u>Unexpended Balance Cancelled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
Accumulated Leave Compensation	\$100.00	\$100.00		\$100.00	
Celebration of Public Events:					
Other Expenses	15,725.00	15,725.00	\$11,790.23	1,934.77	\$2,000.00
Public Employees Occupational Safety and Health Act	4,500.00	4,500.00	2,847.16	1,652.84	
<b>UNCLASSIFIED</b>					
Electricity	114,425.00	104,425.00	97,332.31	7,092.69	
Street Lighting	46,000.00	46,500.00	46,454.05	45.95	
Telephone (excluding equipment acquisition)	20,875.00	20,875.00	17,908.19	2,966.81	
Water	7,000.00	7,000.00	5,953.08	1,046.92	
Gas (natural or propane)	9,600.00	11,100.00	10,214.59	885.41	
Fuel Oil (40A:4-47 + \$15,000.00)	86,000.00	121,000.00	104,450.40	16,549.60	
Landfill/Solid Waste Disposal Costs	202,000.00	202,000.00	180,627.05	6,372.95	15,000.00
<b>Total Operations within CAPS</b>	<b>5,252,161.00</b>	<b>5,267,161.00</b>	<b>5,004,169.57</b>	<b>201,402.14</b>	<b>61,589.29</b>
Contingent	500.00	500.00		500.00	
<b>Total Operations Including Contingent within CAPS</b>	<b>5,252,661.00</b>	<b>5,267,661.00</b>	<b>5,004,169.57</b>	<b>201,902.14</b>	<b>61,589.29</b>
Detail:					
Salaries and Wages	3,060,416.00	3,009,916.00	2,858,626.41	114,914.92	36,374.67
Other Expenses	2,192,245.00	2,257,745.00	2,145,543.16	86,987.22	25,214.62
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Prior Year Bill:					
Ocean Adult Medical Group - 2005	250.00	250.00	250.00		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b><u>General Appropriations</u></b>					
<b><u>OPERATIONS WITHIN CAPS</u></b>					
Contribution to:					
Public Employees' Retirement System	\$6,000.00	\$6,000.00	\$6,000.00		
Social Security System (O.A.S.I.)	234,000.00	234,000.00	222,024.16	\$6,975.84	\$5,000.00
Unemployment Compensation	2,500.00	2,500.00	2,500.00		
<b>Total Deferred Charges and Statutory Expenditures - Municipal within CAPS</b>	<b>242,750.00</b>	<b>242,750.00</b>	<b>230,774.16</b>	<b>6,975.84</b>	<b>5,000.00</b>
<b>Total General Appropriations For Municipal Purposes Within CAPS</b>	<b>5,495,411.00</b>	<b>5,510,411.00</b>	<b>5,234,943.73</b>	<b>208,877.98</b>	<b>66,589.29</b>
<b><u>General Appropriations</u></b>					
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
State Recycling Tax (C. 311, P.L. 2007)	9,000.00	9,000.00	9,000.00		
LOSAP	30,200.00	30,200.00	30,200.00		
Stormwater Management:					
Other Expenses	5,000.00	5,000.00	4,650.35	349.65	
Police and Firemen's Retirement System of N.J.	99,183.00	99,183.00	99,183.00		
Public Employees' Retirement System	78,000.00	78,000.00	77,376.74	623.26	
<b><u>INTERLOCAL MUNICIPAL SERVICE</u></b>					
<b><u>AGREEMENTS</u></b>					
Community Bus Transportation (Seaside Heights):					
Other Expenses	5,000.00	5,000.00	5,000.00		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Private Donations - Concerts	\$4,000.00	\$4,000.00	\$4,000.00		
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	19,200.00	19,200.00	19,200.00		
Local Share	4,800.00	4,800.00	4,800.00		
Body Armor Replacement Grant	1,370.46	1,370.46	1,370.46		
Local Match for Future Grants	2,500.00	1,450.00		\$1,450.00	
Clean Communities Grant (40A: 4-87, \$7,932.54+)		7,932.54	7,932.54		
Ocean County Tourism Grant (40A: 4-87, \$1,050.00+)		1,050.00	1,050.00		
Ocean County Tourism Grant - Local Match		1,050.00	1,050.00		
Over the Limit Under Arrest 2008 Impaired					
Driving Crackdown (40A: 4-87, \$5,000.00+)		5,000.00	5,000.00		
Recycling Tonnage Grant	1,088.91	1,088.91	1,088.91		
Ocean County Transportation Mini-Grant					
Assistance Program (40A: 4-87, \$3,000.00+)		3,000.00	3,000.00		
COPS in Shops - Summer Shore					
Initiative (40A: 4-87, \$1,200.00+)		1,200.00	1,200.00		
Alcohol Education Rehabilitation					
Grant (40A: 4-87, \$3,908.82+)	1,127.61	5,036.43	5,036.43		
<b>Total Operations Excluded from CAPS</b>	<b>260,469.98</b>	<b>282,561.34</b>	<b>280,138.43</b>	<b>2,422.91</b>	
<b>Detail:</b>					
Other Expenses	260,469.98	282,561.34	280,138.43	2,422.91	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>					
Capital Improvement Fund	\$38,500.00	\$38,500.00	\$38,500.00		
Purchase Office Equipment	875.00	875.00	875.00		
Purchase of Lifeguard Equipment	8,000.00	8,000.00	8,000.00		
Purchase of a Garbage Receptacles	6,000.00	6,000.00	5,833.08	\$166.92	
<b>Total Capital Improvements Excluded from CAPS</b>	<b>53,375.00</b>	<b>53,375.00</b>	<b>53,208.08</b>	<b>166.92</b>	
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	127,377.30	127,377.30	127,377.30		
Payment of Bond Anticipation Notes and Capital Notes	230,302.20	230,302.20	230,302.20		
Interest on Bonds	100,015.00	100,015.00	100,015.00		
Interest on Notes	88,939.20	88,939.20	88,445.09		\$494.11
<b>Total Municipal Debt Service Excluded from CAPS</b>	<b>546,633.70</b>	<b>546,633.70</b>	<b>546,139.59</b>		<b>494.11</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	<b>Balance Cancelled</b>
Total General Appropriations Municipal Excluded from CAPS	<u>\$860,478.68</u>	<u>\$882,570.04</u>	<u>\$879,486.10</u>	<u>\$2,589.83</u>	<u>\$494.11</u>
Subtotal General Appropriations	6,355,889.68	6,392,981.04	6,114,429.83	211,467.81	67,083.40
Reserve for Uncollected Taxes	<u>307,890.46</u>	<u>307,890.46</u>	<u>307,890.46</u>		
Total General Appropriations	<u><u>\$6,663,780.14</u></u>	<u><u>\$6,700,871.50</u></u>	<u><u>\$6,422,320.29</u></u>	<u><u>\$211,467.81</u></u>	<u><u>\$67,083.40</u></u>
	<b>Ref.</b>	A-2	A-1	A,A-1	
Reserve for Uncollected Taxes	A-2		\$307,890.46		
Cash Disbursed	1-A		5,868,161.94		
Due to Federal and State Grant Fund	8-A		50,728.34		
Encumbrances Payable	9-A		<u>195,539.55</u>		
			<u><u>\$6,422,320.29</u></u>		
Budget	A-3	\$6,663,780.14			
Emergency Appropriation 40A:4-47	5-A	15,000.00			
Appropriation by 40A:4-87	A-2	<u>22,091.36</u>			
		<u><u>\$6,700,871.50</u></u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents	1-B	\$507.68	\$149.08
Trust - Other Fund:			
Cash and Cash Equivalents	1-B	200,166.77	152,614.81
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	6-B	<u>100,334.89</u>	<u>130,658.99</u>
		<u>\$301,009.34</u>	<u>\$283,422.88</u>
 <b><u>Liabilities, Reserves and Fund Balance</u></b>			
Animal Control Fund:			
Due To State of New Jersey	2-B	\$2.40	\$7.80
Reserve for Animal Control Fund Expenditures	5-B	<u>505.28</u>	<u>141.28</u>
		<u>507.68</u>	<u>149.08</u>
Trust - Other Fund:			
Payroll Deductions Payable	3-B	26,934.99	21,257.01
Miscellaneous Reserves	4-B	<u>173,231.78</u>	<u>131,357.80</u>
		<u>200,166.77</u>	<u>152,614.81</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Miscellaneous Reserves	7-B	<u>100,334.89</u>	<u>130,658.99</u>
		<u>\$301,009.34</u>	<u>\$283,422.88</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents	1-C	\$759,583.51	\$787,009.42
Deferred Charges to Future Taxation:			
Funded	3-C	2,363,377.30	2,490,754.60
Unfunded	4-C	2,433,836.17	2,359,130.00
DOT Grants Receivable	5-C	147,828.12	167,193.35
Due from Current Fund			0.40
		<u>\$5,704,625.10</u>	<u>\$5,804,087.77</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Serial Bonds	6-C	\$2,358,000.00	\$2,480,000.00
Bond Anticipation Notes	7-C	2,303,370.00	2,359,130.00
E.D.A. Loan Payable	8-C	5,377.30	10,754.60
Contracts Payable	9-C	256,990.43	204,725.24
Improvement Authorizations:			
Funded	10-C	58,991.56	88,751.04
Unfunded	10-C	586,413.60	596,693.23
Capital Improvement Fund	11-C	10,712.41	1,462.41
Reserve for:			
Beach Replenishment	12-C	36,000.00	36,000.00
DOT Grants Receivable	13-C	22,435.81	22,435.81
Due to Current Fund		2,380.00	
Reserve to Pay Notes		6,357.20	2,380.00
Fund Balance	C-1	57,596.79	1,755.44
		<u>\$5,704,625.10</u>	<u>\$5,804,087.77</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	C	\$1,755.44
Increased By:		
Funded Improvement Authorizations Cancelled	10-C	<u>55,841.35</u>
Balance December 31, 2008	C	<u><u>\$57,596.79</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Operating Fund:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	1-D	\$242,177.56	\$307,220.77
Change Fund		62.50	62.50
		<u>242,240.06</u>	<u>307,283.27</u>
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	3-D	<u>20,618.00</u>	<u>23,319.70</u>
<b>Total Operating Fund</b>		<u>262,858.06</u>	<u>330,602.97</u>
<b>Capital Fund:</b>			
Cash and Cash Equivalents	1-D	109,785.77	140,433.97
Fixed Capital	4-D	7,291,844.62	7,271,148.11
Fixed Capital Authorized and Uncompleted	5-D	<u>504,323.13</u>	<u>535,000.00</u>
<b>Total Capital Fund</b>		<u>7,905,953.52</u>	<u>7,946,582.08</u>
		<u><u>\$8,168,811.58</u></u>	<u><u>\$8,277,185.05</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Operating Fund:</b>			
Appropriation Reserves	D-4,6-D	\$11,730.26	\$46,808.99
Encumbrances Payable	7-D	22,916.51	37,668.07
Water Overpayments	8-D	2,910.85	2,710.30
Accrued Interest on Bonds and Notes	9-D	21,414.15	22,169.24
		<u>58,971.77</u>	<u>109,356.60</u>
Reserve for Receivables	D	20,618.00	23,319.70
Fund Balance	D-1	183,268.29	197,926.67
		<u>262,858.06</u>	<u>330,602.97</u>
<b>Capital Fund:</b>			
Serial Bonds	10-D	1,183,000.00	1,252,000.00
Bond Anticipation Notes	11-D	167,523.00	238,600.00
U.S.D.A. Loan Payable	12-D	1,681,795.95	1,704,374.29
N.J. DEP Loan Payable	13-D	149,267.90	205,442.70
Contracts Payable	14-D	12,695.56	12,695.56
<b>Improvement Authorization:</b>			
Unfunded	15-D	41,746.14	72,947.01
Capital Improvement Fund	16-D	42,970.00	42,970.00
Reserve to Pay Notes		552.80	
Reserve for Amortization	17-D	4,277,780.77	4,109,331.12
Deferred Reserve for Amortization	18-D	336,800.00	296,400.00
Fund Balance	D-2	11,821.40	11,821.40
		<u>7,905,953.52</u>	<u>7,946,582.08</u>
<b>Total Capital Fund</b>		<u><u>7,905,953.52</u></u>	<u><u>7,946,582.08</u></u>
		<u><u>\$8,168,811.58</u></u>	<u><u>\$8,277,185.05</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2008 and 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$99,675.00	\$76,550.00
Water Rents	D-3	707,452.05	716,179.09
Fire Hydrant Service	D-3	22,050.00	22,050.00
Reserve for Payment of Bonds			
Capital Surplus			20,000.00
Increase in Rates			
Miscellaneous Revenue	D-3	20,208.86	40,544.86
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	6-D	56,022.90	42,038.47
<b>Total Revenues</b>		<u>905,408.81</u>	<u>917,362.42</u>
Expenditures:			
Operating	D-4	437,500.00	428,000.00
Capital Improvements	D-4	20,875.00	15,000.00
Debt Service	D-4	329,617.19	314,836.25
Deferred Charges and Statutory			
Expenditures	D-4	32,400.00	26,500.00
<b>Total Expenditures</b>		<u>820,392.19</u>	<u>784,336.25</u>
<b>Excess in Revenue</b>		85,016.62	133,026.17
<b>Fund Balance January 1</b>	D	<u>197,926.67</u>	<u>141,450.50</u>
		282,943.29	274,476.67
Decreased By:			
Utilized as Anticipated Revenue	D-3	99,675.00	76,550.00
<b>Fund Balance December 31</b>	D	<u>\$183,268.29</u>	<u>\$197,926.67</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	D	<u><u>\$11,821.40</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$99,675.00	\$99,675.00	
Water Rents	D-1,3-D	700,000.00	707,452.05	\$7,452.05
Fire Hydrant Service	D-1,1-D	22,050.00	22,050.00	
Miscellaneous Revenue	D-1,1-D		20,208.86	20,208.86
	D-4	<u>\$821,725.00</u>	<u>\$849,385.91</u>	<u>\$27,660.91</u>

**Analysis of Miscellaneous Revenue**

Interest Earned on Deposits		\$7,345.83
Interest Earned on Delinquent Accounts		6,513.03
Water Meters		250.00
Water Reconnection Fees		100.00
Water Disconnection Fees		<u>6,000.00</u>
	D-3,1-D	<u>\$20,208.86</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE  
COUNTY OF OCEAN  
STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$235,000.00	\$235,000.00	\$225,248.29	\$9,751.71	
Other Expenses	202,500.00	202,500.00	202,407.88	92.12	
<b>Total Operating</b>	<b>437,500.00</b>	<b>437,500.00</b>	<b>427,656.17</b>	<b>9,843.83</b>	
Capital Improvements:					
Capital Outlay	20,875.00	20,875.00	20,696.51	178.49	
Debt Service:					
Payment of Bond Principal	69,000.00	69,000.00	69,000.00		
Payment of Bond Anticipation Notes	40,400.00	40,400.00	40,400.00		
Interest on Bonds	50,125.00	50,125.00	50,002.50		\$122.50
Interest on Notes	9,500.00	9,500.00	9,146.85		353.15
U.S.D.A. Loan - Principal and Interest	99,025.00	99,025.00	98,954.41		70.59
N.J. DEP Loan - Principal and Interest	62,900.00	62,900.00	62,113.43		786.57
<b>Total Debt Service</b>	<b>330,950.00</b>	<b>330,950.00</b>	<b>329,617.19</b>		<b>1,332.81</b>
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	11,400.00	11,400.00	11,369.56	30.44	
Social Security System (O.A.S.I.)	19,000.00	19,000.00	17,322.50	1,677.50	
Unemployment Compensation	2,000.00	2,000.00	2,000.00		
<b>Total Statutory Expenditures</b>	<b>32,400.00</b>	<b>32,400.00</b>	<b>30,692.06</b>	<b>1,707.94</b>	
	<b>\$821,725.00</b>	<b>\$821,725.00</b>	<b>\$808,661.93</b>	<b>\$11,730.26</b>	<b>\$1,332.81</b>
	<b>Ref.</b>	<b>D-3</b>		<b>D</b>	
Cash Disbursements	1-D		\$644,281.37		
Encumbrances Payable	7-D		22,916.51		
Accrued Interest on Bonds and Notes	9-D		141,464.05		
			<b>\$808,661.93</b>		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>Operating Fund:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	1-E	\$178,643.36	\$234,246.35
Change Fund		62.50	62.50
		<u>178,705.86</u>	<u>234,308.85</u>
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	3-E	44,594.27	45,587.14
		<u>223,300.13</u>	<u>279,895.99</u>
<b>Capital Fund:</b>			
Cash and Cash Equivalents	1-E	72,039.26	44,376.77
Fixed Capital	4-E	8,697,225.94	8,697,225.94
Fixed Capital Authorized and Uncompleted	5-E	594,490.00	594,490.00
		<u>9,363,755.20</u>	<u>9,336,092.71</u>
		<u><u>\$9,587,055.33</u></u>	<u><u>\$9,615,988.70</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Operating Fund:</b>			
Appropriation Reserves	E-4	\$25,158.18	\$28,615.34
Encumbrances Payable	7-E	9,374.49	22,903.05
Accrued Interest on Bonds	8-E	59,276.34	61,536.20
Sewer Overpayments	9-E	4,973.73	3,533.62
		<u>98,782.74</u>	<u>116,588.21</u>
Reserve for Receivables	E	44,594.27	45,587.14
Fund Balance	E-1	79,923.12	117,720.64
		<u>223,300.13</u>	<u>279,895.99</u>
<b>Capital Fund:</b>			
Serial Bonds and Loans	10-E	5,516,445.06	5,718,322.78
Contracts Payable	11-E	15,470.96	15,470.96
Improvement Authorization:			
Unfunded	12-E	67,656.03	92,828.54
Capital Improvement Fund	13-E	38,000.00	38,000.00
Reserve for Amortization	14-E	3,180,780.88	2,978,903.16
Deferred Reserve for Amortization	15-E	541,653.00	488,818.00
Fund Balance	E-2	3,749.27	3,749.27
		<u>9,363,755.20</u>	<u>9,336,092.71</u>
<b>Total Capital Fund</b>		<u><u>\$9,587,055.33</u></u>	<u><u>\$9,615,988.70</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2008 and 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$90,848.00	\$76,174.00
Sewer Rents	E-3	1,259,719.18	1,275,258.35
Capital Surplus			10,000.00
Miscellaneous Revenue	E-3	18,165.85	21,172.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-E	<u>36,307.97</u>	<u>28,168.80</u>
<b>Total Revenue</b>		<u><b>1,405,041.00</b></u>	<u><b>1,410,774.10</b></u>
Expenditures:			
Operating	E-4	887,928.00	894,814.00
Capital Improvements	E-4	875.00	
Debt Service	E-4	434,037.52	416,938.72
Deferred Charges and Statutory Expenditures	E-4	<u>29,150.00</u>	<u>22,750.00</u>
<b>Total Expenditures</b>		<u><b>1,351,990.52</b></u>	<u><b>1,334,502.72</b></u>
Excess in Revenue		53,050.48	76,271.38
Fund Balance January 1	E	<u>117,720.64</u>	<u>117,623.26</u>
		170,771.12	193,894.64
Decreased By:			
Utilized as Anticipated Revenue	E-3	<u>90,848.00</u>	<u>76,174.00</u>
<b>Fund Balance December 31</b>	E	<u><b>\$79,923.12</b></u>	<u><b>\$117,720.64</b></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	E	<u><u>\$3,749.27</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	<b><u>Anticipated Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess/ (Deficit)</u></b>
Fund Balance Anticipated	E-1	\$90,848.00	\$90,848.00	
Sewer Rents	E-1,3-E	1,270,000.00	1,259,719.18	(\$10,280.82)
Miscellaneous Revenue	E-1		18,165.85	18,165.85
	E-4	<u>\$1,360,848.00</u>	<u>\$1,368,733.03</u>	<u>\$7,885.03</u>
<b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest Earned on Deposits			\$5,764.07	
Interest Earned on Delinquent Accounts			<u>12,401.78</u>	
	E-3,1-E		<u>\$18,165.85</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>Operating:</b>					
Salaries and Wages	\$206,000.00	\$206,000.00	\$200,385.46	\$5,614.54	
Other Expenses	127,000.00	127,000.00	109,166.42	17,833.58	
Ocean County Utilities Authority	554,928.00	554,928.00	554,927.93	0.07	
<b>Total Operating</b>	<b>887,928.00</b>	<b>887,928.00</b>	<b>864,479.81</b>	<b>23,448.19</b>	
<b>Capital Improvements</b>					
Capital Outlay	875.00	875.00	875.00		
<b>Debt Service:</b>					
Payment of Bond Principal	64,000.00	64,000.00	64,000.00		
Interest on Bonds	49,113.39	49,113.39	49,112.51		\$0.88
U.S.D.A. Loan - Principal and Interest	216,940.00	216,940.00	216,446.38		493.62
NJ Water Treatment Trust - Principal and Interest	112,841.61	112,841.61	104,478.63		8,362.98
<b>Total Debt Service</b>	<b>442,895.00</b>	<b>442,895.00</b>	<b>434,037.52</b>		<b>8,857.48</b>
<b>Statutory Expenditures:</b>					
Contributions to:					
PERS	11,400.00	11,400.00	11,369.56	30.44	
Social Security System (O.A.S.I.)	17,000.00	17,000.00	15,320.45	1,679.55	
Unemployment Compensation Insurance	750.00	750.00	750.00		
<b>Total Statutory Expenditures</b>	<b>29,150.00</b>	<b>29,150.00</b>	<b>27,440.01</b>	<b>1,709.99</b>	
	<b>\$1,360,848.00</b>	<b>\$1,360,848.00</b>	<b>\$1,326,832.34</b>	<b>\$25,158.18</b>	<b>\$8,857.48</b>
<b>Ref.</b>	<b>E-3</b>			<b>E</b>	
Cash Disbursements	1-E		\$1,008,611.85		
Encumbrances Payable	7-E		9,374.49		
Accrued Interest Bonds and Notes	8-E		308,846.00		
			<b>\$1,326,832.34</b>		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

F

**ELECTRIC UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Operating Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	1-F	\$636,900.66	\$324,290.26
Change Fund		75.00	75.00
Due From State of NJ - Lifeline Credit	3-F	337.50	225.00
		<u>637,313.16</u>	<u>324,590.26</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	4-F	185,930.47	115,313.78
Total Operating Fund		<u>823,243.63</u>	<u>439,904.04</u>
Capital Fund:			
Cash and Cash Equivalents	1-F	\$192,838.12	37,690.38
Fixed Capital	5-F	1,643,758.06	1,642,883.06
Fixed Capital Authorized and Uncompleted	6-F	195,000.00	205,505.70
Total Capital Fund		<u>2,031,596.18</u>	<u>1,886,079.14</u>
		<u>2,854,839.81</u>	<u>\$2,325,983.18</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Appropriation Reserves	F-4,7-F	\$41,524.85	\$69,790.76
Encumbrances Payable	8-F	203,765.05	97,225.99
Electric Overpayments	9-F	17,934.70	16,608.01
		<u>263,224.60</u>	<u>183,624.76</u>
Reserve for Receivables	F	185,930.47	115,313.78
Fund Balance	F-1	<u>374,088.56</u>	<u>140,965.50</u>
Total Operating Fund		<u>823,243.63</u>	<u>439,904.04</u>
Capital Fund:			
Improvement Authorization:			
Funded	10-F	2,631.00	
Unfunded	10-F	126,314.98	205,505.70
Bond Anticipation Notes	14-F	166,250.00	
Capital Improvement Fund	11-F		146,925.31
Contracts Payable		44,951.76	
Reserve for Amortization	12-F	1,509,263.76	1,508,388.76
Deferred Reserve for Amortization	13-F	28,750.00	
Fund Balance	F-2	153,434.68	25,259.37
Total Capital Fund		<u>2,031,596.18</u>	<u>1,886,079.14</u>
		<u>2,854,839.81</u>	<u>\$2,325,983.18</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

F-1

**ELECTRIC UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**

**Years Ended December 31, 2008 and 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized			\$237,800.00
Electric Rents	F-3	\$1,800,000.00	1,800,190.98
Interest on Investments and Deposits	F-3	5,750.62	15,480.34
Rate Increase	F-3	1,489,528.56	
Miscellaneous Revenue	F-3	17,017.42	12,089.44
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	7-F	28,451.46	94,652.16
 Total Revenues		 <u>3,340,748.06</u>	 <u>2,160,212.92</u>
 Expenditures:			
Operating	F-4	3,046,500.00	2,011,300.00
Capital Improvements	F-4	10,875.00	
Deferred Charges and Statutory Expenses	F-4	50,250.00	41,500.00
 Total Expenditures		 <u>3,107,625.00</u>	 <u>2,052,800.00</u>
 Excess in Revenue		 233,123.06	 107,412.92
 Fund Balance, January 1	 F	 <u>140,965.50</u>	 <u>271,352.58</u>
		374,088.56	378,765.50
Decreased By:			
Utilized as Anticipated Revenue			<u>237,800.00</u>
 Fund Balance, December 31	 F	 <u>\$374,088.56</u>	 <u>\$140,965.50</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	F	\$25,259.37
Increased By:		
Capital Improvement Fund Cancelled	11-F	<u>128,175.31</u>
Balance December 31, 2008	F	<u>\$153,434.68</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

F-3

**ELECTRIC UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	<b><u>Anticipated Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess/ (Deficit)</u></b>
Electric Rents	F-1,4-F	\$1,800,000.00	\$1,800,000.00	
Interest on Investments and Deposits	F-1,1-F	15,000.00	5,750.62	(\$9,249.38)
Rate Increase	F-1,4-F	1,392,625.00	1,489,528.56	96,903.56
Miscellaneous Revenue	F-1,1-F		17,017.42	17,017.42
	F-4	<u>\$3,207,625.00</u>	<u>\$3,312,296.60</u>	<u>\$104,671.60</u>
 <b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest Earned on Delinquent Accounts			\$16,917.42	
Reconnect/Disconnect Fees			<u>100.00</u>	
	F-3,1-F		<u>\$17,017.42</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$344,500.00	\$344,500.00	\$330,709.26	\$13,790.74	
Other Expenses	270,000.00	295,000.00	291,248.40	3,751.60	
Power Purchased	2,532,000.00	2,507,000.00	2,385,592.35	21,407.65	\$100,000.00
<b>Total Operating</b>	<b>3,146,500.00</b>	<b>3,146,500.00</b>	<b>3,007,550.01</b>	<b>38,949.99</b>	<b>100,000.00</b>
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	875.00	875.00	875.00		
	<b>10,875.00</b>	<b>10,875.00</b>	<b>10,875.00</b>		
Statutory Expenditures:					
Contribution To:					
PERS	20,250.00	20,250.00	20,212.54	37.46	
Social Security System (O.A.S.I.)	28,000.00	28,000.00	25,462.60	2,537.40	
Unemployment Compensation Insurance	2,000.00	2,000.00	2,000.00		
<b>Total Statutory Expenditures</b>	<b>50,250.00</b>	<b>50,250.00</b>	<b>47,675.14</b>	<b>2,574.86</b>	
	<b>\$3,207,625.00</b>	<b>\$3,207,625.00</b>	<b>\$3,066,100.15</b>	<b>\$41,524.85</b>	<b>\$100,000.00</b>
	<b>Ref.</b>	<b>F-3</b>		<b>F</b>	
Cash Disbursements	1-F		\$2,862,335.10		
Encumbrances Payable	8-F		203,765.05		
			<b>\$3,066,100.15</b>		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	1-G	<u>\$0.00</u>	<u>\$20,446.29</u>
<b><u>Liabilities and Reserves</u></b>			
Reserve for Public Assistance	2-G	\$0.00	\$20,223.51
Due To State of New Jersey	3-G	<u>0.00</u>	<u>222.78</u>
Total Liabilities and Reserves		<u>\$0.00</u>	<u>\$20,446.29</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**STATEMENT OF PUBLIC ASSISTANCE REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2008**

	<b><u>P.A.T.F. Account I (75%)</u></b>	<b><u>P.A.T.F. Account II (100%)</u></b>	<b><u>Fund Total</u></b>
Interest Earned	<u>\$4.36</u>	<u>\$0.20</u>	<u>\$4.56</u>
	<b><u>Ref.</u></b>		1-G

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2008 and 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
General Fixed Assets:			
Buildings and Land		\$11,140,710.00	\$11,140,710.00
Equipment		4,533,781.21	4,470,291.92
Total Assets		<u>\$15,674,491.21</u>	<u>\$15,611,001.92</u>
<b><u>Liabilities and Reserves</u></b>			
Investment in Fixed Assets	1-H	<u>\$15,674,491.21</u>	<u>\$15,611,001.92</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Borough of Lavallette, County of Ocean, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, first aid squad or volunteer fire department, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2008.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**Current Fund** – used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds for operations.

**Animal Control Trust Fund** – used to record animal license revenues and expenditures.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Descriptions of Funds (Continued)**

**Other Trust Fund** – used to account for assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

**Length of Service Award Program Fund** - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

**General Capital Fund** – used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**Sewer Utility Operating and Capital Funds** – used to account for the operations and acquisition of capital facilities of the municipality-owned sewer utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

**Water Utility Operating and Capital Funds** – used to account for the operations and acquisition of capital facilities of the municipality-owned water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

**Electric Utility Operating and Capital Funds** – used to account for the operations and acquisition of capital facilities of the municipality-owned electric utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

**Public Assistance Trust Fund** – used to account for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

**General Fixed Assets Account Group** – used to account for fixed assets in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

**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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

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

**Expenditures** – unexpended or uncommitted appropriations at December 31 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 December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** – are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**Deferred Charges** – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (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 Current Fund and the remaining obligations be recorded as a long-term obligation.

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

**Sale of Municipal Assets** – Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

**Interfunds** – advances in 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.

**General Fixed Assets** – In accordance with the 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 used in governmental operations (general fixed assets) are required to be 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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Utility Fixed Assets** – Accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Utility Funds are not depreciated. Principal payments for Utility debt are recorded as expenditures in the Utility Statement of Operations.

**D. Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**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 represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

**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 insures deposits or the State of New Jersey Cash Management Fund.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

-the market value of the collateral must equal five percent of the average daily balance of public funds; or

-if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough’s cash and cash equivalents at December 31, 2008 totaled \$4,307,236.45. The carrying amount of these amounts equaled market value at December 31, 2008. As of December 31, 2008 the Borough had funds on deposit in accounts at various financial institutions, insured as follows:

<u>Depository Account</u>	<u>Bank Balance Amount</u>
Insured by:	
FDIC	\$255,373.08
GUDPA	<u>4,347,866.54</u>
	<u><u>\$4,603,239.62</u></u>

**Custodial Credit Risk on Deposits**

Custodial Credit Risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

**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.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

- (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. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a GUDPA bank;
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A: 5-15.1.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Interest Rate Risk**

LOSAP investment options are at the discretion of each individual participant and not the Borough. The market value of the Borough's LOSAP investments was \$100,334.89 at December 31, 2008.

**Credit Risk**

State law limits investments as noted above. During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

**NOTE 3. FIXED ASSETS**

Fixed assets activity for the year ended December 31, 2008 was as follows:

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Buildings and Land	\$11,140,710.00		\$11,140,710.00
Equipment	4,470,291.92	\$63,489.29	4,533,781.21
	<u>\$15,611,001.92</u>	<u>\$63,489.29</u>	<u>\$15,674,491.21</u>

**NOTE 4. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the "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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. 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.

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt**

The Borough's long-term debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
<u>General Capital Bonds</u>				
2005 General Capital Refunding Bonds	10/12/05	\$2,256,000.00	Various	\$2,228,000.00
General Improvements	04/01/00	2,870,000.00	5.5%	130,000.00
N.J. Economic Development Loan	11/05/99	53,773.00	0.0%	<u>5,377.30</u>
				<u>\$2,363,377.30</u>

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
<u>Water Utility Bonds</u>				
2005 Water Capital Refunding Bonds	10/12/05	\$1,144,000.00	Various	\$1,128,000.00
Water Improvements	04/01/00	1,460,000.00	5.5%	55,000.00
Water System Improvements (U.S.D.A.)	06/07/01	1,829,000.00	4.5%	1,681,795.95
Water System Improvements N.J.D.E.P. Loan	05/10/01	504,472.22	3.5%	<u>149,267.90</u>
				<u>\$3,014,063.85</u>

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
Sewer Utility Bonds				
Sewer Capital Refunding Bond	10/12/05	\$1,150,000.00	Various	\$1,134,000.00
Sewer Improvements	03/22/02	1,300,000.00	4.5%	1,211,429.96
Sewer Improvements	04/01/00	1,435,000.00	Various	50,000.00
Sewer Improvements (U.S.D.A.)	11/06/97	1,607,000.00	4.5%	1,400,857.16
Sewer Improvements - N.J. Wastewater Treatment:				
Trust Loan	10/15/96	825,000.00	Various	669,693.97
Sewer Improvements	03/18/04	1,100,000.00	4.5%	1,050,463.97
				<u>\$5,516,445.06</u>

Long-term debt service requirements are as follows:

	<u>General Capital</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$158,377.30	\$92,902.50	\$251,279.80
2010	135,000.00	86,562.50	221,562.50
2011	135,000.00	81,837.50	216,837.50
2012	135,000.00	76,931.25	211,931.25
2013	135,000.00	71,350.00	206,350.00
2014-2018	700,000.00	270,512.50	970,512.50
2019-2023	695,000.00	130,093.75	825,093.75
2024-2025	270,000.00	11,475.00	281,475.00
	<u>\$2,363,377.30</u>	<u>\$821,665.00</u>	<u>\$3,185,042.30</u>

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

<u>Water Utility</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$149,763.92	\$126,765.62	\$276,529.54
2010	154,891.46	120,673.06	275,564.52
2011	131,701.41	114,886.62	246,588.03
2012	101,977.30	110,452.95	212,430.25
2013	103,204.94	106,131.56	209,336.50
2014-2018	521,485.93	465,121.57	986,607.50
2019-2023	541,728.78	354,028.72	895,757.50
2024-2028	372,000.27	248,219.73	620,220.00
2029-2033	314,799.63	180,320.37	495,120.00
2034-2038	393,248.76	101,871.24	495,120.00
2039-2041	229,261.45	15,585.23	244,846.68
	<u>\$3,014,063.85</u>	<u>\$1,944,056.67</u>	<u>\$4,958,120.52</u>

<u>Sewer Utility</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$202,786.61	\$233,997.48	\$436,784.09
2010	222,790.17	226,326.71	449,116.88
2011	223,713.46	218,569.26	442,282.72
2012	232,768.28	210,603.98	443,372.26
2013	233,766.53	201,881.90	435,648.43
2014-2018	927,015.84	874,783.75	1,801,799.59
2019-2023	780,381.56	696,249.69	1,476,631.25
2024-2028	692,618.17	527,606.83	1,220,225.00
2029-2033	702,824.54	381,875.46	1,084,700.00
2034-2038	787,574.01	207,813.01	995,387.02
2039-2043	482,555.11	59,774.89	542,330.00
2044	27,650.78	622.20	28,272.98
	<u>\$5,516,445.06</u>	<u>\$3,840,105.16</u>	<u>\$9,356,550.22</u>

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Changes in Outstanding Long-Term Debt**

Long-Term Debt transactions for the year ended December 31, 2008 are summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
General Capital Fund	\$2,490,754.60	\$127,377.30	\$2,363,377.30
Water Utility Capital Fund	3,161,816.99	147,753.14	3,014,063.85
Sewer Utility Capital Fund	<u>5,718,322.78</u>	<u>201,877.72</u>	<u>5,516,445.06</u>
	<u>\$11,370,894.37</u>	<u>\$477,008.16</u>	<u>\$10,893,886.21</u>

**B. Short-Term Debt**

At December 31, 2008, the Borough's outstanding bond anticipation notes were as follows:

**General Capital Fund**

Various Road Improvements	\$6,880.00
Purchase of Communication Equipment	82,330.00
Acquisition of Various Vehicles	519,660.00
Acquisition of Vehicles and Apparatus	209,000.00
Bay Front Erosion Improvement	145,400.00
Improvements To Boardwalks and Docks	900,600.00
Improvements to Borough Tennis Courts	128,250.00
Road Improvements to White, Coleman, and Ortley Avenues	50,000.00
Acquisition of Capital Vehicles and Equipment for Public Works Department	85,500.00
Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	<u>175,750.00</u>
	<u>\$2,303,370.00</u>

**Electric Utility Capital Fund**

Acquisition of Electrical Distribution Equipment	<u>\$166,250.00</u>
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**NOTE 4. DEBT (CONTINUED)**

**B. Short-Term Debt (Continued)**

Water Utility Capital Fund

Water Improvements	\$153,200.00
Improvements To Water Storage Tank	<u>14,323.00</u>
	<u><u>\$167,523.00</u></u>

Bond Anticipation Note transactions for the year ended December 31, 2008 are summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>General Capital Fund</u>				
Bond Anticipation Notes	\$2,359,130.00	\$2,303,370.00	\$2,359,130.00	\$2,303,370.00
<u>Electric Utility Capital Fund</u>				
Bond Anticipation Notes		166,250.00		166,250.00
<u>Water Utility Capital Fund</u>				
Bond Anticipation Notes	<u>238,600.00</u>	<u>167,523.00</u>	<u>238,600.00</u>	<u>167,523.00</u>
	<u><u>\$2,597,730.00</u></u>	<u><u>\$2,637,143.00</u></u>	<u><u>\$2,597,730.00</u></u>	<u><u>\$2,637,143.00</u></u>

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2008, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$130,466.17
Electric Utility Capital Fund	134,494.30
Sewer Utility Capital Fund	52,837.00

**NOTE 5. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2008 which have been appropriated and included as anticipated revenue in the budget for the year ending December 31, 2009 are as follows:

Current Fund	\$500,000.00
Water Utility Operating Fund	122,287.69
Sewer Utility Operating Fund	48,424.09

**NOTE 6. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance and set forth as cash liabilities in the financial statements are as follows:

	<u>Balance Dec. 31,</u>	
	<u>2008</u>	<u>2007</u>
Prepaid Taxes	\$200,838.48	\$205,975.26

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation 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 County Tax 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 on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

**NOTE 8. 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. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 9. PENSION PLANS**

**Description of Systems**

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**Funding Policy**

PERS Employee contributions were five percent (5.00%) of base wages through June 30, 2008. Effective July 1, 2008 PERS employee contributions were five and one-half percent (5.50%) of base wages. PFRS employee contributions were eight and one-half percent (8.50%) of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years are as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Borough</u>	<u>Year</u>	<u>Borough</u>
2008	\$120,328.40	2008	\$99,183.00
2007	66,057.80	2007	61,796.00
2006	47,413.58	2006	33,339.00

All contributions by the Borough were equal to the required contributions for each of the three years.

**NOTE 10. SCHOOL TAXES**

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district, and has elected to defer these school taxes at December 31, 2008 and 2007 as follows:

	<u>Local District School Tax</u>	
	<u>2008</u>	<u>2007</u>
Balance of Tax Deferred	\$768,794.21 <u>777,957.38</u>	\$749,975.71 <u>777,957.38</u>
Tax Payable	<u>\$1,546,751.59</u>	<u>\$1,527,933.09</u>

**NOTE 11. ACCRUED UNUSED SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation was \$376,549.27 at December 31, 2008. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 12. POST-EMPLOYMENT RETIREMENT HEALTH BENEFITS**

In addition to the pension benefits described in Note 9, the Borough provides post-employment retirement health benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and costs are reported as they are paid.

**Plan Description**

The Borough contributes to the State Health Benefits Program "(SHBP)", a cost sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et. seq., to provide health benefits to employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey, Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**Funding Policy**

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-employment retirement health benefits under the SHBP have been funded on a pay-as-you-go basis since 1994. Prior to 1994, health benefits were funded on an actuarial basis.

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's post-employment retirement health benefits contributions to the SHBP for the years ended December 31, 2008, 2007, and 2006 were \$226,342.70, \$318,186.57, and \$308,230.40 respectively, which equaled the required contributions for each year.

**NOTE 13. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2008 was \$21,687.99.

**NOTE 14. CONTINGENT LIABILITIES**

**Grant Financial Assistance**

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2008, the Borough anticipates that no material liabilities will result from such audits.

**Legal Proceedings**

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration as advised by legal counsel, are not likely to have a material adverse impact on the Borough's financial position.

**NOTE 15. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft and damage to assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund (the "JIF"). The joint insurance pool is both an insured and self-administered group of 30 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance Fund, which has a contract for excess liability insurance for property. The Fund also purchased an excess Faithful Performance and Employee Dishonesty Bond.

**NOTE 16. VOLUNTEER LENGTH OF SERVICE AWARD PLAN**

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") (the "Plan") to ensure retention of the Borough's volunteer fire department and first aid squad. The Plan has been established under the laws of the State of New Jersey with the intent that it meets the requirements of a length of service award plan under Section 457(e)11(B) of the Internal Revenue Code.

**Annual Contributions** - The annual contribution to be made by the Borough for each active volunteer member shall range from \$600.00 to \$1,000.00 per year of active emergency service.

**NOTE 16. VOLUNTEER LENGTH OF SERVICE AWARD PLAN (CONTINUED)**

**Appropriations** - Appropriations for the purpose of funding the Borough's LOSAP are included as a separate line item in the Borough's budget.

**Periodic Increases** - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active member shall not be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

**Estimated Cost** - The estimated cost of the program to the Borough has been calculated to be approximately \$30,000.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

**NOTE 17. SUBSEQUENT EVENTS**

**Debt Authorized**

In March 2009 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$30,000.00 for road improvements to Bond Avenue.

**Annexation of Land**

On July 9, 2009, the Appellate Division of the Superior Court of New Jersey affirmed a trial court decision, dated July 22, 2008, relative to the annexation of land (Bay Beach Way) from the Township of Toms River, New Jersey (the "Township").

The Borough plans to adopt an ordinance to effect the annexation of this land in August 2009. Once the ordinance becomes effective, the Borough and the Township must form committees in order to apportion property and bonded and other indebtedness, relative to the annexed land, to the Borough.

**BOROUGH OF LAVALLETTE**

**COUNTY OF OCEAN**

**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY DATA AND SCHEDULES**

**YEAR ENDED DECEMBER 31, 2008**

**COMPARATIVE SCHEDULE OF FUND BALANCES AT DECEMBER 31**

<u>Year</u>	<b>Current Fund Balance</b>	<b>Utilized in Budget of <u>Succeeding Year</u></b>
2008	\$813,360.62	\$500,000.00
2007	821,244.08	460,000.00
2006	927,294.57	580,000.00
2005	895,948.82	575,000.00
2004	614,572.22	380,000.00

<u>Year</u>	<b>Water Utility Fund Balance</b>	<b>Utilized in Budget of <u>Succeeding Year</u></b>
2008	\$183,268.29	\$122,287.69
2007	197,926.67	99,675.00
2006	141,450.50	76,550.00
2005	89,268.91	40,000.00
2004	115,117.26	85,524.00

<u>Year</u>	<b>Sewer Utility Fund Balance</b>	<b>Utilized in Budget of <u>Succeeding Year</u></b>
2008	\$79,923.12	\$48,424.09
2007	117,720.64	90,848.00
2006	117,623.26	76,174.00
2005	96,381.85	80,000.00
2004	192,881.66	120,325.00

<u>Year</u>	<b>Electric Utility Fund Balance</b>	<b>Utilized in Budget of <u>Succeeding Year</u></b>
2008	\$374,088.56	
2007	140,965.50	
2006	271,352.58	\$237,800.00
2005	413,595.08	225,000.00
2004	301,517.08	296,100.00

**COMPARISON OF UTILITY RENTS LEVIED**

**Water Utility Fund**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2008	\$704,750.35	\$707,452.05
2007	710,130.08	716,179.09
2006	705,400.03	692,948.46
2005	589,129.23	586,181.92

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**Sewer Utility Fund**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2008	\$1,258,726.31	\$1,259,719.18
2007	1,265,870.56	1,275,258.35
2006	1,182,956.05	1,158,982.02
2005	1,087,396.65	1,085,829.03

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**Electric Utility Fund**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2008	\$3,360,145.25	\$3,289,528.56
2007	1,803,136.97	1,800,190.98
2006	1,878,542.62	1,846,634.66
2005	1,950,395.43	1,956,185.74

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**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$0.843</u>	<u>\$0.797</u>	<u>\$0.754</u>
Apportionment of Tax Rate			
Municipal	0.257	0.240	0.229
County	0.411	0.388	0.361
Local School	0.175	0.169	0.164
Assessed Valuation			
2008	\$1,815,938,286.00		
2007		\$1,801,656,626.00	
2006			\$1,788,152,006.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease percentage of current collection could be an indication of a probable increase in future levies.

		<u>Currently</u>	
<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2008	\$15,353,524.28	\$15,012,984.55	97.78%
2007	14,420,154.89	14,228,090.31	98.67%
2006	13,526,091.58	13,341,517.14	98.63%

**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>2008</u>	<u>2007</u>	<u>2006</u>
Delinquent taxes	\$335,846.14	\$188,486.05	\$184,574.44
Tax title liens	<u>3,980.41</u>		
Total delinquent	<u>\$339,826.55</u>	<u>\$188,486.05</u>	<u>\$184,574.44</u>
% of tax levy	2.21%	1.31%	1.36%

**SUMMARY OF MUNICIPAL DEBT**

<b><u>Issued</u></b>	<b><u>Year 2008</u></b>	<b><u>Year 2007</u></b>	<b><u>Year 2006</u></b>
General	\$4,666,747.30	\$4,849,884.60	\$4,510,761.90
Water Utility	3,181,586.85	3,400,416.99	3,567,671.70
Electric Utility	166,250.00		
Sewer Utility	<u>5,516,445.06</u>	<u>5,718,322.78</u>	<u>5,893,195.97</u>
Total Issued	<u>13,531,029.21</u>	<u>13,968,624.37</u>	<u>13,971,629.57</u>
Less:			
Reserve to Pay Notes	6,910.00		
State of New Jersey Grants Receivable	<u>22,436.00</u>	<u>22,436.00</u>	<u>22,435.81</u>
Total Deductions	<u>29,346.00</u>	<u>22,436.00</u>	<u>22,435.81</u>
Net Debt Issued	<u>13,501,683.21</u>	<u>13,946,188.37</u>	<u>13,949,193.76</u>
<b><u>Authorized but not Issued</u></b>			
General	130,466.17		71,250.40
Sewer Utility	52,837.00	105,672.00	168,558.00
Electric Utility	<u>134,494.30</u>	<u>340,000.00</u>	<u>340,000.00</u>
Total Authorized but not Issued	<u>317,797.47</u>	<u>445,672.00</u>	<u>579,808.40</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$13,819,480.68</u>	<u>\$14,391,860.37</u>	<u>\$14,529,002.16</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 0.20%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$1,260,000.00	\$1,260,000.00	
General Debt	4,797,213.47	28,793.00	\$4,768,420.47
Water Utility Debt	3,181,586.85	3,181,586.85	
Sewer Utility Debt	5,569,282.06	5,569,282.06	
Electric Utility Debt	300,744.30	300,744.30	
	<u>\$15,108,826.68</u>	<u>\$10,340,406.21</u>	<u>\$4,768,420.47</u>

Net Debt \$4,768,420.47 divided by Equalized Valuation basis per N.J.S. 40A: 2-2 as amended, \$2,341,886,614.00 equals 0.20%.

**BORROWING POWER UNDER N.J.S. 40A: 2-6 AS AMENDED**

3 ½ % of Equalized Valuation Basis	\$81,966,031.49
Net Debt	<u>4,768,420.47</u>
Remaining Borrowing Power	<u>\$77,197,611.02</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY PER  
N.J.S. 40A: 2-45**

Cash Receipts from Fees, Rents or Charges for Year		\$849,385.91
Deductions:		
Operating and Maintenance Cost	\$469,900.00	
Debt Service	<u>329,617.19</u>	
Total Deductions		<u>799,517.19</u>
Excess in Revenue - Self Liquidating		<u>\$49,868.72</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER  
N.J.S. 40A: 2-45**

Cash Receipts from Fees, Rents or Charges for Year		\$1,368,733.03
Deductions:		
Operating and Maintenance Cost	\$917,078.00	
Debt Service	<u>434,037.52</u>	
Total Deductions		<u>1,351,115.52</u>
Excess in Revenue - Self Liquidating		<u><u>\$17,617.51</u></u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" ELECTRIC UTILITY PER  
N.J.S. 40A: 2-45**

Cash Receipts from Fees, Rents or Charges for Year		\$3,312,296.60
Deductions:		
Operating and Maintenance Cost		<u>\$3,096,750.00</u>
Excess in Revenue - Self Liquidating		<u><u>\$215,546.60</u></u>

The Chief Financial Officer should file a revised annual debt statement.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**OFFICIALS IN OFFICE AND SURETY BONDS**

**YEAR ENDED DECEMBER 31, 2008**

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

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount Of Bond</u></b>
Walter G. LaCicero	Mayor	
Michael R. Stogdill	Councilman	
Robert P. Lamb	Councilman	
Joseph Ardito	Councilman	
Anita F. Zalom	Councilwoman	
Britta F. Wenzel	Councilwoman	
Joanne Filippone	Councilwoman	
Christopher F. Parlow	Borough Administrator, Municipal Clerk	*
Michele Burk	Chief Financial Officer, Treasurer	*
Christine Sierfeld	Tax Collector	*
Eric Bernstein	Borough Attorney	
Michael O' Donnell	Borough Engineer	
Frank S. Salzer	Judge of Municipal Court	*
Elizabeth Boettger	Court Administrator	*
Diana Turrian	Water-Sewer Collector	*
Barbara Terregino	Welfare Director	*
Matthew Burk	Electric Collector	*
Joyce Hornug	Cashier/Typist	*

\*Employees are covered under a blanket bond in the amount of \$1,000,000.00, subject to certain deductible amounts.

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	A		\$2,258,408.35
Increased By:			
Non-Budget Revenue	A-2	\$118,108.40	
State of New Jersey (PL 1971, Ch. 20)	2-A	69,250.00	
Taxes Receivable	3-A	14,923,134.81	
Revenue Accounts Receivable	4-A	1,334,102.09	
Grants Receivable	8-A	146,494.29	
Prepaid Taxes	12-A	200,838.48	
Tax Overpayments	13-A	17,113.71	
Reserve for:			
Grants Unappropriated	8-A	10,044.51	
Cell Tower		3,360.00	
Outside Liens		10,937.22	
		<hr/>	16,833,383.51
			<hr/> 19,091,791.86
Decreased By:			
Budget Appropriations	A-3	5,868,161.94	
Appropriation Reserves	7-A	212,740.08	
Grant Fund Appropriated Reserves	8-A	128,175.15	
County Taxes Payable	11-A	7,477,998.21	
Tax Overpayments	13-A	3,795.61	
Local District School Taxes	14-A	3,154,554.50	
Refunds		819.00	
Due from General Capital Fund		2,380.40	
Reserve for Outside Liens		8,893.92	
		<hr/>	16,857,518.81
Balance December 31, 2008	A		<hr/> <hr/> \$2,234,273.05

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE FROM STATE OF NEW JERSEY**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	A		\$250.51
Increased By:			
Deductions Per Tax Duplicate:			
Senior Citizens	3-A	\$10,500.00	
Veterans	3-A	59,500.00	
Deductions Allowed By Collector	3-A	<u>1,750.00</u>	
			<u>71,750.00</u>
			72,000.51
Decreased By:			
2007 Deductions Disallowed By Collector	A-1,3-A	1,000.00	
Received From State of New Jersey	1-A	69,250.00	
Deductions Disallowed By Collector	3-A	<u>650.69</u>	
			<u>70,900.69</u>
Balance December 31, 2008	A		<u><u>\$1,099.82</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2008**

Year	Balance	2008 Levy	Collections		Senior Citizens and Veterans Deductions (Disallowed/ Allowed	Canceled	Transferred to Tax Title Liens	Tax Overpayments Applied	Balance
	Dec. 31, 2007		2007	2008					Dec. 31, 2008
2007	\$188,486.05			\$189,486.05	(\$1,000.00)				
2008		\$15,353,524.28	\$202,975.26	14,733,648.76	71,099.31	\$713.18	\$3,980.41	\$5,261.22	335,846.14
	<u>\$188,486.05</u>	<u>\$15,353,524.28</u>	<u>\$202,975.26</u>	<u>\$14,923,134.81</u>	<u>\$70,099.31</u>	<u>\$713.18</u>	<u>\$3,980.41</u>	<u>\$5,261.22</u>	<u>\$335,846.14</u>
Ref.	A		12-A	1-A	2-A		20-A	13-A	A

**Analysis of 2008 Property Tax Levy**

**Tax Yield:**

General Purpose Tax	\$15,308,360.69
Added Taxes (54:4-63.1 et seq.)	43,928.43
Omitted Taxes (54:4-63.12 et seq.)	1,235.16
	<u>\$15,353,524.28</u>

<b>Tax Levy:</b>	<b>Ref.</b>	
Local District School Tax	14-A	\$3,173,373.00
County Taxes:		
County Tax	11-A	\$6,142,695.42
County Library Tax	11-A	721,907.45
County Health Tax	11-A	293,916.50
County Open Space Preservation Tax	11-A	290,506.33
Due To County for Added and Omitted Taxes	11-A	<u>22,017.44</u>
		7,471,043.14
Local Tax For Municipal Purposes	A-2	4,672,361.16
Add: Additional Tax Levied		<u>36,746.98</u>
		<u>4,709,108.14</u>
		<u>\$15,353,524.28</u>



**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DEFERRED CHARGES**  
**Year Ended December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>	<b><u>Added in</u></b> <b><u>2008</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
Emergency Authorization (40A:4-47)	<u>\$0.00</u>	<u>\$15,000.00</u>	<u>\$15,000.00</u>
<b><u>Ref.</u></b>	A	A-3	A

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE (TO)/FROM GENERAL CAPITAL FUND**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	A	(\$0.40)
Increased By:		
Anticipated as Revenue		2,380.00
		<u>2,379.60</u>
Decreased By:		
Cash Disbursements	1-A	<u>0.40</u>
Balance December 31, 2008	A	<u><u>\$2,380.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
<b>General Administration:</b>					
Salaries and Wages	\$1,552.81		\$1,552.81		\$1,552.81
Other Expenses	820.00	\$580.52	1,400.52	\$410.73	989.79
<b>Mayor and Council:</b>					
Salaries and Wages	1,015.03		1,015.03		1,015.03
Other Expenses	371.09	777.57	1,148.66	720.74	427.92
<b>Municipal Clerk:</b>					
Salaries and Wages	236.56		236.56	22.27	214.29
<b>Other Expenses:</b>					
Printing and Legal Advertising	1,229.92	3,798.81	5,028.73	1,934.57	3,094.16
Office Equipment	61.31	1,355.20	1,416.51	1,355.20	61.31
Miscellaneous Other Expenses	2,068.19	965.74	3,033.93	656.78	2,377.15
Elections	4,471.60		4,471.60		4,471.60
<b>Financial Administration (Treasury):</b>					
Salaries and Wages	615.16		615.16	289.57	325.59
Other Expenses	93.77	1,981.49	2,075.26	1,900.84	174.42
<b>Audit Services</b>					
Other Expenses		11,200.00	11,200.00	10,000.00	1,200.00
<b>Computer Data Processing:</b>					
Other Expenses	9,306.29		9,306.29		9,306.29
<b>Revenue Administration (Tax Collection):</b>					
Salaries and Wages	507.93		507.93	44.45	463.48
Other Expenses	995.57	790.07	1,785.64	771.00	1,014.64
<b>Tax Assessment Administration:</b>					
Salaries and Wages	126.97		126.97		126.97
Other Expenses	578.70	53.90	632.60	53.90	578.70
<b>Legal Services (Legal Department):</b>					
Other Expenses	18,792.95		18,792.95	3,048.75	15,744.20
<b>Engineering Services:</b>					
Other Expenses	7,837.14	3,343.00	11,180.14	3,918.00	7,262.14
Tax Map Update	1,500.00		1,500.00		1,500.00
<b>LAND USE ADMINISTRATION</b>					
<b>Planning Board:</b>					
Salaries and Wages	336.77		336.77		336.77
Other Expenses	5,048.04	544.03	5,592.07	602.72	4,989.35
<b>Zoning Board of Adjustment:</b>					
Salaries and Wages	125.03		125.03		125.03
Other Expenses	686.70		686.70		686.70

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>	<b><u>Transfer From</u></b> <b><u>Encumbrances</u></b> <b><u>Payable</u></b>	<b><u>Balance</u></b> <b><u>After</u></b> <b><u>Transfer</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
<b>Uniform Construction Code Officer:</b>					
Salaries and Wages	\$249.49		\$249.49		\$249.49
Other Expenses	222.19	\$20.00	242.19		242.19
<b>Code Enforcement Officer:</b>					
Salaries and Wages	374.79		374.79		374.79
Other Expenses	505.24		505.24		505.24
<b>INSURANCE</b>					
General Liability	3,688.34	532.00	4,220.34	\$532.00	3,688.34
Employee Group Health	40,398.17		40,398.17	1,074.51	39,323.66
<b>PUBLIC SAFETY</b>					
<b>Police Department:</b>					
Salaries and Wages	44,501.30		44,501.30	36,949.06	7,552.24
Other Expenses	4,262.52	15,830.34	20,092.86	15,076.04	5,016.82
<b>Office of Emergency Management:</b>					
Other Expenses	45.85	2,744.80	2,790.65	2,744.80	45.85
Aid To Volunteer Fire Company	853.30	8,054.95	8,908.25	8,362.20	546.05
<b>Fire Department:</b>					
Fire Hydrant Service	311.60		311.60		311.60
<b>Municipal Prosecutor's Office</b>					
Other Expenses	4.13	2,708.34	2,712.47	2,708.34	4.13
<b>Municipal Court:</b>					
Salaries and Wages	1,827.42		1,827.42	929.43	897.99
Other Expenses	782.75	725.00	1,507.75	719.00	788.75
<b>Public Defender:</b>					
Other Expenses	1,500.00		1,500.00		1,500.00
<b>PUBLIC WORKS</b>					
<b>Streets and Road Maintenance:</b>					
Other Expenses	16.27	3,091.10	3,107.37	2,026.00	1,081.37
Schedule C		2,642.80	2,642.80	519.75	2,123.05
<b>Other Public Works Functions:</b>					
Salaries and Wages	34,235.36	1,947.50	36,182.86	28,303.51	7,879.35
Other Expenses	4,496.26	5,290.52	9,786.78	3,242.44	6,544.34
<b>Solid Waste Collection:</b>					
Garbage	2,788.22	406.99	3,195.21	107.03	3,088.18
Recycling and Source Separation	3,134.48	792.64	3,927.12	343.79	3,583.33

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>Buildings and Grounds:</b>					
Other Expenses	\$861.69	\$9,788.69	\$10,650.38	\$9,723.14	\$927.24
<b>Vehicle Maintenance:</b>					
Other Expenses	1,812.47	3,484.14	5,296.61	3,414.79	1,881.82
<b>HEALTH AND HUMAN SERVICES</b>					
<b>Public Health Services (Board of Health):</b>					
Salaries and Wages	57.00		57.00		57.00
Other Expenses	500.00		500.00		500.00
<b>Animal Control Services:</b>					
Salaries and Wages	284.98		284.98		284.98
Other Expenses	134.89	438.00	572.89	\$438.00	134.89
<b>Welfare/Administration of Public Assistance</b>					
Other Expenses	100.00		100.00		100.00
<b>RECREATION AND EDUCATION</b>					
<b>Recreation Services and Programs:</b>					
Salaries and Wages	1,164.75		1,164.75		1,164.75
Other Expenses	2,683.69	531.03	3,214.72	419.00	2,795.72
<b>Communities Service Program:</b>					
Other Expenses	761.64	575.86	1,337.50	170.88	1,166.62
<b>Maintenance of Parks:</b>					
Other Expenses	5,901.10	29.85	5,930.95		5,930.95
<b>Beach and Boardwalk Operations:</b>					
Salaries and Wages (Summer)	15,263.70		15,263.70		15,263.70
Other Expenses	2,403.16	11,096.70	13,499.86	8,953.41	4,546.45
<b>OTHER COMMON OPERATING FUNCTIONS:</b>					
Accumulated Leave Compensation	100.00		100.00		100.00
<b>Celebration of Public Events:</b>					
Other Expenses	4,768.48	50.00	4,818.48		4,818.48
<b>Public Employees Occupational Safety and Health Act</b>	132.00	1,606.31	1,738.31	1,356.32	381.99
<b>UNCLASSIFIED</b>					
Electricity		18,171.02	18,171.02	10,910.91	7,260.11
Street Lighting	393.72	6,339.59	6,733.31	6,339.59	393.72
Telephone	2,200.63	1,495.17	3,695.80	2,468.82	1,226.98
Water	227.14		227.14		227.14
Gas (natural or propane)	5,433.25	1,995.25	7,428.50	1,200.91	6,227.59
Fuel Oil	2,017.40	12,329.45	14,346.85	8,924.35	5,422.50

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Contingent	\$500.00		\$500.00		\$500.00
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	11,918.99		11,918.99	\$2,852.54	9,066.45
LOSAP	37,400.00		37,400.00	22,200.00	15,200.00
Public Employees' Retirement System	135.32		135.32		135.32
Stormwater Management:					
Other Expenses		\$40.00	40.00		40.00
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Local Match for Future Grants	2,500.00		2,500.00		2,500.00
Capital Improvements:					
Purchase of Lifeguard Equipment	265.10		265.10		265.10
Purchase of Garbage Receptacles	385.00		385.00		385.00
Purchase of Hose Fire Department		4,000.00	4,000.00	4,000.00	0.00
<b>Total General Appropriations</b>	<u>\$302,881.31</u>	<u>\$142,148.37</u>	<u>\$445,029.68</u>	<u>\$212,740.08</u>	<u>\$232,289.60</u>
<b><u>Ref.</u></b>	A	9-A		1-A	A-1

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE FROM/(TO) FEDERAL AND STATE GRANT FUND**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	A		\$17,160.53
Increased By:			
2008 Budget Appropriations	A-3	\$50,728.34	
Deposited in Current Fund:			
Grants Receivable	1-A	146,494.29	
Grants Receivable Cancelled	16-A	39,156.16	
Reserve For:			
Grants Unappropriated	1-A	<u>10,044.51</u>	
			<u>246,423.30</u>
			(229,262.77)
Decreased By:			
2008 Anticipated Revenue	16-A	44,878.34	
Grants Appropriated Cancelled	18-A	40,575.92	
Grant Fund Appropriations Paid in Current Fund	1-A	<u>128,175.15</u>	
			<u>213,629.41</u>
Balance December 31, 2008	A		<u><u>(\$15,633.36)</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	A	\$142,148.37
Increased By:		
Current Year Encumbrances	A-3	<u>195,539.55</u> 337,687.92
Decreased By:		
Transfer To Appropriation Reserves	7-A	<u>142,148.37</u>
Balance December 31, 2008	A	<u><u>\$195,539.55</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH ADVANCE MAGISTRATE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	A	<u>\$1,000.00</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	A		\$28,972.51
<b>Increased By:</b>			
County Tax	A-1,3-A	\$6,142,695.42	
County Library Tax	A-1,3-A	721,907.45	
County Health Tax	A-1,3-A	293,916.50	
County Open Space Preservation Tax	A-1,3-A	290,506.33	
Due County for Added and Omitted Taxes	A-1,3-A	<u>22,017.44</u>	
			<u>7,471,043.14</u>
			7,500,015.65
<b>Decreased By:</b>			
Payments	1-A		<u>7,477,998.21</u>
Balance December 31, 2008	A		<u><u>\$22,017.44</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PREPAID TAXES**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	A	\$202,975.26
Increased By:		
Cash Receipts	1-A	200,838.48
		<u>403,813.74</u>
Decreased By:		
Applied To Taxes Receivable	3-A	202,975.26
		<u>202,975.26</u>
Balance December 31, 2008	A	<u><u>\$200,838.48</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX OVERPAYMENTS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>		
Balance December 31, 2007	A		\$5,261.22
Increased By:			
Cash Receipts	1-A		<u>17,113.71</u>
			22,374.93
Decreased By:			
Cash Disbursements	1-A	\$3,795.61	
Applied To Taxes Receivable	3-A	<u>5,261.22</u>	
			<u>9,056.83</u>
Balance December 31, 2008	A		<u><u>\$13,318.10</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007:			
School Tax Payable	A	\$749,975.71	
School Tax Deferred		<u>777,957.38</u>	\$1,527,933.09
Increased By:			
Levy - School Year July 1, 2008 to June 30, 2009	3-A		<u>3,173,373.00</u>
			4,701,306.09
Decreased By:			
Payments	1-A		<u>3,154,554.50</u>
Balance, December 31, 2008:			
School Tax Payable	A	\$768,794.21	
School Tax Deferred		<u>777,957.38</u>	
Balance December 31, 2008			<u><u>\$1,546,751.59</u></u>
 <u>2008 Liability for Local School District Tax</u>			
Tax Paid	14-A	\$3,154,554.50	
Taxes Payable, December 31, 2008	14-A	<u>768,794.21</u>	\$3,923,348.71
Less:			
Taxes Payable, December 31, 2007	14-A		<u>749,975.71</u>
Amount Charged To 2008 Operations	A-1,14-A		<u><u>\$3,173,373.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF DUE (TO)/FROM CURRENT FUND**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	A		(\$17,160.53)
Increased By:			
Deposited in Current Fund:			
Grants Receivable	16-A	\$146,494.29	
2008 Budget Appropriations	18-A	50,728.34	
Grants Receivable Cancelled	A-1,16-A	39,156.16	
Unappropriated Grant Reserves	19-A	<u>10,044.51</u>	
			<u>246,423.30</u>
			229,262.77
Decreased By:			
2008 Anticipated Revenue	16-A	44,878.34	
Grants Appropriated Cancelled	A-1,18-A	40,575.92	
Cash Disbursed in Current Fund	18-A	<u>128,175.15</u>	
			<u>213,629.41</u>
Balance December 31, 2008	A		<u><u>\$15,633.36</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2008**

<u>Program</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Anticipated Revenue</u>	<u>Received</u>	<u>Transferred from Grants Unappropriated</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2008</u>
Community Development Block Grant:							
Handicapped Beach Access		\$44,000.00		\$42,205.85		\$1,794.15	
Handicapped Access - Borough Hall		35,000.00		35,000.00			
Handicap Curbs and Sidewalks - Bay Blvd.		30,000.00		26,792.02		3,207.98	
Municipal Alliance on Alcoholism and Drug Abuse	A-2	12,426.27	\$19,200.00	26,605.06		1,485.45	\$3,535.76
N.J. DOT Bikeway Grant (Bayfront Bike Path)		42,911.75				32,562.58	10,349.17
N.J. DEP Stormwater Grant		1,705.00					1,705.00
Ocean County Tourism Grant	A-2		1,050.00	1,050.00			
Ocean County Transportation Mini-Grant	A-2	106.00	3,000.00	3,000.00		106.00	
Clean Communities Program	A-2		7,932.54	7,932.54			
COPS in Shops Summer Shore Initiative	A-2		1,200.00				1,200.00
Body Armor Replacement Grant	A-2		1,370.46		\$1,370.46		
Alcohol Education and Rehabilitation Fund Over the Limit Under Arrest	A-2		5,036.43	3,908.82	1,127.61		
Recycling Tonnage Grant	A-2		5,000.00				5,000.00
			1,088.91		1,088.91		
		<u>\$166,149.02</u>	<u>\$44,878.34</u>	<u>\$146,494.29</u>	<u>\$3,586.98</u>	<u>\$39,156.16</u>	<u>\$21,789.93</u>
<u>Ref.</u>		A	15-A,8-A	15-A	19-A	15-A,8-A	A

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	A	\$48,060.19
Increased By:		
Charged To Reserve for Grants Appropriated	18-A	<u>2,835.46</u> 50,895.65
Decreased By:		
Transferred To Reserve for Grants Appropriated	18-A	<u>48,060.19</u>
Balance December 31, 2008	A	<u><u>\$2,835.46</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED**  
**Year Ended December 31, 2008**

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Budget Appropriations</u>	<u>Transferred From Encumbrances Payable</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2008</u>
Alcohol Education and Rehabilitation Fund	\$2,011.85	\$5,036.43					\$7,048.28
Drunk Driving Enforcement Fund	8,164.15			\$1,601.33			6,562.82
Community Development Block Grant							
Handicapped Beach Access to Bay Beach			36,990.00	35,195.85		\$1,794.15	
Handicapped Access - Borough Hall	18,880.00		6,130.00	25,010.00			
Handicap Curbs and Sidewalks - Bay Blvd.	29,585.00		415.00	26,792.02		3,207.98	
N.J. DOT Bikeway Grant (Bayfront Bike Path)	32,562.58					32,562.58	
N.J. DEP Municipal Stormwater Grant							
Recycling Tonnage Grant - 2006	102.67			102.67			
Recycling Tonnage Grant - 2007	1,092.44			1,092.44			
Recycling Tonnage Grant - 2008		1,088.91					1,088.91
Body Armor Replacement Fund - 2007			1,244.13	1,244.13			
Body Armor Replacement Fund - 2008		1,370.46			1,370.46		
Municipal Alliance on Alcoholism and Drug Abuse 2005 - State Share	1,112.43					1,112.43	
Municipal Alliance on Alcoholism and Drug Abuse 2006 - State Share	1,735.00					1,735.00	
Municipal Alliance on Alcoholism and Drug Abuse 2006 - Local Share	1,053.40					1,053.40	
Municipal Alliance on Alcoholism and Drug Abuse 2007 - State Share	249.44		2,599.06	61.00		2,538.06	249.44
Municipal Alliance on Alcoholism and Drug Abuse 2007 - Local Share	366.36		682.00	682.00		366.36	
Municipal Alliance on Alcoholism and Drug Abuse 2008		24,000.00		20,161.17	1,465.00		2,373.83

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED**  
**Year Ended December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>	<b><u>2008</u></b> <b><u>Budget</u></b> <b><u>Appropriations</u></b>	<b><u>Transferred</u></b> <b><u>From</u></b> <b><u>Encumbrances</u></b> <b><u>Payable</u></b>	<b><u>Expended</u></b>	<b><u>Encumbered</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
Ocean County Tourism 2008		\$2,100.00		\$2,100.00			
Ocean County Transportation - 2006	\$400.00					\$400.00	
Ocean County Transportation - 2007	106.00					106.00	
Ocean County Transportation - 2008		3,000.00		3,000.00			
Over the Limit Under Arrest		5,000.00		2,000.00			\$3,000.00
COPS in Shops		1,200.00		1,200.00			
Clean Communities Program		7,932.54		7,932.54			
	<u>\$97,421.32</u>	<u>\$50,728.34</u>	<u>\$48,060.19</u>	<u>\$128,175.15</u>	<u>\$2,835.46</u>	<u>\$44,875.96</u>	<u>\$20,323.28</u>
<b><u>Ref.</u></b>	A	15-A	17-A	15-A	17-A		A
			Interfund - Current Fund Due Grantor		<b><u>Ref.</u></b> 15-A A	\$40,575.92 4,300.04	
						<u>\$44,875.96</u>	

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED**  
**Year Ended December 31, 2008**

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>Received</u>	<u>Appropriated</u>	<u>Balance Dec. 31, 2008</u>
Recycling Tonnage Grant	\$1,008.91	\$2,243.32	\$1,088.91	\$2,163.32
Body Armor Replacement Grant	1,370.46	1,272.65	1,370.46	1,272.65
Alcohol Education and Rehabilitation Grant	1,127.61		1,127.61	
Drunk Driving Enforcement Grant		6,528.54		6,528.54
	<u>\$3,506.98</u>	<u>\$10,044.51</u>	<u>\$3,586.98</u>	<u>\$9,964.51</u>
<b><u>Ref.</u></b>	A	15-A	16-A	A

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	A	\$0.00
Increased By:		
Transfers from Taxes Receivable	3-A	<u>3,980.41</u>
Balance December 31, 2008	A	<u><u>\$3,980.41</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	<b><u>Animal Control Fund</u></b>	<b><u>Trust - Other Fund</u></b>
Balance December 31, 2007	B	\$149.08	\$152,614.81
Increased By Receipts:			
Dog Registration Fees	2-B	\$94.80	
Payroll Deductions Payable	3-B		\$1,902,394.98
Miscellaneous Reserves	4-B		169,168.22
Dog License Fees	5-B	448.00	
Cat License Fees	5-B	12.00	
		<u>554.80</u>	
		703.88	<u>2,071,563.20</u>
			2,224,178.01
Decreased By Disbursements:			
Dog Registration Fees	2-B	100.20	
Payroll Deductions Payable	3-B		1,896,717.00
Miscellaneous Reserves	4-B		127,294.24
Animal Control Expenditures	5-B	96.00	
		<u>196.20</u>	
			<u>2,024,011.24</u>
Balance December 31, 2008	B	<u>\$507.68</u>	<u>\$200,166.77</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	B	\$7.80
Increased By:		
State Share of Dog License Fees	1-B	<u>94.80</u>
		102.60
Decreased By:		
Cash Disbursements	1-B	<u>100.20</u>
Balance December 31, 2008	B	<u><u>\$2.40</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Increased by Receipts</u></b>	<b><u>Decreased by Disbursements</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
Federal Income Tax		\$415,344.84	\$415,344.84	
FICA		578,049.38	578,049.38	
State Income Tax		94,170.26	94,170.26	
State Unemployment Insurance		8,656.84	8,656.84	
Pension	\$20,588.14	505,066.32	499,926.54	\$25,727.92
Mon-Oc Federal Credit Union		119,178.00	119,178.00	
Insurance	593.92	15,774.06	15,132.80	1,235.18
Union Dues	74.95	13,518.20	13,621.26	(28.11)
457 Plan		46,762.33	46,762.33	
Garnishments		105,874.75	105,874.75	
	<b><u>\$21,257.01</u></b>	<b><u>\$1,902,394.98</u></b>	<b><u>\$1,896,717.00</u></b>	<b><u>\$26,934.99</u></b>
<b><u>Ref.</u></b>	<b>B</b>	<b>1-B</b>	<b>1-B</b>	<b>B</b>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**Year Ended December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31,</u></b> <b><u>2007</u></b>	<b><u>Increased by</u></b> <b><u>Receipts</u></b>	<b><u>Decreased by</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31,</u></b> <b><u>2008</u></b>
Parking Offenses Adjudication Act	\$489.01	\$388.00		\$877.01
Developers Escrow Fund	11,666.50	17,859.50	\$24,769.50	4,756.50
Municipal Alliance on Alcohol and Drug Abuse - Program Income	6,438.23	3,534.00	5,297.26	4,674.97
Recreation	19,811.27	12,532.00	9,505.00	22,838.27
Recycling Program	27,075.53	19,219.13	16,489.17	29,805.49
Disposal of Forfeited Property	3,648.89	1,664.33		5,313.22
Police Vest Fund Donations	1,196.33	300.00	955.87	540.46
Off-Duty Police	166.37	2,715.00	2,881.37	0.00
Public Defender	1,798.00	4,569.00	3,630.00	2,737.00
Accumulated Absences	28,484.03		8,028.18	20,455.85
Unemployment Compensation Insurance	20,883.64	13,392.01	12,587.66	21,687.99
Snow Removal	9,700.00	20,000.00		29,700.00
Uniform Construction Code		72,745.25	43,150.23	29,595.02
Uniform Fire Safety		250.00		250.00
	<b><u>\$131,357.80</u></b>	<b><u>\$169,168.22</u></b>	<b><u>\$127,294.24</u></b>	<b><u>\$173,231.78</u></b>
<b><u>Ref.</u></b>	B	1-B	1-B	B

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	B	\$141.28
Increased By:		
Dog License Fees	1-B	\$448.00
Cat License Fees	1-B	12.00
		460.00
		601.28
Decreased By:		
Cash Disbursements	1-B	96.00
		96.00
Balance December 31, 2008	B	\$505.28

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2006	\$554.00
2007	474.00
	\$1,028.00
	\$1,028.00

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	B		\$130,658.99
Increased By:			
Budget Appropriation	7-B		<u>22,200.00</u>
			152,858.99
Decreased By:			
Accounting Charges	7-B	\$850.00	
Distributions	7-B	8,757.43	
Change in Investment Value	7-B	<u>42,916.67</u>	
			<u>52,524.10</u>
Balance December 31, 2008	B		<u><u>\$100,334.89</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	B		\$130,658.99
Increased By:			
Budget Appropriation	6-B		<u>22,200.00</u>
			152,858.99
Decreased By:			
Accounting Charges	6-B	\$850.00	
Distributions	6-B	8,757.43	
Change in Investment Value	6-B	<u>42,916.67</u>	
			<u>52,524.10</u>
Balance December 31, 2008	B		<u><u>\$100,334.89</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	C		\$787,009.42
Increased By:			
DOT Grants Receivable	5-C	\$164,365.23	
Bond Anticipation Notes	7-C	460,750.00	
Capital Improvement Fund	11-C	38,500.00	
Reserve to Pay Notes		6,357.20	
Due from Current Fund		<u>2,380.40</u>	
			<u>672,352.83</u>
			1,459,362.25
Decreased By:			
Improvement Authorizations	10-C	411,190.94	
Bond Anticipation Notes	7-C	286,207.80	
Reserve to Pay Notes		<u>2,380.00</u>	
			<u>699,778.74</u>
Balance December 31, 2008	C		<u><u>\$759,583.51</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2008**

		<b><u>Balance</u></b>
		<b><u>Dec. 31, 2008</u></b>
Fund Balance		\$57,596.79
Capital Improvement Fund		10,712.41
DOT Grants Receivable (Net of Reserve)		(125,392.31)
Contracts Payable		256,990.43
Due to Current Fund		2,380.00
Reserve for:		
Beach Replenishment		36,000.00
Reserve to Pay Notes		6,357.20
<b><u>Ordinance</u></b>	<b><u>Improvement Authorizations</u></b>	
<b><u>Number</u></b>		
963/918	Acquisition of Various Vehicles	2,826.58
990	Acquisition of Vehicles and Apparatus	138.87
991/939	Bayfront Erosion Improvement	111,173.57
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	101,796.94
1010/1004	Improvements To Magee Avenue and Stormwater	
	Improvements Along Bond and Magee Avenues	(63,416.17)
1018	Improvements to Borough Tennis Courts	43,310.10
1019	Road Improvements to White, Coleman and Ortley	
	Avenues	74,392.85
1021	Acquisition of Capital Vehicles and Equipment	
	for the Public Works Department	48,054.05
1044	Improvements to Kerr Avenue and the Municipal	
	Parking Lot	31,772.13
1045	Purchase of a Sanitation Truck and Improvements	
	to Parks and Playgrounds	164,890.07
		<u>\$759,583.51</u>
		<u>\$759,583.51</u>
<b><u>Ref.</u></b>		<b>C</b>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE**  
**TAXATION - FUNDED**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	C	\$2,490,754.60
Decreased By:		
Paid by Budget Appropriation:		
Serial Bonds	6-C	\$122,000.00
E.D.A. Loan	8-C	<u>5,377.30</u>
		<u>127,377.30</u>
Balance December 31, 2008	C	<u><u>\$2,363,377.30</u></u>

**BOROUGH OF LAVALLETT  
COUNTY OF OCEAN  
STATE OF NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
Year Ended December 31, 2008**

Ordinance Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bond Anticipation Notes Paid By Budget	Cancelled	Analysis of Balance Dec. 31, 2008			
						Balance Dec. 31, 2008	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
860	Road Improvements To White Avenue	\$15,465.00		\$5,365.83	\$10,099.17				
880	Various Road Improvements	11,630.00		4,750.00		\$6,880.00	\$6,880.00		
905	Road Improvements To Princeton Avenue	13,115.00			13,115.00				
924	Improvements To New Jersey Avenue	37,090.00		1,556.37	35,533.63				
940	Purchase of Communication Equipment	98,165.00		15,835.00		82,330.00	82,330.00		
941	Improvements To Bond Avenue	43,225.00			43,225.00				
963/918	Acquisition of Various Vehicles	611,505.00		91,845.00		519,660.00	519,660.00		
978	Improvements To Reese Avenue	38,475.00			38,475.00				
990	Acquisition of Vehicles and Apparatus	235,125.00		26,125.00		209,000.00	209,000.00		
991/939	Bayfront Erosion Improvement	152,000.00		6,600.00		145,400.00	145,400.00		
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	655,500.00	\$285,000.00	39,900.00		900,600.00	900,600.00		
1010/1004	Improvements To Magee Avenue and Stormwater Improvements Along Bond and Magee Avenues	135,835.00		7,125.00	65,293.83	63,416.17		\$63,416.17	
1018	Improvements to Borough Tennis Courts	142,500.00		14,250.00		128,250.00	128,250.00		
1019	Road Improvements to White, Coleman, and Ortleby Avenues	74,500.00		7,450.00		67,050.00	50,000.00	\$17,050.00	
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	95,000.00		9,500.00		85,500.00	85,500.00		
1044	Improvements to Kerr Avenue and the Municipal Parking Lot		50,000.00			50,000.00		50,000.00	
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds		\$175,750.00			175,750.00	175,750.00		
		<u>\$2,359,130.00</u>	<u>\$510,750.00</u>	<u>\$230,302.20</u>	<u>\$205,741.63</u>	<u>\$2,433,836.17</u>	<u>\$2,303,370.00</u>	<u>\$63,416.17</u>	<u>\$67,050.00</u>
Ref.		C	10-C	7-C	10-C	C			

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DOT GRANTS RECEIVABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	C	\$167,193.35
Increased By:		
Grant Utilized To Fund Ordinance	10-C	145,000.00
		<u>312,193.35</u>
Decreased By:		
Cash Receipts	1-C	164,365.23
		<u>164,365.23</u>
Balance December 31, 2008	C	<u><u>\$147,828.12</u></u>

## Detail:

<u>Improvement Description</u>	<u>Ord. No.</u>	
Improvements to New Jersey Avenue	924	\$22,435.81
Improvements to Bond Avenue	941	8,201.77
Improvements to Reese Avenue	978	11,555.77
Road Improvements to White, Coleman and Ortley Avenues	1019	33,694.62
Improvements to Kerr Avenue and the Municipal Parking Lot	1044	71,940.15
		<u><u>\$147,828.12</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2008**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds Outstanding Dec. 31, 2008</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Paid by 2008 Budget</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>				
General Improvements of 2000	4/1/00	\$2,870,000.00	4/1/09	\$130,000.00	5.500%	\$230,000.00	\$100,000.00	\$130,000.00
2006 General Capital Refunding Bonds	10/12/05	2,256,000.00	4/1/09	23,000.00	3.500%			
			4/1/10-11	135,000.00	3.500%			
			4/1/12	50,000.00	3.375%			
			4/1/12	85,000.00	4.000%			
			4/1/13	135,000.00	4.500%			
			4/1/14	140,000.00	4.500%			
			4/1/15-16	140,000.00	3.750%			
			4/1/17-20	140,000.00	4.000%			
			4/1/21-22	140,000.00	4.250%			
4/1/23-25	135,000.00	4.250%			<u>2,250,000.00</u>	<u>22,000.00</u>	<u>2,228,000.00</u>	
						<u>\$2,480,000.00</u>	<u>\$122,000.00</u>	<u>\$2,358,000.00</u>
					<b><u>Ref.</u></b>	C	3-C	C

**BOROUGH OF LAYALLETTE  
COUNTY OF OCEAN  
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
Year Ended December 31, 2008**

Ordinance Number	Improvement Authorizations	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2007	Increased	Decreased	Balance December 31, 2008
860	Road Improvements To White Avenue	10/4/2000	9/14/2007	9/12/2008	3.77%	\$15,465.00		\$15,465.00	
880	Various Road Improvements	12/21/2001	9/14/2007	9/12/2008	3.77%	11,630.00		11,630.00	
905	Road Improvements To Princeton Avenue	9/19/2003	9/14/2007	9/12/2008	3.77%	13,115.00		13,115.00	
963/918	Acquisition of Various Vehicles	9/19/2003	9/14/2007	9/12/2008	3.77%	397,755.00		397,755.00	
963/918	Acquisition of Various Vehicles	12/23/2005	9/14/2007	9/12/2008	3.77%	213,750.00		213,750.00	
924	Improvements To New Jersey Avenue	9/19/2003	9/14/2007	9/12/2008	3.77%	37,090.00		37,090.00	
991/939	Bay Front Erosion Improvement	9/17/2004	9/14/2007	9/12/2008	3.77%	152,000.00		152,000.00	
940	Purchase of Communication Equipment	9/17/2004	9/14/2007	9/12/2008	3.77%	98,165.00		98,165.00	
941	Improvements To Bond Avenue	9/17/2004	9/14/2007	9/12/2008	3.77%	43,225.00		43,225.00	
978	Improvements To Reese Avenue	12/23/2005	9/14/2007	9/12/2008	3.77%	38,475.00		38,475.00	
990	Acquisition of Vehicles and Apparatus	9/15/2006	9/14/2007	9/12/2008	3.77%	235,125.00		235,125.00	
1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/19/2003	9/14/2007	9/12/2008	3.77%	114,000.00		114,000.00	
1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	9/14/2007	9/12/2008	3.77%	128,250.00		128,250.00	
1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	9/14/2007	9/12/2008	3.77%	128,250.00		128,250.00	
1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/14/2007	9/12/2008	3.77%	285,000.00		285,000.00	
1010/1004	Improvements To Magee Avenue and Stormwater Improvements Along Bond and Magee Avenues	9/15/2006	9/14/2007	9/12/2008	3.77%	64,585.00		64,585.00	
1010/1004	Improvements To Magee Avenue and Stormwater Improvements Along Bond and Magee Avenues	9/14/2007	9/14/2007	9/12/2008	3.77%	71,250.00		71,250.00	
1018	Improvements to Borough Tennis Courts	9/14/2007	9/14/2007	9/12/2008	3.77%	142,500.00		142,500.00	
1019	Road Improvements to White, Coleman and Ortley Avenues	9/14/2007	9/14/2007	9/12/2008	3.77%	95,000.00		95,000.00	
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	9/14/2007	9/12/2008	3.77%	74,500.00		74,500.00	
880	Various Road Improvements	12/21/2001	9/12/2008	9/11/2009	2.75%		\$6,880.00		\$6,880.00
963/918	Acquisition of Various Vehicles	9/19/2003	9/12/2008	9/11/2009	2.75%		334,410.00		334,410.00
963/918	Acquisition of Various Vehicles	12/23/2005	9/12/2008	9/11/2009	2.75%		185,250.00		185,250.00
991/939	Bay Front Erosion Improvement	9/17/2004	9/12/2008	9/11/2009	2.75%		145,400.00		145,400.00
940	Purchase of Communication Equipment	9/17/2004	9/12/2008	9/11/2009	2.75%		82,330.00		82,330.00
990	Acquisition of Vehicles and Apparatus	9/15/2006	9/12/2008	9/11/2009	2.75%		209,000.00		209,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/19/2003	9/12/2008	9/11/2009	2.75%		102,600.00		102,600.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	9/12/2008	9/11/2009	2.75%		114,000.00		114,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	9/12/2008	9/11/2009	2.75%		114,000.00		114,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/12/2008	9/11/2009	2.75%		142,500.00		142,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/12/2008	9/11/2009	2.75%		142,500.00		142,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/12/2008	9/12/2008	9/11/2009	2.75%		142,500.00		142,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2008	12/23/2008	9/11/2009	3.95%		142,500.00		142,500.00
1018	Improvements to Borough Tennis Courts	9/14/2007	9/12/2008	9/11/2009	2.75%		128,250.00		128,250.00
1019	Road Improvements to White, Coleman and Ortley Avenues	9/14/2007	9/12/2008	9/11/2009	2.75%		50,000.00		50,000.00
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	9/12/2008	9/11/2009	2.75%		85,500.00		85,500.00
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	12/23/2008	12/23/2008	9/11/2009	3.95%		175,750.00		175,750.00
						<u>\$2,359,130.00</u>	<u>\$2,303,370.00</u>	<u>\$2,359,130.00</u>	<u>\$2,303,370.00</u>
					Ref.	C	4-C	C	
					Issued for Cash		\$460,750.00		
					Raised in Budget			\$230,302.20	
					Paid by Bond Funds			286,207.80	
					Non-Cash Roll Over		1,842,620.00	1,842,620.00	
							<u>\$2,303,370.00</u>	<u>\$2,359,130.00</u>	

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF E.D.A. LOAN PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	C	\$10,754.60
Decreased By:		
Principal Paid By Budget Appropriation	3-C	<u>5,377.30</u>
Balance December 31, 2008	C	<u><u>\$5,377.30</u></u>

**Maturities of Loan**

9/1/2009

**Principal**  
**At 0%**  
**Interest**

\$5,377.30

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CONTRACTS PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	C	\$204,725.24
Increased By:		
Charged To Improvement Authorizations	10-C	<u>256,990.43</u> 461,715.67
Decreased By:		
Transfer To Improvement Authorizations	10-C	<u>204,725.24</u>
Balance December 31, 2008	C	<u><u>\$256,990.43</u></u>

**BOROUGH OF LAVALLETTE  
COUNTY OF OCEAN  
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
Year Ended December 31, 2008**

Ordinance Number	Improvement Authorizations	Balance Dec. 31, 2007		Transfer From Contracts Payable	2008 Authorizations	Expended	Contracts Payable	Cancelled	Balance Dec. 31, 2008	
		Funded	Unfunded						Funded	Unfunded
753	Restoration of Beachfront and Boardwalk	\$263.75						\$263.75		
825/799/775/750	Improvements To Various Buildings and Facilities	1,489.38		\$4,115.75				5,605.13		
810	Improvement To Municipal Building	3,384.25						3,384.25		
831	Installation of Emergency Generators	206.50						206.50		
860	Road Improvements To White Avenue	9,350.65	\$748.52					10,099.17		
905	Road Improvements To Princeton Avenue	4,321.71	12,383.52					16,705.23		
924	Improvements To New Jersey Avenue	5,991.71	29,541.92					35,533.63		
940	Purchase of Communication Equipment									
941	Improvements To Bond Avenue	11,824.49	49,400.00					61,224.49		
963/918	Acquisition of Various Vehicles	2,826.58							\$2,826.58	
977	Refunding of General Improvement Bonds, Series 2000	21,035.85						21,035.85		
978	Improvements To Reese Avenue	4,211.71	38,019.44					42,231.15		
990	Acquisition of Vehicles and Apparatus		138.87							\$138.87
991/939	Bayfront Erosion Improvement	2,769.36	120,483.35			\$12,079.14				111,173.57
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks		17,274.06	134,831.36	\$300,000.00	210,336.16	\$139,972.32			101,796.94
1010/1004	Improvements To Magee Avenue and Stormwater									
	Improvements Along Bond and Magee Avenues		65,363.83	210.00		280.00		65,293.83		
1018	Improvements to Borough Tennis Courts		140,785.67			97,410.52	65.05			43,310.10
1019	Road Improvements to White, Coleman and Ortley Avenues	21,075.10	74,500.00	65,568.13		69,700.38			24,392.85	67,050.00
1021	Acquisition of Capital Vehicles and Equipment for the Public Works Department		48,054.05							48,054.05
1044	Improvements to Kerr Avenue and the Municipal Parking Lot				200,000.00	20,814.74	97,413.13		31,772.13	50,000.00
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds				185,000.00	570.00	19,539.93			164,890.07
		<u>\$88,751.04</u>	<u>\$596,693.23</u>	<u>\$204,725.24</u>	<u>\$685,000.00</u>	<u>\$411,190.94</u>	<u>\$256,990.43</u>	<u>\$261,582.98</u>	<u>\$58,991.56</u>	<u>\$586,413.60</u>
	<u>Ref.</u>	C	C	9-C		1-C	9-C		C	C
	Deferred Charges to Future Taxation - Unfunded					\$510,750.00		\$205,741.63		
	DOT Grants Receivable					145,000.00				
	Capital Improvement Fund					29,250.00				
	Fund Balance							55,841.35		
						<u>\$685,000.00</u>		<u>\$261,582.98</u>		

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	C	\$1,462.41
Increased By:		
2008 Budget Appropriation	1-C	<u>38,500.00</u>
		39,962.41
Decreased By:		
Appropriated to Finance Improvement Authorizations	10-C	<u>29,250.00</u>
Balance December 31, 2008	C	<u><u>\$10,712.41</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR BEACH REPLENISHMENT**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	C	<u><u>\$36,000.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR DOT GRANTS RECEIVABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2008 and 2007	C	<u>\$22,435.81</u>
 <u>Analysis of Balance:</u>		
Ordinance 924 - Improvements To New Jersey Avenue		<u>\$22,435.81</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance December 31, 2007	D	\$307,220.77	\$140,433.97
<b>Increased By Receipts:</b>			
Fire Hydrant Service	D-3	\$22,050.00	
Miscellaneous Revenue	D-3	20,208.86	
Consumer Accounts Receivable	3-D	704,803.00	
Premium on Note Sale			\$552.80
Water Overpayments	8-D	2,910.85	
		<u>749,972.71</u>	<u>552.80</u>
		1,057,193.48	140,986.77
<b>Decreased By Disbursements:</b>			
2008 Appropriations	D-4	644,281.37	
Appropriation Reserves	6-D	28,454.16	
Water Overpayment Refunds	8-D	61.25	
Accrued Interest on Bonds and Notes	9-D	142,219.14	
Bond Anticipation Notes	11-D		30,677.00
Improvement Authorizations	15-D		524.00
		<u>815,015.92</u>	<u>31,201.00</u>
Balance December 31, 2008	D	<u><u>\$242,177.56</u></u>	<u><u>\$109,785.77</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH**  
**December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
Capital Improvement Fund	\$42,970.00
Contracts Payable	12,695.56
Fund Balance	11,821.40
Reserve to Pay Notes	552.80
Miscellaneous	(0.13)

**Ordinance**  
**Number**

**Improvement Description**

916	Water Improvements	39,842.71
919/944	Water Improvements	1,903.43
		\$109,785.77

**Ref.**

D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	D		\$23,319.70
Increased By:			
Water Rents Levied			<u>704,750.35</u>
			728,070.05
Decreased By:			
Collections	1-D	\$704,803.00	
Overpayments Applied	8-D	<u>2,649.05</u>	
	D-3		<u>707,452.05</u>
Balance December 31, 2008	D		<u><u>\$20,618.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**Year Ended December 31, 2008**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>	<b><u>Increases</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
Pumping System Land	\$1,563.90		\$1,563.90
Spring and Wells	135,756.16		135,756.16
Pumping Station Structure	20,791.12		20,791.12
Electric Power Pumping Equipment	14,351.22		14,351.22
Other Electric Power Pumping Equipment	8,885.76		8,885.76
Transmission Mains and Accessories	60,466.02		60,466.02
Tank and Sandpipes	64,215.32		64,215.32
Distribution Mains and Accessories	4,358,403.24		4,358,403.24
General Equipment	55,790.06	\$875.00	56,665.06
General Structure	2,871.12		2,871.12
Meters	153,372.23	19,821.51	173,193.74
Automotive Equipment	70,650.83		70,650.83
Water Tower	1,691,000.00		1,691,000.00
Water Main To West Point Island	198,602.89		198,602.89
Water Treatment Plant	390,693.80		390,693.80
Computer System	22,434.38		22,434.38
Capitalized Interest - D.E.P. Loan	14,500.06		14,500.06
Phone System	6,800.00		6,800.00
	<u>\$7,271,148.11</u>	<u>\$20,696.51</u>	<u>\$7,291,844.62</u>

**Ref.**

D

17-D

D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Purpose</u></b>	<b><u>Ordinance</u></b>		<b><u>Balance</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance</u></b>
		<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Dec. 31, 2007</u></b>		<b><u>Dec. 31, 2008</u></b>
916	Water Improvements	12/2/02	\$130,000.00	\$130,000.00		\$130,000.00
919/944	Water Improvements	4/7/03 & 6/21/04	230,000.00	230,000.00		230,000.00
952	Improvements To Water Storage Tank	8/9/04	175,000.00	175,000.00	\$30,676.87	\$144,323.13
				<u>\$535,000.00</u>	<u>\$30,676.87</u>	<u>\$504,323.13</u>
			<b><u>Ref.</u></b>	D	15-D	D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$19,870.88	\$19,870.88	\$974.76	\$18,896.12
Other Expenses	58,575.79	58,575.79	23,817.02	34,758.77
Capital Improvements:				
Capital Outlay	3,655.00	3,655.00	3,604.70	50.30
Statutory Expenditures:				
PERS	159.59	159.59		159.59
Social Security System (O.A.S.I.)	2,215.80	2,215.80	57.68	2,158.12
	<u>\$84,477.06</u>	<u>\$84,477.06</u>	<u>\$28,454.16</u>	<u>\$56,022.90</u>
			1-D	D-1
Appropriation Reserves	D	\$46,808.99		
Encumbrances Payable	7-D	<u>37,668.07</u>		
		<u>\$84,477.06</u>		

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	D	\$37,668.07
Increased By:		
Transferred from Budget Appropriations	D-4	22,916.51
		<u>60,584.58</u>
Decreased By:		
Transferred to Appropriation Reserves	6-D	37,668.07
		<u>37,668.07</u>
Balance December 31, 2008	D	<u><u>\$22,916.51</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF WATER OVERPAYMENTS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	D	\$2,710.30
Increased By:		
Cash Receipts	1-D	<u>2,910.85</u>
		5,621.15
Decreased By:		
Applied To Consumer Accounts		
Receivable	3-D	\$2,649.05
Refunds	1-D	<u>61.25</u>
		<u>2,710.30</u>
Balance December 31, 2008	D	<u><u>\$2,910.85</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	D	\$22,169.24
Increased By:		
Budget Appropriations	D-4	<u>141,464.05</u> 163,633.29
Decreased By:		
Interest Paid	1-D	<u>142,219.14</u>
Balance December 31, 2008	D	<u><u>\$21,414.15</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**Year Ended December 31, 2008**

<b><u>Purpose</u></b>	<b><u>Original Issue</u></b>		<b><u>Maturities of Bonds</u></b>		<b><u>Interest</u></b>	<b><u>Balance</u></b>	<b><u>Decreased</u></b>	<b><u>Balance</u></b>
	<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Outstanding Dec. 31, 2008</u></b>					
	<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>			
Water Improvements	4/1/00	\$1,460,000.00	4/1/09	\$55,000.00	5.50%	\$110,000.00	\$55,000.00	\$55,000.00
Refunding Bonds	10/12/05	1,144,000.00	4/1/09	13,000.00	3.50%			
			4/1/10	70,000.00	3.50%			
			4/1/11	75,000.00	3.50%			
			4/1/12	30,000.00	3.375%			
			4/1/12	45,000.00	4.00%			
			4/1/13-14	75,000.00	4.50%			
			4/1/15-16	70,000.00	3.750%			
			4/1/17	70,000.00	4.00%			
			4/1/18	75,000.00	4.00%			
			4/1/19-20	70,000.00	4.00%			
			4/1/21	70,000.00	4.25%			
			4/1/22-23	65,000.00	4.25%			
			4/1/24-25	60,000.00	4.25%			
						<u>1,142,000.00</u>	<u>14,000.00</u>	<u>1,128,000.00</u>
						<u>\$1,252,000.00</u>	<u>\$69,000.00</u>	<u>\$1,183,000.00</u>
					<b><u>Ref.</u></b>	D	17-D	D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF WATER UTILITY BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date of Issue Original Note</u></b>	<b><u>Date of Issue</u></b>	<b><u>Date of Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
916	Water Improvements	9/19/2003	9/14/2007	9/12/2008	3.77%	\$73,000.00		\$73,000.00	
919/944	Water Improvements	9/19/2003	9/14/2007	9/12/2008	3.77%	46,600.00		46,600.00	
919/944	Water Improvements	9/17/2004	9/14/2007	9/12/2008	3.77%	66,500.00		66,500.00	
952	Improvements To Water Storage Tank	9/17/2004	9/14/2007	9/12/2008	3.77%	52,500.00		52,500.00	
916	Water Improvements	9/19/2003	9/12/2008	9/11/2009	2.75%		\$60,000.00		\$60,000.00
919/944	Water Improvements	9/19/2003	9/12/2008	9/11/2009	2.75%		36,200.00		36,200.00
919/944	Water Improvements	9/17/2004	9/12/2008	9/11/2009	2.75%		57,000.00		57,000.00
952	Improvements To Water Storage Tank	9/17/2004	9/12/2008	9/11/2009	2.75%		14,323.00		14,323.00
						<u>\$238,600.00</u>	<u>\$167,523.00</u>	<u>\$238,600.00</u>	<u>\$167,523.00</u>
					<b><u>Ref.</u></b>	D			D
			Non-Cash Roll Over					\$167,523.00	
			Paid by Bond Funds		1-D			30,677.00	
			Raised in Budget		18-D			40,400.00	
								<u>\$238,600.00</u>	

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF U.S.D.A. LOAN PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	D	\$1,704,374.29
Decreased By:		
Loan Principal Paydown	17-D	<u>22,578.34</u>
Balance December 31, 2008	D	<u><u>\$1,681,795.95</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF N.J. DEP LOAN PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	D	\$205,442.70
Decreased By:		
Loan Principal Paydown	17-D	<u>56,174.80</u>
Balance December 31, 2008	D	<u><u>\$149,267.90</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF CONTRACTS PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	D	<u><u>\$12,695.56</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Ordinance</u></b>		<b>Balance</b>	<b><u>Paid or Charged</u></b>	<b><u>Cancelled</u></b>	<b>Balance</b>
		<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Dec. 31, 2007 Unfunded</u></b>			<b><u>Dec. 31, 2008 Unfunded</u></b>
916	Water Improvements	12/2/02	\$130,000.00	\$39,842.71			\$39,842.71
919/944	Water Improvements	4/7/03 & 6/21/04	230,000.00	2,427.43	\$524.00		1,903.43
952	Improvements To Water Storage Tank	8/9/04	175,000.00	30,676.87		\$30,676.87	
				<b><u>\$72,947.01</u></b>	<b><u>\$524.00</u></b>	<b><u>\$30,676.87</u></b>	<b><u>\$41,746.14</u></b>
			<b><u>Ref.</u></b>	D	1-D	5-D	D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2008**

**Ref.**

Balance December 31, 2008 and 2007	D	<u><u>\$42,970.00</u></u>
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**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	D		\$4,109,331.12
Increased By:			
Capital Outlay	4-D	\$20,696.51	
Bonds Paid By Operating Budget	10-D	69,000.00	
U.S.D.A. Loan Paid By Operating Budget	12-D	22,578.34	
N.J. DEP Loan Paid By Operating Budget	13-D	<u>56,174.80</u>	
			<u>168,449.65</u>
Balance December 31, 2008	D		<u><u>\$4,277,780.77</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Purpose</u></b>	<b><u>Ordinance Date</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Increased</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
916	Water Improvements	12/2/02	\$57,000.00	\$13,000.00	\$70,000.00
919/944	Water Improvements	4/7/03 & 6/21/04	116,900.00	19,900.00	136,800.00
952	Improvements To Water Storage Tank	8/9/04	122,500.00	7,500.00	130,000.00
			<u>\$296,400.00</u>	<u>\$40,400.00</u>	<u>\$336,800.00</u>
		<b><u>Ref.</u></b>	D	11-D	D

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,829,000.00 WATER IMPROVEMENT LOAN**  
**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$23,605.79	4.50%	\$75,418.21	\$99,024.00
2010	24,680.00	4.50%	74,344.00	99,024.00
2011	25,803.10	4.50%	73,220.90	99,024.00
2012	26,977.30	4.50%	72,046.70	99,024.00
2013	28,204.94	4.50%	70,819.06	99,024.00
2014	29,488.44	4.50%	69,535.56	99,024.00
2015	30,830.34	4.50%	68,193.66	99,024.00
2016	32,233.31	4.50%	66,790.69	99,024.00
2017	33,700.13	4.50%	65,323.87	99,024.00
2018	35,233.71	4.50%	63,790.29	99,024.00
2019	36,837.05	4.50%	62,186.95	99,024.00
2020	38,513.37	4.50%	60,510.63	99,024.00
2021	40,265.97	4.50%	58,758.03	99,024.00
2022	42,098.32	4.50%	56,925.68	99,024.00
2023	44,014.07	4.50%	55,009.93	99,024.00
2024	46,016.97	4.50%	53,007.03	99,024.00
2025	48,111.03	4.50%	50,912.97	99,024.00
2026	50,300.39	4.50%	48,723.61	99,024.00
2027	52,589.37	4.50%	46,434.63	99,024.00
2028	54,982.51	4.50%	44,041.49	99,024.00
2029	57,484.57	4.50%	41,539.43	99,024.00
2030	60,100.47	4.50%	38,923.53	99,024.00
2031	62,835.42	4.50%	36,188.58	99,024.00
2032	65,694.82	4.50%	33,329.18	99,024.00
2033	68,684.35	4.50%	30,339.65	99,024.00
2034	71,809.91	4.50%	27,214.09	99,024.00
2035	75,077.71	4.50%	23,946.29	99,024.00
2036	78,494.22	4.50%	20,529.78	99,024.00
2037	82,066.20	4.50%	16,957.80	99,024.00
2038	85,800.72	4.50%	13,223.28	99,024.00
2039	89,705.19	4.50%	9,318.81	99,024.00
2040	93,787.33	4.50%	5,236.67	99,024.00
2041	45,768.93	4.50%	1,029.75	46,798.68
	<u>\$1,681,795.95</u>		<u>\$1,533,770.73</u>	<u>\$3,215,566.68</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY N.J. DEP LOAN**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$58,158.13	3.50%	\$4,719.91	\$62,878.04
2010	60,211.46	3.50%	2,666.56	62,878.02
2011	30,898.31	3.50%	540.72	31,439.03
	<u>\$149,267.90</u>		<u>\$7,927.19</u>	<u>\$157,195.09</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance December 31, 2007	E	\$234,246.35	\$44,376.77
Increased By Receipts:			
Miscellaneous Revenue	E-3	\$18,165.85	
Consumer Accounts Receivable	3-E	1,256,453.47	
Sewer Overpayments	9-E	4,973.73	
Deferred Reserve for Amortization	15-E		\$52,835.00
		<u>1,279,593.05</u>	<u>52,835.00</u>
		1,513,839.40	97,211.77
Decreased By Disbursements:			
2008 Appropriations	E-4	1,008,611.85	
Appropriation Reserves	6-E	15,210.42	
Accrued Interest on Bonds and Notes	8-E	311,105.86	
Sewer Overpayments Refunds	9-E	267.91	
Improvement Authorizations	12-E		25,172.51
		<u>1,335,196.04</u>	<u>25,172.51</u>
Balance December 31, 2008	E	<u>\$178,643.36</u>	<u>\$72,039.26</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH**  
**December 31, 2008**

	<b>Balance <u>Dec. 31, 2008</u></b>
Capital Improvement Fund	\$38,000.00
Fund Balance	3,749.27
Contracts Payable	15,470.96

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	
876	Sanitary Sewer System Rehabilitation Phase III	<u>14,819.03</u>
		<u><u>\$72,039.26</u></u>
		<b><u>Ref.</u>      E</b>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	E		\$45,587.14
Increased By:			
Sewer Rents Levied			<u>1,258,726.31</u>
			1,304,313.45
Decreased By:			
Collections	1-E	\$1,256,453.47	
Overpayments Applied	9-E	<u>3,265.71</u>	
	E-3		<u>1,259,719.18</u>
Balance December 31, 2008	E		<u><u>\$44,594.27</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**Year Ended December 31, 2008**

	<b>Balance Dec. 31, 2008 and 2007</b>
Sewer System	\$8,616,975.48
Sewer Jet Vac	39,575.00
Automotive Equipment	17,868.21
Sewer Camera	9,500.00
Phone System	6,800.00
Computer System	<u>6,507.25</u>
	<u><u>\$8,697,225.94</u></u>

**Ref.**

E

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Purpose</u></b>	<b><u>Ordinance</u></b>		<b><u>Balance December 31, 2008 and 2007</u></b>
		<b><u>Date</u></b>	<b><u>Amount</u></b>	
876	Sanitary Sewer System Rehabilitation Phase III	12/4/00	\$1,694,490.00	<u>\$594,490.00</u>
			<b><u>Ref.</u></b>	E

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

		<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>	<b><u>Balance After</u></b> <b><u>Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Operating:					
Salaries and Wages		\$13,784.85	\$13,784.85	\$974.76	\$12,810.09
Other Expenses		35,466.96	35,466.96	\$14,177.98	21,288.98
Ocean County Utilities Authority		0.40	0.40		0.40
Statutory Expenditures:					
PERS		60.43	60.43		60.43
Social Security System (O.A.S.I.)		2,205.75	2,205.75	57.68	2,148.07
		<u>\$51,518.39</u>	<u>\$51,518.39</u>	<u>\$15,210.42</u>	<u>\$36,307.97</u>
	<b><u>Ref.</u></b>			1-E	E-1
Appropriation Reserves	E	\$28,615.34			
Encumbrances Payable	7-E	<u>22,903.05</u>			
		<u>\$51,518.39</u>			

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	E	\$22,903.05
Increased By:		
Charged To Budget Appropriations	E-4	<u>9,374.49</u>
		32,277.54
Decreased By:		
Transferred To Appropriation Reserves	6-E	<u>22,903.05</u>
Balance December 31, 2008	E	<u><u>\$9,374.49</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	E	\$61,536.20
Increased By:		
Budget Appropriations	E-4	308,846.00
		<u>370,382.20</u>
Decreased By:		
Interest Paid	1-E	311,105.86
		<u>311,105.86</u>
Balance December 31, 2008	E	<u><u>\$59,276.34</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF SEWER OVERPAYMENTS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	E	\$3,533.62
Increased By:		
Cash Receipts	1-E	<u>4,973.73</u>
		8,507.35
Decreased By:		
Applied to Consumer Accounts		
Receivable	3-E	\$3,265.71
Refunded	1-E	<u>267.91</u>
		<u>3,533.62</u>
Balance December 31, 2008	E	<u><u>\$4,973.73</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SEWER UTILITY SERIAL BONDS AND LOANS**  
**Year Ended December 31, 2008**

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding Dec. 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2008</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Memo</u>				
Sewer Improvements	10/15/96	\$1,616,960.00	2/1/09 to 8/1/16	See 16-E	Various	\$757,163.08	\$87,469.11	\$669,693.97
Sewer Improvements	11/6/97	1,607,000.00	5/6/09 to 11/6/37	See 17-E	4.50%	1,424,037.36	23,180.20	1,400,857.16
Sewer Improvements	4/1/00	1,435,000.00	4/1/09	See 18-E	5.50%	100,000.00	50,000.00	50,000.00
Sewer Improvements	3/22/02	1,300,000.00	9/22/09 to 3/22/42	See 19-E	4.50%	1,226,777.70	15,347.74	1,211,429.96
Sewer Improvements	3/18/04	1,100,000.00	9/18/09 to 3/18/44	See 20-E	4.50%	1,062,344.64	11,880.67	1,050,463.97
Refunding Bonds	10/12/05	1,150,000.00	4/1/09 to 4/1/25	See 21-E	Various	1,148,000.00	14,000.00	1,134,000.00
						<u>\$5,718,322.78</u>	<u>\$201,877.72</u>	<u>\$5,516,445.06</u>
					<u>Ref.</u>	E	14-E	E

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CONTRACTS PAYABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	E	\$15,470.96
Increased By:		
Charged To Improvement Authorization	12-E	<u>15,470.96</u>
		30,941.92
Decreased By:		
Transfer To Improvement Authorization	12-E	<u>15,470.96</u>
Balance December 31, 2008	E	<u><u>\$15,470.96</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Ordinance</u></b>		<b><u>Balance Dec. 31, 2007 Unfunded</u></b>	<b><u>Transferred From Contracts Payable</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Contracts Payable</u></b>	<b><u>Balance Dec. 31, 2008 Unfunded</u></b>
		<b><u>Date</u></b>	<b><u>Amount</u></b>					
876	Sanitary Sewer System Rehabilitation Phase III	12/4/00	\$1,694,490.00	<u>\$92,828.54</u>	<u>\$15,470.96</u>	<u>\$25,172.51</u>	<u>\$15,470.96</u>	<u>\$67,656.03</u>
			<b><u>Ref.</u></b>	E	11-E	1-E	11-E	E

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2008 and 2007	E	<u><u>\$38,000.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	E	\$2,978,903.16
Increased By:		
Bonds Paid By Operating Budget	10-E	<u>201,877.72</u>
Balance December 31, 2008	E	<u><u>\$3,180,780.88</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Ordinance Date</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Increased</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
876	Sanitary Sewer Rehabilitation Phase III	12/4/00	<u>\$488,818.00</u>	<u>\$52,835.00</u>	<u>\$541,653.00</u>
		<b><u>Ref.</u></b>	E	1-E,22-E	E

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,616,960.00 SEWER IMPROVEMENT LOANS**  
**NEW JERSEY WASTEWATER TREATMENT TRUST**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal at 0% Interest</u>	<u>Total Debt Service</u>
2009	\$45,000.00	5.20%	\$23,077.50	\$41,084.09	\$109,161.59
2010	50,000.00	5.25%	20,737.50	42,689.38	113,426.88
2011	50,000.00	5.25%	18,112.50	41,105.22	109,217.72
2012	55,000.00	5.25%	15,487.50	42,538.51	113,026.01
2013	55,000.00	5.25%	12,600.00	40,795.93	108,395.93
2014	60,000.00	5.25%	9,712.50	21,480.84	91,193.34
2015	60,000.00	5.25%	6,562.50		66,562.50
2016	65,000.00	5.25%	3,412.50		68,412.50
	<u>\$440,000.00</u>		<u>\$109,702.50</u>	<u>\$229,693.97</u>	<u>\$779,396.47</u>

**Balance December 31, 2008**

\$440,000.00  
229,693.97  
\$669,693.97

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,607,000.00 SEWER IMPROVEMENT LOANS**  
**U.S. DEPT. OF AGRICULTURE**  
**PHASE I**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$24,235.04	4.50%	\$62,768.96	\$87,004.00
2010	25,337.88	4.50%	61,666.12	87,004.00
2011	26,490.92	4.50%	60,513.08	87,004.00
2012	27,696.42	4.50%	59,307.58	87,004.00
2013	28,956.78	4.50%	58,047.22	87,004.00
2014	30,274.50	4.50%	56,729.50	87,004.00
2015	31,652.17	4.50%	55,351.83	87,004.00
2016	33,092.55	4.50%	53,911.45	87,004.00
2017	34,598.46	4.50%	52,405.54	87,004.00
2018	36,172.91	4.50%	50,831.09	87,004.00
2019	37,819.01	4.50%	49,184.99	87,004.00
2020	39,540.00	4.50%	47,464.00	87,004.00
2021	41,339.32	4.50%	45,664.68	87,004.00
2022	43,220.52	4.50%	43,783.48	87,004.00
2023	45,187.32	4.50%	41,816.68	87,004.00
2024	47,243.62	4.50%	39,760.38	87,004.00
2025	49,393.51	4.50%	37,610.49	87,004.00
2026	51,641.22	4.50%	35,362.78	87,004.00
2027	53,991.22	4.50%	33,012.78	87,004.00
2028	56,448.16	4.50%	30,555.84	87,004.00
2029	59,016.90	4.50%	27,987.10	87,004.00
2030	61,702.53	4.50%	25,301.47	87,004.00
2031	64,510.39	4.50%	22,493.61	87,004.00
2032	67,446.01	4.50%	19,557.99	87,004.00
2033	70,515.23	4.50%	16,488.77	87,004.00
2034	73,724.11	4.50%	13,279.89	87,004.00
2035	77,079.03	4.50%	9,924.97	87,004.00
2036	80,586.60	4.50%	6,417.40	87,004.00
2037	81,944.83	4.50%	2,750.19	84,695.02
	<u>\$1,400,857.16</u>		<u>\$1,119,949.86</u>	<u>\$2,520,807.02</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,435,000.00 SEWER IMPROVEMENT BONDS**  
**December 31, 2008**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest Rate</u></b>	<b><u>Interest</u></b>	<b><u>Total Debt Service</u></b>
2009	<u>\$50,000.00</u>	5.50%	<u>\$1,375.00</u>	<u>\$51,375.00</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,300,000.00 SEWER IMPROVEMENT LOANS**  
**U.S. DEPT. OF AGRICULTURE**

**PHASE II**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$16,046.17	4.50%	\$54,335.83	\$70,382.00
2010	16,776.36	4.50%	53,605.64	70,382.00
2011	17,539.79	4.50%	52,842.21	70,382.00
2012	18,337.97	4.50%	52,044.03	70,382.00
2013	19,172.45	4.50%	51,209.55	70,382.00
2014	20,044.92	4.50%	50,337.08	70,382.00
2015	20,957.09	4.50%	49,424.91	70,382.00
2016	21,910.77	4.50%	48,471.23	70,382.00
2017	22,907.85	4.50%	47,474.15	70,382.00
2018	23,950.30	4.50%	46,431.70	70,382.00
2019	25,040.19	4.50%	45,341.81	70,382.00
2020	26,179.67	4.50%	44,202.33	70,382.00
2021	27,371.01	4.50%	43,010.99	70,382.00
2022	28,616.56	4.50%	41,765.44	70,382.00
2023	29,918.80	4.50%	40,463.20	70,382.00
2024	31,280.29	4.50%	39,101.71	70,382.00
2025	32,703.73	4.50%	37,678.27	70,382.00
2026	34,191.96	4.50%	36,190.04	70,382.00
2027	35,747.91	4.50%	34,634.09	70,382.00
2028	37,374.66	4.50%	33,007.34	70,382.00
2029	39,075.44	4.50%	31,306.56	70,382.00
2030	40,853.61	4.50%	29,528.39	70,382.00
2031	42,712.71	4.50%	27,669.29	70,382.00
2032	44,656.41	4.50%	25,725.59	70,382.00
2033	46,688.55	4.50%	23,693.45	70,382.00
2034	48,813.18	4.50%	21,568.82	70,382.00
2035	51,034.47	4.50%	19,347.53	70,382.00
2036	53,356.87	4.50%	17,025.13	70,382.00
2037	55,784.94	4.50%	14,597.06	70,382.00
2038	58,323.50	4.50%	12,058.50	70,382.00
2039	60,977.58	4.50%	9,404.42	70,382.00
2040	63,752.44	4.50%	6,629.56	70,382.00
2041	66,653.57	4.50%	3,728.43	70,382.00
2042	32,678.24	4.50%	735.76	33,414.00
	<u>\$1,211,429.96</u>		<u>\$1,144,590.04</u>	<u>\$2,356,020.00</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,100,000.00 SEWER IMPROVEMENT LOANS**  
**U.S. DEPT. OF AGRICULTURE**

**PHASE III**  
**December 31, 2008**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$12,421.31	4.50%	\$47,132.69	\$59,554.00
2010	12,986.55	4.50%	46,567.45	59,554.00
2011	13,577.53	4.50%	45,976.47	59,554.00
2012	14,195.38	4.50%	45,358.62	59,554.00
2013	14,841.37	4.50%	44,712.63	59,554.00
2014	15,516.74	4.50%	44,037.26	59,554.00
2015	16,222.85	4.50%	43,331.15	59,554.00
2016	16,961.09	4.50%	42,592.91	59,554.00
2017	17,732.92	4.50%	41,821.08	59,554.00
2018	18,539.88	4.50%	41,014.12	59,554.00
2019	19,383.56	4.50%	40,170.44	59,554.00
2020	20,265.63	4.50%	39,288.37	59,554.00
2021	21,187.85	4.50%	38,366.15	59,554.00
2022	22,152.03	4.50%	37,401.97	59,554.00
2023	23,160.09	4.50%	36,393.91	59,554.00
2024	24,214.01	4.50%	35,339.99	59,554.00
2025	25,315.90	4.50%	34,238.10	59,554.00
2026	26,467.93	4.50%	33,086.07	59,554.00
2027	27,672.39	4.50%	31,881.61	59,554.00
2028	28,931.66	4.50%	30,622.34	59,554.00
2029	30,248.23	4.50%	29,305.77	59,554.00
2030	31,624.72	4.50%	27,929.28	59,554.00
2031	33,063.83	4.50%	26,490.17	59,554.00
2032	34,568.45	4.50%	24,985.55	59,554.00
2033	36,141.53	4.50%	23,412.47	59,554.00
2034	37,786.19	4.50%	21,767.81	59,554.00
2035	39,505.70	4.50%	20,048.30	59,554.00
2036	41,303.45	4.50%	18,250.55	59,554.00
2037	43,183.02	4.50%	16,370.98	59,554.00
2038	45,148.12	4.50%	14,405.88	59,554.00
2039	47,202.64	4.50%	12,351.36	59,554.00
2040	49,350.66	4.50%	10,203.34	59,554.00
2041	51,596.42	4.50%	7,957.58	59,554.00
2042	53,944.38	4.50%	5,609.62	59,554.00
2043	56,399.18	4.50%	3,154.82	59,554.00
2044	27,650.78	4.50%	622.20	28,272.98
	<u>\$1,050,463.97</u>		<u>\$1,062,199.01</u>	<u>\$2,112,662.98</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY \$1,150,000.00**  
**SEWER CAPITAL REFUNDING BONDS**  
**December 31, 2008**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest Rate</u></b>	<b><u>Interest</u></b>	<b><u>Total Debt Service</u></b>
2009	\$14,000.00	3.500%	\$45,307.50	\$59,307.50
2010	75,000.00	3.500%	43,750.00	118,750.00
2011	75,000.00	3.500%	41,125.00	116,125.00
2012	75,000.00	4.000%	38,406.25	113,406.25
2013	75,000.00	4.500%	35,312.50	110,312.50
2014	75,000.00	4.500%	31,937.50	106,937.50
2015	75,000.00	3.750%	28,843.75	103,843.75
2016	70,000.00	3.750%	26,125.00	96,125.00
2017	70,000.00	4.000%	23,412.50	93,412.50
2018	70,000.00	4.000%	20,612.50	90,612.50
2019	70,000.00	4.000%	17,812.50	87,812.50
2020	65,000.00	4.000%	15,112.50	80,112.50
2021	65,000.00	4.250%	12,431.25	77,431.25
2022	65,000.00	4.250%	9,668.75	74,668.75
2023	65,000.00	4.250%	6,906.25	71,906.25
2024	65,000.00	4.250%	4,143.75	69,143.75
2025	65,000.00	4.250%	1,381.25	66,381.25
	<b><u>\$1,134,000.00</u></b>		<b><u>\$402,288.75</u></b>	<b><u>\$1,536,288.75</u></b>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Decreased</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
876	Sanitary Sewer Rehabilitation Phase III	<u>\$105,672.00</u>	<u>\$52,835.00</u>	<u>\$52,837.00</u>
	<b><u>Ref.</u></b>		15-E	

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2007	F	\$324,290.26	\$37,690.38
Increased By Receipts:			
Interest on Investments and Deposits	F-3	\$5,750.62	
Miscellaneous Revenue	F-3	17,017.42	
Due From State of NJ - Lifeline Credits	3-F	3,037.50	
Consumer Accounts Receivable	4-F	3,269,770.55	
Bond Anticipation Notes	14-F		\$166,250.00
Capital Improvement Fund	11-F		10,000.00
Electric Overpayments	9-F	17,934.70	
		<u>3,313,510.79</u>	<u>176,250.00</u>
		3,637,801.05	213,940.38
Decreased By Disbursements:			
2008 Appropriations	F-4	2,862,335.10	
Appropriation Reserves	7-F	138,565.29	
Improvement Authorizations	10-F		21,102.26
		<u>3,000,900.39</u>	<u>21,102.26</u>
Balance December 31, 2008	F	<u><u>\$636,900.66</u></u>	<u><u>\$192,838.12</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF ELECTRIC UTILITY CAPITAL FUND CASH**  
**December 31, 2008**

	<b>Balance December 31, 2008</b>
Fund Balance	\$153,434.68
Contracts Payable	44,951.76

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	
734	Upgrading of Electric Distribution System	(134,494.30)
1046	Purchase of a Cargo Van for the Electric Utility	2,631.00
1049	Acquisition of Electrical Distribution Equipment	126,314.98
		\$192,838.12

**Ref.**      F

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF DUE FROM STATE OF NEW JERSEY - LIFELINE CREDITS**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	F	\$225.00
Increased By:		
Credits Allowed	4-F	<u>3,150.00</u> 3,375.00
Decreased By:		
Cash Receipts	1-F	<u>3,037.50</u>
Balance December 31, 2008	F	<u><u>\$337.50</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007	F		\$115,313.78
Increased By:			
Electric Rents Levied			<u>3,360,145.25</u>
			3,475,459.03
Decreased By:			
Collections	1-F	\$3,269,770.55	
Lifeline Credits	3-F	3,150.00	
Overpayments Applied	9-F	<u>16,608.01</u>	
	F-3		<u>3,289,528.56</u>
Balance December 31, 2008	F		<u><u>\$185,930.47</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**Year Ended December 31, 2008**

	<b>Balance</b> <b>Dec. 31, 2007</b>	<b>Increases</b>	<b>Balance</b> <b>Dec. 31, 2008</b>
Distribution Mains and Structures	\$1,124,009.15		\$1,124,009.15
Line Transformers	31,074.38		31,074.38
Street Lighting Meters	16,349.93		16,349.93
General Structures	4,026.98		4,026.98
Vehicles and Equipment	342,894.61	\$875.00	343,769.61
Consumer Meters	78,532.12		78,532.12
Miscellaneous	7,905.99		7,905.99
Computer	38,089.90		38,089.90
	<u>\$1,642,883.06</u>	<u>\$875.00</u>	<u>\$1,643,758.06</u>
<b><u>Ref.</u></b>	F	12-F	F

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**Year Ended December 31, 2008**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2007</b>	<b>Fixed Capital Authorized</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2008</b>
		<b>Date</b>	<b>Amount</b>				
734	Upgrading of Electric Distribution System	11/4/94	\$1,200,000.00	\$205,505.70		\$205,505.70	
1046	Purchase of a Cargo Van for the Electric Utility	8/18/08	20,000.00		\$20,000.00		\$20,000.00
1049	Acquisition of Electrical Distribution Equipment	9/22/08	175,000.00		175,000.00		175,000.00
				<u>\$205,505.70</u>	<u>\$195,000.00</u>	<u>\$205,505.70</u>	<u>\$195,000.00</u>
			<b><u>Ref.</u></b>	F	10-F	10-F	F

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2008**

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$44,246.77	\$4,246.77	\$2,702.79	\$1,543.98
Other Expenses	39,985.24	29,985.24	21,048.21	8,937.03
Power Purchased	77,212.44	127,212.44	114,624.42	12,588.02
Statutory Expenditures:				
PERS	436.86	436.86		436.86
Social Security System (O.A.S.I.)	5,135.44	5,135.44	189.87	4,945.57
	<u>\$167,016.75</u>	<u>\$167,016.75</u>	<u>\$138,565.29</u>	<u>\$28,451.46</u>
			1-F	F-1
Appropriation Reserves	F     \$69,790.76			
Encumbrances Payable	8-F <u>97,225.99</u>			
	<u>\$167,016.75</u>			

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	F	\$97,225.99
Increased By:		
Transferred From Budget Appropriations	F-4	<u>203,765.05</u>
		300,991.04
Decreased By:		
Transferred To Appropriation Reserves	7-F	<u>97,225.99</u>
Balance December 31, 2008	F	<u><u>\$203,765.05</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF ELECTRIC OVERPAYMENTS**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	F	\$16,608.01
Increased By:		
Cash Receipts	1-F	17,934.70
		<u>34,542.71</u>
Decreased By:		
Overpayments Applied	4-F	16,608.01
		<u>16,608.01</u>
Balance December 31, 2008	F	<u><u>\$17,934.70</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2008**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2007 Unfunded</b>	<b>2008 Authorizations</b>	<b>Expended</b>	<b>Contracts Payable</b>	<b>Cancelled</b>	<b>Balance December 31, 2008</b>	
		<b>Date</b>	<b>Amount</b>						<b>Funded</b>	<b>Unfunded</b>
734	Upgrading of Electric Distribution System	11/4/94	\$1,200,000.00	\$205,505.70				\$205,505.70		
1046	Purchase of a Cargo Van for the Electric Utility	8/18/08	20,000.00		\$20,000.00	\$17,369.00			\$2,631.00	
1049	Acquisition of Electrical Distribution Equipment	9/22/08	175,000.00		175,000.00	3,733.26	\$44,951.76			\$126,314.98
				<u>\$205,505.70</u>	<u>\$195,000.00</u>	<u>\$21,102.26</u>	<u>\$44,951.76</u>	<u>\$205,505.70</u>	<u>\$2,631.00</u>	<u>\$126,314.98</u>
		<b><u>Ref.</u></b>		F	6-F	1-F		6-F	F	F
	Deferred Charges - Unfunded Capital Improvement Fund		13-F,11-F		\$166,250.00	28,750.00				
					<u>\$195,000.00</u>					

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2008**

	<u>Ref.</u>	
Balance December 31, 2007	F	\$146,925.31
Increased by:		
2008 Budget Appropriation	1-F	<u>10,000.00</u>
		156,925.31
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	10-F	\$28,750.00
Cancelled to Fund Balance	F-2	<u>128,175.31</u>
		<u>156,925.31</u>
Balance December 31, 2008	F	<u><u>\$0.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	F	\$1,508,388.76
Increased By:		
Capital Outlay - By Operating Budget	5-F	<u>875.00</u>
Balance December 31, 2008	F	<u><u>\$1,509,263.76</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
1046	Purchase of a Cargo Van for the Electric Utility	8/18/08	\$20,000.00
1049	Acquisition of Electrical Distribution Equipment	9/22/08	<u>8,750.00</u>
			<u><u>\$28,750.00</u></u>
		<b><u>Ref.</u></b>	<b>F</b>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2008**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Authorization</u></b>	<b><u>Date of Issue of Original Note</u></b>	<b><u>Date of Issue</u></b>	<b><u>Date of Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Increased</u></b>	<b><u>Balance December 31, 2008</u></b>
1049	Acquisition of Electrical Distribution Equipment	12/23/2008	12/23/2008	9/11/2009	3.95%	<u>\$166,250.00</u>	<u>\$166,250.00</u>
					<b><u>Ref.</u></b>	1-F	F

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2008**

	<u>Ref.</u>		
Balance December 31, 2007			
Trust Fund I		\$20,223.51	
Trust Fund II		222.78	
	G	<u>                    </u>	\$20,446.29
Increased By:			
Interest Earned	G-1,2-G		<u>                    4.56</u>
			20,450.85
Decreased By:			
Disbursed to Current Fund	2-G	20,228.07	
Disbursed to State of New Jersey	3-G	222.78	
		<u>                    </u>	<u>                    20,450.85</u>
Balance December 31, 2008			
Trust Fund I		0.00	
Trust Fund II		0.00	
	G	<u>                    </u>	<u>                    \$0.00</u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	G	\$20,223.51
Increased By:		
Interest Earned	1-G	<u>4.56</u>
		20,228.07
Decreased By:		
Disbursed to Current Fund	1-G	<u>20,228.07</u>
Balance December 31, 2008	G	<u><u>\$0.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**  
**Year Ended December 31, 2008**

	<b><u>Ref.</u></b>	
Balance December 31, 2007	G	\$222.78
Decreased By:		
Disbursed to State of New Jersey	1-G	<u>222.78</u>
Balance December 31, 2008	G	<u><u>\$0.00</u></u>

**BOROUGH OF LAVALLETTE**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2008**

	<b>Balance Dec. 31, 2007</b>	<b>Additions</b>	<b>Balance Dec. 31, 2008</b>
Buildings and Land	\$11,140,710.00		\$11,140,710.00
Equipment	4,470,291.92	\$63,489.29	4,533,781.21
	<u>\$15,611,001.92</u>	<u>\$63,489.29</u>	<u>\$15,674,491.21</u>
<b><u>Ref.</u></b>	H		H

**BOROUGH OF LAVALLETTE**

**COUNTY OF OCEAN**

**STATE OF NEW JERSEY**

**PART III**

**GENERAL COMMENTS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2008**

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be advertised per N.J.S. 40A:11-4**

N.J.S. 40A:11-4 states “Every contract 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 therefor, except as is provided otherwise in this act or specifically by any other law.”

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

Tennis Court Resurfacing Project  
Kerr Avenue Road Improvements  
Various Boardwalk Lumber Materials and Supplies

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

### **Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered.”

### **Collection of Interest on Delinquent Taxes and Assessments**

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 2, 2008 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes or assessments:

WHEREAS, R.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law:

WHEREAS, R.S. 54:4-67 has been amended to permit the fixing of said rate of 18% per annum on any amount in excess of \$1,500.00 of the delinquency

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Lavallette, County of Ocean, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date.
2. Effective January 1 2008, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph 2 of this resolution shall be charged interest from the due date, as set forth in paragraph 1 of this resolution.
4. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Municipal Attorney and Municipal Auditor.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

### **Delinquent Taxes and Tax Title Liens**

The last tax and utility lien sale was held on November 19, 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:

2008	1
2007	0
2006	0

## **COMMENTS AND RECOMMENDATIONS**

The following comment and recommendation has been discussed with the Borough's management.

During the conduct of the 2008 audit we noted a certain item relative to the funding of a general capital fund ordinance that requires the Borough to develop a corrective action plan.

It is recommended that

-expenses incurred under unfunded general capital fund ordinances not be paid with cash available from funded ordinances.