

**TOWNSHIP OF HAZLET  
COUNTY OF MONMOUTH  
NEW JERSEY**

**REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2008**

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**COUNTY OF MONMOUTH**  
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**COUNTY OF MONMOUTH**  
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**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**

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**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY DATA**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members  
of the Township Committee  
Township of Hazlet  
County of Monmouth  
Hazlet, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Hazlet (the "Township"), as of December 31, 2008 and 2007, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis for the year ended December 31, 2008. These financial statements -regulatory basis are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The financial statements of the Length of Service Award Program Fund ("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. The LOSAP Fund financial activities are included in the Township's Trust Fund and represent 6.57% and 9.60% of the assets and liabilities as of December 31, 2008 and 2007 respectively, of the Township's Trust Funds.

As described more fully in Note 2, the Township has prepared these financial statements using accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects 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 our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2008 and 2007 or the results of its operations or cash flows of its proprietary fund types and nonexpendable trust funds for the years then ended.

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 - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Township, as of December 31, 2008 and 2007, and the results of its operations and the changes in fund balance - regulatory basis of the individual funds for the years then ended and the statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2008, on the basis of accounting described in Note 2 to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2009 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the financial statements - regulatory basis of the Township taken as a whole. The accompanying financial information listed as supplementary schedules in the table of contents is not a required part of the financial statements and is presented for purposes of additional analysis as required by New Jersey State Division of Local Government Services. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements - regulatory basis and, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund supplementary information been audited, in our opinion, is fairly presented in all material respects in relation to the financial statements - regulatory basis taken as a whole, on the basis of accounting described in Note 2 to the financial statements.



Thomas P. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #465



Fallon & Larsen LLP

October 2, 2009

Certified Public Accountants

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**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor and Members  
of the Township Committee  
Township of Hazlet  
County of Monmouth  
Hazlet, New Jersey

We have audited the financial statements - regulatory basis of the Township of Hazlet (the "Township") as of and for the year ended December 31, 2008, and have issued our report thereon dated October 2, 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. As described in Note 2 to the financial statements, the Township 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 a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was also qualified because the Division of Local Government Services does not require the Length of Service Award Program to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the Township's financial statements - regulatory basis that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the deficiency described in the accompanying Comments and Recommendations listed as item 08-1 to be a significant deficiency in internal control over financial reporting.

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 Township's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### Compliance and Other Matters

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

The Township's response to the significant deficiency identified in our audit is described in the accompanying Comments and Recommendations section of this report. We did not audit the Township's response and, accordingly, we express no opinion on it.

We noted certain matters that we have reported to management of the Township in the Comments and Recommendations section of this report.

This report is intended solely for the information and use of the governing body, management, others within the Township, the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Thomas P. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #465



Fallon & Larsen LLP

October 2, 2009

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash	A-4	\$ 4,993,031.03	\$ 5,060,733.83
Cash - Change Fund	A/A-4	<u>350.00</u>	<u>275.00</u>
		<u>4,993,381.03</u>	<u>5,061,008.83</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	530,191.32	523,179.99
Tax Title Liens Receivable	A-6	74,836.67	68,769.20
Property Acquired for Taxes	A-7	724,000.00	724,000.00
Revenue Accounts Receivable	A-8	25,793.78	28,388.28
Interfunds Receivable	A-10	72,078.37	540,190.36
Other Accounts Receivable	A-11	<u>7,773.39</u>	<u>377.05</u>
		<u>1,434,673.53</u>	<u>1,884,904.88</u>
Deferred Charges:			
Overexpenditure of Appropriations - 2005	A-12		76.72
Special Emergency Authorization	A-13	<u>400,000.00</u>	<u>500,000.00</u>
		<u>400,000.00</u>	<u>500,076.72</u>
		<u>6,828,054.56</u>	<u>7,445,990.43</u>
Federal and State Grant Fund:			
Grants Receivable	A-27	69,943.78	116,542.19
Interfund - Current Fund	A-31	<u>130,970.61</u>	<u>76,053.97</u>
		<u>200,914.39</u>	<u>192,596.16</u>
Total Assets		<u>\$ 7,028,968.95</u>	<u>\$ 7,638,586.59</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3/A-14	\$ 960,686.27	\$ 604,717.23
Reserve for Encumbrances	A-15	186,195.88	667,834.23
Interfunds Payable	A-10	130,970.61	77,007.57
Payroll Deductions Payable	A-24		50,134.38
Prepaid Taxes	A-17	202,681.63	145,422.61
Tax Overpayments	A-16	38,710.14	24,107.19
County Taxes Payable	A-19	34,947.48	21,210.01
Local District School Taxes Payable	A-20	5.00	
Due to State of New Jersey - Various	A-22	3,029.00	7,815.00
Accounts Payable	A-21	60,684.16	62,106.64
Various Reserves	A-23	90,508.44	29,339.63
Special Emergency Note Payable	A-25	400,000.00	500,000.00
Reserve for Revaluation	A-26	165,000.00	480,000.00
Due to State of New Jersey, Chap. 20 P.L. 1971	A-9	6,807.41	5,026.23
		<u>2,280,226.02</u>	<u>2,674,720.72</u>
Reserve for Receivables and Other Assets	A	1,434,673.53	1,884,904.88
Fund Balance	A-1	3,113,155.01	2,886,364.83
		<u>6,828,054.56</u>	<u>7,445,990.43</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-28	153,240.24	127,302.80
Unappropriated Reserves	A-29	37,152.94	36,020.70
Reserve for Encumbrances	A-30	10,521.21	29,272.66
		<u>200,914.39</u>	<u>192,596.16</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,028,968.95</u>	<u>\$ 7,638,586.59</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,950,000.00	\$ 1,350,000.00
Miscellaneous Revenue Anticipated	A-2	4,357,615.76	5,012,666.25
Receipts from Delinquent Taxes	A-2	524,886.98	409,814.04
Receipts from Current Taxes	A-2	51,037,833.56	49,438,275.88
Non-Budget Revenues	A-2	286,242.64	443,047.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	610,739.94	527,996.28
Interfunds Returned	A-10	382,202.41	231,268.40
Prior Year Bulletproof Vest Grant	A-4	7,108.75	
Prior Year Senior Allowed			250.00
Grant Reserves Canceled	A-28	66,844.07	
Tax Overpayments Canceled	A-16	88.89	
Accounts Payable Canceled	A-21	4,606.64	17,191.43
Close Public Assistance	A-4	3,000.00	
Other Accounts Receivable Liquidated	A-11	18,529.67	1,163.24
		<u>59,249,699.31</u>	<u>57,431,672.55</u>
Total Revenue			
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,962,758.23	7,747,092.94
Other Expenses	A-3	5,094,419.17	5,341,663.84
Deferred Charges and Statutory Expenditures	A-3	626,119.72	665,606.11
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	25,172.95	159,713.00
Other Expenses	A-3	1,392,096.39	949,886.58
Capital Improvements	A-3	169,000.00	83,152.00
Municipal Debt Service	A-3	1,733,592.26	1,772,405.43
Deferred Charges	A-3	100,000.00	54,799.00
		<u>17,103,158.72</u>	<u>16,774,318.90</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
County Taxes	A-19	\$ 6,918,079.06	\$ 6,635,087.36
Amount Due County for Added and Omitted Taxes	A-19	34,946.77	21,210.01
Local District School Taxes	A-20	31,227,811.00	30,629,438.00
Special Fire District Taxes	A-18	1,556,577.00	1,409,210.00
Municipal Open Space Tax Payable	A-10	106,825.14	106,707.01
Municipal Open Space Tax Payable - Added/Omitted	A-10	541.88	298.96
Other Accounts Receivable Advanced	A-11	25,926.01	
Prior Year Senior Citizen Deduction Disallowed	A-9	2,584.25	1,750.00
Prior Year Senior Allowed Resulting in Refund			250.00
Grants Receivable Canceled	A-27	83,182.41	
Transfer to Payroll Fund	A-4	12,323.77	
Refund Prior Year Revenue	A-4	<u>953.12</u>	<u>12,775.73</u>
Total Expenditures		<u>57,072,909.13</u>	<u>55,591,045.97</u>
Excess in Revenue		2,176,790.18	1,840,626.58
Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year			<u>500,000.00</u>
Statutory Excess to Fund Balance		2,176,790.18	2,340,626.58
Fund Balance January 1	A	<u>2,886,364.83</u>	<u>1,895,738.25</u>
		5,063,155.01	4,236,364.83
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>1,950,000.00</u>	<u>1,350,000.00</u>
Fund Balance December 31	A	<u>\$ 3,113,155.01</u>	<u>\$ 2,886,364.83</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S.A. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,950,000.00		\$ 1,950,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	20,000.00		21,043.36	\$ 1,043.36
Other	A-8	75,000.00		75,941.60	941.60
Fees and Permits	A-8	145,000.00		131,283.78	(13,716.22)
Fines and Costs:					
Municipal Court	A-8	375,000.00		338,113.91	(36,886.09)
Interest and Costs on Taxes	A-8	92,000.00		135,199.24	43,199.24
Interest on Investments and Deposits	A-8	150,000.00		95,758.64	(54,241.36)
Cable T.V. Franchise Fee	A-8	66,057.57		66,057.57	
Hotel/Motel Fees	A-8	120,000.00		117,682.36	(2,317.64)
Consolidated Municipal Property Tax Relief Aid	A-8	766,720.00		779,592.00	12,872.00
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	1,649,892.00		1,649,892.00	
Payments in Lieu of Taxes on State Exempt					
Property (N.J.S.A. 54:4-2.2a et seq.)	A-8	240,000.00		264,596.08	24,596.08
Uniform Construction Code Fees	A-8	400,000.00		373,305.00	(26,695.00)
Township of Aberdeen - Board of Health Services	A-8	25,172.95			
Public Health Priority Funding	A-27	9,736.00		9,736.00	
Recycling Tonnage Grant	A-27	6,432.85		6,432.85	
Drunk Driving Enforcement Fund	A-27		\$ 48,375.98	48,375.98	
Clean Communities Program	A-27	27,011.72		27,011.72	
Municipal Alliance on Alcoholism and Drug Abuse	A-27	35,103.00		35,103.00	
NJ DCA Smart Future Grant	A-27		50,000.00	50,000.00	
Green Meadows Farm	A-27	40,000.00		40,000.00	
Tobacco Age-of-Sale Enforcement Grant	A-27	1,620.00		1,620.00	
Bulletproof Vest Grant	A-27	4,961.09		4,961.09	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

		<u>Anticipated</u>	Special N.J.S.A. 40A:4-87		
	<u>Ref.</u>	<u>Budget</u>	<u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Due from Swim Pool Operating	A-8	\$ 85,909.58		\$ 85,909.58	
Total Miscellaneous Revenues	A-1	4,335,616.76	\$ 98,375.98	4,357,615.76	\$ (76,376.98)
Receipts from Delinquent Taxes	A-1	480,000.00		524,886.98	44,886.98
		6,765,616.76	98,375.98	6,832,502.74	(31,490.00)
Amount to be Raised by Taxes for Support of Municipal Budget	A-2/A-5	11,496,492.86		12,439,597.90	943,105.04
	A-1/A-2	18,262,109.62	98,375.98	19,272,100.64	911,615.04
Non-Budget Revenues				286,242.64	286,242.64
<b>Total</b>	<u>Ref.</u>	<u>\$ 18,262,109.62</u>	<u>\$ 98,375.98</u>	<u>\$ 19,558,343.28</u>	<u>\$ 1,197,857.68</u>
	A-3	A-3	A-3		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections	A-1/A-5	\$ 51,037,833.56
Allocated to School ,County, and Special District Taxes	A-5	<u>39,844,780.85</u>
Balance for Support of Municipal Budget Appropriations		11,193,052.71
Add:		
Reserve for Uncollected Taxes	A-3	<u>1,246,545.19</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>12,439,597.90</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2/A-5	\$ <u>524,886.98</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

Analysis of Realized Revenues (Continued)

Analysis of Non-Budget Revenues:

Municipal Clerk	\$	13,422.79
Railroad Daily Parking Fees		40,989.17
Finance Department Receipts		21,222.45
Tax Department Receipts		2,299.83
Senior and Veteran Administrative Fee		5,695.27
Police Department Receipts		20,425.53
Police Off Duty Administrative Fee		29,225.73
Insurance Dividends		<u>152,961.87</u>

A-2/A-4 \$ 286,242.64

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Appropriated</u>		<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Modification</u>	<u>Charged</u>			<u>Balance</u>
							<u>Canceled</u>
<u>Operations Within CAPS</u>							
General Government:							
General Administration							
Salaries and Wages	\$ 225,700.00	\$ 225,700.00	\$	190,806.50	\$	34,893.50	
Other Expenses	265,250.00	263,550.00		241,963.28		21,586.72	
Mayor and Committee							
Salaries and Wages	23,000.00	23,000.00		22,999.92		0.08	
Other Expenses	16,300.00	16,300.00		16,261.96		38.04	
Municipal Clerk							
Salaries and Wages	89,372.00	89,372.00		88,978.87		393.13	
Other Expenses	7,850.00	7,850.00		1,046.00		6,804.00	
Elections:							
Salaries and Wages	6,000.00	6,000.00		1,997.90		4,002.10	
Other Expenses	6,200.00	6,200.00		1,020.85		5,179.15	
Financial Administration							
Salaries and Wages	183,000.00	183,000.00		182,481.26		518.74	
Other Expenses	9,500.00	11,200.00		10,970.74		229.26	
Audit Services							
Other Expenses	47,000.00	47,000.00		4,875.00		42,125.00	
Revenue Administration (Tax Collection)							
Salaries and Wages	92,000.00	96,600.00		96,047.92		552.08	
Other Expenses	18,025.00	13,425.00		8,618.36		4,806.64	
Tax Assessment Administration							
Salaries and Wages	80,300.00	80,300.00		70,984.10		9,315.90	
Other Expenses	40,900.00	40,900.00		16,427.46		24,472.54	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Appropriated		Budget After	Paid or	Expended	Reserved	Unexpended
	Budget	Budget Modification	Charged	Reserved	Balance	Canceled	
Legal Services and Costs	\$ 193,500.00	\$ 210,500.00	\$ 161,194.10	\$ 49,305.90			
Other Expenses							
Engineering Services and Costs	60,000.00	46,445.85	32,404.75	14,041.10			
Other Expenses							
Planning Board	22,027.50	22,027.50	20,683.50	1,344.00			
Salaries and Wages							
Other Expenses	42,000.00	42,000.00	41,747.20	252.80			
Zoning Board of Adjustment	97,234.00	97,234.00	92,015.20	5,218.80			
Salaries and Wages							
Other Expenses	14,700.00	14,700.00	6,114.07	8,585.93			
Rent Control							
Salaries and Wages	1,200.00	1,200.00	500.00	700.00			
Other Expenses	8,000.00	8,000.00	1,350.00	6,650.00			
Insurance							
Property/General/Environmental	259,000.36	259,000.36	258,967.89	32.47			
Public Officials/Employment Practices/							
Other Insurance	57,407.80	57,407.80	56,540.30	867.50			
Workers Compensation	417,929.88	402,729.88	390,366.76	12,363.12			
Employee Group Insurance	1,686,224.00	1,669,224.00	1,636,318.54	32,905.46			
Unemployment Insurance	40,000.00	40,000.00	33,583.58	6,416.42			
Public Safety:							
Police							
Salaries and Wages	4,900,393.11	4,900,393.11	4,726,541.38	173,851.73			
Other Expenses	78,215.00	78,215.00	69,413.64	8,801.36			
School Crossing Guards							
Salaries and Wages	92,000.00	92,000.00	74,180.75	17,819.25			
Other Expenses	2,000.00	2,000.00	576.97	1,423.03			
Police Dispatch							
Salaries and Wages	192,048.84	192,048.84	177,359.77	14,689.07			

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Balance Canceled</u>
				<u>Reserved</u>
Emergency Management				
Other Expenses	\$ 23,550.00	\$ 64,550.00	\$ 54,297.53	\$ 10,252.47
Aid to First Aid Organizations				
Other Expenses	25,000.00	38,554.15	29,796.92	8,757.23
Municipal Prosecutor				
Salaries and Wages	19,200.00	19,200.00	17,750.04	1,449.96
Other Expenses	1,500.00			
Public Works Functions				
Streets and Roads Maintenance				
Salaries and Wages	678,854.26	678,854.26	654,439.39	24,414.87
Other Expenses	284,400.00	284,400.00	271,150.53	13,249.47
Snow Removal				
Salaries and Wages	57,000.00	57,000.00	5,808.95	51,191.05
Other Expenses	120,000.00	120,000.00	29,412.93	90,587.07
Recycling				
Salaries and Wages	538,341.94	491,841.94	447,031.10	44,810.84
Other Expenses	106,000.00	106,000.00	98,413.21	7,586.79
Buildings and Grounds				
Other Expenses	52,500.00	55,949.00	55,697.73	251.27
Municipal Parking Facility				
Other Expenses	20,100.00	20,100.00	20,075.00	25.00
Vehicle Maintenance (Including Police Vehicles)				
Other Expenses	375,796.00	381,296.00	374,998.54	6,297.46
Health and Human Services Functions				
Public Health Services (Board of Health)				
Salaries and Wages	43,000.00	44,282.87	44,282.87	
Other Expenses	6,300.00	5,017.13	3,693.39	1,323.74
Aid to Community Programs				
Other Expenses	2,734.00	2,734.00	2,688.00	46.00
Aid to Health Care Facility - Visiting Nurse				
Other Expenses	8,749.00			

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Environmental Health Services					
Salaries and Wages	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00		
Other Expenses	3,050.00	3,050.00	1,030.02	\$ 2,019.98	
Animal Control Services					
Other Expenses	34,220.00	34,220.00	32,066.64	2,153.36	
Parks and Recreation Functions					
Recreation					
Salaries and Wages	102,820.00	107,320.00	106,682.66	637.34	
Other Expenses	32,400.00	27,900.00	24,122.13	3,777.87	
Recreation Services and Programs					
Other Expenses	4,000.00	4,000.00	4,000.00		
Education Functions					
Books and Publications - Township Library	10,000.00	10,000.00	6,918.49	3,081.51	
Other Contractual Services - Township Library	8,800.00	8,800.00	7,609.03	1,190.97	
Municipal Court					
Salaries and Wages	219,000.00	219,000.00	203,094.80	15,905.20	
Other Expenses	20,700.00	20,700.00	6,089.60	14,610.40	
Public Defender (P.L. 1997, c256)					
Salaries and Wages	5,000.00	1,700.00		1,700.00	
Open Space Commission					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	5,100.00	5,100.00	706.85	4,393.15	
Registrar/Vital Statistics					
Salaries and Wages	34,000.00	34,000.00	28,103.53	5,896.47	
Other Expenses	2,500.00	2,500.00	480.71	2,019.29	
Uniform Construction Code Enforcement Functions					
Salaries and Wages	298,283.71	298,283.71	284,870.48	13,413.23	
Other Expenses	5,400.00	5,400.00	2,766.00	2,634.00	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Utility Expenses and Bulk Purchases:						
Electricity	\$ 110,000.00	\$ 110,000.00	\$ 106,718.34	\$ 3,281.66		
Street Lighting	325,000.00	325,000.00	323,302.19	1,697.81		
Telephone (excluding equipment acquisition)	57,500.00	57,500.00	38,833.69	18,666.31		
Water and Sewerage	27,000.00	27,000.00	20,979.77	6,020.23		
Gas (natural or propane)	98,000.00	98,000.00	82,657.86	15,342.14		
Telecommunications	40,000.00	40,000.00	28,319.91	11,680.09		
Total Operations Within CAPS	13,082,476.40	13,057,176.40	12,156,627.35	900,549.05		
Contingent	1.00	1.00		1.00		
Total Operations Including Contingent Within CAPS	13,082,477.40	13,057,177.40	12,156,627.35	900,550.05		
Detail:						
Salaries and Wages	8,002,175.36	7,962,758.23	7,540,040.89	422,717.34		
Other Expenses	5,080,302.04	5,094,419.17	4,616,586.46	477,832.71		
Deferred Charges and Statutory Expenditures Within CAPS						
Deferred Charges	76.72	76.72	76.72			
Overexpenditure of Appropriation Reserves						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	1,043.00	1,043.00	1,043.00			
Social Security System (O.A.S.I.)	625,000.00	625,000.00	589,470.07	35,529.93		
Deferred Charges and Statutory Expenditures Within CAPS	626,119.72	626,119.72	590,589.79	35,529.93		
Total Appropriations Within CAPS	13,708,597.12	13,683,297.12	12,747,217.14	936,079.98		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Appropriated</u>		Paid or Charged	<u>Expended</u>	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>			
<u>Operations Excluded from CAPS</u>					
Length of Service Award Program					
Other Expenses	\$ 25,650.00	\$ 28,950.00	\$ 28,950.00		
Public Employees Retirement System	174,900.00	174,900.00	174,900.00		
Police and Fire Retirement System	921,552.00	921,552.00	921,552.00		
Township of Aberdeen-Board of Health					
Salaries and Wages	25,172.95	25,172.95	19,587.70	\$ 5,585.25	
Handicapped Persons Recreational Opportunities					
Other Expenses	23,500.00	23,500.00	19,245.00	4,255.00	
Public and Private Programs Offset by Revenues:					
Police Body Armor Grant	4,961.09	4,961.09	4,961.09		
Recycling Tonnage Grant	6,432.85	6,432.85	6,432.85		
Clean Communities Program	27,011.72	27,011.72	27,011.72		
SFSP Fire District Payment	11,178.00	11,178.00	11,178.00		
Public Health Priority Funding - 1977	9,736.00	9,736.00	9,736.00		
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	35,103.00	35,103.00	35,103.00		
Local Share	8,775.75	8,775.75	8,775.75		
Tobacco Age-of-Sale Enforcement	1,620.00	1,620.00	1,620.00		
Smart Future Planning Grant		50,000.00	50,000.00		
Green Meadows Donation	40,000.00	40,000.00	40,000.00		
Drunk Driving Enforcement Fund		48,375.98	48,375.98		
Total Operations - Excluded from CAPS	<u>1,315,593.36</u>	<u>1,417,269.34</u>	<u>1,407,429.09</u>	<u>9,840.25</u>	
Detail:					
Salaries and Wages	25,172.95	25,172.95	19,587.70	5,585.25	
Other Expenses	<u>1,290,420.41</u>	<u>1,392,096.39</u>	<u>1,387,841.39</u>	<u>4,255.00</u>	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Balance Canceled</u>
			<u>Reserved</u>	
<u>Capital Improvements</u>				
Down Payments on Improvements	\$ 100,000.00	\$ 122,000.00	\$ 122,000.00	
Upgrades to Computers	25,000.00	25,000.00	13,399.00	\$ 11,601.00
Reverse 911 System	10,000.00	10,000.00	10,000.00	
Tire Changer/Balancer - First Vehicle	7,000.00	7,000.00	6,454.96	545.04
Breaker Panels - Library	5,000.00	5,000.00	2,380.00	2,620.00
Total Capital Improvements Excluded From CAPS	<u>147,000.00</u>	<u>169,000.00</u>	<u>154,233.96</u>	<u>14,766.04</u>
<u>Municipal Debt Service Excluded from CAPS</u>				
Payment of Bond Principal	640,500.35	640,500.35	640,500.35	
Payment of Bond Anticipation Notes	82,200.00	82,200.00	82,200.00	
Interest on Bonds	108,783.45	108,783.45	108,473.09	\$ 310.36
Interest on Notes	372,678.60	372,678.60	372,678.59	0.01
Green Acres Loan				
Principal and Interest	14,737.41	14,737.41	14,737.41	
Capital Lease Obligations Approved Prior to 07/12/07				
Principal	434,500.00	434,500.00	425,751.13	8,748.87
Interest	90,974.14	90,974.14	89,251.69	1,722.45
Total Municipal Debt Service Excluded from CAPS	<u>1,744,373.95</u>	<u>1,744,373.95</u>	<u>1,733,592.26</u>	<u>10,781.69</u>
<u>Deferred Charges</u>				
Special Emergency Authorization	100,000.00	100,000.00	100,000.00	
Total Deferred Charges Excluded from CAPS	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Appropriated</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>
					<u>Canceled</u>
Total General Appropriations Excluded from CAPS	\$ 3,306,967.31	\$ 3,430,643.29	\$ 3,395,255.31	\$ 24,606.29	\$ 10,781.69
Subtotal General Appropriations	17,015,564.43	17,113,940.41	16,142,472.45	960,686.27	10,781.69
Reserve for Uncollected Taxes	<u>1,246,545.19</u>	<u>1,246,545.19</u>	<u>1,246,545.19</u>		
Total General Appropriations	<u>\$ 18,262,109.62</u>	<u>\$ 18,360,485.60</u>	<u>\$ 17,389,017.64</u>	<u>\$ 960,686.27</u>	<u>\$ 10,781.69</u>
<u>Ref.</u>	A-2	A-3	A-3	A	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 18,262,109.62
Added by N.J.S. 40A:4-87	A-2	<u>98,375.98</u>
	A-3	<u>\$ 18,360,485.60</u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 15,624,183.46
Reserve for Encumbrances	A-15	186,195.88
Appropriated Reserves for Federal and State Grants	A-10/A-28	232,016.39
Deferred Charges	A-12	76.72
Special Emergency Authorizations	A-13	100,000.00
Reserve for Uncollected Taxes	A-2	<u>1,246,545.19</u>
	A-3	<u>\$ 17,389,017.64</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 8,321.05	\$ 6,523.98
Change Fund		25.00	25.00
		<u>8,346.05</u>	<u>6,548.98</u>
Trust Other Funds:			
Cash	B-1	1,643,499.98	1,406,526.23
Off-Duty Receivable	B-7		12,492.41
		<u>1,643,499.98</u>	<u>1,419,018.64</u>
Open Space Trust Fund:			
Cash	B-1	217,486.31	107,005.97
Interfund - Current Fund	B-4		953.60
		<u>217,486.31</u>	<u>107,959.57</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-9	<u>131,357.15</u>	<u>162,806.36</u>
		<u>\$ 2,000,689.49</u>	<u>\$ 1,696,333.55</u>
 <b>LIABILITIES AND RESERVES</b>  			
Animal Control Trust Fund:			
Due to State of New Jersey	B-3	\$ 8.40	\$ 34.20
Reserve for Animal Control Trust Fund Expenditures	B-2	8,337.65	6,514.78
		<u>8,346.05</u>	<u>6,548.98</u>
Trust Other Funds:			
Various Reserves	B-6	1,571,602.04	1,350,332.81
Interfund - Current Fund	B-5	71,897.94	68,685.83
		<u>1,643,499.98</u>	<u>1,419,018.64</u>
Open Space Trust Fund:			
Reserve for Open Space	B-8	217,486.31	107,959.57
		<u>217,486.31</u>	<u>107,959.57</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Reserve for Length of Service Award Program	B-10	<u>131,357.15</u>	<u>162,806.36</u>
		<u>\$ 2,000,689.49</u>	<u>\$ 1,696,333.55</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash	C-2	\$ 1,603,440.33	\$ 1,796,175.11
Grants Receivable	C-6	418,000.00	187,385.15
Sales Contract Receivable	C		450,000.00
Due from Monmouth County Improvement Authority	C-7		354.08
Deferred Charges to Future Taxation:			
Funded	C-4	9,805,188.43	2,778,380.44
Unfunded	C-5	<u>5,358,719.00</u>	<u>10,115,601.50</u>
		<u>\$ 17,185,347.76</u>	<u>\$ 15,327,896.28</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-10	\$ 9,610,932.31	\$ 2,573,432.66
Bond Anticipation Notes	C-11	3,667,240.00	8,932,800.00
Green Trust Loan Program Payable	C-12	194,256.12	204,947.78
Improvement Authorizations:			
Funded	C-13	378,205.74	143,094.58
Unfunded	C-13	1,778,649.01	1,734,025.71
Reserve for Encumbrances	C-14	503,282.49	351,632.03
Capital Improvement Fund	C-16	7,731.10	
Reserve for Purchase of Video Equipment	C-17		7,731.10
Reserve for Payment of Debt Service	C-15	860,047.00	859,472.00
Reserve for Grants Receivable	C-6		5,414.15
Interfund - Current Fund	C-9	0.43	385,594.95
Interfund - Swimming Pool Utility Capital Fund	C-8		545.10
Fund Balance	C-1	<u>185,003.56</u>	<u>129,206.22</u>
		<u>\$ 17,185,347.76</u>	<u>\$ 15,327,896.28</u>

There were bonds and notes authorized but not issued on December 31, 2008 of \$1,691,479.00  
(Exhibit C-18)

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance, December 31, 2007	C	\$	129,206.22
Increased by:			
Premium on Sale of Notes	C-2	\$	15,256.10
Improvement Authorizations Canceled	C-13		<u>40,541.24</u>
			<u>55,797.34</u>
Balance, December 31, 2008		\$	<u><u>185,003.56</u></u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>Operating Fund</u>			
Cash	D-5	\$ <u>116,980.11</u>	\$ <u>135,454.47</u>
Total Operating Fund		<u>116,980.11</u>	<u>135,454.47</u>
<u>Capital Fund</u>			
Cash	D-5	18,656.40	40,153.33
Fixed Capital	D-18	1,300,147.53	1,221,783.48
Fixed Capital Authorized and Uncompleted	D-19	128,750.00	207,500.00
Interfund - General Capital Fund	D-9	<u>                    </u>	<u>545.10</u>
Total Capital Fund		<u>1,447,553.93</u>	<u>1,469,981.91</u>
Total Assets		<u>\$ 1,564,534.04</u>	<u>\$ 1,605,436.38</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
COMPARATIVE BALANCE SHEET- REGULATORY BASIS

As of December 31,

	Ref.	2008	2007
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-11	\$ 13,311.83	\$ 4,641.44
Reserve for Encumbrances	D-10	3,874.72	540.28
Accrued Interest on Bonds and Notes	D-20	1,082.50	1,713.37
Interfund - Current Fund	D-8		85,909.58
		<u>18,269.05</u>	<u>92,804.67</u>
Fund Balance	D-1	<u>98,711.06</u>	<u>42,649.80</u>
Total Operating Fund		<u>116,980.11</u>	<u>135,454.47</u>
<u>Capital Fund</u>			
Serial Bonds	D-13	133,067.69	156,567.34
Bond Anticipation Notes	D-15	53,760.00	67,200.00
Improvement Authorizations:			
Funded	D-14	2,500.00	2,885.95
Unfunded	D-14	52,641.97	74,684.00
Capital Improvement Fund	D-12	9,600.00	9,600.00
Reserve for Amortization	D-17	1,167,079.84	1,129,867.96
Deferred Reserve for Amortization	D-16	27,490.00	28,148.18
Fund Balance	D-2	<u>1,414.43</u>	<u>1,028.48</u>
Total Capital Fund		<u>1,447,553.93</u>	<u>1,469,981.91</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,564,534.04</u>	<u>\$ 1,605,436.38</u>

There were bonds and notes authorized but not issued on December 31, 2008 of \$47,500.00  
(Exhibit D-21)

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 36,000.00	
Membership Fees	D-3	260,961.25	\$ 217,654.27
Guest Fees	D-3	39,776.00	29,747.00
Concessions	D-3	42,027.98	38,702.81
Interest	D-3	4,307.34	11,398.70
Swim Team	D-3	2,200.00	2,200.00
Swim Lessons	D-3	4,357.50	5,325.00
Miscellaneous	D-3	10,031.50	5,534.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	<u>4,611.45</u>	<u>3,976.52</u>
 Total Revenue		 <u>404,273.02</u>	 <u>314,538.30</u>
Expenditures:			
Operating	D-4	256,348.26	233,111.34
Debt Service	D-4	46,102.25	36,044.73
Deferred Charges and Statutory Expenditures	D-4	<u>9,761.25</u>	<u>9,495.67</u>
 Total Expenditures	D-4	 <u>312,211.76</u>	 <u>278,651.74</u>
 Statutory Excess to Fund Balance		 92,061.26	 35,886.56
 Fund Balance, January 1	D	 <u>42,649.80</u>	 <u>6,763.24</u>
		134,711.06	42,649.80
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>36,000.00</u>	<u>                    </u>
 Fund Balance, December 31	D	 <u>\$ 98,711.06</u>	 <u>\$ 42,649.80</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2007	D	\$ 1,028.48
Increased by:		
Transfer from Deferred Reserve for Amortization	D-16	<u>385.95</u>
Balance, December 31, 2008	D	<u>\$ 1,414.43</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	D-1	\$ 36,000.00	\$ 36,000.00	
Membership Fees	D-1/D-5	210,000.00	260,961.25	\$ 50,961.25
Guest Membership Fees	D-1/D-5	26,000.00	39,776.00	13,776.00
Concession Revenue	D-1/D-5	36,000.00	42,027.98	6,027.98
Swimming Lessons	D-1/D-5	3,000.00	4,357.50	1,357.50
Swim Team Revenue	D-1/D-5	1,450.00	2,200.00	750.00
Interest on Investments	D-1/D-3	<u>6,000.00</u>	<u>4,307.34</u>	<u>(1,692.66)</u>
		318,450.00	389,630.07	71,180.07
Miscellaneous Revenue Not Anticipated	D-1/D-5	<u>                    </u>	<u>10,031.50</u>	<u>10,031.50</u>
		<u>\$ 318,450.00</u>	<u>\$ 399,661.57</u>	<u>\$ 81,211.57</u>
	Ref.	D-4		
<u>Analysis of Interest on Investments:</u>				
Cash Receipts	D-5		\$ 3,652.16	
Interfund - Swimming Pool Utility Capital Fund	D-7		<u>655.18</u>	
	D-3		<u>\$ 4,307.34</u>	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SWIMMING POOL UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended Reserved	Unexpended Balance Canceled
Operating:					
Salaries and Wages	\$ 132,300.00	\$ 132,300.00	\$ 127,748.26	\$	4,551.74
Other Expenses	<u>128,600.00</u>	<u>128,600.00</u>	<u>115,288.17</u>	<u>13,311.83</u>	
Total Operating	<u>260,900.00</u>	<u>260,900.00</u>	<u>243,036.43</u>	<u>13,311.83</u>	<u>4,551.74</u>
Debt Service:					
Payment of Bond Principal	23,499.65	23,499.65	23,499.65		
Payment of Bond Anticipation Notes	13,440.00	13,440.00	13,440.00		
Interest on Bonds	7,042.06	7,042.06	7,042.06		
Interest on Notes	<u>2,898.90</u>	<u>2,898.90</u>	<u>2,120.54</u>		778.36
Total Debt Service	<u>46,880.61</u>	<u>46,880.61</u>	<u>46,102.25</u>		<u>778.36</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>10,669.39</u>	<u>10,669.39</u>	<u>9,761.25</u>		<u>908.14</u>
Total Deferred Charges and Statutory Expenditures	<u>10,669.39</u>	<u>10,669.39</u>	<u>9,761.25</u>		<u>908.14</u>
	<u>\$ 318,450.00</u>	<u>\$ 318,450.00</u>	<u>\$ 298,899.93</u>	<u>\$ 13,311.83</u>	<u>\$ 6,238.24</u>
	Ref.	D-3	D-1	D/D-1	
Cash Disbursements			\$ 285,862.61		
Reserve for Encumbrances			3,874.72		
Accrued Interest on Bonds and Notes			<u>9,162.60</u>		
			<u>\$ 298,899.93</u>		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>Operating Fund</u>			
Cash and Cash Equivalents	E-4	\$ 2,744,977.99	\$
Prepaid Debt Service	E-4	<u>7,171.80</u>	<u>                    </u>
		<u>2,752,149.79</u>	<u>                    </u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	340,779.28	
Bayshore Regional Sewerage Rent Reserve	E-7	<u>764,929.60</u>	<u>                    </u>
		<u>1,105,708.88</u>	<u>                    </u>
Deferred Charges:			
Overexpenditure of Appropriations	E-3	<u>342,559.70</u>	<u>                    </u>
Total Operating Fund		<u>4,200,418.37</u>	<u>                    </u>
<u>Capital Fund</u>			
Cash and Cash Equivalents	E-4	115,309.04	
Fixed Capital	E-8	<u>11,477,391.93</u>	<u>                    </u>
Total Capital Fund		<u>11,592,700.97</u>	<u>                    </u>
Total Assets		<u>\$ 15,793,119.34</u>	<u>\$</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>Operating Fund</u>			
Appropriation Reserves	E-3	\$ 68,095.97	\$
Reserve for Encumbrances	E-9	19,018.51	
Accounts Payable	E-10	25,607.42	
Payroll Deductions Payable	E-11	5,783.36	
Interfund - Current Fund	E-3	180.00	
Customer Overpayments	E-12	6,421.12	
Debt Service Reserve	E-13	182,200.00	
Accrued Interest on Bonds and Notes	E-14	11,752.71	
		<u>319,059.09</u>	
Reserve for Receivables and Other Assets	E	1,105,708.88	
Fund Balance	E-1	<u>2,775,650.40</u>	
Total Operating Fund		<u>4,200,418.37</u>	
<u>Capital Fund</u>			
General Serial Bonds	E-15	1,822,000.00	
Reserve for Improvements	E-16	115,309.04	
Reserve for Amortization	E-17	<u>9,655,391.93</u>	
Total Capital Fund		<u>11,592,700.97</u>	
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,793,119.34</u>	<u>\$</u>

There were no bonds and notes authorized but not issued on December 31, 2008

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	Ref.	2008	2007
Revenue and Other Income Realized:			
Sewer Rents	E-2	\$ 158,397.74	\$
Interest on Investments	E-2	156.49	
Other Credits to Income:			
Debt Service Reserve Canceled	E-13	<u>33,500.00</u>	<u>                    </u>
Total Revenue		<u>192,054.23</u>	<u>                    </u>
Expenditures:			
Operating	E-3	104,139.38	
Debt Service	E-3	341,956.89	
Statutory Expenditures	E-3	<u>1,264.43</u>	<u>                    </u>
Total Expenditures		<u>447,360.70</u>	<u>                    </u>
Deficit in Revenue		(255,306.47)	
Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriations	E-3	<u>342,559.70</u>	<u>                    </u>
Statutory Excess to Fund Balance		87,253.23	
Fund Balance January 1	E	\$ <u>                    </u>	\$ <u>                    </u>
		87,253.23	
Increased by:			
Dissolution of Hazlet Township Sewerage Authority		<u>2,688,397.17</u>	<u>                    </u>
Fund Balance December 31	E	\$ <u><u>2,775,650.40</u></u>	\$ <u><u>                    </u></u>

The accompanying notes are an integral part of these statements.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2008

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Sewer Rents	E-1/E-6	\$ 102,551.00	\$ 158,397.74	\$ 55,846.74
Connection Fees		750.00		(750.00)
Miscellaneous Revenues		750.00		(750.00)
Interest on Investments	E-1/E-4	<u>750.00</u>	<u>156.49</u>	<u>(593.51)</u>
		<u>\$ 104,801.00</u>	<u>\$ 158,554.23</u>	<u>\$ 53,753.23</u>
	<u>Ref.</u>	E-3		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2008

	Appropriated		Expended		Over -
	Budget by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Reserved	Expended
Operating:					
Salaries and Wages	\$ 15,446.00	\$ 15,446.00	\$ 15,991.38		\$ 545.38
Other Expenses	88,148.00	88,148.00	20,077.03	68,070.97	
Debt Service:					
Payment of Bond Principal			335,000.00		335,000.00
Interest on Bonds			6,956.89		6,956.89
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	1,182.00	1,182.00	1,239.43	25.00	57.43
Unemployment Compensation Insurance	25.00	25.00			
	\$ 104,801.00	\$ 104,801.00	\$ 379,264.73	\$ 68,095.97	\$ 342,559.70
Ref.	E-2/E-3		E-1/E-3	E/E-1	E/E-1
Analysis of Paid or Charged:					
Cash Disbursements			\$ 353,109.33		
Interfund - Current Fund			180.00		
Reserve for Encumbrances			19,018.51		
Accrued Interest on Bonds and Notes			6,956.89		
			\$ 379,264.73		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
Cash	F-1	\$ _____	\$ <u>3,000.00</u>
		\$ _____	\$ <u>3,000.00</u>
 <b>LIABILITIES AND RESERVES</b>			
Reserve for Public Assistance	F-2	\$ _____	\$ <u>3,000.00</u>
		\$ _____	\$ <u>3,000.00</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
Cash		\$ <u>63,868.35</u>	\$ <u>                    </u>
<b>LIABILITIES</b>			
Payroll Liabilities		\$ <u>63,868.35</u>	\$ <u>                    </u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP  
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
General Fixed Assets:			
Land	H-1	\$ 15,324,500.00	\$ 14,957,000.00
Land Improvements	H-1	266,800.00	266,800.00
Buildings and Improvements	H-1	2,319,990.39	2,319,990.39
Machinery and Equipment	H-1	<u>5,444,259.94</u>	<u>5,055,519.53</u>
		<u>\$ 23,355,550.33</u>	<u>\$ 22,599,309.92</u>
Investments in General Fixed Assets		<u>\$ 23,355,550.33</u>	<u>\$ 22,599,309.92</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 68,769.20
Increased by:		
Transfer from Taxes Receivable	A-5	<u>6,067.47</u>
Balance, December 31, 2008	A	<u>\$ 74,836.67</u>

Exhibit A-7

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2007 and 2008	A	<u>\$ 724,000.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	Balance <u>Dec. 31, 2007</u>	Accrued <u>in 2008</u>	<u>Collected</u>	Balance <u>Dec. 31, 2008</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		\$ 21,043.36	\$ 21,043.36	
Other	A-2		75,941.60	75,941.60	
Fees & Permits:					
Other	A-2		131,283.78	131,283.78	
Municipal Court:					
Fines and Costs	A-2	\$ 28,388.28	335,519.41	338,113.91	\$ 25,793.78
Other Revenue:					
Interest and Costs on Taxes	A-2		135,199.24	135,199.24	
Interest on Investments and Deposits	A-2		95,758.64	95,758.64	
Cable T.V. Franchise Fee	A-2		66,057.57	66,057.57	
Hotel/Motel Fees	A-2		117,682.36	117,682.36	
Consolidated Municipal Property Tax Relief Aid	A-2		779,592.00	779,592.00	
Energy Receipts Tax	A-2		1,649,892.00	1,649,892.00	
Payments in Lieu of Taxes on State Exempt Property (N.J.S.A. 54:4-2.2a et seq.)	A-2		264,596.08	264,596.08	
Uniform Construction Code Fees	A-2		373,305.00	373,305.00	
Due from Swim Pool Operating	A-2		85,909.58	85,909.58	
		<u>\$ 28,388.28</u>	<u>\$ 4,131,780.62</u>	<u>\$ 4,134,375.12</u>	<u>\$ 25,793.78</u>
	<u>Ref.</u>	A			A
Detail:					
Cash Receipts	A-4			\$ 4,046,222.98	
Interfunds	A-10			<u>88,152.14</u>	
				<u>\$ 4,134,375.12</u>	

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF DUE TO STATE - P.L. 1971, C. 20

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 5,026.23
Increased by:		
Received from State of New Jersey	A-4	<u>284,763.36</u>
		289,789.59
Decreased by:		
Deductions per Tax Duplicate:		
Senior Citizens	A-5	\$ 53,500.00
Veterans	A-5	229,000.00
Deductions Allowed by Collector:		
2008 Taxes	A-5	<u>7,000.00</u>
		289,500.00
Less: Deductions Disallowed by Collector:		
2008 Taxes	A-5	3,933.57
2007 Taxes	A-1/A-5	<u>2,584.25</u>
		<u>6,517.82</u>
Balance, December 31, 2008	A	<u>\$ 6,807.41</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

	Ref.	Total (MEMO ONLY)	Trust Other	General Capital	Federal and State Grant Fund	Swim Club Operating Fund	Sewer Utility Operating Fund	Open Space Trust Fund
Balance, December 31, 2007:								
Receivable	A	\$ 540,190.36	\$ 68,685.83	\$ 385,594.95	\$ (76,053.97)	\$ 85,909.58		\$ (953.60)
Payable	A	<u>(77,007.57)</u>						
Increased by:								
2008 Anticipated Revenue	A-27	223,240.64			223,240.64			
Disbursements	A-4	268,082.80	1,432.85		157,986.33	163.00	180.00	108,320.62
Revenue Accounts Receivable	A-8	2,242.56	2,242.13	0.43				
Grants Appropriated Canceled	A-28	66,844.07			66,844.07			
		<u>560,410.07</u>	<u>3,674.98</u>	<u>0.43</u>	<u>448,071.04</u>	<u>163.00</u>	<u>180.00</u>	<u>108,320.62</u>
Decreased by:								
Receipts	A-4	1,023,592.86	72,360.81	385,595.38	372,017.07	86,072.58	180.00	107,367.02
2008 Tax Levy	A-1/A-5	659,919.28	462.87		187,788.88			
Added/Omitted Levy	A-1/A-5	106,825.14		385,594.95		86,072.58		106,825.14
Budget Appropriations	A-3	541.88						541.88
Grants Receivable Canceled	A-27	232,016.39			232,016.39			
		<u>83,182.41</u>	<u>462.87</u>	<u>385,594.95</u>	<u>502,987.68</u>	<u>86,072.58</u>		<u>107,367.02</u>
		<u>1,082,485.10</u>						
Balance, December 31, 2008:								
Receivable	A	\$ 72,078.37	\$ 71,897.94	\$ 0.43			\$ 180.00	
Payable	A	<u>(130,970.61)</u>			<u>(130,970.61)</u>			

Analysis of Net Credit to Operations:

Interfunds Receivable:		
Balance, December 31, 2008	Above	\$ 72,078.37
Balance, December 31, 2007	Above	<u>540,190.36</u>
		(468,111.99)
Anticipated as Revenue	A-8	<u>85,909.58</u>
	A-1	<u>(382,202.41)</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 377.05
Increased by:		
Cash Disbursed	A-1/A-4	<u>25,926.01</u>
		26,303.06
Decreased by:		
Cash Receipts	A-1/A-4	<u>18,529.67</u>
Balance, December 31, 2008	A	\$ <u><u>7,773.39</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF DEFERRED CHARGES

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Raised in</u> <u>2008 Budget</u>
Overexpenditure of Appropriations - 2005	\$ <u>76.72</u>	\$ <u>76.72</u>
	\$ <u><u>76.72</u></u>	\$ <u><u>76.72</u></u>
<u>Ref.</u>	A	A-3

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF DEFERRED CHARGES  
 N.J.S. 40A: 4-55 SPECIAL EMERGENCY

<u>Date Authorized</u>	<u>Purpose</u>	Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2007	Paid by Budget Appropriation	Balance Dec. 31, 2008
09-04-07	Revaluation of Real Property	\$ 500,000.00	\$ 100,000.00	\$ 500,000.00	\$ 100,000.00	\$ 400,000.00
				<u>\$ 500,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 400,000.00</u>
			<u>Ref.</u>	A	A-3	A

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

<u>Operations Within CAPS</u>	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
General Government:					
Administrative and Executive					
Salaries and Wages	\$ 8,891.52	\$ 6,766.27	\$ 14,887.79		\$ 14,887.79
Other Expenses	6,169.72	16,853.03	23,022.75	\$ 18,526.18	4,496.57
Mayor and Committee					
Salaries and Wages		3,833.32	3,833.32		3,833.32
Other Expenses	2,027.58	2,611.77	4,639.35	3,686.42	952.93
Municipal Clerk					
Salaries and Wages	397.40	3,074.43	3,471.83		3,471.83
Other Expenses	2,282.50	11,193.50	13,476.00	11,193.50	2,282.50
Elections					
Salaries and Wages	0.50		0.50		0.50
Other Expenses	63.08		63.08		63.08
Financial Administration					
Salaries and Wages		6,764.68	6,764.68		6,764.68
Other Expenses	3,661.44	397.78	4,059.22	747.78	3,311.44
Audit Services					
Other Expenses	1,000.00	52,250.00	53,250.00	53,250.00	
Revenue Administration (Tax Collection)					
Salaries and Wages	661.69	3,525.41	4,957.10	770.00	4,187.10
Other Expenses	603.35	1,341.86	1,945.21	1,341.86	603.35
Tax Assessment Administration					
Salaries and Wages	13,149.01	3,199.77	3,348.78		3,348.78
Other Expenses	4,789.44	29,257.04	34,046.48	29,243.79	4,802.69
Legal Services					
Other Expenses	6.44	19,589.81	109,596.25	98,294.45	11,301.80

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Engineering Services	\$ 2,709.00	\$ 26,878.25	\$ 29,587.25	\$ 27,842.70	\$ 1,744.55
Other Expenses					
Planning Board					
Salaries and Wages	2,769.99	845.21	915.20		915.20
Other Expenses	716.71	833.34	5,050.05	4,727.59	322.46
Zoning Board of Adjustment					
Salaries and Wages	133.02	3,513.33	3,646.35		3,646.35
Other Expenses	86.19		711.19	623.30	87.89
Rent Control					
Salaries and Wages	100.00	100.00	200.00		200.00
Other Expenses	885.50		885.50	787.50	98.00
Insurance					
Liability Insurance	2,236.30		2,610.30	2,609.95	0.35
Workers Compensation Insurance	2,288.06		2,288.06		2,288.06
Employee Group Insurance	1,812.62		1,812.62		1,812.62
Unemployment Insurance	276.86		276.86		276.86
Public Safety:					
Police Department					
Salaries and Wages	191,314.42	176,608.97	365,148.39	175,684.05	189,464.34
Other Expenses	18,751.99	11,325.01	30,077.00	15,289.20	14,787.80
School Crossing Guards					
Salaries and Wages	2,047.50	4,710.00	6,757.50	200.00	6,557.50
Other Expenses	12.30		12.30		12.30
Police Dispatch					
Salaries and Wages	4,033.37	6,956.53	10,989.90	1,235.63	9,754.27
Office of Emergency Management					
Other Expenses	8,364.32	5,586.15	13,950.47	450.00	13,500.47
Aid to Volunteer First Aid Organization					
Other Expenses	12,619.22		12,619.22	12,619.22	
Municipal Prosecutor					
Salaries and Wages	750.00	1,479.17	2,229.17		2,229.17

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Public Works:					
Streets and Road Maintenance					
Salaries and Wages	\$ 369.74	\$ 25,124.91	\$ 25,494.65	\$	\$ 25,494.65
Other Expenses	23,190.40	33,953.11	57,143.51	37,630.09	19,513.42
Snow Removal					
Salaries and Wages	36,998.41		1,840.41		1,840.41
Other Expenses	41,272.52	10,867.60	14,140.12	10,867.60	3,272.52
Recycling					
Salaries and Wages	11,438.78	18,314.22	29,753.00		29,753.00
Other Expenses	9,061.88	4,578.70	13,640.58	6,522.70	7,117.88
Buildings and Grounds					
Other Expenses	6,499.61	7,294.58	13,794.19	7,843.63	5,950.56
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	1,000.18	5,926.43	10,560.61	10,537.73	22.88
Health and Human Services:					
Public Health Services (Board of Health)					
Salaries and Wages	10.15	7,068.08	7,161.57	83.34	7,078.23
Other Expenses	4,474.59	483.15	4,874.40	1,472.15	3,402.25
Aid to Community Programs					
Other Expenses		652.50	652.50	652.50	
Aid to Health Care Facility - Visiting Nurse					
Other Expenses	4,028.50		4,028.50	2,975.50	1,053.00
Environmental Health Services					
Salaries and Wages	167.97	100.00	267.97		267.97
Other Expenses	2,294.51		2,294.51		2,294.51
Park and Recreation:					
Recreation Services and Programs					
Salaries and Wages	105.46	3,906.64	4,012.10		4,012.10
Other Expenses	4,745.80	3,625.67	8,371.47	2,454.85	5,916.62

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Education:					
Books and Publications - Township Library	\$ 2,872.02	\$ 7,042.98	\$ 9,915.00	\$ 8,357.37	\$ 1,557.63
Municipal Court					
Salaries and Wages	25,259.29	9,364.01	34,623.30	1,122.67	33,500.63
Other Expenses	13,125.17	152.22	13,277.39	161.39	13,116.00
Open Space Commission					
Salaries and Wages		100.00	100.00		100.00
Other Expenses	134.13		134.13		134.13
Uniform Construction Code Enforcement Functions					
Salaries and Wages	7,287.28	13,365.39	13,652.67		13,652.67
Other Expenses	4,270.06		4,270.06	1,776.00	2,494.06
Utility Expenses and Bulk Purchases					
Electricity	1,863.00	7,167.17	9,030.17	7,167.17	1,863.00
Street Lighting	4,503.35	26,925.63	31,428.98	26,925.63	4,503.35
Telephone (excluding equipment acquisition)	8,280.85	2,101.07	10,381.92	2,899.03	7,482.89
Water and Sewerage	7,396.71	280.54	7,677.25	839.95	6,837.30
Gas (natural or propane)	14,426.76	113.01	15,039.77	12,046.39	2,993.38
Telecommunications Costs	5,427.10	2,013.01	7,440.11	2,013.01	5,427.10
Contingent	1,000.00		1,000.00		1,000.00
Statutory Expenditures:					
Social Security System (O.A.S.I.)	16,499.45	16,719.67	33,219.12		33,219.12
Total Appropriations (Including Contingent) Within CAPS	553,614.71	606,734.92	1,160,349.63	603,471.82	556,877.81

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Appropriations Excluded from CAPS					
Upgrades to Municipal Court - AOC Metal Detector	\$ 43,352.52	\$ 6,000.00	\$ 6,000.00		\$ 6,000.00
Township of Aberdeen - Board of Health Salaries and Wages		4,825.31	48,177.83	\$ 11,713.70	36,464.13
Handicapped Persons Recreational Opportunities Other Expenses		21,524.00	21,524.00	21,524.00	
Capital Improvements					
Upgrades to Computers	7,750.00	7,250.00	15,000.00	12,402.00	2,598.00
Aerial Work Platform		8,000.00	8,000.00		8,000.00
Improvements to Police Department		7,000.00	7,000.00	7,000.00	
Improvements to Library - ADA Doors		6,500.00	6,500.00	5,700.00	800.00
Total Appropriations Excluded from CAPS	<u>51,102.52</u>	<u>61,099.31</u>	<u>112,201.83</u>	<u>58,339.70</u>	<u>53,862.13</u>
	<u>\$ 604,717.23</u>	<u>\$ 667,834.23</u>	<u>\$ 1,272,551.46</u>	<u>\$ 661,811.52</u>	<u>\$ 610,739.94</u>
Ref.	A	A-15			A-1
Cash Disbursements				\$ 601,927.36	
Accounts Payable				<u>59,884.16</u>	
				<u>\$ 661,811.52</u>	

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 667,834.23
Increased by:		
Current Appropriations Charged	A-3	<u>186,195.88</u>
		854,030.11
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>667,834.23</u>
Balance, December 31, 2008	A	<u>\$ 186,195.88</u>

Exhibit A-16

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 24,107.19
Increased by:		
Receipts	A-4	<u>77,602.06</u>
		101,709.25
Decreased by:		
Refunds	A-4	\$ 54,933.52
Applied to Prepaid Taxes	A-17	7,976.70
Canceled	A-1	<u>88.89</u>
		<u>62,999.11</u>
Balance, December 31, 2008	A	<u>\$ 38,710.14</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 145,422.61
Increased by:		
Collections, 2008 Taxes	A-4	\$ 194,704.93
Tax Overpayments Applied	A-16	<u>7,976.70</u>
		<u>202,681.63</u>
		348,104.24
Decreased by:		
Applied to Taxes Receivable	A-5	<u>145,422.61</u>
Balance, December 31, 2008	A	<u>\$ 202,681.63</u>

Exhibit A-18

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Fire District Levy	A-1/A-5	\$ 1,556,577.00
Decreased by:		
Disbursed	A-4	<u>\$ 1,556,577.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 21,210.01
Increased by:		
County Tax	A-5	\$ 6,039,587.67
County Library Tax	A-5	363,443.98
County Health Tax	A-5	112,310.06
County Open Space Tax	A-5	402,737.35
Due County for Added and Omitted Taxes	A-5	<u>34,946.77</u>
	A-1	<u>6,953,025.83</u>
		6,974,235.84
Decreased by:		
Payments	A-4	<u>6,939,288.36</u>
Balance, December 31, 2008	A	<u>\$ 34,947.48</u>

Exhibit A-20

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Levy - Calendar Year 2008	A-1/A-5	\$ <u>31,227,811.00</u>
		31,227,811.00
Decreased by:		
Payments	A-4	<u>31,227,806.00</u>
Balance, December 31, 2008	A	<u>\$ 5.00</u>

Exhibit A-21

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 62,106.64
Increased by:		
Transfer from Appropriation Reserves	A-14	\$ 59,884.16
Cash Receipts	A-4	<u>800.00</u>
		<u>60,684.16</u>
		122,790.80
Decreased by:		
Cash Disbursements	A-4	57,500.00
Canceled	A-1	<u>4,606.64</u>
		<u>62,106.64</u>
Balance, December 31, 2008	A	<u>\$ 60,684.16</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Cash <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Division of Youth and Family Services:				
Marriage Licenses	\$ 1,050.00	\$ 2,384.00	\$ 3,025.00	\$ 409.00
Burial Permits	420.00	1,350.00	1,560.00	210.00
Department of Community Affairs - Training Fees	<u>6,345.00</u>	<u>12,398.00</u>	<u>16,333.00</u>	<u>2,410.00</u>
	<u>\$ 7,815.00</u>	<u>\$ 16,132.00</u>	<u>\$ 20,918.00</u>	<u>\$ 3,029.00</u>
<u>Ref.</u>	A	A-4	A-4	A

Exhibit A-23

SCHEDULE OF VARIOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Cash <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Recycling	\$ 24,211.26	\$ 86,168.81	\$ 25,000.00	\$ 85,380.07
Employee Insurance	<u>5,128.37</u>	<u>                    </u>	<u>                    </u>	<u>5,128.37</u>
State Library Aid	<u>\$ 29,339.63</u>	<u>\$ 86,168.81</u>	<u>\$ 25,000.00</u>	<u>\$ 90,508.44</u>
<u>Ref.</u>	A	A-4	A-4	A

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

**NOTE 1 REPORTING ENTITY**

This report includes the financial statements of the Township of Hazlet (the "Township"), within the County of Monmouth, in the State of New Jersey and reflects the activities of the municipality which is under the control of the Mayor and Township Committee. The financial statements of the Board of Education, First Aid Squads and Fire Districts are reported separately since their activities are administered by separate boards.

Effective November 30, 2008 the Hazlet Township Sewerage Authority ("HTSA") was dissolved. Upon dissolution the Township assumed all legal obligations of the HTSA including payment of all existing obligations of the HTSA, including but not limited to the existing bond indebtedness of the dissolved HTSA. The Township also acquired title to all HTSA assets and is continuing to operate the collection system of the former HTSA. The Township created a Sewer Utility Operating Fund and Sewer Utility Capital Fund to account for the operation of the utility in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The financial statements of the utility included in this report are as of December 31, 2008 and for the one month ended December 31, 2008.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of Funds

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

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

Current Fund - resources and expenditures for governmental operations of a general nature.

Grant Fund - accounts for receipts and disbursements of Federal and State grants.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

A. Description of Funds (continued)

Trust Funds - receipts, custodianship, and disbursement of monies in accordance with the purpose for which each reserve was created.

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

Swimming Pool Utility Operating and Capital Funds - are used to account for swim pool operations that are financed through membership fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Swimming Pool Utility to the general public be financed through membership fees. Operations related to the acquisition of swimming pool capital facilities are recorded within the Swimming Pool Utility Capital Fund.

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipality-owned sewer utility. Bonds and notes payable of the utility fund is recorded in the Utility Capital Fund.

Payroll Fund - receipts and disbursements to account for the payroll and payroll tax liabilities of the Township. Amounts are received from the Current, Sewer Utility and Swimming Pool Utility Funds.

Public Assistance Fund - receipts and disbursements of funds that provide assistance to certain residents of the Township.

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

B. Basis of Accounting

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

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

Budgets and Budgetary Accounting - the Township of Hazlet must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 which requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Budgets and Budgetary Accounting (continued) hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Township of Hazlet is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

The Township considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

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 Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

Grant Revenues and Expenditures - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled 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 Township 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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Deferred Charges (continued) 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 sheet. 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. The status of deferred charges at December 31, 2008 is set forth in Note 8.

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

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Asset Group at its market value.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventory of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts.

Capital Leases - are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in a General Fixed Assets Account Group and the long-term obligation to be recorded as part of a General Long-Term Debt Account Group.

Fixed Assets - Utility - property and equipment purchased by the Utility Funds is recorded in the Utility Capital Funds at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheets of the Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budgets for the costs of acquisitions of property and equipment and

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Fixed Assets - Utility (continued) proceeds from grants-in-aid. The utilities do not record depreciation of property and equipment. GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by enterprise funds.

Reserve for Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

General Fixed Assets - property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the Directive.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation on general fixed assets is recorded in the financial statements.

Fixed assets acquired through grants-in-aid or contributed capital are not accounted for separately.

Comparative Data - comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understanding of changes in the Township’s financial position. However, Comparative Statements of Revenue and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS**

Deposits

All bank deposits as of the balance sheet date are either insured, or covered by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act (see Note 2 - Cash, Cash Equivalents and Investments).

At December 31, 2008, the Township's deposits had a carrying amount of \$11,525,945.59 and a bank balance of \$12,404,738.19. Of the bank balance, \$1,019,634.32 was covered by federal depository insurance and the remainder was covered by the Governmental Unit Deposit Protection Act.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

Investments

As of December 31, 2008, the Township had the following investments:

	<u>Book Value</u>	<u>Fair Value</u>
LOSAP	\$131,357.15	\$131,357.15

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Township.

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

**NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS (continued)**

Credit Risk

All investments are in financial institutions in accordance with New Jersey state statutes. The Township does not have an investment policy that would further limit its investment choices and it places no limit on the amount that can be invested with any one issuer.

The fair value of investments was based on quoted market prices.

During the year, the Township 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 Township.

**NOTE 4 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

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

General Capital Fund	
Bonds and Notes	\$1,691,479.00
Swimming Pool Utility Capital Fund	
Bonds and Notes	\$ 47,500.00
Sewer Utility Capital Fund	
Bonds and Notes	\$ -

**NOTE 5 LONG-TERM 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 Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. 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.

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

**NOTE 5 LONG-TERM DEBT (continued)**

As of December 31, 2008, the Township's long-term debt is as follows:

General Obligation Bonds

\$3,581,950.00 2001 Bonds due in annual installments ranging from \$311,554.54 to \$370,898.25 through December, 2013, interest rates ranging from 4.00% to 5.00%.	\$1,695,932.31
\$365,000.00 2006 Refunding Bonds due in annual installments ranging from \$39,000.00 to \$41,000.00 through August, 2014 interest rates ranging from 3.50% to 5.00%.	237,000.00
\$7,678,000.00 2008 Bonds due in annual installments ranging from \$268,000.00 to \$390,000.00 through August 2028, interest ranging from 4.375% to 4.500%.	<u>7,678,000.00</u>
Total	<u>\$9,610,932.31</u>

Swimming Pool Utility Capital

\$281,050.00 2001 Bonds due in annual installments ranging from \$24,445.46 to \$29,101.75 through December, 2013, interest rates ranging from 4.00% to 5.00%.	<u>\$ 133,067.69</u>
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Sewer Utility Capital Bonds

\$4,290,000.00 1998 Sewer Revenue Refunding Bonds due in annual installments of \$350,000.00 to \$400,000.00 through 2012 at interest rates ranging from 4.50% to 4.70%.	\$ 1,505,000.00
\$410,000.00 2006 Governmental Loan Refunding Bonds due in annual installments of \$33,000.00 to \$49,000 through 2016 at interest rates ranging from 3.50% to 5.00%.	<u>317,000.00</u>
	<u>\$ 1,822,000.00</u>

Under the Bond Resolution of 1998 authorizing the issuance of \$4,290,000 in Sewer Revenue Refunding Bonds, certain funding requirements are stipulated as follows:

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

**NOTE 5 LONG-TERM DEBT (continued)**

Bond Reserve Requirements:

The bond reserve requirement of the Township is currently \$182,200.00 which represents an amount equal to ten percent of revenue bonds outstanding as described in the bond resolution.

In connection with these requirements at December 31, 2008 the following information applied:

	<u>2008</u>
Cash Equivalents	\$ 287,500.00
Less: 10% of Bonds Outstanding	<u>182,200.00</u>
Excess Fund Requirement	<u>\$ 105,300.00</u>

Schedule of Annual Debt Service for Principal and Interest for the Next Five (5) Years and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 620,554.54	\$ 426,291.10	\$ 1,046,845.64
2010	753,608.74	400,668.92	1,154,277.66
2011	765,590.18	368,938.46	1,134,528.64
2012	782,280.60	333,583.94	1,115,864.54
2013	799,898.25	296,907.42	1,096,805.67
2014-2018	1,989,000.00	1,118,325.00	3,107,325.00
2019-2023	1,950,000.00	689,812.50	2,639,812.50
2024-2028	<u>1,950,000.00</u>	<u>261,787.50</u>	<u>2,211,787.50</u>
Total	<u>\$9,610,932.31</u>	<u>\$3,896,314.84</u>	<u>\$13,507,247.15</u>

<u>Year</u>	<u>Swimming Pool Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 24,445.46	\$ 6,180.40	\$ 30,625.86
2010	25,391.26	5,202.58	30,593.84
2011	26,409.82	4,161.54	30,571.36
2012	27,719.40	2,841.06	30,560.46
2013	<u>29,101.75</u>	<u>1,455.08</u>	<u>30,556.83</u>
Total	<u>\$133,067.69</u>	<u>\$19,840.66</u>	<u>\$152,908.35</u>

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

**NOTE 5 LONG-TERM DEBT (continued)**

Schedule of Annual Debt Service for Principal and Interest for the Next Five (5) Years  
and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding (continued)

<u>Year</u>	<u>Sewer Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 386,000.00	\$ 83,482.50	\$ 469,482.50
2010	404,000.00	66,472.50	470,472.50
2011	418,000.00	48,447.50	466,447.50
2012	437,000.00	29,500.00	466,500.00
2013	42,000.00	8,850.00	50,850.00
2014-2016	<u>135,000.00</u>	<u>13,900.00</u>	<u>148,900.00</u>
Total	<u>\$1,822,000.00</u>	<u>\$250,652.50</u>	<u>\$2,072,652.50</u>

Changes in Long-Term Debt

Transactions for the year ended December 31, 2008 are summarized as follows:

	<u>Balance Dec. 31, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2008</u>
<u>General Capital Fund</u>				
Serial Bonds	\$2,573,432.66	\$7,678,000.00	\$640,500.35	\$9,610,932.31
Green Trust Loan	<u>204,947.78</u>	-	<u>10,691.66</u>	<u>194,256.12</u>
	<u>2,778,380.44</u>	<u>7,678,000.00</u>	<u>651,192.01</u>	<u>9,805,188.43</u>
<u>Swimming Pool Utility Capital Fund</u>				
Serial Bonds	<u>156,567.34</u>	-	<u>23,499.65</u>	<u>133,067.69</u>
	<u>156,567.34</u>	-	<u>23,499.65</u>	<u>133,067.69</u>
<u>Sewer Utility Capital Fund</u>				
Serial Bonds	-	<u>2,157,000.00</u>	<u>335,000.00</u>	<u>1,822,000.00</u>
	-	<u>2,157,000.00</u>	<u>335,000.00</u>	<u>1,822,000.00</u>
Total	<u>\$2,934,947.78</u>	<u>\$9,835,000.00</u>	<u>\$1,009,691.66</u>	<u>\$11,760,256.12</u>

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

**NOTE 5 LONG-TERM DEBT (continued)**

Green Trust Loans

As of December 31, 2008, the Township's Green Trust Loans are as follows:

\$105,000.00 loan due in semi-annual installments ranging from \$2,470.78 to \$3,232.29 through 2022, interest rate 2.00%.	\$ 79,383.89
\$132,000.00 loan due in semi-annual installments ranging from \$2,955.37 to \$4,063.46 through 2025, interest rate 2.00%.	<u>114,872.23</u>
	<u>\$194,256.12</u>

Schedule of Annual Debt Service for Principal and Interest for the Green Trust Loan Payable for the Next Five (5) Years and Five-Year Increments Thereafter is as Follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$10,906.56	\$3,830.86	\$14,737.42
2010	11,125.78	3,611.64	14,737.42
2011	11,349.40	3,388.02	14,737.42
2012	11,577.52	3,159.90	14,737.42
2013	11,810.25	2,927.17	14,737.42
2014-2018	62,708.84	10,978.26	73,687.10
2019-2023	62,707.70	4,450.16	67,157.86
2024-2025	<u>12,070.07</u>	<u>242.20</u>	<u>12,312.27</u>
Total	<u>\$194,256.12</u>	<u>\$32,588.21</u>	<u>\$226,844.33</u>

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2008 was 0.62%. The Township's remaining borrowing power is 2.88%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

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

**NOTE 5 LONG-TERM DEBT (continued)**

Capital Lease Program

In 1999, 2001, 2003, 2005 and 2007 the Township closed on capital lease agreements with the Monmouth County Improvement Authority involving Capital Equipment Pooled Lease Revenue Bonds in the amounts of \$841,000.00, \$1,089,300.00, \$1,044,700.00 \$894,800.00 and \$851,300.00, respectively.

As of December 31, 2007, the Township's capital lease obligations are as follows:

\$841,000.00 Series 1999 due in one installment of \$24,000.00 September, 2009, coupon rate of 5.0%.	\$ 24,000.00
\$1,089,300.00 Series 2001 due in annual installments ranging from \$64,000.00 to \$69,200.00 through October, 2011, coupon rate, ranging from 4.05% to 4.15%.	199,700.00
\$1,044,700.00 Series 2003 due in annual installments ranging from \$163,500.00 to \$170,800.00 through September, 2010, coupon rate, ranging from 4.50% to 4.75%.	334,300.00
\$894,800.00 Series 2005 due in annual installments ranging from \$83,600.00 to \$108,300.00 through October, 2015, coupon rate ranging from 3.50% to 5.00%.	663,300.00
\$851,300.00 Series 2007 due in annual installments ranging from \$47,900.00 to \$120,700.00, coupon rate, ranging from 4.00 % to 5.00%.	<u>736,700.00</u>
Total	<u>\$1,958,000.00</u>

Schedule of Annual Lease Payments for Principal and Interest for the Next Five (5) Years and Five-Year Increments Thereafter are as Follows

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 455,800.00	\$ 90,445.55	\$ 546,245.55
2010	450,600.00	70,367.05	520,967.05
2011	292,300.00	49,760.80	342,060.80
2012	232,000.00	37,965.00	269,965.00
2013	137,600.00	26,365.00	163,965.00
2014-2017	<u>389,700.00</u>	<u>38,815.00</u>	<u>428,515.00</u>
Total	<u>\$1,958,000.00</u>	<u>\$313,718.40</u>	<u>\$2,271,718.40</u>

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

**NOTE 6    SHORT-TERM DEBT**

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Underground Storage Tank Remediation	08/01/08	07/31/09	\$ 178,500.00	2.50%
2005 Road Improvement Program	08/01/08	07/31/09	475,000.00	2.50%
Purchase and Installation of Lighting for Police and Library	08/01/08	07/31/09	19,000.00	2.50%
Document Imaging/Scanning	08/01/08	07/31/09	285,000.00	2.50%
Various Improvements	08/01/08	07/31/09	597,100.00	2.50%
Various Roadway and Drainage Improvements to West Jack Street	08/01/08	07/31/09	112,000.00	2.50%
Acquisition of Pflieger Property for Open Space Conservation Purposes	08/01/08	07/31/09	183,750.00	2.50%
Various 2008 Capital Improvements	08/01/08	07/31/09	<u>1,816,890.00</u>	2.50%
			<u>\$3,667,240.00</u>	
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
<u>Swimming Pool Utility Capital Fund</u>				
Improvements to the Swim and Tennis Club	08/01/08	07/31/09	<u>\$53,760.00</u>	2.50%

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

**NOTE 6 SHORT-TERM DEBT (continued)**

Changes in Bond Anticipation Notes (continued)

Transactions for the year ended December 31, 2008 are summarized as follows:

	<u>Balance Dec. 31, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2008</u>
<u>General Capital Fund</u>				
Bond Anticipation Notes	<u>\$8,932,800.00</u>	<u>\$2,494,640.00</u>	<u>\$7,760,200.00</u>	<u>\$3,667,240.00</u>
	<u>Balance Dec. 31, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2008</u>
<u>Swim Pool Utility Capital Fund</u>				
Bond Anticipation Notes	<u>\$67,200.00</u>	<u>\$ -</u>	<u>\$13,440.00</u>	<u>\$53,760.00</u>

Special Emergency Notes (40A:4-55)

The Township issues special emergency notes to fund special emergency appropriations prior to the funds being raised in the budget. The term of the notes cannot exceed one year but the notes may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid not later than the last day of the fifth year following the date of the emergency resolution.

On December 31, 2008 the Township had \$400,000.00 outstanding in Current Fund special emergency notes. The notes were issued on November 13, 2008 and mature on November 12, 2009 at an interest rate of 2.65%.

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

**NOTE 6 SHORT-TERM DEBT (continued)**

Changes in Special Emergency Notes

Transactions for the year ended December 31, 2008 are summarized as follows:

	<u>Balance Dec. 31, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2008</u>
<u>Current Fund</u>				
Special Emergency Notes	\$ <u>500,000.00</u>	\$ <u>-</u>	\$ <u>100,000.00</u>	\$ <u>400,000.00</u>

**NOTE 7 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

As noted in Note 2, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance Dec. 31, 2008</u>	<u>2009 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>Current Fund:</u>			
Special Emergency	\$400,000.00	\$100,000.00	\$300,000.00
<u>Sewer Utility Operating Fund:</u>			
Overexpenditure of Appropriations	\$342,559.70	\$342,559.70	\$ -

The appropriations in the 2009 budget are as required by statute.

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

**NOTE 9 TAXES COLLECTED IN ADVANCE**

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

	<u>Balance December 31</u>	
	<u>2008</u>	<u>2007</u>
Prepaid Taxes	\$202,681.63	\$145,422.61

**NOTE 10 ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1<sup>st</sup> in each year and filed with the County Board of Taxation (“Board”) by January 10<sup>th</sup> of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3<sup>rd</sup>, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (“Collector”) on or before May 13<sup>th</sup>. Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1<sup>st</sup> and November 1<sup>st</sup> of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year’s tax. The preliminary payments are due and payable on February 1<sup>st</sup> and May 1<sup>st</sup>. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to “Tax Sale” which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

**NOTE 11 LOCAL DISTRICT SCHOOL AND REGIONAL HIGH SCHOOL TAXES**

Under the provisions of statute, where the school tax is raised for a school year the unpaid portion of the tax on December 31 of the year of levy may be deferred to the extent of not more than 50% of the levy, provided that no requisition has been made for such amount or any portion of such amount.

Whereas the Local School District Taxes are raised on a calendar year basis, the Township of Hazlet has no deferred school taxes at year end.

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

**NOTE 12 FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2008, which are appropriated and included as anticipated revenue in the 2009 municipal budget for the year ended December 31, 2009 were as follows:

Current Fund	\$2,000,000.00
Swimming Pool Operating Fund	\$ 57,207.97
Sewer Utility Operating Fund	\$ 280,759.75

**NOTE 13 PENSIONS AND RETIREMENT PLANS**

Plan Description

The Township of Hazlet 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 plan members and beneficiaries. The Public Employees' Retirement System was established January 1, 1955 under the provisions of N.J.S.A. 43:15A. The Police and Firemen's Retirement System was established July 1, 1944 under the provisions of N.J.S.A. 43:16A. The Public Employees' Retirement System and the Police and Firemen's Retirement System 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.

Funding Policy

Employee contributions are currently five and one-half percent (5 ½%) and eight and one-half percent (8 ½%) of their base wages for PERS and PFRS, respectively. Employer's contributions are actuarially determined annually by the Division of Pensions. The Township's contributions to the plan was as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2008	\$175,943.00	\$139,632.90	\$951,552.00	\$374,727.57
2007	98,778.60	147,158.45	641,759.20	366,740.03

All contributions were equal to the required contributions.

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

**NOTE 13 PENSIONS AND RETIREMENT PLANS (continued)**

Post Employment Retirement Benefits

The Public Employees' Retirement System and the Police and Firemen's Retirement System provide post employment retirement benefits.

**NOTE 14 POST EMPLOYMENT RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 13, the Township provides post-employment health care benefits for employees who meet certain age and service requirements. Benefits consist of full medical coverage and expenditures are recognized as claims are reported. As of the date of this report, the Township has 36 former employees eligible for and participating in the Post-Employment Health Care Benefits Program. The Township's approximate cost in providing post-employment health benefits was \$312,000.

**NOTE 15 DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and under the provisions of N.J.S.A. 43:15B-2. The plan, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not ordinarily available to employees until termination, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with the amounts, and all income attributable to these amounts are for the exclusive benefit of the Plan participants and their beneficiaries and the assets cannot be diverted to any other purpose. The Township serves as Trustee under the Plan.

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED**

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid Squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$600.00 per year of active emergency service, commencing with the year 2002.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2002.

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

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED (continued)**

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall 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).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member’s performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member’s eligibility shall be binding upon the Plan Administrator, participant, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

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

**NOTE 17 INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Fund	Trust Other Fund	\$ 71,897.94
Current Fund	General Capital Fund	.43
Current Fund	Sewer Utility Operating Fund	<u>180.00</u>
		<u>72,078.37</u>
Federal and State Grant Fund	Current Fund	<u>130,970.61</u>
		<u>\$203,048.98</u>

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE 18 INTERFUND TRANSFERS**

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Current Fund	General Capital Fund	\$ 385,594.52
Current Fund	Swim Club Operating Fund	85,909.58
Current Fund	Federal and State Grant Fund	54,916.64
Trust Other Fund	Current Fund	3,212.11
Sewer Utility Operating Fund	Current Fund	180.00
Open Space Trust Fund	Current Fund	953.60
Swimming Pool Utility Capital Fund	General Capital Fund	545.10

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

**NOTE 18 INTERFUND TRANSFERS (continued)**

Transfers are primarily used to move funds from:

- A. The Current Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- B. The Utility Operating Funds to the Utility Capital Funds to finance capital improvements accounted for in the Utility Capital Funds in accordance with budgetary authorizations.

**NOTE 19 RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omission; injuries to employees; and natural disaster. The Township is a member of the Monmouth County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 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 joint insurance fund participates in the Municipal Excess Liability Program. There were no settlements in excess of insurance coverage in 2008, 2007, and 2006.

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

**NOTE 20 FIXED ASSETS AND FIXED CAPITAL**

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

<u>Fixed Assets</u>	Balance Dec. 31, 2007	<u>Additions</u>	<u>Deductions</u>	Balance Dec. 31, 2008
Land	\$14,957,000.00	\$367,500.00	\$ -	\$15,324,500.00
Land Improvements	266,800.00	-	-	266,800.00
Buildings and Improvements	2,319,990.39	-	-	2,319,990.39
Machinery and Equipment	<u>5,055,519.53</u>	<u>388,740.41</u>	<u>-</u>	<u>5,444,259.94</u>
	<u>\$22,599,309.92</u>	<u>\$756,240.41</u>	<u>\$ -</u>	<u>\$23,355,550.33</u>
 <u>Fixed Capital - Swimming</u>				
<u>Pool Utility</u>				
Swimming Pool Fixed Capital	\$ <u>1,221,783.48</u>	\$ <u>78,364.05</u>	\$ <u>-</u>	\$ <u>1,300,147.53</u>
 <u>Fixed Capital -Sewer</u>				
<u>Utility</u>				
Sewer Fixed Capital	\$ <u>-</u>	\$ <u>11,477,391.93</u>	\$ <u>-</u>	\$ <u>11,477,391.93</u>

**NOTE 21 CONTINGENT LIABILITIES**

A. Accrued Sick and Vacation Pay (unaudited)

As described in Note 2 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Township estimates the current cost of such unpaid compensation would be \$1,570,804.14 at December 31, 2008. In accordance with the accounting principles prescribed by the State of New Jersey, no reserves have been established for this potential liability.

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

**NOTE 21 CONTINGENT LIABILITIES (continued)**

B. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

C. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant 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 payments to the grantor agency. As of December 31, 2008, the Township estimates that no material liabilities will result from such audits.

D. 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 Township has elected to provide 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 totaled \$96,314.37.

**NOTE 22 SUBSEQUENT EVENTS**

The Township adopted the following ordinance in 2009 authorizing the issuance of debt:

<u>Project</u>	<u>Debt Authorized</u>
Various Capital Projects	<u>\$983,418.00</u>

During 2009, the Township adopted an ordinance guaranteeing debt in the amount of \$865,000.00 for the Hazlet Board of Fire Commissioners.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Regular</u>	
Balance, December 31, 2007	A		\$ 5,060,733.83
Increased by Receipts:			
State of New Jersey (Ch. 20, P.L. 1971)	A-9	\$ 284,763.36	
Taxes Receivable	A-5	51,131,731.50	
Revenue Accounts Receivable	A-8	4,046,222.98	
Interfunds	A-10	659,919.28	
Other Accounts Receivable	A-11	18,529.67	
Due to State of New Jersey - Various	A-22	16,132.00	
Various Reserves	A-23	86,168.81	
Non-Budget Revenues	A-2	286,242.64	
Payroll Deductions Payable	A-24	10,358,502.66	
Prepaid Taxes	A-17	194,704.93	
Close Public Assistance	A-1	3,000.00	
Prior Year Bulletproof Vest Grant	A-1	7,108.75	
Accounts Payable	A-21	800.00	
Tax Overpayments	A-16	77,602.06	
		<hr/>	67,171,428.64
			72,232,162.47
Decreased by Disbursements:			
2008 Budget Appropriations	A-3	15,624,183.46	
2007 Appropriation Reserves	A-14	601,927.36	
Other Accounts Receivable	A-11	25,926.01	
Change Fund	A	75.00	
Tax Overpayments	A-16	54,933.52	
County Taxes Payable	A-19	6,939,288.36	
Local District School Tax	A-20	31,227,806.00	
Fire District Taxes	A-18	1,556,577.00	
Interfunds	A-10	268,082.80	
Prior Year Revenues Refunded	A-1	953.12	
Accounts Payable	A-21	57,500.00	
Emergency Note Payable	A-25	100,000.00	
Payroll Deductions Payable	A-24	10,408,637.04	
Due to State of New Jersey - Various	A-22	20,918.00	
Reserve for Revaluation	A-26	315,000.00	
Various Reserves	A-23	25,000.00	
Transfer to Payroll Fund	A-1	12,323.77	
		<hr/>	67,239,131.44
Balance, December 31, 2008	A		\$ <u>4,993,031.03</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2007	2008 Levy	2007	2008	Transferred to Tax Title Liens	Chapter 20, P.L. 1971 Senior Citizens and Veterans	Canceled, Remitted or Abated	Balance Dec. 31, 2008
2007	\$ 523,179.99	\$ 2,536.91	\$ 524,886.98			\$ (2,584.25)	\$ 3,414.17	
	523,179.99	2,536.91	524,886.98			(2,584.25)	3,414.17	
2008	\$ 523,179.99	\$ 51,584,034.03	\$ 145,422.61	\$ 50,606,844.52	\$ 6,067.47	\$ 285,566.43	\$ 526,777.15	
	523,179.99	51,586,570.94	145,422.61	51,131,731.50	6,067.47	282,982.18	530,191.32	
Ref.	A	A-5	A-2/A-17	A-2/A-4	A-6	A-1/A-2/A-9	A	
<b>Analysis of 2008 Property Tax Levy</b>								
Tax Yield:								
General Purpose Tax					\$ 49,759,153.07			
Special District Taxes					1,559,647.02			
Added and Omitted Tax					259,225.44			
6% Penalty					6,008.50			
						\$ 51,584,034.03		
Tax Levy:								
Local District School Tax			A-5		\$ 31,227,811.00			
County Taxes:			A-20					
County Tax			A-19	\$ 6,039,587.67				
County Library Tax			A-19	363,443.98				
County Health Tax			A-19	112,310.06				
County Open Space Tax			A-19	402,737.35				
Due County for Added and Omitted Taxes			A-19	34,946.77				
Total County Taxes				6,953,025.83				
Fire District Tax			A-18		1,556,577.00			
Local Municipal Open Space Tax			A-10	106,825.14				
Due Municipal Open Space Tax for Added and Omitted Taxes			A-10	541.88	107,367.02			
Local Tax for Municipal Purposes			A-2	11,496,492.86				
Add: Additional Tax Levied				242,760.32	11,739,253.18			
			A-5			\$ 51,584,034.03		

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 50,134.38
Increased by:		
Cash Receipts	A-4	<u>10,358,502.66</u>
		10,408,637.04
Decreased by:		
Cash Disbursements	A-4	<u>\$ 10,408,637.04</u>

Exhibit A-25

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 500,000.00
Increased by:		
Cash Disbursed	A-4	<u>100,000.00</u>
Balance, December 31, 2008	A	<u>\$ 400,000.00</u>

Exhibit A-26

SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 480,000.00
Decreased by:		
Cash Disbursements	A-4	<u>315,000.00</u>
Balance, December 31, 2008	A	<u>\$ 165,000.00</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2007	2008 Anticipated Revenue	Cash Received	Transferred from Unappropriated Reserve	Canceled	Balance Dec. 31, 2008
Bayshore DWI Saturation Patrols Grant	\$ 12,800.00	\$	12,800.00			
Bulletproof Vest Grant	6.78	\$ 4,961.09	\$	4,961.09		\$ 6.78
Clean Communities Program		27,011.72	24,004.96	3,006.76		
Click It or Ticket	4,000.00				\$ 4,000.00	
Community Development Block Grant	695.48				695.48	
County of Monmouth - Pedestrian Enhancement Holmdel Road	50,000.00				50,000.00	
DCA - Smart Future Planning Grant		50,000.00				50,000.00
Green Meadows Farm		40,000.00	20,000.00	20,000.00		
Hepatitis B Inoculation Fund	3,438.00					3,438.00
Municipal Alliance on Alcoholism and Drug Abuse	17,115.00		35,719.00			16,499.00
N.J. Department of Health - Bioterrorism Initiative	345.00				345.00	
N.J. DOT - Pedestrian Safety Program	28,025.78				28,025.78	
Drunk Driving Enforcement Fund		48,375.98	48,375.98			
Pandemic Flu Preparedness Grant	77.00				77.00	
Pedestrian Grant	39.15				39.15	
Public Health Priority Funding - 1987		9,736.00	9,736.00			
Recycling Tonnage Grant		6,432.85		6,432.85		
Tobacco Age-of-Sale Enforcement Grant		1,620.00		1,620.00		
	<u>\$ 116,542.19</u>	<u>\$ 223,240.64</u>	<u>\$ 150,635.94</u>	<u>\$ 36,020.70</u>	<u>\$ 83,182.41</u>	<u>\$ 69,943.78</u>
Ref.	A	A-2/A-10/A-31	A-31	A-29	A-1/A-10/A-28	A

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec. 31, 2007	Transfer from 2008 Budget Appropriation	Transfer from Reserve for Encumbrances	Expended	Reserve for Encumbrances	Canceled	Balance Dec. 31, 2008
Alcohol Enforcement	\$ 2,639.48						\$ 2,639.48
Alcohol Education Rehabilitation Fund	178.27						178.27
Bayshore DWI Saturation Patrols Grant	12,800.00	\$		12,800.00			
Bioterrorism Grant	254.98					254.98	
Body Armor Replacement Grant	7,872.01	\$ 4,961.09					12,833.10
Clean Communities Program	15,786.41	27,011.72		39,527.63	\$ 1,610.00		1,660.50
Community Development Block Grant	614.48					614.48	
County of Monmouth - Pedestrian Enhancement							
Holmdel Road	50,000.00						
DCA - Special Legislation Grant #97-6025-00: Police	3,354.00					50,000.00	
Drunk Driving Enforcement Fund		48,375.98	\$ 900.00	11,686.11		3,354.00	
Enhanced 9-1-1 Grant	3,331.52		8,000.00	8,505.00			37,589.87
Green Meadows Farm	175.83	40,000.00	3,597.41	14,623.36	241.24		2,826.52
Hazardous Materials Emergency Preparedness Pass - Through Grant	2,917.02					2,917.02	
Hepatitis B Inoculation Fund	2,399.00			715.00	70.00		1,614.00
Make-It-Click Seat Belt Grant	5,600.00					5,600.00	
Monmouth County Board of Health - Bioterrorism Grant	3,000.00					3,000.00	
Municipal Alliance Grant	255.28	43,878.75	15,649.83	51,029.52	8,599.97		154.37
DCA - Smart Future Planning Grant	77.60	50,000.00	306.94	306.94			50,000.00
Pandemic Flu Preparedness Grant	1,025.99					77.60	
Pedestrian Grant	6,745.00					1,025.99	
Public Health Priority Funding	7,738.00	9,736.00		16,481.00			
Recycling Tonnage Grant	537.93	6,432.85		153.84			14,017.01
Tobacco - Age of Sale Enforcement Program		1,620.00	818.48	2,157.93			818.48
	\$ 127,302.80	\$ 232,016.39	\$ 29,272.66	\$ 157,986.33	\$ 10,521.21	\$ 66,844.07	\$ 153,240.24
Ref.	A	A-3/A-31	A-30	A-31	A-30	A-1/A-10/A-31	A

Detail:  
 Adopted Budget \$ 133,640.41  
 Appropriation By 40A-4-87 98,375.98  
\$ 232,016.39

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31,2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Grants</u> <u>Receivable</u>	<u>Balance</u> <u>Dec. 31,2008</u>
Body Armor Replacement Grant	\$ 4,961.09	\$ 4,363.23	\$ 4,961.09	\$ 4,363.23
Clean Communities Grant	3,006.76		3,006.76	
Green Meadows Farm	20,000.00	20,000.00	20,000.00	20,000.00
Recycling Tonnage Grant	6,432.85	12,369.71	6,432.85	12,369.71
Tobacco-Age-of-Sale Enforcement	<u>1,620.00</u>	<u>420.00</u>	<u>1,620.00</u>	<u>420.00</u>
	<u>\$ 36,020.70</u>	<u>\$ 37,152.94</u>	<u>\$ 36,020.70</u>	<u>\$ 37,152.94</u>
<u>Ref.</u>	A	A-31	A-27	A

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 29,272.66
Increased by:		
Charged to Appropriated Reserves	A-28	<u>10,521.21</u>
		39,793.87
Decreased by:		
Transferred to Appropriated Reserves	A-28	<u>29,272.66</u>
Balance, December 31, 2008	A	<u>\$ 10,521.21</u>

Exhibit A-31

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2007	A	\$ 76,053.97
Increased by:		
Deposited in Current Fund:		
Grants Receivable	A-27	\$ 150,635.94
Grants Unappropriated	A-29	37,152.94
2008 Budget Appropriations:		
Grants Appropriated	A-3/A-28	232,016.39
Grants Receivable Canceled	A-27	<u>83,182.41</u>
		<u>502,987.68</u>
		579,041.65
Decreased by:		
Disbursed by Current Fund:		
Appropriated Reserves	A-28	157,986.33
2008 Anticipated Revenue	A-2/A-27	223,240.64
Grants Appropriated Canceled	A-28	<u>66,844.07</u>
		<u>448,071.04</u>
Balance, December 31, 2008	A	<u>\$ 130,970.61</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
**TRUST FUND**  
 SCHEDULE OF CASH - TREASURER

		Animal Control Trust Fund	Trust Other Fund	Open Space Trust Fund
Ref.				
Balance, December 31, 2007	B	\$ 6,523.98	\$ 1,406,526.23	\$ 107,005.97
<b>Increased by Receipts:</b>				
Reserve for Animal Control				
Trust Fund Expenditures	B-2	\$ 36,671.24		
Due to State of New Jersey	B-3	2,623.20		
Interfund - Current Fund	B-4/B-5		\$ 50,360.46	\$ 953.60
Various Reserves	B-6		1,217,421.64	
Off Duty Receivable	B-7		12,492.41	
Reserve for Open Space	B-8		109,526.74	
		<u>39,294.44</u>	<u>1,280,274.51</u>	<u>110,480.34</u>
		45,818.42	2,686,800.74	217,486.31
<b>Decreased by Disbursements:</b>				
Due to State of New Jersey	B-3	2,649.00		
Animal Control Trust Fund				
Expenditures (R.S. 4:19-15.11)	B-2	34,848.37		
Various Reserves	B-6		761,179.57	
Interfund - Current Fund	B-5		282,121.19	
		<u>37,497.37</u>	<u>1,043,300.76</u>	
Balance, December 31, 2008	B	\$ 8,321.05	\$ 1,643,499.98	\$ 217,486.31

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 6,514.78
Increased by:		
Dog License Fees Collected		\$ 16,286.40
Cat License Fees Collected		2,575.52
Miscellaneous Fees Collected		1,776.00
2008 Budget Appropriation		<u>16,033.32</u>
	B-1	<u>36,671.24</u>
		43,186.02
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-1	<u>34,848.37</u>
Balance, December 31, 2008	B	<u>\$ 8,337.65</u>

## Fees Collected:

<u>Year</u>	<u>Amount</u>
2006	\$ 13,973.00
2007	<u>13,639.36</u>
	<u>\$ 27,612.36</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 34.20
Increased by:		
Cash Receipts	B-1	<u>2,623.20</u>
		2,657.40
Decreased by:		
Cash Disbursed	B-1	<u>2,649.00</u>
Balance, December 31, 2008	B	<u>\$ 8.40</u>

Exhibit B-4

OPEN SPACE TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 953.60
Decreased by:		
Cash Receipts	B-1	<u>\$ 953.60</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND  
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2007	B	\$	68,685.83
Increased by:			
Cash Receipts	B-1	\$	50,360.46
Various Reserves	B-6		<u>234,972.84</u>
			<u>285,333.30</u>
			354,019.13
Decreased by:			
Cash Disbursed	B-1		<u>282,121.19</u>
Balance, December 31, 2008	B	\$	<u><u>71,897.94</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 TRUST OTHER FUND  
 SCHEDULE OF VARIOUS RESERVES

	Balance Dec. 31, 2007	Increased by Cash Receipts	Cash Disbursed	Decreased by Interfund - Current Fund	Balance Dec. 31, 2008
Tax Title Lien Redemptions	\$ 5,055.88	\$ 143,067.95	\$ 140,958.21	\$	7,165.62
Tax Sale Premiums	210,200.00	91,400.00	41,500.00		260,100.00
Law Enforcement Trust Fund	20,578.41	14,258.91	16,433.20		18,404.12
Recreation Commission	170,466.75	324,693.15	322,316.97		172,842.93
Developers Escrow	663,213.73	395,368.76	66.16	\$ 234,972.84	823,543.49
Recycling Program	11,907.46	110.00			12,017.46
Donations - Memorial Tree Fund	9,824.45				9,824.45
Parking Offenses Adjudication Act	1,381.00	184.00	149.00		1,416.00
911 Disaster Fund	2,631.00	1,425.00	1,165.00		2,891.00
Affinity Credit Cards	15,958.23				15,958.23
Tree Replacement	35,840.00				35,840.00
Board of Health	8,165.28				8,165.28
LOSAP	2,749.34				2,749.34
Sidewalk Fund	5,400.00				5,400.00
Donations - Hazlet Township 150th Anniversary	1,514.62				1,514.62
Public Defender	41,991.50	5,364.00	10,200.00		37,155.50
Police Unclaimed	992.81				992.81
Skateboard Park Donations	5,501.00	4,025.00			9,526.00
Unemployment Compensation					
Insurance	91,895.25	34,020.69	29,601.57		96,314.37
Off Duty Police	27,545.93	191,617.94	184,219.62		34,944.25
Grading Trust	1,000.00	7,300.00	8,000.00		300.00
Municipal Alliance Donations	16,520.17	4,586.24	6,569.84		14,536.57
	<u>\$ 1,350,332.81</u>	<u>\$ 1,217,421.64</u>	<u>\$ 761,179.57</u>	<u>\$ 234,972.84</u>	<u>\$ 1,571,602.04</u>

Ref. B B-1 B-1 B-5 B

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND  
 SCHEDULE OF OFF DUTY RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 12,492.41
Decreased by:		
Cash Receipts	B-1	\$ <u>12,492.41</u>

Exhibit B-8

OPEN SPACE TRUST FUND  
 SCHEDULE OF RESERVE FOR OPEN SPACE

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 107,959.57
Increased by:		
Open Space Tax Levy		\$ 106,825.14
Open Space Added and Omitted Levy		541.88
Interest Earned		<u>2,159.72</u>
	B-1	<u>109,526.74</u>
Balance, December 31, 2008	B	\$ <u>217,486.31</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 162,806.36
Increased by:		
Township Contributions	B-10	<u>27,600.00</u>
		190,406.36
Decreased by:		
Withdrawals	\$	26,149.91
Decrease in Value of Investments		30,836.60
Fees		<u>2,062.70</u>
	B-10	<u>59,049.21</u>
Balance, December 31, 2008	B	<u>\$ 131,357.15</u>

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")  
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM

	<u>Ref.</u>	
Balance, December 31, 2007	B	\$ 162,806.36
Increased by:		
Township Contributions	B-9	<u>27,600.00</u>
		190,406.36
Decreased by:		
Withdrawals	\$	26,149.91
Decrease in Value of Investments		30,836.60
Fees		<u>2,062.70</u>
	B-9	<u>59,049.21</u>
Balance, December 31, 2008	B	<u>\$ 131,357.15</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2007	C		\$ 1,796,175.11
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 15,256.10	
Grants Receivable	C-6	181,971.00	
Reserve for Payment of Debt Service	C-15	575.00	
Due from Monmouth County Improvement Authority	C-7	4,079.37	
Interfund - Current Fund	C-9	0.43	
Budget Appropriations:			
Capital Improvement Fund	C-16	122,000.00	
Serial Bonds	C-10	7,678,000.00	
Bond Anticipation Notes	C-11	<u>2,494,640.00</u>	
			<u>10,496,521.90</u>
			12,292,697.01
Decreased by Disbursements:			
Due from Monmouth County Improvement Authority	C-7	3,725.29	
Improvement Authorizations	C-13	2,621,391.34	
Bond Anticipation Notes	C-11	7,678,000.00	
Interfund - Swimming Pool Utility Capital Fund	C-8	545.10	
Interfund - Current Fund	C-9	<u>385,594.95</u>	
			<u>10,689,256.68</u>
Balance, December 31, 2008	C		\$ <u><u>1,603,440.33</u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>Dec. 31, 2008</u>
Fund Balance	\$ 185,003.56
Reserve for Encumbrances	503,282.49
Reserve for Payment of Debt Service	860,047.00
Interfund - Current Fund	0.43
Capital Improvement Fund	7,731.10
Grants Receivable	(418,000.00)

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1145-00	Acquisition of Public Works Equipment	96,041.10
1266-03	Improvements to Various Roads	47,429.32
1273-03	Underground Storage Tank Remediation	145,208.75
1274-03	Improvements to Roller Rink	10,235.00
1275-03	2003 Road Improvement Program	70,623.63
1298-04	Construction of a New Municipal Building	5,493.75
1302-04	Improvement of Laurel Avenue - Phase II	87,390.20
1303-04	Improvement of Central Avenue	51,324.72
1351-05	2005 Road Improvements	528.31
1322-05	Construction of a New Municipal Building	9,644.42
1346-05	Lighting for Police and Library Parking Lots	23.60
1361-06	Document Imaging / Scanning	23,007.34
1367-06/1448-08	Renovations to Police, Court, Recreation Center/ Purchase Furniture and Equipment for New municipal Building	(374,369.88)
1375-06	Various Improvements	18,377.30
1391-07	Roadway and Drainage Improvements to West Jack Street	32,678.29
1434-07	Various 2007 Road Improvements and Parkview Drive Sewer	(13,050.10)
1432-08	Acquisition of Pflieger property for Open Space Purposes	(184,150.00)
1433-08	Various 2008 Capital Improvements	438,940.00
		\$ <u>1,603,440.33</u>

Ref.                    C

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	
Balance, December 31, 2007	C	\$ 2,778,380.44
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued	C-5	<u>7,678,000.00</u>
		10,456,380.44
Decreased by:		
Budget Appropriations:		
Bonds Payable	C-10	\$ 640,500.35
Green Acres Loan Payable	C-12	<u>10,691.66</u>
		<u>651,192.01</u>
Balance, December 31, 2008	C	<u>\$ 9,805,188.43</u>



**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2007	C	\$ 187,385.15
Increased by:		
Grant Awarded - Utilized to Fund Improvement Authorization	C-13	418,000.00
		<u>605,385.15</u>
Decreased by:		
Cash Receipts	C-2	\$ 181,971.00
Canceled - To Reserve	C	<u>5,414.15</u>
		<u>187,385.15</u>
Balance, December 31, 2008	C	<u>\$ 418,000.00</u>

## Detail:

<u>Grantor</u>	<u>Ordinance</u>	
Monmouth County Open Space Grant - Veterans Mem. Park	1433-08	\$ 238,000.00
New Jersey D.O.T. - Poole Avenue Phase I	1433-08	<u>180,000.00</u>
		<u>\$ 418,000.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY

	<u>Ref.</u>	
Balance, December 31, 2007	C	\$ 354.08
Increased by:		
Cash Disbursed	C-2	<u>3,725.29</u> 4,079.37
Decreased by:		
Cash Receipts	C-2	<u>4,079.37</u>
Balance, December 31, 2008	C	\$ <u><u>          </u></u>

SCHEDULE OF INTERFUND - SWIMMING POOL UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2007 - Due To	C	\$ 545.10
Decreased by:		
Cash Disbursed	C-2	<u>545.10</u>
Balance, December 31, 2008	C	\$ <u><u>          </u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2007 - Due To	C	\$ 385,594.95
Increased by:		
Interest - Not remitted	C-2	<u>0.43</u>
		385,595.38
Decreased by:		
Cash Disbursed	C-2	<u>385,594.95</u>
Balance, December 31, 2008 - Due To	C	<u><u>\$ 0.43</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2008	Interest Rate	Balance Dec. 31, 2007	Bonds Issued	Paid by Budget Appropriation	Balance Dec. 31, 2008
General Improvements of 1994	01/15/94	\$ 3,465,000.00	\$ 300,000.00	4.60%	\$ 300,000.00		\$ 300,000.00	
General Improvements of 2001	12/01/01	3,581,950.00	311,554.54	4.00%				
	12/01/10		323,608.74	4.10%				
	12/01/11		336,590.18	5.00%				
	12/01/12		353,280.60	5.00%				
	12/01/13		370,898.25	5.00%	1,995,432.66		299,500.35	\$ 1,695,932.31
Refunding Bonds of 2006	04/01/06	365,000.00	41,000.00	3.50%				
	08/01/10		40,000.00	3.50%				
	08/01/11		39,000.00	3.75%				
	08/01/12-14		39,000.00	5.00%	278,000.00		41,000.00	237,000.00
General Obligation Bonds of 2008	08/01/08	7,678,000.00	268,000.00	4.375%				
	08/01/10-25		390,000.00	4.375%				
	08/01/26-28		390,000.00	4.500%				
						\$ 7,678,000.00		7,678,000.00
					\$ 2,573,432.66	\$ 7,678,000.00	\$ 640,500.35	\$ 9,610,932.31
				Ref.	C	C-2	C-4	C

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2007	Increased	Paid by Budget Appropriation	Paid by Serial Bonds	Balance Dec. 31, 2008
1191-01	Preliminary expenses in connection with construction of new municipal complex	08-03-07	08-01-08	4.00%	\$ 90,000.00		\$ 1,600.00	\$ 88,400.00	
1203-01	Improvements to Various Roads	08-03-07	08-01-08	4.00%	333,200.00			333,200.00	
1205-01	Improvements to Beers Street - Phase III	08-03-07	08-01-08	4.00%	271,000.00			271,000.00	
1206-01	Renovations to the Leocadia Tennis Courts	08-03-07	08-01-08	4.00%	11,000.00		11,000.00		
1223-02	Improvement of Florence Avenue	08-03-07	08-01-08	4.00%	64,000.00			64,000.00	
1253-03	Improvements to Beers Street - Phase III	08-03-07	08-01-08	4.00%	253,000.00			253,000.00	
1266-03	Improvements to Various Roads	08-03-07	08-01-08	4.00%	388,400.00			388,400.00	
1270-03	Provide Lawn Maintenance Equipment for the Recreation Department	08-03-07	08-01-08	4.00%	4,500.00		4,500.00		
1272-03	Renovations to Police Headquarters	08-03-07	08-01-08	4.00%	39,600.00		39,600.00		
1273-03	Underground Storage Tank Remediation	08-01-08	07-31-09	2.50%	185,500.00		7,000.00		\$ 178,500.00
1274-03	Improvements to Roller Rink	08-03-07	08-01-08	4.00%	17,600.00		17,600.00		
1275-03	2003 Road Improvement Program	08-03-07	08-01-08	4.00%	340,000.00			340,000.00	
1298-04	Construction of a New Municipal Building	08-03-07	08-01-08	4.00%	466,900.00			466,900.00	
1302-04	Improvements of Laurel Avenue - Phase II	08-03-07	08-01-08	4.00%	309,500.00			309,500.00	
1303-04	Improvements of Central Avenue	08-03-07	08-01-08	4.00%	319,500.00			319,500.00	
1322-05	Construction of a New Municipal Building	08-03-07	08-01-08	4.00%	4,750,000.00			4,750,000.00	
1351-05	2005 Road Improvement Program	08-01-08	07-31-09	2.50%		\$ 475,000.00			475,000.00
1353-05	Purchase and Installation of Lighting for Police and Library	08-01-08	07-31-09	2.50%		19,000.00			19,000.00
1361-06	Document Imaging/Scanning	08-01-08	07-31-09	2.50%					285,000.00
1367-06	Renovations to Police, Court, Recreation Center/ Purchase Furniture and Equipment for New Municipal Building	08-03-07	08-01-08	4.00%	95,000.00		900.00	94,100.00	
1375-06	Various Improvements	08-01-08	07-31-09	2.50%	597,100.00				597,100.00
1391-07	Various Roadway and Drainage Improvements to West Jack Street	08-01-08	07-31-09	2.50%	112,000.00				112,000.00
1432-08	Acquisition of Pflieger Property for Open Space Conservation Purposes	08-01-08	07-31-09	2.50%		183,750.00			183,750.00
1433-08	Various 2008 Capital Improvements	08-01-08	07-31-09	2.50%	1,816,890.00				1,816,890.00
					<u>\$ 8,932,800.00</u>	<u>\$ 2,494,640.00</u>	<u>\$ 82,200.00</u>	<u>\$ 7,678,000.00</u>	<u>\$ 3,667,240.00</u>
				Ref.	C	C-2	C-5	C-2	C

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loan Outstanding December 31, 2008	Date	Interest Rate	Balance Dec. 31, 2007	Paid by Budget Appropriation	Balance Dec. 31, 2008
Union Avenue Acquisition	12-28-02	\$ 105,000.00	Various	2009 to 2022	2.00%	\$ 84,252.30	\$ 4,868.41	\$ 79,383.89
Union Avenue Acquisition	08-05-05	132,000.00	Various	2009 to 2025	2.00%	120,695.48	5,823.25	114,872.23
						<u>\$ 204,947.78</u>	<u>\$ 10,691.66</u>	<u>\$ 194,256.12</u>
					Ref.	C	C-4	C



**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Balance Dec. 31, 2007		Increased by		Cash Disbursed	Decreased by Authorizations Canceled	Reserve for Encumbrances	Balance Dec. 31, 2008	
		Funded	Unfunded	2008 Authorizations	Reserve for Encumbrances				Funded	Unfunded
1361-06	Document Imaging/Scanning		\$ 23,007.34		\$ 58,341.10	\$ 7,346.11		\$ 50,994.99	\$	23,007.34
1367-06/1448-08	Renovations to Police, Court, Recreation Center/ Purchase Furniture and Equipment for New Municipal Building		54,070.80		21,453.71	10,845.96		11,048.43		53,630.12
1375-06	Various Improvements		613,508.90		21,775.75	500,051.63		38,695.72		96,537.30
1391-07	Roadway and Drainage Improvements to West Jack Street		42,334.96		113,569.88	123,099.55				32,805.29
1434-07	Various 2007 Road Improvements and Parkway Drive Sewer	\$ 24,850.00	584,250.00			367,900.00		37,900.10		571,199.90
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes			\$ 412,000.00		1,536,620.17		339,329.83		44,100.00
1433-08	Various 2008 Capital Improvements			2,707,582.00						811,632.00
		\$ 143,094.58	\$ 1,734,025.71	\$ 3,119,582.00	\$ 351,632.03	\$ 2,621,391.34	\$ 66,805.74	\$ 503,282.49	\$ 378,205.74	\$ 1,778,649.01
		C	C		C-14	C-2		C-14	C	C
	Deferred Charges to Future Taxation - Unfunded Fund Balance			\$ 2,601,582.00			\$ 26,264.50			
	Capital Improvement Fund			100,000.00			40,541.24			
	Grants Receivable			418,000.00			66,805.74			
				\$ 3,119,582.00						

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2007	C	\$ 351,632.03
Increased by:		
Charged to Improvement Authorizations	C-13	<u>503,282.49</u>
		854,914.52
Decreased by:		
Applied to Improvement Authorizations	C-13	<u>351,632.03</u>
Balance, December 31, 2008	C	<u>\$ 503,282.49</u>

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance, December 31, 2007	C	\$ 859,472.00
Increased by:		
Cash Receipts	C-2	<u>575.00</u>
Balance, December 31, 2008	C	<u>\$ 860,047.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>		
Increased by:			
2007 Budget Appropriation:			
Cash Receipts	C-2	\$ 122,000.00	
Reserve Canceled	C-17	<u>7,731.10</u>	
			\$ 129,731.10
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	C-13	100,000.00	
Fund Sales Contract Receivable	C	<u>22,000.00</u>	
			<u>122,000.00</u>
Balance, December 31, 2008	C		<u>\$ 7,731.10</u>

SCHEDULE OF RESERVE FOR PURCHASE OF VIDEO EQUIPMENT

	<u>Ref.</u>		
Balance, December 31, 2007	C		\$ 7,731.10
Decreased by:			
Canceled	C-16		<u>\$ 7,731.10</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED  
 BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Authorizations Canceled	Bond Anticipation Notes Issued	Balance Dec. 31, 2008
619	Various Improvements to Municipal Buildings, Roads, Curbs and Sidewalks and Acquisition Certain Assets	\$ 25.00	\$	25.00		
93-01	Improvements to Electrical System at Veterans Memorial Park and Resurfacing Municipal Tennis Courts	5,339.50		5,339.50		
1279-03	Construction of Garage for the Office of Emergency Management	20,900.00		20,900.00		
1351-05	2005 Road Improvement Program	475,000.00			\$ 475,000.00	
1353-05	Purchase and Installation of Lighting for Police and Library	19,000.00			19,000.00	
1367-06/1448-08	Renovations to Police, Court, Recreation Center and Purchase of Furniture and Equipment for New Municipal Building	78,160.00	\$ 428,000.00		\$	428,000.00
1375-06	Various Improvements					78,160.00
1391-07	Roadway and Drainage Improvements to West Jack Street	127.00				127.00
1434-07	Various 2007 Road Improvements and Parkview Drive Sewer	584,250.00				584,250.00
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes		412,000.00		183,750.00	228,250.00
1433-08	Various 2008 Capital Improvements		2,189,582.00		1,816,890.00	372,692.00
		<u>\$ 1,182,801.50</u>	<u>\$ 3,029,582.00</u>	<u>\$ 26,264.50</u>	<u>\$ 2,494,640.00</u>	<u>\$ 1,691,479.00</u>

Ref.

(Footnote C)

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
 SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2007	D	\$ 135,454.47	\$ 40,153.33
Increased by Receipts:			
Memberships Fees	D-3	\$ 260,961.25	
Guest Memberships Fees	D-3	39,776.00	
Concession Revenue	D-3	42,027.98	
Swimming Lessons	D-3	4,357.50	
Swim Team Revenue	D-3	2,200.00	
Interest on Investments	D-3	3,652.16	
Miscellaneous Revenue Not Anticipated	D-3	10,031.50	
Interfund - Current Fund	D-8	163.00	
Interfund - Swimming Pool Utility Capital Fund	D-7	655.18	
Interfund - General Capital Fund	D-9	<u>545.10</u>	<u>1,200.28</u>
		<u>363,824.57</u>	<u>41,353.61</u>
		499,279.04	
Decreased by Disbursements:			
2008 Appropriations	D-4	285,862.61	
Appropriation Reserves	D-11	570.27	
Accrued Interest on Bonds and Notes	D-20	9,793.47	
Interfund - Current Fund	D-8	86,072.58	
Interfund - Swimming Pool Utility Capital Fund	D-7		655.18
Improvement Authorizations	D-14	<u>382,298.93</u>	<u>22,697.21</u>
		116,980.11	18,656.40
Balance, December 31, 2008	D	<u>\$ 116,980.11</u>	<u>\$ 18,656.40</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH

		Balance <u>Dec. 31, 2008</u>
Fund Balance		\$ 1,414.43
Capital Improvement Fund		9,600.00
<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
1204-01	Improvements to the Swim and Tennis Club	5,141.97
1352-05	Renovations to Swim and Tennis Club	<u>2,500.00</u>
		<u>\$ 18,656.40</u>
	<u>Ref.</u>	D

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF INTERFUND - SWIMMING POOL UTILITY CAPITAL FUND

	<u>Ref.</u>	
Increased by:		
Interest Earned	D-3	\$ <u>655.18</u>
Decreased by:		
Cash Receipts	D-5	\$ <u>655.18</u>

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2007 - Due To	D	\$ 85,909.58
Increased by:		
Cash Receipts	D-5	<u>163.00</u>
		86,072.58
Decreased by:		
Cash Disbursed	D-5	\$ <u>86,072.58</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUND - GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2007	D	\$ 545.10
Decreased by:		
Cash Receipts	D-5	\$ <u>545.10</u>

Exhibit D-10

SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2007	D	\$ 540.28
Increased by:		
Transferred from Budget Appropriations	D-4	<u>3,874.72</u>
		4,415.00
Decreased by:		
Transfer to Appropriation Reserves	D-11	<u>540.28</u>
Balance, December 31, 2008	D	\$ <u>3,874.72</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Reserve</u> <u>For</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Other Expenses	\$ 4,641.44	\$ 540.28	\$ 5,181.72	\$ 570.27	\$ 4,611.45
	<u>\$ 4,641.44</u>	<u>\$ 540.28</u>	<u>\$ 5,181.72</u>	<u>\$ 570.27</u>	<u>\$ 4,611.45</u>
	D	D-10		D-5	D-1

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2007 and 2008	D	\$ <u>9,600.00</u>

**TOWNSHIP OF HAZLET**

COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF SWIMMING POOL UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2007	Paid by Budget Appropriation	Balance Dec. 31, 2008
			Outstanding December 31, 2008					
Swimming Pool Utility Improvement Bonds Series 2001	12-01-01	\$ 281,050.00	12-01-09	\$ 24,445.46	4.00%			
			12-01-10	25,391.26	4.10%			
			12-01-11	26,409.82	5.00%			
			12-01-12	27,719.40	5.00%			
			12-01-13	29,101.75	5.00%	\$ 156,567.34	\$ 23,499.65	\$ 133,067.69
					\$ 156,567.34	\$ 23,499.65	\$ 133,067.69	

Ref. D D-17 D

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2007		Paid or Charged	Authorizations Canceled	Balance Dec. 31, 2008	
				Funded	Unfunded			Funded	Unfunded
1142-00	Renovations to Swim and Tennis Club	09-19-00	\$ 78,750.00	\$ 385.95			\$ 385.95		
1204-01	Improvements to the Swim and Tennis Club	12-18-01	78,750.00	\$ 27,184.00	\$ 22,042.03				\$ 5,141.97
1352-05	Renovations to Swim and Tennis Club	11-01-05	50,000.00	2,500.00	47,500.00			\$ 2,500.00	47,500.00
			\$ 2,885.95	\$ 74,684.00	\$ 22,042.03		\$ 385.95	\$ 2,500.00	\$ 52,641.97
			Ref.	D	D	D-5	D-19	D	D

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF SWIMMING POOL UTILITY BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
1204-01	Improvements to the Swim and Tennis Club	08-01-08	07-31-09	2.50%	\$ 67,200.00	\$ 13,440.00	\$ 53,760.00
					<u>\$ 67,200.00</u>	<u>\$ 13,440.00</u>	<u>\$ 53,760.00</u>
				<u>Ref.</u>	D	D-16	D

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2007	Increased by Payment of Note Principal	Decreases	Balance Dec. 31, 2008
1142-00	Renovations to Swim and Tennis Club	09-19-00	\$ 14,098.18		\$ 14,098.18	
1204-01	Improvements to the Swim and Tennis Club	12-18-01	11,550.00	\$ 13,440.00		\$ 24,990.00
1352-05	Improvements to the Swim and Tennis Club	11-01-05	<u>2,500.00</u>			<u>2,500.00</u>
			<u>\$ 28,148.18</u>	<u>\$ 13,440.00</u>	<u>\$ 14,098.18</u>	<u>\$ 27,490.00</u>
		<u>Ref.</u>	D	D-15		D
Transfer to Reserve for Amortization		D-17			\$ 13,712.23	
Transfer to Capital Fund Balance		D-2			<u>385.95</u>	
					<u>\$ 14,098.18</u>	

Exhibit D-17

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2007	D	\$ 1,129,867.96
Increased by:		
2008 Budget Appropriations:		
Payment of Serial Bonds	D-13	\$ 23,499.65
Transfer from Deferred Reserve for Amortization	D-16	<u>13,712.23</u>
		<u>37,211.88</u>
Balance, December 31, 2008	D	<u>\$ 1,167,079.84</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2007	D	\$ 1,221,783.48
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	D-19	<u>78,364.05</u>
Balance, December 31, 2008	D	<u>\$ 1,300,147.53</u>
Detail:		
Municipal Swimming Pool		\$ 779,654.01
Site Improvements at Municipal Swimming Pool		136,094.58
Various Improvements at the Swim Club Facility		160,095.99
Improvement to Existing Building		50,000.00
Acquisition of a Four-Wheel Drive Truck		17,188.90
Ord. 1117-99 - Swim Club Renovations		78,750.00
Ord. 1142-00 Renovations to Swim and Tennis Club		<u>78,364.05</u>
		<u>\$ 1,300,147.53</u>

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	<u>Ordinance</u>	Balance	Decreases	Balance
		Date	Amount	Dec. 31, 2007	Dec. 31, 2008
1142-00	Renovations to Swim and Tennis Club	09-19-00	\$ 78,750.00	\$ 78,750.00	\$ 78,750.00
1204-01	Improvements to the Swim and Tennis Club	12-18-01	78,750.00	78,750.00	\$ 78,750.00
1352-05	Renovations to Swim and Tennis Club	11-01-05	50,000.00	<u>50,000.00</u>	<u>50,000.00</u>
				<u>\$ 207,500.00</u>	<u>\$ 128,750.00</u>
			<u>Ref.</u>	D	D
Transfer to Fixed Capital			D-18	\$ 78,364.05	
Canceled			D-14	<u>385.95</u>	
				<u>\$ 78,750.00</u>	

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

	<u>Ref.</u>			
Balance, December 31, 2007	D		\$	1,713.37
Increased by:				
2008 Budget Appropriations:				
Interest on Notes	D-4	\$		2,120.54
Interest on Bonds	D-4			<u>7,042.06</u>
				9,162.60
				<u>10,875.97</u>
Decreased by:				
Interest Paid	D-5			<u>9,793.47</u>
Balance, December 31, 2008	D		\$	<u><u>1,082.50</u></u>

Analysis of Accrued Interest December 31, 2008

	<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2008</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
2001 Issue						
	\$133,067.69	Various	12-01-08	12-31-08	1 Month	\$ 515.03
Bond Anticipation Note:						
	\$53,760.00	2.50%	08-01-08	12-31-08	153 Days	<u>567.47</u>
						<u><u>\$ 1,082.50</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED  
 BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007 and 2008</u>
1352-05	Renovations to Swim and Tennis Club	\$ <u>47,500.00</u>
		<u>Ref.</u> (Footnote D)

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND  
 SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2007	E		
Increased by Receipts:			
Consumer Accounts Receivable	E-6	\$ 158,397.74	
Interest on Investments	E-2/E-16	156.49	4.81
Sewer Overpayments	E-12	59.40	
Dissolution of Hazlet Twsp. Sewerage Authority		3,096,986.45	115,304.23
Payroll Deductions Payable	E-11	<u>17,709.33</u>	
		\$ 3,273,309.41	\$ 115,309.04
Decreased by Disbursements:		<u>3,273,309.41</u>	<u>115,309.04</u>
2008 Appropriations	E-3	353,109.33	
Accrued Interest on Bonds	E-14	42,001.25	
Prepaid Debt Service	E	7,171.80	
Payroll Deductions Payable	E-11	17,034.96	
Accounts Payable	E-10	<u>109,014.08</u>	
		528,331.42	
Balance, December 31, 2008	E	<u>\$ 2,744,977.99</u>	<u>\$ 115,309.04</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance <u>Dec. 31, 2008</u>
Reserve for Improvements	\$ <u>115,309.04</u>
	\$ <u><u>115,309.04</u></u>
	<u>Ref.</u> E

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Authority		\$ 467,344.46
Sewer Rents Levied		<u>31,832.56</u>
		<u>499,177.02</u>
		499,177.02
Decreased by:		
Collections	E-2/E-4	<u>158,397.74</u>
Balance, December 31, 2008	E	\$ <u><u>340,779.28</u></u>

SCHEDULE OF BAYSHORE REGIONAL SEWERAGE RENT RESERVE

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Authority		\$ 763,916.66
Interest Earnings	Reserved	<u>1,012.94</u>
		<u>764,929.60</u>
Balance, December 31, 2008	E	\$ <u><u>764,929.60</u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>Account</u>	Dissolution of Hazlet Township <u>Sewerage Auth.</u>	Balance <u>Dec. 31, 2008</u>
Land	\$ 492,976.33	\$ 492,976.33
Buildings	184,792.12	184,792.12
Pump Stations	588,748.43	588,748.43
Equipment	21,119.00	21,119.00
Furniture and Fixtures	100,142.67	100,142.67
Vehicles	57,981.25	57,981.25
Collection System	9,826,567.21	9,826,567.21
Collection - Storm Drains	<u>205,064.92</u>	<u>205,064.92</u>
	<u>\$ 11,477,391.93</u>	<u>\$ 11,477,391.93</u>

Ref.

E

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Charged to Budget Appropriations	E-3	<u>19,018.51</u>
Balance, December 31, 2008	E	\$ <u><u>19,018.51</u></u>

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Auth.		<u>134,621.50</u>
		134,621.50
Decreased by:		
Cash Disbursed	E-4	<u>109,014.08</u>
Balance, December 31, 2008	E	\$ <u><u>25,607.42</u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Authority		\$ 5,108.99
Net payroll and payroll liabilities	E-4	<u>17,709.33</u>
		<u>22,818.32</u>
Decreased by:		
Cash Disbursed	E-4	<u>17,034.96</u>
Balance, December 31, 2008	E	<u>\$ 5,783.36</u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Authority		\$ 6,361.72
Cash Receipts	E-4	<u>59.40</u>
		<u>6,421.12</u>
		6,421.12
Balance, December 31, 2008	E	<u>\$ 6,421.12</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF DEBT SERVICE RESERVE

	<u>Ref.</u>	
Balance, December 31, 2007	E	\$
Increased by:		
Dissolution of Hazlet Township Sewerage Authority		<u>215,700.00</u>
		215,700.00
Decreased by:		
Canceled	E-1	<u>33,500.00</u>
Balance, December 31, 2008	E	\$ <u>182,200.00</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>		
Balance, December 31, 2007			\$
Increased by:			
Budget Appropriations	E-3	\$ 6,956.89	
Dissolution of Hazlet Township Sewerage Authority		<u>46,797.07</u>	
			<u>53,753.96</u>
			53,753.96
Decreased by:			
Interest Paid	E-4		<u>42,001.25</u>
Balance, December 31, 2008	E		<u>\$ 11,752.71</u>

Analysis of Accrued Interest December 31, 2008

	<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2008</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 1,505,000.00	Various	12-01-08	12-31-08	30 Days	\$ 5,757.92
	317,000.00	Various	08-01-08	12-31-08	150 Days	<u>5,994.79</u>
						<u>\$ 11,752.71</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2008	Interest Rate	Transferred From Hazlet Township Sewerage Authority	Paid by Budget Appropriation	Balance Dec. 31, 2008
Hazlet Township Sewerage Authority Sewer Revenue Refunding Bonds (Series 1998)	04-01-98	\$ 4,290,000.00	\$ 350,000.00	4.50%			
	12-01-10		370,000.00	4.55%			
	12-01-11		385,000.00	4.60%			
	12-01-12		400,000.00	4.70%	\$ 1,840,000.00	\$ 335,000.00	\$ 1,505,000.00
Hazlet Township Sewerage Authority Pooled Governmental Loan Refunding Revenue Bonds	04-03-06	410,000.00	\$ 36,000.00	3.50%			
	08-01-09		34,000.00	3.50%			
	08-01-10		33,000.00	3.75%			
	08-01-11		37,000.00	5.00%			
	08-01-12		42,000.00	5.00%			
	08-01-13		41,000.00	5.00%			
	08-01-14		45,000.00	5.00%			
	08-01-15		49,000.00	5.00%	317,000.00		317,000.00
					\$ 2,157,000.00	\$ 335,000.00	\$ 1,822,000.00

Ref.

E-17

E

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR IMPROVEMENTS

	<u>Ref.</u>		
Balance, December 31, 2007	E		\$
Increased by:			
Dissolution of Hazlet Township Sewerage Authority		\$ 115,304.23	
Cash Receipts	E-4	<u>4.81</u>	
			<u>115,309.04</u>
			115,309.04
Balance, December 31, 2008	E		\$ <u><u>115,309.04</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>		
Balance, December 31, 2007	E		\$
Increased by:			
Serial Bonds Paid by Operating Budget	E-15	\$ 335,000.00	
Dissolution of Hazlet Township Sewerage Authority		<u>9,320,391.93</u>	
			<u>9,655,391.93</u>
Balance, December 31, 2008	E		\$ <u><u>9,655,391.93</u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance, December 31, 2007	F	\$ 3,000.00
Decreased by:		
Cash Disbursed	F-2	\$ <u>3,000.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND  
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>	
Balance, December 31, 2007	F	\$ 3,000.00
Decreased by:		
Cash Disbursed	F-1	\$ <u>3,000.00</u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP  
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2007</u>	<u>Additions</u>	Balance <u>Dec. 31, 2008</u>
General Fixed Assets:			
Land	\$ 14,957,000.00	\$ 367,500.00	\$ 15,324,500.00
Land Improvements	266,800.00		266,800.00
Buildings and Improvements	2,319,990.39		2,319,990.39
Machinery and Equipment	<u>5,055,519.53</u>	<u>388,740.41</u>	<u>5,444,259.94</u>
	<u>\$ 22,599,309.92</u>	<u>\$ 756,240.41</u>	<u>\$ 23,355,550.33</u>
<u>Ref.</u>	H		H

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH**  
**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2008**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Tax Rate	<u>2008</u> <u>\$4.804</u>	<u>2007</u> <u>\$4.670</u>	<u>2006</u> <u>\$4.513</u>
Apportionment of Tax Rate			
Municipal	1.076	1.034	.993
Municipal Open Space	.010	.010	
County	.649	.622	.601
Local School District	2.923	2.871	2.779
Fire District	.146	.133	.140
Assessed Valuation			
2008	\$1,068,251,449.00		
2007		\$1,067,070,090.00	
2006			\$1,065,492,409.00

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2008	\$51,584,034.03	\$51,037,833.56	98.94%
2007	49,994,315.28	49,438,275.88	98.88%
2006	48,183,424.57	47,769,304.11	99.14%

**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>Year Ended</u> <u>December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$74,836.67	\$530,191.32	\$605,027.99	1.17%
2007	68,769.20	523,179.99	591,949.19	1.18%
2006	62,870.99	408,064.04	470,935.03	.97%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of the property acquired by liquidation of tax title liens on December 31<sup>st</sup>, on the basis of the last assessed valuation of such properties in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2008	\$724,000.00
2007	724,000.00
2006	724,000.00

**COMPARISON OF SEWER UTILITY RENTS LEVIED**

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2008	\$499,177.02*	\$ - *	\$158,397.74*

\*The Township acquired the Hazlet Township Sewerage Authority (“HTSA”) effective December 1, 2008. The levy represents the amount of the receivable acquired from the HTSA and the amount levied during December by the Township. Cash collections represent amounts collected during December 2008.

**COMPARATIVE SCHEDULE OF FUND BALANCE**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>		
2008	\$3,113,155.01	\$2,000,000.00
2007	2,886,364.83	1,950,000.00
2006	1,895,738.25	1,350,000.00
2005	793,381.16	350,000.00
2004	863,688.40	900,000.00
<u>Swimming Pool Utility Fund</u>		
2008	\$ 98,711.06	\$ 57,207.97
2007	42,649.80	36,000.00
2006	6,763.24	0.00
2005	77.38	0.00
2004	77.38	0.00
<u>Sewer Utility Operation Fund</u>		
2008	\$2,775,650.40	\$ 280,759.75

**SUMMARY OF MUNICIPAL DEBT (Excluding Current and Operating Debt)(and School if Applicable)**

	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
<u>Issued and Outstanding</u>			
General:			
Bonds, Notes and Loans	\$13,472,428.43	\$11,711,180.44	\$11,746,507.58
Swim Pool Utility:			
Bonds and Notes	186,827.69	223,767.34	248,921.18
Sewer Utility:			
Bonds	<u>1,822,000.00</u>	<u>-</u>	<u>-</u>
Total Issued	<u>15,481,256.12</u>	<u>11,934,947.78</u>	<u>11,995,428.76</u>
Less:			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt			
Service	860,047.00	859,472.00	864,886.15
Debt Service Reserve	<u>182,200.00</u>	<u>-</u>	<u>-</u>
Net Debt Issued	<u>14,439,009.12</u>	<u>11,075,475.78</u>	<u>11,130,542.61</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	1,691,479.00	1,182,801.50	1,368,323.50
Swimming Pool Utility:			
Bonds and Notes	47,500.00	47,500.00	47,500.00
Sewer Utility:			
Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonds and Notes Authorized but Not Issued	<u>1,738,979.00</u>	<u>1,230,301.50</u>	<u>1,415,823.50</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$16,177,988.12</u>	<u>\$12,305,777.28</u>	<u>\$12,546,366.11</u>

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

The summarization 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 0.62%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 7,455,000.00	\$7,455,000.00	\$ -
Self-Liquidating	2,056,327.69	416,527.69	1,639,800.00
General Debt	<u>15,163,907.43</u>	<u>860,047.00</u>	<u>14,303,860.43</u>
	<u>\$24,675,235.12</u>	<u>\$8,731,574.69</u>	<u>\$15,943,660.43</u>

Net Debt \$15,943,660.43 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,569,112,131.00 equals 0.62%.

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

3-1/2% of Equalized Valuation Basis	\$89,918,924.59
Net Debt	<u>15,943,660.43</u>
Remaining Borrowing Power	<u>\$73,975,264.16</u>

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

Cash Receipts From Fees, Rents or Other	
Charges for the Year:	\$389,630.07
Deductions:	
Operating and Maintenance Costs	\$266,109.51
Debt Service	<u>46,102.25</u>
Total deductions	<u>312,211.76</u>
Excess Revenue	<u>\$ 77,418.31</u>

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

Cash Receipts From Fees, Rents or Other		
Charges for the Year:		\$158,554.23
Deductions:		
Operating and Maintenance Costs	\$105,403.81	
Debt Service	<u>341,956.89</u>	
Total deductions		<u>447,360.70</u>
Deficit		<u>\$(288,806.47)</u>
Gross Sewer System Debt	\$ 1,822,000.00	
Less: Deficit (Capitalized at 5%):		
\$288,806.47 x 20	<u>5,776,129.40</u>	
	<u>\$(3,954,129.40)</u>	
Deduction	-	
Plus: Cash held to Pay Bonds and Notes	\$ <u>182,200.00</u>	
Total Deduction	\$ <u>182,200.00</u>	

A revised annual debt statement should be filed by the Chief Financial Officer.

\*\*\*\*\*

## TOWNSHIP OF HAZLET - COUNTY OF MONMOUTH

### OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
James C. DiNardo	Mayor
Kevin M. Lavan	Deputy Mayor
Scott Aagre	Committeeman
Joseph Belasco	Committeeman
Joseph Marques	Committeeman
Michael F. Muscillo	Municipal Administrator
Catherine M. Campbell	Chief Financial Officer
Evelyn A. Strelsky	Township Clerk
Patricia McCarthy	Tax Collector, Tax Search Officer
Catherine Jannarone	Municipal Court Judge
Barbara Cunningham	Court Administrator
Elizabeth Cusamano	Tax Assessor
Daniel J. McCarthy	Attorney
Marilyn Colas	Sewer Utility Collector (12/1/08 - 12/31/08)

All employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Joint Insurance Fund.

There is a blanket bond for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for public employees. This bond is subject to deductibles based upon other required coverage.

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH**  
**PART II**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

## GENERAL COMMENTS

### Contracts and Agreements Required To Be Advertised for 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 bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel’s opinion should be sought before a commitment is made.

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

Remount Ambulance	Rehabilitation of the Hazlet Swim and Tennis Club’s Tennis Courts
Support of Computer Equipment	Cleaning Services
Solar Powered Driver Feedback Signs	Dredging of Veteran’s Memorial Park Pond
Advertise for Fencing for the Hazlet Swim and Tennis Club and the Hazlet Skate Park and Roller Rink	Skateboard Park
Backhoe Loader	Rehabilitation of the Veteran’s Memorial Park Tennis Courts
2008 Road Improvement Program	Salt Spreader

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

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold “for the provision or performance 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 provision of N.J.S. 40A:11-6.

## GENERAL COMMENTS (continued)

### 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

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

The Governing Body, on February 4, 1997, adopted the following ordinance authorizing interest to be charged on delinquent taxes and assessments:

A. 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 and if a delinquency is in excess of \$10,000.00 tax and interest and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be charged.

B. No interest shall be charged if payment of any current tax installment is made within the tenth calendar day following the date upon which the tax installment became due, before 1:00 PM.

C. Any payment not made in accordance with Subsection B of this section will be charged interest from the tax due date.

D. That with respect of a tax sale certificate, when the taxes, interest and cost shall be between \$200 to \$4,999, an additional sum equal to 2% of such amount to be paid shall be added to the amount to be paid; when the taxes, interest and costs shall be between \$5,000 to \$9,999, and additional sum equal to 4% of such amount to be paid shall be added to the amount to be paid; and when the taxes, interest and costs are \$10,000 or higher, and additional sum equal to 6% of such amount to be paid shall be added to the amount to be paid and, when on the close of the year, on delinquencies over \$10,000, tax and interest included, an additional sum equal to 6% of such amount to be paid shall be added to the amount to be paid. These charges shall also apply to all existing certificates held by the Township and as of January 1, 1996, also apply to certificates held by outside lienholders.

GENERAL COMMENTS (continued)

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

It appears from an examination of the Tax Collector's records, that interest was collected in accordance with the foregoing ordinance and statutes.

Delinquent Taxes, Tax Title Liens and Delinquent Sewer Rents

The detail of all unpaid taxes for 2008 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2008, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

The last tax sale was held on December 4, 2008 and it was complete.

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

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2008	10
2007	10
2006	10

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis. Certain liens have been in existence for greater than two years.

The detail of all unpaid sewer rents for 2008 and prior years is being properly carried in the Utility Collector's records. An abstract taken from these records as of December 31, 2008, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Verification of Delinquent Taxes and Other Charges

Verification of delinquent charges and current payments was done for the period under audit in accordance with the regulations of the Division of Local Government Services, on December 31, 2008 and consisted of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>	<u>Number Returned</u>
Dates of Payments of Taxes	25	10
Delinquent Taxes	28	7
Dates of Payments of Sewer Utility Charges	25	5
Delinquent Sewer Utility Charges	12	1

Through examination of those notices that were returned, and by alternative procedures for notices unreturned, no irregularities were noted.

## OTHER COMMENTS

### Cash and Cash Equivalents Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2008.

Cash counts were made at various dates in all departments of the Township and bank balances were independently reconciled to the book records or to such schedules of receipts and disbursements provided for audit.

The change funds and petty cash funds were counted.

### Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

### General Fixed Asset Account Group

**Criteria:** The proper maintenance of Fixed Assets records is necessary to maintain control over the Fixed Assets of the Township, and is required by Local Government Services Technical Directive 85-2.

**Condition:** The Township has not properly updated its Fixed Asset Accounting System.

**Effect:** Failure to properly update Fixed Assets compromises the ability to assure asset maintenance and could lead to inaccurate financial reporting.

**Recommendation:** That a physical inventory be taken and the Fixed Assets Maintenance System be updated to agree with those results.

**Response:** The Township must bring its Fixed Assets records in line with its adjusted appraisal report and then update for any new assets.

### Financial Administration

**Comment:** Interfunds receivable and payable are reflected on the various balance sheets of the funds at December 31, 2008.

**Recommendation:** That all interfunds be liquidated prior to year end.

**Comment:** The interfund in the Trust - Other Fund between the Developer's Escrow account has not been liquidated in a number of years.

**Recommendation:** That the Developer's Escrow interfund with the Current Fund be analyzed and the interfund be liquidated from the appropriate accounts.

**OTHER COMMENTS (continued)**

**Financial Administration (continued)**

**Comment:** Tax activity is not being properly reconciled between the finance department and tax department.

**Recommendation:** That tax activity be properly reconciled between the finance department and tax department.

**Comment:** The General Capital Fund analysis of cash reflects a negative cash balance in ordinances 1448-08, 1434-07 and 1432-08 of \$374,369.88, \$13,050.10 and \$184,150.00, respectively.

**Recommendation:** That adequate cash funding be in place prior to commitments being placed against an ordinance.

**Comment:** The budget status report is not in agreement with the Federal and State Grant Fund schedule of appropriated reserves.

**Recommendation:** That the budget status report be adjusted to agree to the Federal and State Grant Fund schedule of appropriated reserves.

**Comment:** Accounts payable is not being reviewed for inactive purchase orders.

**Recommendation:** That accounts payable be reviewed for inactive purchase orders.

**Comment:** Budget reimbursements are being made that are not allowable under Local Finance Notice 96-14 issued by the Division of Local Government Services.

**Recommendation:** That budget reimbursements be made only for items allowable by Local Finance Notice 96-14.

## **OTHER COMMENTS (continued)**

### **Expenditures**

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

### **Payroll**

An examination was made of the employees' compensation records for 2008 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked.

### **Miscellaneous Comments**

The confirmations sent to the Local School Board of Education verified the correct school taxes payable at December 31, 2008.

### **Appreciation**

I desire to express my appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit.

## **RECOMMENDATIONS**

It is recommended:

- 08-1. That a physical inventory be taken and the Fixed Assets Maintenance System be updated to agree with those results.
- 08-2. That all interfunds be liquidated prior to year end.
- 08-3. That the Developer's Escrow interfund with the Current Fund be analyzed and the interfund be liquidated from the appropriate accounts.
- 08-4. That tax activity be properly reconciled between the finance department and tax department.
- 08-5. That adequate cash funding be in place prior to commitments being placed against an ordinance.
- 08-6. That the budget status report be adjusted to agree to the Federal and State Grant Fund schedule of appropriated reserves.
- 08-7. That accounts payable be reviewed for inactive purchase orders.
- 08-8. That budget reimbursements be made only for items allowable by Local Finance Notice 96-14.

**RECOMMENDATIONS (continued)**

Of the above recommendations, number 08-1, 08-2, 08-3 and 08-4 are similar to those reported in the 2007 audit.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. Fallon', written over a horizontal line.

Thomas P. Fallon  
Registered Municipal Accountant # 465

For the Firm  
FALLON & LARSEN LLP