

**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**REPORT OF AUDIT**

**DECEMBER 31, 2008**

**WILLIAM E. ANTONIDES AND COMPANY**  
**Certified Public Accountants**

**506 Hooper Avenue, Suite B**  
**Toms River, NJ 08753**

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

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**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**PART I**

**AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS**

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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Barnegat Light (the "Borough"), as of December 31, 2008 and 2007, 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 of the various funds for the year ended December 31, 2008. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The Length of Service Awards Program Fund ("LOSAP") of the Borough of Barnegat Light has not been audited, and we were not required by the Division to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. However, the LOSAP financial activities are included in the Borough's Trust Funds, and represent 68% and 66% of the assets and liabilities as of December 31, 2008 and 2007, respectively, of the Borough's Trust Funds.

As described more fully in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than 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 Borough's statutory requirement to prepare its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2008 and 2007, or changes in financial position for the years then ended.

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Borough, as of December 31, 2008 and 2007 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statements of revenues - regulatory and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2008 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2009, on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*William E. Antonides and Company*  
Independent Auditors

**William E. Antonides, C.P.A.**  
**Registered Municipal Accountant**  
**R.M.A. Number 14**

July 31, 2009

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

Exhibit A

**REGULATORY BASIS**

Sheet 1 of 2

**DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 1,851,668.85	\$ 1,644,113.19
Petty Cash	A-4	200.00	
Change Fund		400.00	400.00
		<u>1,852,268.85</u>	<u>1,644,513.19</u>
Receivables with Full Reserves:			
Property Taxes	A-5	75,143.49	84,819.75
Property Acquired for Taxes at Assessed Valuation		38,250.00	38,250.00
Revenue Accounts Receivable	A-10	1,888.75	444.50
Prepaid Local District School Tax	A-12		6,981.00
Interfunds:			
Trust - Other Fund	A-17		79.00
General Capital Fund	A-17	46,040.82	
Water-Sewer Utility Operating Fund	A-17		77,305.82
Water-Sewer Utility Capital Fund	A-17	30,000.00	196,000.00
Payroll Fund	A-17	5,500.35	4,632.56
Federal and State Grant Fund	A-18		35,981.00
		<u>196,823.41</u>	<u>444,493.63</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-6		21,400.00
		<u>2,049,092.26</u>	<u>2,110,406.82</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	25,663.55	52,817.50
Grants Receivable	A-19	6,041.00	3,020.00
Interfund - General Capital Fund	A-20	2,000.00	
		<u>33,704.55</u>	<u>55,837.50</u>
		<u>\$ 2,082,796.81</u>	<u>\$ 2,166,244.32</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

Exhibit A

**REGULATORY BASIS**

Sheet 2 of 2

**DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Current Fund:			
Appropriation Reserves	A-3,14	\$ 152,127.14	\$ 61,838.13
Due County - Construction Inspection Fees	A-4	4,544.10	601.20
Deferred Revenue:			
Garden State Trust Fund	A-4	2,377.36	2,951.31
Reserve for Beach Chair Donations	A-4	1,112.00	667.00
Boat Slips	A-4	62,900.00	
Due to Fire Company	A-4	1,400.00	
Due to First Aid Squad	A-4	1,019.70	
Due to State of New Jersey	A-7	2,894.53	1,520.53
Tax Overpayments	A-8	446.23	7,206.73
Prepaid Taxes	A-9	106,017.13	47,283.10
Due County - Added and Omitted Taxes	A-11	13,031.50	18,632.98
Local District School Tax Payable	A-12	120,792.97	
Regional High School Tax Payable	A-13	633,542.18	642,170.66
Reserve for:			
Contribution to P.E.R.S.		5,000.00	5,000.00
Encumbrances	A-15	4,845.20	7,655.30
Revaluation	A-16	3,535.00	3,535.00
Tax Appeals Pending		21,151.30	
Interfunds:			
Trust - Other Fund	A-17	200.00	
General Capital Fund	A-17		325,107.94
		<u>1,136,936.34</u>	<u>1,124,169.88</u>
Reserve for Receivables		196,823.41	444,493.63
Fund Balance	A-1	<u>715,332.51</u>	<u>541,743.31</u>
		<u>2,049,092.26</u>	<u>2,110,406.82</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-15	39.99	944.00
Interfund - Current Fund	A-18		35,981.00
Appropriated Reserves	A-20	33,452.78	11,992.37
Unappropriated Reserves	A-21	211.78	6,920.13
		<u>33,704.55</u>	<u>55,837.50</u>
		<u>\$ 2,082,796.81</u>	<u>\$ 2,166,244.32</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE** Sheet 1 of 2

**REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 316,150.00	\$ 200,000.00
Miscellaneous Revenue Anticipated	A-2	1,030,025.64	1,161,808.20
Receipts from Delinquent Taxes	A-2	84,819.75	53,566.51
Receipts from Current Taxes	A-2	7,917,600.00	7,657,885.29
Non-Budget Revenues	A-2	61,142.63	36,212.11
Other Credits to Income:			
Appropriations Cancelled	A-3	1,552.72	1,535.17
Unexpended Balance of Appropriation Reserves	A-14	46,081.00	86,468.62
Reserve for Prepaid Local District School Tax		6,981.00	
Total Income		<u>9,464,352.74</u>	<u>9,197,475.90</u>
<b><u>Expenditures</u></b>			
Budget Appropriations:			
Salaries and Wages		579,794.57	532,951.87
Other Expenses		1,432,484.95	1,323,995.32
Capital Improvements		60,000.00	53,300.00
Municipal Debt Service		404,195.80	279,045.80
Deferred Charges and Statutory Expenditures		67,968.59	64,520.98
	A-3	<u>2,544,443.91</u>	<u>2,253,813.97</u>
Refund of Prior Year Revenue			1,613.85
County Taxes	A-11	3,668,022.96	3,368,023.07
Added Taxes Due County	A-11	13,031.50	18,632.98
Local District School Taxes	A-12	466,185.95	421,275.97
Regional High School Taxes	A-13	2,236,099.61	2,474,833.89
Cancelled Federal and State Grant Receivables			
Interfund Advances		46,829.61	309,112.92
Reserve for Prepaid Local District School Tax			6,981.00
Total Expenditures		<u>8,974,613.54</u>	<u>8,854,287.65</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE** Sheet 2 of 2

**REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Statutory Excess to Fund Balance		<u>489,739.20</u>	<u>343,188.25</u>
Fund Balance January 1	A	<u>541,743.31</u>	<u>398,555.06</u>
		<u>1,031,482.51</u>	<u>741,743.31</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1	<u>316,150.00</u>	<u>200,000.00</u>
Fund Balance December 31	A	<u>\$ 715,332.51</u>	<u>\$ 541,743.31</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 3

	<b>Ref.</b>	<b>Budget</b>	<b>Anticipated Special N.J.S. 40A:4-87</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
	<u>A-1</u>	<u>\$ 316,150.00</u>	<u>\$</u>	<u>\$ 316,150.00</u>	
Fund Balance Anticipated					
<b><u>Miscellaneous Revenues</u></b>					
Licenses:					
Alcoholic Beverages	A-10	5,500.00		5,500.00	28,860.20
Fees and Permits	A-10	79,000.00		107,860.20	(1,308.99)
Fines and Costs - Municipal Court	A-10	7,500.00		6,191.01	3,998.70
Interest and Costs on Taxes	A-10	15,000.00		18,998.70	4,734.46
Interest on Investments and Deposits	A-10	45,000.00		49,734.46	51,781.00
Beach Badge Fees	A-10	170,000.00		221,781.00	
Energy Receipts Tax	A-10	95,561.00		95,561.00	
Supplemental Energy Receipts Tax	A-10	3,776.00		3,776.00	
Garden State Trust Fund	A-10	2,951.00		2,951.31	.31
Uniform Construction Code Fees	A-10	36,000.00		39,112.30	3,112.30
Post Office Rental	A-10	13,800.00		13,800.00	
Water Tower Rental	A-10	95,000.00		108,011.71	13,011.71
Reserve for Payment of Notes	A-10	50,500.00		50,500.00	
Interfund Liquidation - Federal and State Grant Fund	A-10	35,981.00		35,981.00	
Interfund Liquidation - Water-Sewer Utility Operating Fund	A-10	77,305.82		77,305.82	
Interfund Liquidation - Water-Sewer Utility Capital Fund	A-10	332,000.00		166,000.00	(166,000.00)
Alcohol Education and Rehabilitation Fund	A-18	56.38		56.38	
Clean Communities (C. 87, P.L. 1986)	A-18	4,000.00		4,000.00	
Comcast Grant	A-18	5,900.00		5,900.00	
EMPG Exercise Improvement Grant	A-18		10,000.00	10,000.00	
Joint Insurance Fund Incentive Awards	A-18	200.00		200.00	
Recycling Tonnage Grant	A-18	763.75		763.75	
Stormwater Regulation Program	A-18	6,041.00		6,041.00	
	A-1	<u>1,081,835.95</u>	<u>10,000.00</u>	<u>1,030,025.64</u>	<u>(61,810.31)</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 2 of 3

	Ref.	Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	<u>A-1,5</u>	\$ 46,000.00	\$	\$ 84,819.75	\$ 38,819.75
Amount to be Raised by Taxation for Support of Municipal Budget	A-2	1,445,083.33		1,718,385.35	273,302.02
Budget Totals		<u>2,889,069.28</u>	<u>10,000.00</u>	<u>3,149,380.74</u>	<u>250,311.46</u>
Non-Budget Revenues	A-1,2			61,142.63	61,142.63
		\$ 2,889,069.28	\$ 10,000.00	\$ 3,210,523.37	\$ 311,454.09

**Analysis of Realized Revenue**

Current Tax Collections	A-5	\$ 7,938,751.30
Less: Tax Appeals Pending	A	21,151.30
Current Tax Collections (Net)	A-1	<u>7,917,600.00</u>
Appropriation "Reserve for Uncollected Taxes"	A-3	354,625.37
		<u>8,272,225.37</u>
Less: Allocated to School and County Taxes	A-5	<u>6,553,840.02</u>
	A-2	\$ 1,718,385.35

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 3 of 3

	<u>Ref.</u>	<u>Amount</u>
<b><u>Analysis of Non-Budget Revenue</u></b>		
Bid Specs		\$ 375.00
Cable TV Fees		10,663.29
Returned Check Fees		60.00
Copies/Fax Receipts		414.45
Land Use Ordinance Books		38.00
Property Owners List		80.00
Recycling		5,787.72
Street Opening Permits		3,450.00
Vendor Permits		1,800.00
Vital Statistics		680.00
Yard Sales		110.00
Planning and Zoning Fees		2,658.00
Administrative Fees - Senior Citizen and Veteran's Deductions		445.00
Tax Bill Fee		170.00
Reimbursements and Refunds		5,014.25
Public Access Records Money		201.73
Postage from Fire Company		818.58
Town Wide Garage Sale		147.00
Skate Park Badges		597.00
DCA Training Fees		77.00
Resale C/O's		1,800.00
Court Overpayments		18.00
Mailing Labels		37.25
DMV Inspection Fees		50.00
Borough Flag		60.00
Health Insurance Reimbursement		15,990.75
Ocean County JIF Dividend		3,484.00
Miscellaneous Other		6,115.61
	A-2,4	\$ <u>61,142.63</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

Sheet 1 of 6

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b><u>OPERATIONS WITHIN CAPS</u></b>						
<b><u>Administrative and Executive</u></b>						
Mayor and Council	\$ 15,800.00	\$ 15,800.00	\$ 15,466.66	\$	\$ 333.34	\$
Salaries and Wages	1,200.00	1,200.00	957.14	5.62	237.24	
Other Expenses						
Municipal Clerk						
Salaries and Wages	68,432.55	68,432.55	68,432.55	569.57	1,524.44	
Other Expenses	12,600.00	12,600.00	10,505.99			
Advertising						
Other Expenses	1,500.00	1,500.00	1,498.66		1.34	
Financial Administration						
Salaries and Wages	40,239.75	40,239.75	40,239.75		614.93	
Other Expenses	3,500.00	3,500.00	2,829.82	55.25		
Audit Services						
Other Expenses	18,000.00	18,000.00	15,688.69		2,311.31	
Tax Collection						
Salaries and Wages	30,289.25	30,289.25	30,289.25		447.59	
Other Expenses	3,600.00	3,600.00	3,135.19	17.22		
Tax Assessment						
Salaries and Wages	14,275.00	14,275.00	14,275.00		640.72	
Other Expenses	6,700.00	6,700.00	6,034.10	25.18		
Legal Services						
Other Expenses	16,000.00	19,000.00	17,564.08	3.15	1,432.77	
Engineering Services						
Other Expenses	13,500.00	19,200.00	18,194.89		1,005.11	
Contribution to Chamber of Commerce						
Other Expenses	100.00	100.00	100.00			
<b><u>Land Use Administration</u></b>						
Planning Board						
Salaries and Wages	3,000.00	3,000.00	3,000.00			
Other Expenses	5,000.00	5,000.00	4,043.41	11.60	944.99	

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

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 6

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Zoning Board of Adjustment	\$ 10,336.50	\$ 10,336.50	\$ 10,336.50	\$	\$	\$
Salaries and Wages	3,400.00	3,400.00	3,030.66	8.02	361.32	
Other Expenses						
Insurance						
Liability Insurance	19,900.00	18,100.00	14,764.61		3,335.39	
Workers Compensation Insurance	20,000.00	18,200.00	15,930.54		2,269.46	
Employee Group Insurance	108,792.00	108,792.00	107,420.01	1,000.00	371.99	
<b>Public Safety Functions</b>						
Emergency Management Services						
Salaries and Wages	3,000.00	3,000.00	3,000.00			
Other Expenses	3,700.00	3,700.00	3,203.28	21.84	474.88	
Aid to Volunteer Fire Company	33,450.00	33,450.00	33,450.00			
Aid to Volunteer Ambulance Company	19,377.00	19,377.00	19,377.00			
Fire						
Other Expenses	377.00	377.00	377.00			
Municipal Court						
Salaries and Wages	12,696.00	12,696.00	12,656.00		40.00	
Other Expenses	6,400.00	6,400.00	3,247.21	87.77	3,065.02	
Public Defender (P.L. 1997,C256)						
Other Expenses	600.00	600.00			600.00	
Municipal Prosecutor						
Other Expenses	4,200.00	4,800.00	4,400.00		400.00	
<b>Public Works Functions</b>						
Streets and Road Maintenance						
Salaries and Wages	93,916.22	95,416.22	95,176.66		239.56	
Other Expenses	10,800.00	10,800.00	8,106.77	132.76	2,560.47	
Garbage and Trash Removal						
Other Expenses						
Sanitary Landfill Fees	98,800.00	93,100.00	76,167.85	1,536.00	15,396.15	
Garbage & Recycling Collection	197,000.00	197,000.00	163,698.18		33,301.82	
Recycling (C. 74, P.L. 1987)						
Salaries and Wages	2,000.00	2,000.00	1,846.12		153.88	
Other Expenses	1,000.00	1,000.00	911.45	17.43	71.12	

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 6

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Public Buildings and Grounds						
Salaries and Wages	\$ 21,545.77	\$ 24,545.77	\$ 22,989.51	\$ 106.80	\$ 1,556.26	\$
Other Expenses	16,000.00	16,000.00	13,375.84		2,517.36	
<b><u>Health and Human Services</u></b>						
Board of Health						
Other Expenses	200.00	200.00			200.00	
Animal Control Services						
Other Expenses	5,000.00	5,000.00	3,139.00		1,861.00	
Aid to Health Care Facilities (N.J.S.A. 44:55-2)						
Other Expenses	1,000.00	1,000.00	1,000.00			
Mental Health Program	100.00	100.00	100.00			
<b><u>Park and Recreation Functions</u></b>						
Contribution to Senior Citizen Center (R.S. 40:48-94)						
Other Expenses	1,500.00	1,500.00	1,500.00			
Parks and Playgrounds						
Salaries and Wages	13,000.00	13,000.00	11,399.07		1,600.93	
Other Expenses	2,750.00	2,750.00	2,740.11		9.89	
Lifeguards						
Salaries and Wages	150,000.00	149,800.00	144,813.44		4,986.56	
Other Expenses	11,000.00	11,000.00	10,234.12	320.30	445.58	
Beachfront Maintenance						
Salaries and Wages	72,791.53	68,291.53	64,314.52		3,977.01	
Other Expenses	17,500.00	17,500.00	10,852.75	40.62	6,606.63	
Public Docks						
Salaries and Wages	10,500.00	10,500.00	10,488.50		11.50	
Other Expenses	2,000.00	2,000.00	1,510.13		489.87	
Celebration of Public Events, Anniversaries and Holidays						
<b><u>Uniform Construction Code - Appropriations Offset</u></b>						
<b><u>by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u></b>						
Construction Code Official						
Salaries and Wages	18,172.00	18,172.00	8,878.50		9,293.50	
Other Expenses	6,000.00	6,000.00	3,033.02	471.02	2,495.96	

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

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 6

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Utility Expenses						
Electricity	\$ 41,761.15	\$ 41,761.15	\$ 37,674.68	\$	\$ 4,086.47	\$
Street Lighting	19,000.00	19,000.00	17,934.23		1,065.77	
Telephone	10,000.00	10,800.00	10,728.87	14.99	56.14	
Natural Gas	9,000.00	8,200.00	6,478.32	400.06	1,321.62	
Gasoline	14,761.14	14,761.14	10,102.90		4,658.24	
Total Operations within Caps	<u>1,355,062.86</u>	<u>1,354,862.86</u>	<u>1,229,655.21</u>	<u>4,845.20</u>	<u>120,362.45</u>	
Detail:						
Salaries and Wages	579,994.57	579,794.57	557,602.03		22,192.54	
Other Expenses	<u>775,068.29</u>	<u>775,068.29</u>	<u>672,053.18</u>	<u>4,845.20</u>	<u>98,169.91</u>	
<b>STATUTORY EXPENDITURES WITHIN CAPS</b>						
Contribution to:						
Unemployment Insurance	2,000.00	2,200.00	2,043.32		156.68	
Social Security System (O.A.S.I.)	44,368.59	44,368.59	42,678.10		1,690.49	
Total Statutory Expenditures within Caps	<u>46,368.59</u>	<u>46,568.59</u>	<u>44,721.42</u>		<u>1,847.17</u>	
Total Appropriations within Caps	<u>1,401,431.45</u>	<u>1,401,431.45</u>	<u>1,274,376.63</u>	<u>4,845.20</u>	<u>122,209.62</u>	

**OPERATIONS EXCLUDED FROM CAPS**

Contribution to:					
Public Employees Retirement System	34,476.00	34,476.00	17,338.00		17,138.00
Length of Service Award Program:					
Fire Company	19,116.00	19,116.00	19,116.00		
First Aid Squad	7,222.00	7,222.00	7,222.00		
Interlocal Municipal Service Agreements:					
Construction Code Services	36,400.00	36,400.00	24,380.48		12,019.52
Legal Services & Costs (Lobbyist)	5,400.00	5,400.00	5,400.00		
Public Safety Functions					
Police					
Other Expenses	489,801.53	489,801.53	489,801.53		
Health and Human Services					
Board of Health					
Other Expenses (Ch. 329, P.L. 1975)	37,540.00	37,540.00	37,280.00		260.00

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 6

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Interlocal Municipal Service Agreements: Environmental Commission Other Expenses	\$ 500.00	\$ 500.00	\$	\$	\$ 500.00	\$
<b><u>Public and Private Programs Offset by Revenues</u></b>						
Clean Communities (C. 87, P.L. 1986)	4,000.00	4,000.00	4,000.00			
Recycling Tonnage Grant	763.75	763.75	763.75			
Alcohol Education and Rehabilitation Fund	56.38	56.38	56.38			
NJ DEP Stormwater Regulation Program	6,041.00	6,041.00	6,041.00			
Joint Insurance Fund Incentive Awards	200.00	200.00	200.00			
Comcast Grant	5,900.00	5,900.00	5,900.00			
EMPG Exercise Improvement Grant EOC Radio Room		10,000.00	10,000.00			
Total Operations excluded from Caps	<u>647,416.66</u>	<u>657,416.66</u>	<u>627,499.14</u>		<u>29,917.52</u>	
Detail:						
Other Expenses	647,416.66	657,416.66	627,499.14		29,917.52	
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Reconstruction of EOC Radio Room	2,000.00	2,000.00	2,000.00			
Overlay W. 16th Street - Bayview to Bay	10,000.00	10,000.00	10,000.00			
Walk Over Mats Including Hdwe. to Beaches	15,000.00	15,000.00	15,000.00			
Surface Ground Cover Including Retainer at Playground	8,000.00	8,000.00	8,000.00			
Total Capital Improvements excluded from Caps	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>			
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>						
Payment of Bond Anticipation Notes and Capital Notes	313,650.00	313,650.00	313,650.00			1,552.71
Interest on Notes	75,000.00	75,000.00	73,447.29			
Green Trust Loan Program:						
Loan Repayment for Principal and Interest	15,545.80	15,545.80	15,545.79			.01
Total Municipal Debt Service excluded from Caps	<u>404,195.80</u>	<u>404,195.80</u>	<u>402,643.08</u>			<u>1,552.72</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 6 of 6

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Cancelled</u>
<u>Ref.</u>					
	\$ 21,400.00	\$ 21,400.00	\$ 21,400.00	\$	\$
	<u>1,133,012.46</u>	<u>1,143,012.46</u>	<u>1,111,542.22</u>		<u>1,552.72</u>
	2,534,443.91	2,544,443.91	2,385,918.85	4,845.20	1,552.72
	<u>354,625.37</u>	<u>354,625.37</u>	<u>354,625.37</u>		
	<u>\$ 2,889,069.28</u>	<u>\$ 2,899,069.28</u>	<u>\$ 2,740,544.22</u>	<u>\$ 4,845.20</u>	<u>\$ 1,552.72</u>
		A-3	A-3	A-15	A-1
Budget					
Appropriated by 40A:4-87		\$ 2,889,069.28			
		<u>10,000.00</u>			
		<u>\$ 2,899,069.28</u>			
Reserve for Uncollected Taxes			\$ 354,625.37		
Disbursements			<u>2,337,557.72</u>		
Deferred Charges Special Emergency Authorizations					
N.J.S.A. 40A:4-55			21,400.00		
Interfund - Grant Fund			<u>26,961.13</u>		
			<u>\$ 2,740,544.22</u>		

**DEFERRED CHARGES EXCLUDED FROM CAPS**

Special Emergency Authorizations -  
5 Years (N.J.S.A. 40A:4-55)  
Total General Appropriations excluded from Caps

Subtotal General Appropriations  
Reserve for Uncollected Taxes

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - TRUST FUND**

**Exhibit B**

**REGULATORY BASIS**

**DECEMBER 31, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-1	\$ <u>602.21</u>	\$ <u>568.41</u>
Trust - Other Fund:			
Cash and Cash Equivalents	B-1	80,930.58	98,209.69
Interfund - Current Fund	B-4	<u>200.00</u>	<u>                    </u>
		<u>81,130.58</u>	<u>98,209.69</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
LOSAP Investments Held by Trustee	B-7	<u>177,127.70</u>	<u>191,224.06</u>
		\$ <u>258,860.49</u>	\$ <u>290,002.16</u>
<b><u>Liabilities and Reserves</u></b>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-2	\$ 599.81	\$ 547.41
Due State of New Jersey	B-3	<u>2.40</u>	<u>21.00</u>
		<u>602.21</u>	<u>568.41</u>
Trust - Other Fund:			
Interfund - Current Fund	B-4		79.00
Reserve for Encumbrances	B-5	564.00	1,128.00
Miscellaneous Reserves	B-6	<u>80,566.58</u>	<u>97,002.69</u>
		<u>81,130.58</u>	<u>98,209.69</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Net Assets Available for LOSAP Program Benefits	B-7	<u>177,127.70</u>	<u>191,224.06</u>
		\$ <u>258,860.49</u>	\$ <u>290,002.16</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL CAPITAL FUND**

Exhibit C

**REGULATORY BASIS**

**DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 211,847.36	\$ 243,005.46
Deferred Charges to Future Taxation:			
Funded	C-4	87,484.58	101,076.47
Unfunded	C-5	2,305,665.31	2,317,215.31
Grants Receivable	C-6	152,765.31	52,765.31
Interfund - Current Fund	C-7		325,107.94
		<u>\$ 2,757,762.56</u>	<u>\$ 3,039,170.49</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Improvement Authorizations:			
Funded	C-8	7,990.93	51,564.11
Unfunded	C-8	310,236.97	538,061.11
Green Trust Loan Payable	C-9	87,484.58	101,076.47
Bond Anticipation Notes Payable	C-11	1,813,200.00	1,943,050.00
Capital Improvement Fund	C-12	35,525.92	26,425.92
Reserve for:			
Funds Held to Pay Bond Anticipation Notes	C-13	66,150.00	116,650.00
Encumbrances	C-14	49,368.49	41,191.32
Grants Receivable	C-15	152,765.31	52,765.31
Miscellaneous Reserves	C-16	67,621.47	49,212.20
Interfunds:			
Grant Fund	C-2	2,000.00	
Current Fund	C-7	46,040.82	
Fund Balance	C-1	<u>119,378.07</u>	<u>119,174.05</u>
		<u>\$ 2,757,762.56</u>	<u>\$ 3,039,170.49</u>

There were bonds and notes authorized but not issued on December 31, 2008 of \$492,465.31 (Schedule C-17).

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

**Exhibit C-1**

Balance December 31, 2007	<u>Ref.</u> C	\$ 119,174.05
Increased by:		
Premium on Bond Anticipation Notes	C-2	<u>204.02</u>
Balance December 31, 2008	C	\$ <u><u>119,378.07</u></u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - WATER-SEWER UTILITY FUND**

**Exhibit D**

**REGULATORY BASIS**

**Sheet 1 of 2**

**DECEMBER 31, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 310,309.41	\$ 260,546.58
Petty Cash	D-5	100.00	
Change Fund		50.00	50.00
		<u>310,459.41</u>	<u>260,596.58</u>
Receivables with Full Reserves:			
Water Rents Receivable	D-7	5,182.00	5,367.96
Sewer Rents Receivable	D-8	8,247.64	8,603.22
		<u>13,429.64</u>	<u>13,971.18</u>
Total Operating Fund		<u>323,889.05</u>	<u>274,567.76</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	12,048.26	167,065.75
Fixed Capital	D-15	4,555,459.99	4,538,596.95
Fixed Capital Authorized and Uncompleted	D-16	248,500.00	80,000.00
Total Capital Fund		<u>4,816,008.25</u>	<u>4,785,662.70</u>
		<u>\$ 5,139,897.30</u>	<u>\$ 5,060,230.46</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - WATER-SEWER UTILITY FUND**

**Exhibit D**

**REGULATORY BASIS**

**Sheet 2 of 2**

**DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 70,932.21	\$ 55,591.18
Water Overpayments	D-11	136.58	287.03
Sewer Overpayments	D-11	149.51	173.64
Prepaid Water Rents	D-11	663.34	540.87
Prepaid Sewer Rents	D-11	895.32	789.04
Reserve for Contribution to P.E.R.S.	D-12	2,000.00	2,000.00
Accrued Interest on Bonds and Notes	D-13	3,714.87	10,399.39
Reserve for Encumbrances	D-10,14	2,307.63	3,624.84
Interfund - Current Fund	D-9		77,305.82
		<u>80,799.46</u>	<u>150,711.81</u>
Reserve for Receivables	D	13,429.64	13,971.18
Fund Balance	D-1	229,659.95	109,884.77
Total Operating Fund		<u>323,889.05</u>	<u>274,567.76</u>
Capital Fund:			
Interfunds - Current Fund	D-17	30,000.00	196,000.00
Improvement Authorizations:			
Funded	D-18	31,500.00	24,484.65
Unfunded	D-18	189,046.36	12,472.16
Capital Improvement Fund	D-19	11,546.74	12,565.58
Bond Anticipation Notes Payable	D-20	230,600.00	340,350.00
Reserve for:			
Encumbrances	D-14		744.00
Amortization	D-21	4,273,659.99	4,152,446.95
Deferred Reserve for Amortization	D-22	48,700.00	45,800.00
Retirement of Debt	D-23	155.80	
Fund Balance	D-2	799.36	799.36
Total Capital Fund		<u>4,816,008.25</u>	<u>4,785,662.70</u>
		<u>\$ 5,139,897.30</u>	<u>\$ 5,060,230.46</u>

There were bonds and notes authorized but not issued on December 31, 2008 of \$251,000.00 (Schedule D-24).

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Revenue and Other Income</u></b>			
Water-Sewer Rents	D-3	\$ 1,074,643.21	\$ 1,045,002.61
Miscellaneous	D-3	14,437.83	25,743.49
Other Credits to Income:			
Appropriations Cancelled	D-4	20,355.03	12,149.54
Unexpended Balance of Appropriation Reserves	D-10	48,867.11	307.12
		<u>1,158,303.18</u>	<u>1,083,202.76</u>
<b><u>Expenditures</u></b>			
Operating		844,746.00	848,459.51
Capital Improvements		7,500.00	11,000.00
Debt Service		136,250.00	135,250.00
Deferred Charges		6,000.00	7,897.49
Statutory Expenditures		44,032.00	35,921.00
	D-4	<u>1,038,528.00</u>	<u>1,038,528.00</u>
Statutory Excess to Fund Balance		119,775.18	44,674.76
Fund Balance January 1	D	<u>109,884.77</u>	<u>65,210.01</u>
Fund Balance December 31	D	<u>\$ 229,659.95</u>	<u>\$ 109,884.77</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY FUND**

**Exhibit D-2**

**STATEMENT OF UTILITY CAPITAL FUND BALANCE**

**REGULATORY BASIS**

Balance December 31, 2008 and 2007	<u>Ref.</u> D	\$ <u>799.36</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-3**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b><u>Miscellaneous Revenues</u></b>				
Rents - Water	D-1,7	\$ 638,000.00	\$ 675,251.91	\$ 37,251.91
Rents - Sewer	D-1,8	392,482.00	399,391.30	6,909.30
Miscellaneous	D-1,3	<u>8,046.00</u>	<u>14,437.83</u>	<u>6,391.83</u>
		\$ <u>1,038,528.00</u>	\$ <u>1,089,081.04</u>	\$ <u>50,553.04</u>
	<u>Ref.</u>	D-4		
<b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest on Investments			\$ 10,003.94	
Interest on Delinquent User Charges			2,333.89	
Other			<u>2,100.00</u>	
	D-3		\$ <u>14,437.83</u>	

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

TOWNSHIP OF BARNEGAT LIGHT - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 329,011.57	\$ 329,011.57	\$ 312,618.34	\$ 2,307.63	\$ 16,393.23	\$
Other Expenses	515,734.43	515,734.43	461,296.30		52,130.50	
Capital Improvements:						
Capital Improvement Fund	7,500.00	7,500.00	7,500.00			
Debt Service:						
Payment of Bond Anticipation and Capital Notes	109,750.00	109,750.00	109,750.00			20,355.03
Interest on Notes	26,500.00	26,500.00	6,144.97			
Deferred Charges:						
Costs of Improvements Authorized:						
Water System Improvements	6,000.00	6,000.00	6,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	17,238.00	17,238.00	17,175.38		62.62	
Social Security System (O.A.S.I.)	25,169.00	25,169.00	23,333.20		1,835.80	
Unemployment Compensation Insurance	1,625.00	1,625.00	1,114.94		510.06	
	<u>\$ 1,038,528.00</u>	<u>\$ 1,038,528.00</u>	<u>\$ 944,933.13</u>	<u>\$ 2,307.63</u>	<u>\$ 70,932.21</u>	<u>\$ 20,355.03</u>
<u>Ref.</u>	D-1, 3			D-14	D	D-1
Disbursements			\$ 938,788.16			
Accrued Interest on Bonds and Notes			<u>6,144.97</u>			
			<u>\$ 944,933.13</u>			

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**BALANCE SHEET - PAYROLL FUND**

**Exhibit G**

**REGULATORY BASIS**

**DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ <u>15,142.27</u>	\$ <u>4,632.56</u>
<b><u>Liabilities</u></b>		
Payroll Liabilities	\$ 9,641.92	\$
Interfund - Current Fund	<u>5,500.35</u>	<u>4,632.56</u>
	<u>\$ 15,142.27</u>	<u>\$ 4,632.56</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**  
**BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP**      **Exhibit H**  
**REGULATORY BASIS**  
**DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
General Fixed Assets:		
Land and Buildings	\$ 48,048,902.01	\$ 46,351,651.00
Equipment and Vehicles	<u>1,042,239.55</u>	<u>1,000,775.66</u>
	<u>\$ 49,091,141.56</u>	<u>\$ 47,352,426.66</u>
Investment in General Fixed Assets	<u>\$ 49,091,141.56</u>	<u>\$ 47,352,426.66</u>

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

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**

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

**A. Reporting Entity**

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

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2008.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by 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 Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

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

**Animal Control Trust Fund** - animal license revenues and expenditures.

**Trust Other Funds** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

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

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**Water-Sewer Utility Operating Fund** - revenues and expenditures necessary to operate municipally-owned water supply and sewer collection systems from user fees.

**Water-Sewer Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

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

**C. Basis of Accounting**

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

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

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

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

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

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

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

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

**Deferred Charges** - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. There were no deferred charges at December 31, 2008.

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2008 is set forth in Note 4.

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

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

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

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

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

GAAP does not require utilization of a general fixed asset account group.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

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

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

During 2008 the following changes occurred in the fixed assets of the Borough:

	<u>Balance Dec. 31, 2007</u>	<u>Expenditures from</u>			<u>Balance Dec. 31, 2008</u>
		<u>Current or Capital Fund</u>	<u>Utility Fund</u>	<u>Disposals</u>	<u>Transfers</u>
General Fixed Assets Account Group:					
Land and Buildings	\$ 46,351,651	\$ 1,700,000	\$	\$ 2,749	\$ 48,048,902
Equipment and Vehicles	1,000,776	41,464			1,042,240
Water-Sewer Utility Fund:					
Fixed Capital	4,538,597				16,863
Fixed Capital Authorized and Uncompleted	80,000		185,363		(16,863)
	<u>\$ 51,971,024</u>	<u>\$ 1,741,464</u>	<u>\$ 185,363</u>	<u>\$ 2,749</u>	<u>\$ 53,895,102</u>

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

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**E. Budgets and Budgetary Accounting**

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

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The Borough considers certain short-term investments permitted by statute to be cash equivalents if they mature within three months or may be withdrawn in cash upon notice from a pool of eligible investments in a participation arrangement with a bank that meets the insurance and collateral requirements of the statute.

At year-end, the carrying amount of the Borough's deposits was \$2,508,962 and the bank balance amount was \$2,521,314. Of this amount \$479,319 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$2,041,995.

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

**B. Investments**

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2008.

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

**C. Cash Management Plan**

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

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

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

**D. Credit Risk Categories**

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2008</u>	<u>2007</u>
Insured:		
FDIC	\$ 479,319	\$ 200,000
GUDPA	<u>2,041,995</u>	<u>2,580,928</u>
	\$ <u>2,521,314</u>	\$ <u>2,780,928</u>

**Custodial Credit Risk - Deposits**

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

State law limits investments as noted above.

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

**NOTE 3.     DEBT**

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

**A.     Long-Term Debt**

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

**Green Trust Loan Program**

The Borough has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$250,000 loan for waterfront development was finalized on November 23, 1994. The Borough must repay the loan in semi-annual installments over twenty years. The balance December 31, 2008 was \$101,076. Loan payments are due through 2014.

Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 13,865	\$ 1,681
2010	14,144	1,402
2011	14,428	1,118
2012	14,718	828
2013	15,014	532
2014	<u>15,316</u>	<u>229</u>
Total	\$ <u>87,485</u>	\$ <u>5,790</u>

**B.     Short-Term Debt**

On December 31, 2008, the Borough's outstanding Bond Anticipation Notes were as follows:

**NOTE 3.     DEBT (CONTINUED)**

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

**General Capital Fund**

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
00-01	Purchase of Real Property	\$ 48,600	1.96%
01-03, 01-22	Acquisition and Renovation of Coast Guard Building	175,000	1.96%
02-02	Reconstruction and Renovation of Coast Guard Building Phase II	474,100	1.96%
03-09	Reconstruction of the Borough Bulkhead	180,000	1.96%
03-09	Reconstruction of the Borough Bulkhead	94,400	1.96%
04-11	Purchase of an AVS-RC 30 Tractor with Attachments	11,000	1.96%
05-05	Purchase of a Dump Truck	15,000	1.96%
05-14	Purchase of a Public Works Truck	13,200	1.96%
06-03	Reconstruction and Renovation of Coast Guard Building Phase III	712,500	1.96%
06-06	Reconstruction of the Borough Bulkhead	27,900	1.96%
06-15	Reconstruction of the Borough Bulkhead	46,500	1.96%
07-08	Reconstruction of the Borough Bulkhead	<u>15,000</u>	1.96%
		<u>\$ 1,813,200</u>	

**Water-Sewer Utility Capital Fund**

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
00-11	Installation of a New Telemetry and Alarm System	\$ 5,700	1.96%
01-16	Repairs to the Borough Water Well #3	135,000	1.96%
01-17	Installation of a New Telemetry and Alarm System	13,600	1.96%
02-04, 02-15	Installation of an Upgraded Telemetry System	22,800	1.96%
02-05	Improvements to the Borough Water Main	32,800	1.96%
02-09	Inspections and Repairs to the Borough Water Well #4	7,600	1.96%
04-12	Purchase and Install Bypass Sewer Pump	7,400	1.96%
05-13	Electric Upgrades and Repairs to Well #4	<u>5,700</u>	1.96%
		<u>\$ 230,600</u>	

**NOTE 3.****DEBT (CONTINUED)****C. Bonds and Notes Authorized but not Issued**

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

General Capital Fund	\$ 492,465
Water-Sewer Utility Capital Fund	251,000

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2008 was .18%. The Borough's remaining borrower power is 3.32%.

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.

**E. Summary of Debt Activity**

During 2008 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance Dec. 31, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2008</u>
General Capital Fund				
Bond Anticipation Notes	\$ 1,943,050	\$ 183,800	\$ 313,650	\$ 1,813,200
Green Trust Loans	101,076		13,591	87,485
Water-Sewer Fund				
Bond Anticipation Notes	340,350		109,750	230,600
	<u>\$ 2,384,476</u>	<u>\$ 183,800</u>	<u>\$ 436,991</u>	<u>\$ 2,131,285</u>

**NOTE 4. ACCRUED SICK AND VACATION BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$46,687 at December 31, 2008. In accordance with New Jersey accounting principles this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 5. FUND BALANCES APPROPRIATED**

The fund balances at December 31, 2008 which were appropriated and included as anticipated revenue in the budgets for the year ending December 31, 2009 were as follows:

Current Fund	\$ 570,500
Water-Sewer Utility Fund	115,000

**NOTE 6. TAXES AND WATER-SEWER CHARGES COLLECTED IN ADVANCE**

Taxes and water-sewer charges collected in advance 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	\$ 106,017	\$ 47,283
Prepaid Water Rents	663	541
Prepaid Sewer Rents	895	789

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

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

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st 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 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding 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 1st of the current tax year even though the amount due is not known.

**NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 9.     LENGTH OF SERVICE AWARD PROGRAM**

On November 6, 2001 the voters of the Borough approved the creation of a Length of Service Award Program (“LOSAP”). Subsequently, the Division approved the Borough’s LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Borough’s ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Federal Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$708 for the fire company and \$314 for the first aid squad to each eligible volunteer who accumulates a minimum of 50 service points based on criteria established by Borough Ordinances No. 01-018 and No. 01-019. The Borough’s contribution shall be included in the current year’s budget.

All amounts awarded under a length of service award program shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency’s general creditors until distributed to any or all participants.

Borough contributions for the year ended December 31, 2007 totaling \$26,338 were disbursed in April of 2008. The Borough’s contribution for the year ended December 31, 2008 is \$23,980 and was paid out in April of 2009. We have reviewed the plan for the year ended December 31, 2008 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the 2008 audit of the Borough’s financial statements.

**NOTE 10.     PENSION PLANS**

The Borough contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees’ Retirement System (“PERS”), which is administered by the New Jersey Division of Pensions and Benefits. This plan provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The plan has a Board of Trustees that implements benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5% of their annual covered salary. Effective July 1, 2008 the pension contribution rate was increased to 5.5%. The Borough’s net contributions to the plan, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>
2008	\$ 43,878
2007	34,476
2006	19,357

**NOTE 11. SCHOOL TAXES**

Regional and Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Regional High School Tax</u>		<u>Local District School Tax</u>	
	<u>Balance December 31</u>		<u>Balance December 31</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Balance of Tax	\$ 1,150,287	\$ 988,416	\$ 234,093	\$ 106,319
Deferred	<u>516,745</u>	<u>346,245</u>	<u>113,300</u>	<u>113,300</u>
Tax Payable	\$ <u>633,542</u>	\$ <u>642,171</u>	\$ <u>120,793</u>	\$ <u>(6,981)</u> *

\* Prepaid

**NOTE 12. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks, if any, have not exceeded insurance coverage in any of the past three years.

**NOTE 13. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

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

**NOTE 13. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation**

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

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2008:

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$81,541	\$ 200
Grant Fund	2,000	
Trust-Other Fund	200	
General Capital Fund		48,041
Water-Sewer Utility Capital Fund		30,000
Payroll Fund	<u>          </u>	<u>5,500</u>
	<b><u>\$83,741</u></b>	<b><u>\$83,741</u></b>

**NOTE 15. SUBSEQUENT EVENT - DEBT AUTHORIZED**

The Borough adopted capital ordinances through July 31, 2009:

<b><u>Ordinance Number</u></b>	<b><u>Project</u></b>	<b><u>Amount of Debt Authorized</u></b>
09-03	General Capital Fund: Reconstruction of East 5 <sup>th</sup> and 11 <sup>th</sup> Streets (D.O.T.)	\$ <u>142,500</u>

**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**PART II**

**SUPPLEMENTARY DATA**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2008**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	\$ <u>.74</u>	\$ <u>.72</u>	\$ <u>.70</u>
Apportionment of Tax Rate			
Municipal	.14	.13	.12
County	.34	.32	.32
Local School	.04	.04	.04
Regional High School	.22	.23	.22
Assessed Valuation			
2008	\$ 1,072,238,936		
2007		\$ 1,062,628,253	
2006			\$1,049,879,668

**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>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2008	\$ 8,016,690	\$ 7,938,751	99.03%
2007	7,746,363	7,657,885	98.86%
2006	7,465,912	7,410,030	99.25%

**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 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	\$ None	\$ 75,143	\$ 75,143	.94%
2007	None	84,820	84,820	1.09%
2006	None	53,567	53,567	.72%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

No properties were acquired in 2008 by foreclosure as a result of liquidation tax title liens.

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

<u>Year</u>	<u>Amount</u>
2008	\$ 38,250
2007	38,250
2006	38,250

**COMPARISON OF WATER-SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2008	\$ 1,074,102	\$ 1,074,643
2007	1,051,851	1,045,003
2006	855,632	860,301

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2008	\$ 715,333	\$ 570,500
2007	541,743	316,150
2006	398,555	200,000
2005	551,331	353,000
2004	449,775	364,000
<b><u>Water-Sewer Fund</u></b>		
2008	\$ 229,660	\$ 115,000
2007	109,885	-0-
2006	65,210	-0-
2005	44,242	38,600
2004	44,242	-0-

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
<b><u>Issued</u></b>			
General Bonds and Notes	\$ 1,900,685	\$ 2,044,126	\$ 2,137,801
Water-Sewer Utility Bonds and Notes	<u>230,600</u>	<u>340,350</u>	<u>450,100</u>
Total Issued	<u>2,131,285</u>	<u>2,384,476</u>	<u>2,587,901</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes, Accounts Receivable and Self Liquidating Purpose	<u>788,000</u>	<u>690,841</u>	<u>650,501</u>
Net Debt Issued	<u>1,343,285</u>	<u>1,693,635</u>	<u>1,937,400</u>
 <b><u>Authorized but not Issued</u></b>			
General Bonds and Notes	492,465	374,165	389,815
Water-Sewer Utility Bonds and Notes	<u>251,000</u>	<u>80,000</u>	<u>86,000</u>
	<u>743,465</u>	<u>454,165</u>	<u>475,815</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 \$ <u>2,086,750</u>	 \$ <u>2,147,800</u>	 \$ <u>2,413,215</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of .18%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local, Regional and/or Consolidated School District Debt	\$ 718,456	\$ 718,456	\$ -0-
General Debt	2,393,150	306,400	2,086,750
Water-Sewer Utility Debt	<u>481,600</u>	<u>481,600</u>	<u>-0-</u>
	<u>\$ 3,593,206</u>	<u>\$ 1,506,456</u>	<u>\$ 2,086,750</u>

Net Debt \$2,086,750 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$1,171,560,479 = .18%.

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

3.5% of Equalized Valuation Basis	\$ 41,004,617
Net Debt	<u>2,086,750</u>
Remaining Borrowing Power	<u>\$ 38,917,867</u>

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

Cash Receipts from Fees, Rents or Other			\$ 1,089,081
Charges for the Year			
Deductions:			
Operating and Maintenance Cost	\$ 902,278		
Debt Service per Water-Sewer Account	<u>115,895</u>		
Total Deductions			<u>1,018,173</u>
Excess in Revenue			\$ <u>70,908</u>

The forgoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

\* \* \* \* \*

**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2008:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount of Bond</u></b>	<b><u>Name of Corporate Surety</u></b>
Kirk O. Larson	Mayor		
Michael W. Spark	President of Council		
David E. Bossi	Councilman		
Frank Mikuletzky	Councilman		
James E. Morrison	Councilman		
Dorothy Reynolds	Councilwoman		
George M. Warr	Councilman		
Gail J. Wetmore	Borough Clerk, Administrator Vital Statistics, Registrar, Improvement Search Officer		
Thalia C. Kay	Chief Financial Officer	\$ 1,000,000	MEL/JIF
Joan M. Marcus	Tax Collector, Tax Search Officer and Water-Sewer Collector	1,000,000	MEL/JIF
Frank Salzer	Municipal Court Judge	1,000,000	JIF Blanket Bond
Helen-Jean Robinson	Court Administrator	1,000,000	JIF Blanket Bond
Carol Miller	Deputy Court Administrator	1,000,000	JIF Blanket Bond
Terry F. Brady	Attorney		
Owen, Little & Associates	Engineer		

Borough employees, other than the Chief Financial Officer, Tax/Utility Collector, Judge, Court Administrator and Deputy Court Administrator were covered by a blanket bond of the Joint Insurance Fund in the amount of \$1,000,000.

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND AND GRANT FUNDS**

Exhibit A-4

**SCHEDULE OF CASH - TREASURER**

	<b>Current Fund</b>	<b>Federal and State Grant Fund</b>
Balance December 31, 2007	\$ <u>1,644,113.19</u>	\$ <u>52,817.50</u>
Increased by Receipts:		
Due to County of Ocean Construction Inspection Department	11,604.70	
Deferred Revenue:		
Garden State Trust Fund	2,377.36	
Reserve for Beach Chair Donations Boat Slips	445.00	
Due to Fire Company	62,900.00	
Due to First Aid Squad	1,400.00	
Miscellaneous Revenue not Anticipated	1,019.70	
Taxes Receivable	61,142.63	
Due State of New Jersey	7,947,582.24	
Tax Overpayments	25,765.00	
Prepaid Taxes	445.21	
Revenue Accounts Receivable	107,648.38	
Interfunds	723,777.69	
Federal and State Grants Receivable	284,025.00	17,020.00
Unappropriated Reserves		211.78
Total Increases	<u>9,230,132.91</u>	<u>17,231.78</u>
Total Increases and Balances	<u>10,874,246.10</u>	<u>70,049.28</u>
Decreased by Disbursements:		
Petty Cash	200.00	
Due to County of Ocean Construction Inspection Department	7,661.80	
Deferred Revenue - Garden State Trust Fund	2,951.31	
Budget Appropriations	2,337,557.72	
Due State of New Jersey	2,891.00	
Tax Overpayments	1,631.25	
County Taxes	3,686,655.94	
Local District School Taxes	338,411.98	
Regional High School Taxes	2,244,728.09	
Appropriation Reserves	23,412.43	
Interfunds	376,475.73	35,981.00
Appropriated Reserves		8,404.73
Total Decreases	<u>9,022,577.25</u>	<u>44,385.73</u>
Balance December 31, 2008	\$ <u><u>1,851,668.85</u></u>	\$ <u><u>25,663.55</u></u>

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit A-5

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2007	2008 Levy	Collected		Overpayments Applied	Cancelled	Veterans and Senior Citizens Deductions	Balance Dec. 31, 2008
			2008	2007				
2007	\$ 84,819.75	\$	\$ 84,819.75	\$	\$	\$	\$	\$ 75,143.49
2008		8,016,689.54	7,862,762.49	48,914.35	5,574.46	2,794.75	21,500.00	
	\$ 84,819.75	\$ 8,016,689.54	\$ 7,947,582.24	\$ 48,914.35	\$ 5,574.46	\$ 2,794.75	\$ 21,500.00	\$ 75,143.49

Analysis of 2008 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 7,988,183.17
Added Taxes	<u>28,506.37</u>
	\$ 8,016,689.54

Tax Levy:

Local District School Tax (Abstract)	\$ 466,185.95
Regional High School Tax (Abstract)	2,406,599.61
County Tax (Abstract)	
County Library Tax (Abstract)	\$ 3,149,016.15
County Open Space Preservation (Abstract)	370,080.01
Due County Added Taxes	148,926.80
	<u>13,031.50</u>
Total School and County Taxes	1,445,083.33
Local Tax for Municipal Purposes	<u>17,766.19</u>
Added Taxes	1,462,849.52
	\$ 8,016,689.54

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-6

**SCHEDULE OF DEFERRED CHARGES**

**SPECIAL EMERGENCY N.J.S. 40A:4-55**

<b><u>Date Authorized</u></b>	<b><u>Purpose</u></b>	<b><u>Net Amount Authorized</u></b>	<b><u>1/5 of Net Amount Authorized</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Reduced in 2008</u></b>
<u>2/19/03</u>	Revaluation	\$ <u>107,000.00</u>	\$ <u>21,400.00</u>	\$ <u>21,400.00</u>	\$ <u>21,400.00</u>

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

Balance December 31, 2007 - Due From/(Due To)	<u>Total</u> \$ <u>(1,520.53)</u>	<u>Uniform Construction Code</u> \$ <u>(638.00)</u>	<u>Marriage Licenses</u> \$ <u>(75.00)</u>	<u>Ch. 20, P.L. 1971</u> \$ <u>(807.53)</u>
Increased by:				
Deductions:				
Per Billings	21,500.00			21,500.00
Disbursements	<u>2,891.00</u>	2,716.00	175.00	
Total Increases	<u>24,391.00</u>	<u>2,716.00</u>	<u>175.00</u>	<u>21,500.00</u>
Total Increases and Balances	<u>22,870.47</u>	<u>2,078.00</u>	<u>100.00</u>	<u>20,692.47</u>
Decreased by:				
Receipts	<u>25,765.00</u>	3,365.00	150.00	22,250.00
Balance December 31, 2008 - Due From/(Due To)	\$ <u><u>(2,894.53)</u></u>	\$ <u><u>(1,287.00)</u></u>	\$ <u><u>(50.00)</u></u>	\$ <u><u>(1,557.53)</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-8**

**SCHEDULE OF TAX OVERPAYMENTS**

Balance December 31, 2007		\$ 7,206.73
Increased by:		
Collection		<u>445.21</u>
		7,651.94
Decreased by:		
Disbursements	\$ 1,631.25	
Applied to 2008 Taxes	<u>5,574.46</u>	
		<u>7,205.71</u>
Balance December 31, 2008		\$ <u><u>446.23</u></u>

**SCHEDULE OF PREPAID TAXES**

**Exhibit A-9**

Balance December 31, 2007		\$ 47,283.10
Increased by:		
Collection		<u>107,648.38</u>
		154,931.48
Decreased by:		
Applied to 2008 Taxes		<u>48,914.35</u>
Balance December 31, 2008		\$ <u><u>106,017.13</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Balance Dec. 31, 2007</u>	<u>Accrued in 2008</u>	<u>Collected</u>	<u>Balance Dec. 31, 2008</u>
Licenses:	\$	\$ 5,500.00	\$ 5,500.00	\$
Alcoholic Beverages		107,860.20	107,860.20	
Fees and Permits		7,635.26	6,191.01	1,888.75
Fines and Costs - Municipal Court	444.50	18,998.70	18,998.70	
Interest and Costs on Taxes		49,734.46	49,734.46	
Interest on Investments and Deposits		221,781.00	221,781.00	
Beach Badge Fees		95,561.00	95,561.00	
Energy Receipts Tax		3,776.00	3,776.00	
Supplemental Energy Receipts Tax		2,951.31	2,951.31	
Garden State Trust Fund		39,112.30	39,112.30	
Uniform Construction Code Fees		13,800.00	13,800.00	
Post Office Rental		108,011.71	108,011.71	
Water Tower Rental		50,500.00	50,500.00	
Reserve for Payment of Notes				
Interfund Liquidation:				
Federal and State Grant Fund		35,981.00	35,981.00	
Sewer Utility Operating Fund		77,305.82	77,305.82	
Sewer Utility Capital Fund		166,000.00	166,000.00	
	\$	\$ 1,004,508.76	\$ 1,003,064.51	\$ 1,888.75
Reserve for Receivables			\$ 279,286.82	
Receipts			723,777.69	
			\$ 1,003,064.51	

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2007		\$ 18,632.98
Increased by:		
General County Tax	\$ 3,149,016.15	
County Library Tax	370,080.01	
County Open Space Preservation	148,926.80	
Added Taxes	<u>13,031.50</u>	
		<u>3,681,054.46</u>
		<u>3,699,687.44</u>
Decreased by:		
Disbursements		<u>3,686,655.94</u>
Balance December 31, 2008		<u><u>\$ 13,031.50</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

**Exhibit A-12**

Balance December 31, 2007:			
School Tax Payable	\$ (6,981.00)		
School Tax Deferred	<u>113,300.00</u>		
		\$ 106,319.00	
Increased by:			
Levy School Year July 1, 2008 to June 30, 2009		<u>466,185.95</u>	
		<u>572,504.95</u>	
Decreased by:			
Payments		<u>338,411.98</u>	
Balance December 31, 2008:			
School Tax Payable	120,792.97		
School Tax Deferred	<u>113,300.00</u>		
		\$ 234,092.97	

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-13**

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX**

Balance December 31, 2007		
School Tax Payable	\$ 642,170.66	
School Tax Deferred	<u>346,245.00</u>	
		\$ 988,415.66
Increased by:		
Levy School Year July 1, 2008 to June 30, 2009		<u>2,406,599.61</u>
		<u>3,395,015.27</u>
Decreased by:		
Payments		<u>2,244,728.09</u>
Balance December 31, 2008		
School Tax Payable	633,542.18	
School Tax Deferred	<u>516,745.00</u>	
		\$ <u>1,150,287.18</u>
2008 Liability for Regional High School Tax:		
Tax Paid		\$ 2,244,728.09
Tax Payable December 31, 2008		<u>633,542.18</u>
		<u>2,878,270.27</u>
Less: Tax Payable December 31, 2007		<u>642,170.66</u>
Amount charged to 2008 Operations		\$ <u>2,236,099.61</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-14

Sheet 1 of 4

**SCHEDULE OF APPROPRIATION RESERVES**

	<u>Balance Dec. 31, 2007</u>	<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b><u>OPERATIONS WITHIN CAPS</u></b>				
<b><u>Administrative and Executive</u></b>				
Mayor and Council	\$ 175.48	\$ 175.48	\$ 10.00	\$ 165.48
Other Expenses				
Municipal Clerk	638.32	638.32		638.32
Salaries and Wages				
Other Expenses	4,114.59	4,114.59	3,694.83	419.76
Advertising				
Other Expenses	1,356.12	1,356.12		1,356.12
Financial Administration				
Salaries and Wages	47.42	47.42		47.42
Other Expenses	296.48	296.48	28.17	268.31
Tax Collection				
Salaries and Wages	104.20	104.20		104.20
Other Expenses	404.81	404.81	349.17	55.64
Tax Assessment				
Other Expenses	696.97	696.97	490.49	206.48
Legal Services				
Other Expenses	2,962.00	2,962.00	6.30	2,955.70
Engineering Services				
Other Expenses	494.50	494.50	287.00	207.50
<b><u>Land Use Administration</u></b>				
Planning Board				
Other Expenses	395.24	395.24	4.30	390.94
Zoning Board of Adjustment				
Salaries and Wages	580.14	580.14		580.14
Other Expenses	90.85	90.85		90.85

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-14

Sheet 2 of 4

**SCHEDULE OF APPROPRIATION RESERVES**

	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Balance After Transfer</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Insurance (N.J.S.A. 40A:4-45.3(OO))	\$ 1,517.92	\$ 1,517.92		\$ 1,517.92
General Liability	3,321.65	3,321.65		3,321.65
Workers Compensation	5,224.51	5,224.51		5,224.51
Employee Group Health				
<b><u>Public Safety Functions</u></b>				
Emergency Management Services	331.49	331.49		331.49
Salaries and Wages	420.36	420.36	2.30	418.06
Other Expenses				
Municipal Court				
Other Expenses	786.79	786.79	86.80	699.99
Public Defender (C256, P.L. 1997)				
Other Expenses	400.00	400.00		400.00
<b><u>Public Works Functions</u></b>				
Streets and Road Maintenance				
Other Expenses	4,754.24	4,754.24	1,027.66	3,726.58
Garbage and Trash Removal				
Other Expenses				
Sanitary Landfill Fees	91.60	91.60		91.60
Garbage & Recycling Collection	6,444.28	6,444.28	2,533.16	3,911.12
Recycling (C. 74, P.L. 1987)				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	621.67	621.67	4.30	617.37
Public Buildings and Grounds				
Salaries and Wages	53.74	53.74		53.74
Other Expenses	251.56	251.56	170.79	80.77
<b><u>Health and Human Services</u></b>				
Board of Health				
Other Expenses	200.00	200.00		200.00

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-14

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 4

	<u>Balance Dec. 31, 2007</u>	<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Board of Health (Continued)				
Other Expenses (C329, P.L. 1975)	\$ 557.00	\$ 557.00		\$ 557.00
Animal Control Services				
Other Expenses	275.00	275.00	150.00	125.00
<b><u>Park and Recreation Functions</u></b>				
Parks and Playgrounds				
Salaries and Wages	10.37	10.37		10.37
Other Expenses	416.56	416.56	183.10	233.46
Lifeguards				
Salaries and Wages	108.37	108.37		108.37
Other Expenses	16.41	16.41		16.41
Beachfront Maintenance				
Salaries and Wages	831.54	831.54		831.54
Other Expenses	2,499.79	2,499.79	293.77	2,206.02
Public Docks				
Salaries and Wages	106.22	106.22		106.22
Other Expenses	178.02	178.02		178.02
Celebration of Public Events, Anniversary or Holiday				
Other Expenses	1.48	1.48		1.48
<b><u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u></b>				
Construction Code Official				
Salaries and Wages	2,711.46	2,711.46		2,711.46
Other Expenses	2,152.02	2,152.02	330.74	1,821.28
Utility Expenses:				
Telephone	1,000.00	1,000.00	639.80	360.20
Natural Gas	47.51	47.51		47.51
Gasoline	1,000.00	1,000.00		1,000.00

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

Exhibit A-14

**CURRENT FUND**

Sheet 4 of 4

**SCHEDULE OF APPROPRIATION RESERVES**

**STATUTORY EXPENDITURES WITHIN CAPS**

Contribution to:				
Unemployment Insurance	\$ 163.61	\$ 163.61	\$ 72.07	\$ 91.54
Social Security System (O.A.S.I.)	257.87	257.87	12.85	245.02
Total Appropriations within Caps	<u>49,111.16</u>	<u>49,111.16</u>	<u>10,377.60</u>	<u>38,733.56</u>

**OPERATIONS EXCLUDED FROM CAPS**

Contribution to:				
Public Employees Retirement System	4,982.03	4,982.03		4,982.03
Length of Service Award Program				
First Aid Squad	314.00	314.00		314.00
Interlocal Municipal Service Agreements				
Construction Code Services	15,086.24	15,086.24	13,034.83	2,051.41
Total Appropriations excluded from Caps	<u>20,382.27</u>	<u>20,382.27</u>	<u>13,034.83</u>	<u>7,347.44</u>
	\$ 69,493.43	\$ 69,493.43	\$ 23,412.43	\$ 46,081.00

Appropriation Reserves - 2007  
Reserve for Encumbrances

\$ 61,838.13  
7,655.30

\$ 69,493.43

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-15**

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<b>Total (Memo Only)</b>	<b>Current Fund</b>	<b>Federal and State Grant Fund</b>
Balance December 31, 2007	\$ <u>(6,176.49)</u>	\$ <u>7,655.30</u>	\$ <u>944.00</u>
Increased by:			
Transfer from 2008 Budget	4,845.20	4,845.20	
Transfer from Appropriated Reserves	<u>39.99</u>		<u>39.99</u>
Total Increases	<u>4,885.19</u>	<u>4,845.20</u>	<u>39.99</u>
Total Increases and Balances	<u>(1,291.30)</u>	<u>12,500.50</u>	<u>983.99</u>
Decreased by:			
Transfer to Appropriated Reserves			944.00
Transfer to Appropriation Reserves	<u>7,655.30</u>	<u>7,655.30</u>	
Total Decreases	<u>7,655.30</u>	<u>7,655.30</u>	<u>944.00</u>
Balance December 31, 2008	\$ <u><u>(8,946.60)</u></u>	\$ <u><u>4,845.20</u></u>	\$ <u><u>39.99</u></u>

**SCHEDULE OF RESERVE FOR REVALUATION**

**Exhibit A-16**

Balance December 31, 2007 and 2008

\$ 3,535.00

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit A-17

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Trust Other</u>	<u>General Capital</u>	<u>Water-Sewer Utility Operating</u>	<u>Water-Sewer Utility Capital</u>	<u>Payroll</u>
Balance December 31, 2007 - Due From/(Due To)	\$ (47,090.56)	\$ 79.00	\$ (325,107.94)	\$ 77,305.82	\$ 196,000.00	\$ 4,632.56
Increased/Decreased by:						
Disbursements	<u>376,475.73</u>	<u>79.00</u>	<u>375,607.94</u>	<u>77,305.82</u>	<u>196,000.00</u>	<u>867.79</u>
	<u>329,385.17</u>		<u>50,500.00</u>			<u>5,500.35</u>
Decreased/Increased by:						
Receipts	<u>248,044.00</u>	<u>279.00</u>	<u>4,459.18</u>	<u>77,305.82</u>	<u>166,000.00</u>	
Balance December 31, 2008 - Due From/(Due To)	<u>\$ 81,341.17</u>	<u>\$ (200.00)</u>	<u>\$ 46,040.82</u>	<u>\$</u>	<u>\$ 30,000.00</u>	<u>\$ 5,500.35</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-18**

**SCHEDULE OF INTERFUND - FEDERAL AND STATE GRANTS**

Balance December 31, 2007 - Due From/(Due To)		\$ 35,981.00
Increased by:		
2008 Budget Revenues Realized		<u>26,961.13</u>
		62,942.13
Decreased by:		
Receipts	\$ 35,981.00	
2008 Budget Appropriations	<u>26,961.13</u>	
		\$ <u>62,942.13</u>

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-19

FEDERAL AND STATE GRANT FUND

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Balance Dec. 31, 2007</u>	<u>2008 Budget Revenue Realized</u>	<u>Received</u>	<u>Realized from Unappropriated Reserves</u>	<u>Balance Dec. 31, 2008</u>
Alcohol Education and Rehabilitation Fund	\$	\$ 56.38	\$	\$ 56.38	\$
Clean Communities (C. 87, P.L. 1986)		4,000.00	4,000.00		
Comcast Grant		5,900.00		5,900.00	
EMPG Exercise Improvement Grant		10,000.00	10,000.00		
Joint Insurance Fund Incentive Awards		200.00		200.00	
Recycling Tonnage Grant		763.75		763.75	
Stormwater Regulation Program	<u>3,020.00</u>	<u>6,041.00</u>	<u>3,020.00</u>		<u>6,041.00</u>
	<u>\$ 3,020.00</u>	<u>\$ 26,961.13</u>	<u>\$ 17,020.00</u>	<u>\$ 6,920.13</u>	<u>\$ 6,041.00</u>

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit A-20

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2007	2008 Budget Appropriation	Paid or Charged	Balance Dec. 31, 2008
Alcohol Education and Rehabilitation Fund	\$ 2,156.36	\$ 56.38		\$ 2,212.74
Clean Communities (C. 87, P.L. 1986)	5,604.43	4,000.00	338.97	9,265.46
Comcast Grant		5,900.00	5,783.17	116.83
EMPG Exercise Improvement Grant	495.20	12,000.00		12,000.00
Joint Insurance Fund Incentive Awards	2,636.47	200.00	330.00	365.20
Recycling Tonnage Grant	952.33	763.75	952.33	3,400.22
Stormwater Implementation Grant	147.58			
Stormwater Mapping Grant		6,041.00	96.25	51.33
Stormwater Regulation Grant				6,041.00
	\$ 11,992.37	\$ 28,961.13	\$ 7,500.72	\$ 33,452.78
Public and Private Programs Offset by Revenues		\$ 26,961.13		
Interfund - General Capital Fund		2,000.00		
		\$ 28,961.13		
Reserve for Encumbrances (Net)			\$ (904.01)	
Disbursements			8,404.73	
			\$ 7,500.72	

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit A-21

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2007	Receipts	Utilization as Anticipated Revenue	Balance Dec. 31, 2008
Alcohol Education and Rehabilitation Fund	\$ 56.38	\$	\$ 56.38	\$
Comcast Grant	5,900.00		5,900.00	
Joint Insurance Fund Incentive Awards	200.00		200.00	
Recycling Tonnage Grant	763.75	211.78	763.75	211.78
	\$ 6,920.13	\$ 211.78	\$ 6,920.13	\$ 211.78

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-1**

**SCHEDULE OF CASH**

	<b>Animal Control Trust Fund</b>	<b>Trust Other Fund</b>
Balance December 31, 2007	\$ <u>568.41</u>	\$ <u>98,209.69</u>
Increased by Receipts:		
Animal Control License Fees	315.40	
State Registration Fees	114.60	
Due Criminal Disposition and Review Collection Fund		34,248.00
Miscellaneous Reserves	<u>430.00</u>	<u>34,248.00</u>
Total Receipts	<u>998.41</u>	<u>132,457.69</u>
Total Receipts and Balances		
Decreased by Disbursements:		
Animal Control Expenditures	263.00	
State Registration Fees	133.20	
Interfund - Current Fund		279.00
Miscellaneous Reserves	<u>396.20</u>	<u>51,248.11</u>
Total Disbursements		<u>51,527.11</u>
Balance December 31, 2008	\$ <u><u>602.21</u></u>	\$ <u><u>80,930.58</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

Balance December 31, 2007	\$ 547.41
Increased by:	
Animal Control License Fees Collected	<u>315.40</u>
	862.81
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Disbursements	<u>263.00</u>
Balance December 31, 2008	<u>\$ 599.81</u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2007	<u>\$ 368.60</u>
2006	<u>361.00</u>
	<u>\$ 729.60</u>

**SCHEDULE OF DUE STATE OF NEW JERSEY**

**Exhibit B-3**

Balance December 31, 2007	\$ 21.00
Increased by:	
Receipts - State Registration Fees	<u>114.60</u>
	135.60
Decreased by:	
Disbursements - State Registration Fees	<u>133.20</u>
Balance December 31, 2008	<u>\$ 2.40</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF INTERFUND - CURRENT FUND**

	<b>Trust Other Fund</b>
Balance December 31, 2007 - Due From/(Due To)	\$ <u>(79.00)</u>
Increased by:	
Disbursements	<u>279.00</u>
Balance December 31, 2008 - Due From/(Due To)	\$ <u><u>200.00</u></u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

**Exhibit B-5**

	<b>Trust Other Fund</b>
Balance December 31, 2007	\$ <u>1,128.00</u>
Increased by:	
Transfer from Miscellaneous Reserves	<u>564.00</u> <u>1,692.00</u>
Decreased by:	
Transfer to Miscellaneous Reserves	<u>1,128.00</u>
Balance December 31, 2008	\$ <u><u>564.00</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**TRUST FUND**

Exhibit B-6

**SCHEDULE OF MISCELLANEOUS RESERVES**

	<b>Balance Dec. 31, 2007</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2008</b>
Performance Bonds	\$ 35,250.74		\$ 805.80	\$ 34,444.94
Engineering and Attorney Fees	21,615.02	8,455.06	21,419.34	8,650.74
Street Opening Deposits	34,400.00	3,500.00	10,500.00	27,400.00
Parking Offense Adjudication Act	244.00	4.00		248.00
Public Defender Fees	900.00			900.00
Memory Bench Donations		11,280.00	11,280.00	
100th Anniversary Donations	615.00			615.00
Recreation Trust Fund	2,628.05	3,500.00	4,891.47	1,236.58
Environmental Education Signs	271.25	271.25	542.50	
Holiday Decorations Donations	80.87		50.00	30.87
Welcome Sign Donations	745.00	450.00	495.00	700.00
Accumulated Absences	252.76	6,087.69		6,340.45
Beautification of Old Coast Guard Station		500.00	500.00	
	\$ 97,002.69	\$ 34,048.00	\$ 50,484.11	\$ 80,566.58
Disbursements			\$ 51,248.11	
Reserve for Encumbrances (Net)			(564.00)	
			\$ 50,684.11	

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**TRUST FUND**

**Exhibit B-7**

**SCHEDULE OF LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

**(UNAUDITED)**

Balance December 31, 2007		\$ 191,224.06
Increased by:		
Contributions	\$ 57,500.00	
Earnings (Net)	<u>(54,480.11)</u>	
		3,019.89
		<u>194,243.95</u>
Decreased by:		
Withdrawals		<u>17,116.25</u>
Balance December 31, 2008		<u><u>\$ 177,127.70</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH**

Balance December 31, 2007		\$ 243,005.46
Increased by:		
Fund Balance	\$ 204.02	
Interfunds:		
Current Fund	375,607.94	
Grant Fund	2,000.00	
Bond Anticipation Notes	183,800.00	
Capital Improvement Fund	25,000.00	
Miscellaneous Reserves	<u>33,000.00</u>	
		<u>619,611.96</u>
		862,617.42
Decreased by:		
Interfund - Current Fund	4,459.18	
Improvement Authorizations	585,220.15	
Reserve for Funds Held to Pay Notes	50,500.00	
Miscellaneous Reserves	<u>10,590.73</u>	
		<u>650,770.06</u>
Balance December 31, 2008		\$ <u><u>211,847.36</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-3

**ANALYSIS OF CASH**

	<b>Balance Dec. 31, 2007</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Transfers</b>		<b>Balance Dec. 31, 2008</b>
	\$	\$	\$	<b>To</b>	<b>From</b>	\$
Fund Balance	119,174.05	204.02				119,378.07
Miscellaneous Reserves	49,212.20	33,000.00	10,590.73		4,000.00	67,621.47
Reserve for:						
D.O.T. Grants Receivable	52,765.31			100,000.00		152,765.31
Encumbrances	41,191.32			49,368.49	41,191.32	49,368.49
Payment of Bond Anticipation Notes	116,650.00		50,500.00			66,150.00
Capital Improvement Fund	26,425.92	25,000.00			15,900.00	35,525.92
Deferred Charges - Overexpenditures						
Interfunds:						
Current Fund	(325,107.94)	375,607.94	4,459.18			46,040.82
Grant Fund		2,000.00				2,000.00
D.O.T. Grants Receivable	(52,765.31)			100,000.00		(152,765.31)
Improvement Authorizations:						
<b>Ordinance</b>						
<b>Number</b>						
98-06		416.62				416.62
01-06		542.06				542.06
02-02		42,311.15	72,881.37	33,790.52	3,220.30	(63.20)
03-09		(94,463.20)				(5,000.00)
04-08		(5,000.00)				4,011.18
04-09		4,011.18				(20,858.18)
05-12		(20,618.19)	239.99	3,896.91		13,625.05
05-14		13,625.05				
06-03			309,226.73	3,503.89	12,474.79	(14,858.16)
06-04		318,197.63				(70.35)
06-06		(14,858.16)				429.80
06-14		(27,970.35)	27,900.00			(828.13)
06-15		429.80				(20,000.00)
07-08		(47,328.13)				(100.00)
08-04		46,164.45	81,164.45			(39,213.89)
08-05			2,000.00	1,900.00		1,416.22
08-06			41,463.89	2,250.00		(78,224.77)
08-09			2,583.78	4,000.00		
08-12			75,268.77	6,000.00	8,956.00	
			391.17	5,000.00	20,820.49	(16,211.66)
08-14			750.00	750.00		750.00
Improvements to the Beach Access						
		\$ 243,005.46	\$ 619,611.96	\$ 210,459.81	\$ 210,459.81	\$ 211,847.36

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE**

**TAXATION - FUNDED**

Balance December 31, 2007	\$ 101,076.47
Decreased by:	
2008 Budget Appropriation to Pay Loans:	
Green Trust Loan Program	<u>13,591.89</u>
Balance December 31, 2008	\$ <u>87,484.58</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-5

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Balance		Notes Paid by or Funded by Budget		Balance		Bond Anticipation Notes		Analysis of Balance Dec. 31, 2008	
		Dec. 31, 2007	2008 Authorizations	Appropriations	Dec. 31, 2008	Notes	Expenditures	Unexpended Improvement Authorizations			
01-03, 01-22	Purchase of Real Property	\$ 204,850.00	\$	\$ 204,850.00	\$						
02-02	Acquisition and Renovation of Coast Guard Building	85,400.00		36,800.00	48,600.00	48,600.00					
	Reconstruction and Renovation of Coast Guard Building Phase II										
03-03	Purchase of Lifeguard Apparatus and Equipment	666,900.00		17,800.00	649,100.00	649,100.00					
03-06	Reconstruction of West 21st and 22nd Streets	1,500.00		1,500.00							
03-09	Reconstruction of the Borough Bulkhead	3,000.00		3,000.00							
04-08	Reconstruction of West 6th and 7th Streets	337,500.00		30,000.00	307,500.00	274,400.00			63.20		33,036.80
04-11	Reconstruction of West 6th and 7th Streets	5,000.00		5,000.00	5,000.00				5,000.00		
05-05	Purchase of an AVS-RC30 Tractor with Attachments	16,500.00		5,500.00	11,000.00	11,000.00					
05-12	Purchase of a Dump Truck	22,600.00		7,600.00	15,000.00	15,000.00					
05-14	Reconstruction of West 17th, 28th and 29th Streets	70,265.31		70,265.31	70,265.31						
05-14	Purchase of a Public Works Truck	19,800.00		6,600.00	13,200.00	13,200.00					
06-03	Reconstruction and Renovation of Coast Guard Building Phase III										
06-04	Reconstruction of West 6th and 29th Streets	712,500.00			712,500.00	712,500.00					
06-06	Purchase of a Beach Tractor	39,500.00		39,500.00	39,500.00						
06-14	Fire Hydrant Repairs and Equipment Upgrades	38,000.00		38,000.00	38,000.00	27,900.00			70.35		24,641.84
06-15	Resurfacing of the Basketball Courts	11,400.00		11,400.00	11,400.00						10,029.65
07-08	Reconstruction of 12th Street	47,500.00		47,500.00	47,500.00	46,500.00			828.13		11,400.00
08-04	Purchase of a Public Works Fuel Tank	35,000.00		36,100.00	35,000.00	15,000.00			20,000.00		171.87
08-05	Purchase of a Beach Vehicle			42,750.00	42,750.00				100.00		36,000.00
08-09	Reconstruction of West 17th Street	114,000.00		114,000.00	114,000.00				39,213.89		3,536.11
08-12	Reconstruction and Renovation of Coast Guard Building Phase IV								78,224.77		35,775.23
08-14	Improvements to the Beach Access			95,000.00	95,000.00				16,211.66		78,788.34
				14,250.00	14,250.00						14,250.00
		<u>\$ 2,317,215.31</u>	<u>\$ 302,100.00</u>	<u>\$ 313,650.00</u>	<u>\$ 2,305,665.31</u>	<u>\$ 1,813,200.00</u>			<u>\$ 195,428.34</u>		<u>\$ 297,036.97</u>
											<u>\$ 310,236.97</u>

Improvement Authorizations Unfunded:

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Number	Improvement Description	Amount
05-14	Purchase of a Public Works Truck	(13,200.00)
		<u>\$ 297,036.97</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-6**

**SCHEDULE OF GRANTS RECEIVABLE**

Balance December 31, 2007	\$ 52,765.31
Increased by:	
Current Year Awards	<u>100,000.00</u>
Balance December 31, 2008	<u>\$ 152,765.31</u>
<b><u>Analysis of Balance</u></b>	
Reconstruction of West 17th, 28th and 29th Streets	\$ 32,765.31
Reconstruction of 12th Street	20,000.00
Reconstruction of West 17th Street	<u>100,000.00</u>
	<u>\$ 152,765.31</u>

**SCHEDULE OF INTERFUND - CURRENT FUND**

**Exhibit C-7**

Balance December 31, 2007 - Due From/(Due To)	\$ 325,107.94
Increased by:	
Disbursements	<u>4,459.18</u>
	<u>329,567.12</u>
Decreased by:	
Receipts	<u>375,607.94</u>
Balance December 31, 2008 - Due From/(Due To)	<u>\$ (46,040.82)</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-8

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2007		Increased	Decreased	Balance Dec. 31, 2008	
				Funded	Unfunded			Funded	Unfunded
98-06	Resurfacing Basketball Court	4/18/98	\$ 7,000.00	\$ 416.62	\$	\$	\$	\$ 416.62	\$
01-06	Repair and Rehabilitation of Municipal Basketball Courts	3/21/01	16,500.00	542.06				542.06	
02-02	Reconstruction and Renovation of Coast Guard Building Phase II	3/20/02	750,000.00		42,311.15		42,311.15		33,036.80
03-09	Reconstruction of the Borough Bulkhead	8/11/03	450,000.00		33,036.80			4,011.18	49,407.13
04-09	Construction of a Spill Prevention and Containment System	5/19/04	5,000.00	4,011.18			239.99		13,200.00
05-12	Reconstruction of West 17th, 28th and 29th Streets	6/15/05	150,000.00		49,647.12			425.05	
05-14	Purchase of a Public Works Truck	7/20/05	35,000.00		13,625.05				
06-03	Reconstruction and Renovation of Coast Guard Building Phase III	4/19/06	750,000.00		318,197.63		318,197.63		
06-04	Reconstruction of West 6th and 29th Streets	4/19/06	150,000.00		24,641.84				24,641.84
06-06	Purchase of a Beach Tractor	5/17/06	40,000.00		10,029.65				10,029.65
06-14	Fire Hydrant Repairs and Equipment Upgrades	8/16/06	12,000.00	429.80				429.80	
06-15	Resurfacing of the Basketball Courts	8/16/06	50,000.00		11,400.00				11,400.00
07-08	Reconstruction of 12th Street	7/18/07	100,000.00	46,164.45			81,164.45		171.87
08-04	Purchase of a Public Works Fuel Tank	4/16/08	38,000.00			38,000.00			36,000.00
08-05	Purchase of a Beach Vehicle	3/19/08	45,000.00			45,000.00			3,536.11
08-06	Purchase of Computer Equipment	3/19/08	4,000.00			4,000.00		1,416.22	
08-09	Reconstruction of West 17th Street	3/19/08	120,000.00			120,000.00			35,775.23
08-12	Reconstruction and Renovation of Coast Guard Building Phase IV	6/18/08	100,000.00			100,000.00		750.00	78,788.34
08-14	Improvements to the Beach Access	8/20/08	15,000.00			15,000.00			14,250.00
				\$ 51,564.11	\$ 538,061.11	\$ 322,000.00	\$ 593,397.32	\$ 7,990.93	\$ 310,236.97
	Deferred Charges - Unfunded					\$ 302,100.00			
	Capital Improvement Fund					15,900.00			
	Miscellaneous Reserves					4,000.00			
						\$ 322,000.00			
	Disbursements						\$ 585,220.15		
	Reserve for Encumbrances (Net)						8,177.17		
							\$ 593,397.32		

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-9**

**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Balance December 31, 2007	\$ 101,076.47
Decreased by:	
Paid by Budget Appropriation	<u>13,591.89</u>
Balance December 31, 2008	<u>\$ 87,484.58</u>

**MATURITY SCHEDULE - WATERFRONT DEVELOPMENT**

**\$250,000 GREEN TRUST**

**Exhibit C-10**

<b><u>Due</u></b>	<b><u>Loan Balance</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Payment</u></b>
2/23/09	\$ 87,484.58	\$ 6,898.05	\$ 874.85	\$ 7,772.90
8/23/09	80,586.53	6,967.03	805.87	7,772.90
2/23/10	73,619.50	7,036.70	736.19	7,772.89
8/23/10	66,582.80	7,107.07	665.83	7,772.90
2/23/11	59,475.73	7,178.14	594.76	7,772.90
8/23/11	52,297.59	7,249.92	522.98	7,772.90
2/23/12	45,047.67	7,322.42	450.48	7,772.90
8/23/12	37,725.25	7,395.65	377.25	7,772.90
2/23/13	30,329.60	7,469.60	303.30	7,772.90
8/23/13	22,860.00	7,544.30	228.60	7,772.90
2/23/14	15,315.70	7,619.74	153.16	7,772.90
8/23/14	7,695.94	7,695.94	76.96	7,772.90
Subtotal		<u>87,484.56</u>	<u>5,790.23</u>	<u>93,274.79</u>
Rounding		<u>.02</u>	<u>(.02)</u>	
Total		<u>\$ 87,484.58</u>	<u>\$ 5,790.21</u>	<u>\$ 93,274.79</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-11

**SCHEDULE OF BOND ANTICIPATION NOTES**

<b>Ordinance Number</b>	<b>Note Number</b>	<b>Improvement Description</b>	<b>Date of Original Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2007</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2008</b>
						\$	\$	\$	\$
01-03, 01-22 02-02	2008-01 2008-01 2008-01	Purchase of Real Property Acquisition and Renovation of Coast Guard Building Reconstruction and Renovation of Coast Guard Building Phase II	3/17/00 5/01/01 3/08/08	3/09/07 3/08/08 3/05/09	3.78% 1.96%	204,850.00 85,400.00		204,850.00 36,800.00	48,600.00
03-03 03-06 03-09 02-02	2008-01 2008-01 2008-01 2008-01	Purchase of Lifeguard Apparatus and Equipment Reconstruction of West 21st and 22nd Streets Reconstruction of the Borough Bulkhead Reconstruction and Renovation of Coast Guard Building Phase II	3/14/03 11/18/03 3/12/04 3/12/04	3/05/09 3/08/08 3/09/07 3/08/08	1.96% 3.78% 3.78% 1.96%	180,000.00 1,500.00 3,000.00 210,000.00		5,000.00 1,500.00 3,000.00 30,000.00	175,000.00
04-11 05-05 05-14 06-03	2008-01 2008-01 2008-01 2008-01	Purchase of an AVS-RC30 Tractor with Attachments Purchase of a Dump Truck Purchase of a Public Works Truck Reconstruction and Renovation of Coast Guard Building Phase III	9/23/05 3/11/05 9/23/05 9/23/05	3/05/09 3/08/08 3/05/09 3/08/08	1.96% 1.96% 1.96% 1.96%	486,900.00 16,500.00 22,600.00 19,800.00		12,800.00 5,500.00 7,600.00 6,600.00	474,100.00 11,000.00 15,000.00 13,200.00
03-09 06-06 06-15 07-08	2008-01 2008-01 2008-01 2008-01	Reconstruction of the Borough Bulkhead Purchase of a Beach Tractor Resurfacing of the Basketball Courts Reconstruction of 12th Street	6/23/06 3/08/08 3/08/08 3/08/08 3/08/08	3/05/09 3/05/09 3/05/09 3/05/09 3/05/09	1.96% 1.96% 1.96% 1.96% 1.96%	712,500.00 94,400.00 27,900.00 46,500.00 15,000.00	94,400.00 27,900.00 46,500.00 15,000.00		712,500.00 94,400.00 27,900.00 46,500.00 15,000.00
						\$ 1,943,050.00	\$ 183,800.00	\$ 313,650.00	\$ 1,813,200.00

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-12**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2007	\$ 26,425.92
Increased by:	
2008 Budget Appropriation	<u>25,000.00</u>
	51,425.92
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>15,900.00</u>
Balance December 31, 2008	<u>\$ 35,525.92</u>

**SCHEDULE OF RESERVE FOR RETIREMENT OF DEBT**

**Exhibit C-13**

Balance December 31, 2007	\$ 116,650.00
Decreased by:	
Payment to Current Fund as Anticipated Revenue	<u>50,500.00</u>
Balance December 31, 2008	<u>\$ 66,150.00</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-14**

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Balance December 31, 2007	\$ 41,191.32
Increased by:	
Transfer from Improvement Authorizations	<u>49,368.49</u>
	90,559.81
Decreased by:	
Transfer to Improvement Authorizations	<u>41,191.32</u>
Balance December 31, 2008	\$ <u><u>49,368.49</u></u>

**SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE**

**Exhibit C-15**

Balance December 31, 2007	\$ 52,765.31
Increased by:	
Current Year Awards	<u>100,000.00</u>
Balance December 31, 2008	\$ <u><u>152,765.31</u></u>
<b><u>Analysis of Balance</u></b>	
Reconstruction of West 17th, 28th and 29th Streets	\$ 32,765.31
Reconstruction of 12th Street	20,000.00
Reconstruction of West 17th Street	<u>100,000.00</u>
	\$ <u><u>152,765.31</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-16

**SCHEDULE OF MISCELLANEOUS RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2007</u>	<u>Net Increase/ (Decrease)</u>	<u>Balance Dec. 31, 2008</u>
Reconstruction of Roads	\$ 5,972.94	\$ (5,972.94)	\$ 17,500.00
Restoration of Dunes and Beaches/Walkover Mats	2,500.00	15,000.00	
Purchase of Computer Equipment	4,000.00	(4,000.00)	
Lifeguard Housing Improvements	9,257.88	(200.79)	9,057.09
Emergency Management Communications	2,550.00		2,550.00
Electrical Renovations - Post Office	4,988.70		4,988.70
Purchase of Sound Equipment and Chairs	1,783.36		1,783.36
Purchase of Poles/Trash Receptacles	23.61		23.61
Renovations to Skate Park	4,131.71	(2,010.00)	2,121.71
Painting of Bathrooms at Docks	3,000.00		3,000.00
Grout Brick Work Museum	2,500.00		2,500.00
Trailer RC30 Beach/Boardwalk Loader	5,000.00	(2,407.00)	2,593.00
Handicapped Walkway 29th Street Beach	1,500.00		1,500.00
Dune Poles	1,500.00		1,500.00
Dog Park Fencing	504.00		504.00
Surface Ground Cover		8,000.00	8,000.00
Road Overlay W. 16th Street		10,000.00	10,000.00
	<u>\$ 49,212.20</u>	<u>\$ 18,409.27</u>	<u>\$ 67,621.47</u>
Receipts		\$ 33,000.00	
Disbursements		(10,590.73)	
Appropriated to Finance Improvement Authorizations		<u>(4,000.00)</u>	
		<u>\$ 18,409.27</u>	

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

Exhibit C-17

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
03-09	Reconstruction of the Borough Bulkhead	\$ 33,100.00
04-08	Reconstruction of West 6th and 7th Streets	5,000.00
05-12	Reconstruction of West 17th, 28th and 29th Streets	70,265.31
06-04	Reconstruction of West 6th and 29th Streets	39,500.00
06-06	Purchase of a Beach Tractor	10,100.00
06-14	Fire Hydrant Repairs and Equipment Upgrades	11,400.00
06-15	Resurfacing of the Basketball Courts	1,000.00
07-08	Reconstruction of 12th Street	20,000.00
08-04	Purchase of a Public Works Fuel Tank	36,100.00
08-05	Purchase of a Beach Vehicle	42,750.00
08-09	Reconstruction of West 17th Street	114,000.00
08-12	Reconstruction and Renovation of Coast Guard Building Phase IV	95,000.00
08-14	Improvements to the Beach Access	14,250.00
		<u>\$ 492,465.31</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY FUND**

**Exhibit D-5**

**SCHEDULE OF WATER-SEWER UTILITY CASH**

	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance December 31, 2007	\$ <u>260,546.58</u>	\$ <u>167,065.75</u>
Increased by Receipts:		
Miscellaneous Revenue Anticipated	14,437.83	
Water Rents	675,251.91	
Sewer Rents	399,391.30	
Overpayments and Prepaid Rents	1,844.75	
Cost of Improvements Authorized		6,000.00
Capital Improvement Fund		7,500.00
Total Receipts	<u>1,090,925.79</u>	<u>13,500.00</u>
Total Receipts and Balances	<u>1,351,472.37</u>	<u>180,565.75</u>
Decreased by Disbursements:		
Petty Cash	100.00	
Budget Appropriations	938,788.16	
Appropriation Reserves	10,348.91	
Overpayments and Prepaid Rents	1,790.58	
Accrued Interest on Bonds and Notes	12,829.49	
Interfund - Current Fund	77,305.82	166,000.00
Improvement Authorizations		2,517.49
Total Disbursements	<u>1,041,162.96</u>	<u>168,517.49</u>
Balance December 31, 2008	\$ <u><u>310,309.41</u></u>	\$ <u><u>12,048.26</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY FUND**

Exhibit D-6

**ANALYSIS OF UTILITY CAPITAL CASH**

	Balance		Receipts	Disbursements	Transfers		Balance Dec. 31, 2008
	Dec. 31, 2007				To	From	
Fund Balance	\$ 799.36						\$ 799.36
Reserve for Retirement of Debt	12,565.58	7,500.00			155.80		155.80
Capital Improvement Fund	196,000.00				6,481.16	15,000.00	11,546.74
Interfund - Current Fund	744.00			166,000.00			30,000.00
Reserve for Encumbrances						744.00	
Improvement Authorizations:							
<b>Ordinance</b>							
<u>Number</u>							
10-09-79	(51,000.00)	4,000.00					(47,000.00)
05-05-80	(29,000.00)	2,000.00					(27,000.00)
01-11	6,000.00						6,000.00
02-04	12,316.36						12,316.36
04-13	8,000.00						8,000.00
04-14	2,500.00						2,500.00
05-13	155.80					155.80	
06-07	6,351.00					6,351.00	
07-03	12.00			744.00	744.00		
07-04	1,621.65			1,503.49		12.00	
08-07				270.00		118.16	(270.00)
08-18							
					15,000.00		15,000.00
	<u>\$ 167,065.75</u>	<u>\$ 13,500.00</u>	<u>\$ 168,517.49</u>	<u>\$ 22,380.96</u>	<u>\$ 22,380.96</u>	<u>\$ 22,380.96</u>	<u>\$ 12,048.26</u>

Water System Improvements  
 Water System Improvements  
 Repairs to the Sewer Station Pump  
 Installation of an Upgraded Telemetry System  
 Improvements to Sewer Pump  
 Improvements to Roof Over Well #4  
 Electrical Upgrades and Repairs to Well #4  
 Repair of Well #3  
 Generator Load Testing and Maintenance  
 Manhole Inserts  
 Purchase of a Fuel Tank for Well #4  
 Engineering Study/Report on a 200,000 Gallon  
 Elevated Water Tank

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-7**

**SCHEDULE OF WATER RENTS RECEIVABLE**

Balance December 31, 2007	\$	5,367.96
Increased by:		
Water Rents Levied		<u>675,065.95</u>
		680,433.91
Decreased by:		
Collection		<u>675,251.91</u>
Balance December 31, 2008	\$	<u><u>5,182.00</u></u>

**SCHEDULE OF SEWER RENTS RECEIVABLE**

**Exhibit D-8**

Balance December 31, 2007	\$	8,603.22
Increased by:		
Sewer Rents Levied		<u>399,035.72</u>
		407,638.94
Decreased by:		
Collection		<u>399,391.30</u>
Balance December 31, 2008	\$	<u><u>8,247.64</u></u>

**SCHEDULE OF INTERFUNDS**

**Exhibit D-9**

	<b>Total (Memo Only)</b>	<b>Current Fund</b>
Balance December 31, 2007 - Due From/(Due To)	\$ <u>(77,305.82)</u>	\$ <u>(77,305.82)</u>
Increased/Decreased by:		
Disbursements	\$ <u><u>77,305.82</u></u>	\$ <u><u>77,305.82</u></u>

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit D-10

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2007</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 15,323.37	\$ 15,323.37	\$ 6,000.00	\$ 9,323.37
Other Expenses	37,163.30	37,163.30	4,276.84	32,886.46
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	4,250.00	4,250.00		4,250.00
Social Security System (O.A.S.I.)	1,575.80	1,575.80		1,575.80
Unemployment Compensation Insurance	903.55	903.55	72.07	831.48
	<u>\$ 59,216.02</u>	<u>\$ 59,216.02</u>	<u>\$ 10,348.91</u>	<u>\$ 48,867.11</u>
Appropriation Reserves - 2007	\$ 55,591.18			
Reserve for Encumbrances	<u>3,624.84</u>			
	<u>\$ 59,216.02</u>			

BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN

Exhibit D-11

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS AND PREPAID RENTS

	<b>Total</b>	<b>Water</b>		<b>Sewer</b>	
	<b>(Memo Only)</b>	<b>Overpaid</b>	<b>Prepaid</b>	<b>Overpaid</b>	<b>Prepaid</b>
Balance December 31, 2007	\$ 1,790.58	\$ 287.03	\$ 540.87	\$ 173.64	\$ 789.04
Increased by:					
Receipts	1,844.75	136.58	663.34	149.51	895.32
	<u>3,635.33</u>	<u>423.61</u>	<u>1,204.21</u>	<u>323.15</u>	<u>1,684.36</u>
Decreased by:					
Disbursements	<u>1,790.58</u>	<u>287.03</u>	<u>540.87</u>	<u>173.64</u>	<u>789.04</u>
Balance December 31, 2008	\$ <u><u>1,844.75</u></u>	\$ <u><u>136.58</u></u>	\$ <u><u>663.34</u></u>	\$ <u><u>149.51</u></u>	\$ <u><u>895.32</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-12

**SCHEDULE OF RESERVE FOR CONTRIBUTION TO P.E.R.S.**

Balance December 31, 2007 and 2008

\$ 2,000.00

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Exhibit D-13

Balance December 31, 2007

\$ 10,399.39

Increased by:

Budget Appropriation for Interest on Notes

6,144.97  
16,544.36

Decreased by:

Interest Paid

12,829.49

Balance December 31, 2008

\$ 3,714.87

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Exhibit D-14

	<b><u>Operating Fund</u></b>	<b><u>Capital Fund</u></b>
Balance December 31, 2007	\$ 3,624.84	\$ 744.00
Increased by:		
Transfer from 2008 Budget Appropriations	<u>2,307.63</u> <u>5,932.47</u>	<u>744.00</u>
Decreased by:		
Transfer to Appropriation Reserves	3,624.84	
Transfer to Improvement Authorizations		744.00
Total Decreases	<u>3,624.84</u>	<u>744.00</u>
Balance December 31, 2008	\$ <u>2,307.63</u>	\$ <u>          </u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-15**

**SCHEDULE OF FIXED CAPITAL**

	<b>Balance Dec. 31, 2007</b>	<b>Costs from Fixed Capital Authorized and Uncompleted</b>	<b>Balance Dec. 31, 2008</b>
Plant Tower and Truck	\$ 728,869.30	\$	\$ 728,869.30
Distribution Mains and Accessories	270,850.63		270,850.63
Pumping Station - Structure and Wells	237,143.20		237,143.20
Reservoir	12,018.49		12,018.49
Meters and Meter Accessories	104,002.85		104,002.85
Power Pumping Equipment	5,134.96		5,134.96
Fire Hydrants	2,615.92		2,615.92
Miscellaneous Equipment	45,687.90		45,687.90
Office Equipment	12,903.06		12,903.06
Sewer Collection System	1,900,726.53		1,900,726.53
Test Well	38,723.28		38,723.28
Backhoe	32,075.00		32,075.00
Front End Loader	40,000.00		40,000.00
Construction of Public Works Garage	107,750.00		107,750.00
Engineering Plans for a New Water Tower	16,639.03		16,639.03
Pump Station on 11th Street	236,684.66		236,684.66
Water Tower Rehabilitation	142,553.15		142,553.15
Sewer Line Maintenance Project	10,000.00		10,000.00
Repairs to the Borough Water Well #3	264,292.29		264,292.29
Installation of a Chlorine Alarm System	2,428.19		2,428.19
Maintenance Work to Municipal Sewer Lines	5,488.32		5,488.32
Installation of a New Telemetry and Alarm System	46,000.00		46,000.00
Inspections and Repairs to the Borough Water Well #4	40,000.00		40,000.00
Improvements to Sewer Pump #2	5,000.00		5,000.00
Purchase of a Pipe Locator	1,099.52		1,099.52
Improvements to the 28th Street Water Main	39,660.00		39,660.00
Purchase of a Utility Generator and Fuel Tank	56,475.33		56,475.33
Repairs to the Borough Dry Well	19,450.00		19,450.00
Improvements to the Borough Water Main	65,392.91		65,392.91
Improvements to the Borough Master Water Meter	360.80		360.80
Purchase of a Utility Truck	28,065.63		28,065.63
Purchase and Install Bypass Sewer Pump	20,506.00		20,506.00
Electrical Upgrades and Repairs to Well #4		9,844.20	9,844.20
Repair of Well #3		3,649.00	3,649.00
Generator Load Testing and Maintenance		1,488.00	1,488.00
Manhole Inserts		1,881.84	1,881.84
	<u>\$ 4,538,596.95</u>	<u>\$ 16,863.04</u>	<u>\$ 4,555,459.99</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-16

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2007	2008 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2008
		Date	Amount		Deferred Reserve for Amortization	Charges to Future Revenue		
01-11	Repairs to the Sewer Station Pump	3/21/01	\$ 6,000.00	\$ 6,000.00				\$ 6,000.00
02-04	Installation of an Upgraded Telemetry System	3/20/02	40,000.00	40,000.00				40,000.00
04-13	Improvements to Sewer Pump	5/21/04	8,000.00	8,000.00				8,000.00
04-14	Improvements to Roof Over Well #4	5/21/04	2,500.00	2,500.00				2,500.00
05-13	Electrical Upgrades and Repairs to Well #4	6/15/05	10,000.00	10,000.00	(155.80)		9,844.20	
06-07	Repair of Well #3	5/17/06	10,000.00	10,000.00	(6,351.00)		3,649.00	
07-03	Generator Load Testing and Maintenance	7/18/07	1,500.00	1,500.00	(12.00)		1,488.00	
07-04	Manhole Inserts	7/18/07	2,000.00	2,000.00	(118.16)		1,881.84	
08-07	Purchase of a Fuel Tank for Well #4	4/16/08	12,000.00			12,000.00		12,000.00
08-08	Repair of the Roof, Deck & Siding at Well #4	4/16/08	25,000.00			25,000.00		25,000.00
08-17	Improvement of Well #4	12/17/08	125,000.00			125,000.00		125,000.00
08-18	Engineering Study/Report on a 200,000 Gallon Elevated Water Tank	12/17/08	15,000.00		15,000.00			15,000.00
08-19	Rehabilitation of the Sewer Pump Station Pump, and the Purchase of Control and Retrieval Equipment	12/17/08	15,000.00			15,000.00		15,000.00
				\$ 80,000.00	\$ 8,363.04	\$ 177,000.00	\$ 16,863.04	\$ 248,500.00

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-17**

**SCHEDULE OF INTERFUNDS**

	<b>Total (Memo Only)</b>	<b>Current Fund</b>
Balance December 31, 2007 - Due From/(Due To)	\$ <u>(196,000.00)</u>	\$ <u>(196,000.00)</u>
Increased/Decreased by:		
Disbursements	<u>166,000.00</u>	<u>166,000.00</u>
Balance December 31, 2008 - Due From/(Due To)	\$ <u><u>(30,000.00)</u></u>	\$ <u><u>(30,000.00)</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

Exhibit D-18

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2007		Increased	Decreased	Balance Dec. 31, 2008	
				Funded	Unfunded			Funded	Unfunded
01-11	Repairs to the Sewer Station Pump	3/21/01	\$ 6,000.00	\$ 6,000.00	\$	\$	\$	6,000.00	\$
02-04	Installation of an Upgraded Telemetry System	3/20/02	40,000.00						12,316.36
04-13	Improvements to Sewer Pump	5/21/04	8,000.00	8,000.00				8,000.00	
04-14	Improvements to Roof Over Well #4	5/21/04	2,500.00	2,500.00				2,500.00	
05-13	Electrical Upgrades and Repairs to Well #4	6/15/05	10,000.00		155.80		155.80		
06-07	Repair of Well # 3	5/17/06	10,000.00	6,351.00			6,351.00		
07-03	Generator Load Testing & Maintenance	7/18/07	1,500.00	12.00			12.00		
07-04	Manhole Inserts	7/18/07	2,000.00	1,621.65			1,621.65		
08-07	Purchase of a Fuel Tank for Well #4	4/16/08	12,000.00		12,000.00				11,730.00
08-08	Repair of the Roof, Deck & Siding at Well #4	4/16/08	25,000.00		25,000.00				25,000.00
08-17	Improvement of Well #4	12/17/08	125,000.00		125,000.00				125,000.00
08-18	Engineering Study/Report on a 200,000 Gallon Elevated Water Tank	12/17/08	15,000.00		15,000.00			15,000.00	
08-19	Rehabilitation of the Sewer Pump Station Pump, and the Purchase of Control and Retrieval Equipment	12/17/08	15,000.00		15,000.00				15,000.00
				\$ 24,484.65	\$ 12,472.16	\$ 192,000.00	\$ 8,410.45	\$ 31,500.00	\$ 189,046.36
	Fixed Capital Authorized and Uncompleted Capital Improvement Fund			\$ 177,000.00	\$ 15,000.00	\$ 192,000.00			
	Reserve for Retirement of Debt Disbursements			\$ 155.80			\$ 155.80		
	Reserve for Encumbrances			2,517.49			2,517.49		
	Capital Improvement Fund			(744.00)			(744.00)		
				6,481.16			6,481.16		
				\$ 8,410.45			\$ 8,410.45		

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-19**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2007		\$ 12,565.58
Increased by:		
2008 Budget Appropriation	\$ 7,500.00	
Improvement Authorizations Cancelled	<u>6,481.16</u>	
		<u>13,981.16</u>
		<u>26,546.74</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>15,000.00</u>
Balance December 31, 2008		\$ <u><u>11,546.74</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF BOND ANTICIPATION NOTES**

Exhibit D-20

<b>Ordinance Number</b>	<b>Note Number</b>	<b>Improvement Description</b>	<b>Date of Issue of Original Note</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2007</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2008</b>
09-22-97	2008-02	Water Tower Rehabilitation	9/22/97	3/09/07	3/08/08	3.78%	\$ 21,450.00	\$ 21,450.00	\$
99-14	2008-02	Improvements to the 28th Street Water Main	3/17/00	3/09/07	3/08/08	3.78%	13,500.00	13,500.00	
00-10	2008-02	Purchase of a Utility Generator and Fuel Tank	6/26/00	3/09/07	3/08/08	3.78%	24,000.00	24,000.00	
05-17-00	2008-02	Installation of a New Telemetry and Alarm System	6/26/00	3/08/08	3/05/09	1.96%	9,100.00	3,400.00	5,700.00
05-16-01	2008-02	Repairs to the Borough Water Well #3	7/19/01	3/08/08	3/05/09	1.96%	150,000.00	15,000.00	135,000.00
07-18-01	2008-02	Installation of a New Telemetry and Alarm System	3/14/03	3/08/08	3/05/09	1.96%	15,900.00	2,300.00	13,600.00
02-04	2008-02	Installation of an Upgraded Telemetry System	3/14/03	3/08/08	3/05/09	1.96%	26,600.00	3,800.00	22,800.00
02-05	2008-02	Improvements to the Borough Water Main	3/14/03	3/08/08	3/05/09	1.96%	39,400.00	6,600.00	32,800.00
02-09	2008-02	Inspections and Repairs to the Borough Water Well #4	3/14/03	3/08/08	3/05/09	1.96%	15,200.00	7,600.00	7,600.00
03-07	2008-02	Purchase of a Utility Truck	11/18/03	3/09/07	3/08/08	3.78%	6,500.00	6,500.00	
04-12	2008-02	Purchase and Install Bypass Sewer Pump	3/11/05	3/08/08	3/05/09	1.96%	11,100.00	3,700.00	7,400.00
05-13	2008-02	Electric Upgrades and Repairs to Well #4	9/23/05	3/08/08	3/05/09	1.96%	7,600.00	1,900.00	5,700.00
							<b>\$ 340,350.00</b>	<b>\$ 109,750.00</b>	<b>\$ 230,600.00</b>
								<b>\$ 104,050.00</b>	
								<b>5,700.00</b>	
								<b>\$ 109,750.00</b>	

Reserve for Amortization  
Deferred Reserve for Amortization

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**Exhibit D-21**

Balance December 31, 2007		\$ 4,152,446.95
Increased by:		
Budget Appropriation - Costs of Improvements		
Authorized - Water System Improvements	\$ 6,000.00	
Bond Anticipation Notes Paid by Operating Budget	104,050.00	
Transfer from Deferred Reserve for Amortization	<u>11,163.04</u>	
		<u>121,213.04</u>
Balance December 31, 2008		\$ <u><u>4,273,659.99</u></u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

Exhibit D-22

**WATER - SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date of Ordinance</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Fixed Capital Authorized</u></b>	<b><u>Paid from Operating Budget</u></b>	<b><u>To Reserve for Amortization Fixed Capital</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
01-11	Repairs to the Sewer Station Pump	3/21/01	\$ 6,000.00				\$ 6,000.00
02-04	Installation of an Upgraded Telemetry System	3/20/02	13,400.00		3,800.00		17,200.00
04-13	Improvements to Sewer Pump	5/21/04	8,000.00				8,000.00
04-14	Improvements to Roof Over Well #4	5/21/04	2,500.00		1,900.00	4,144.20	2,500.00
05-13	Electrical Upgrades and Repairs to Well #4	6/15/05	2,400.00	(155.80)		3,649.00	
06-07	Repair of Well #3	5/17/06	10,000.00	(6,351.00)		1,488.00	
07-03	Generator Load Testing & Maintenance	7/18/07	1,500.00	(12.00)		1,881.84	
07-04	Manhole Inserts	7/18/07	2,000.00	(118.16)			
08-18	Engineering Study/Report on a 200,000 Gallon Elevated Water Tank	12/17/08		15,000.00			15,000.00
			<u>\$ 45,800.00</u>	<u>\$ 8,363.04</u>	<u>\$ 5,700.00</u>	<u>\$ 11,163.04</u>	<u>\$ 48,700.00</u>

**BOROUGH OF BARNEGAT LIGHT - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-23**

**SCHEDULE OF RESERVE FOR RETIREMENT OF DEBT**

Increased by:	
Transfer from Improvement Authorizations	\$ <u>155.80</u>
Balance December 31, 2008	\$ <u><u>155.80</u></u>

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

**Exhibit D-24**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
10-09-79	Water System Improvements	\$ 47,000.00
05-05-80	Water System Improvements	27,000.00
08-07	Purchase of a Fuel Tank for Well #4	12,000.00
08-08	Repair of the Roof, Deck & Siding at Well #4	25,000.00
08-17	Improvement of Well #4	125,000.00
08-19	Rehabilitation of the Sewer Pump Station Pump, and the Purchase of Control and Retrieval Equipment	<u>15,000.00</u>
		\$ <u><u>251,000.00</u></u>

**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**PART III**

**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

**AND ON COMPLIANCE AND OTHER MATTERS**

**YEAR ENDED DECEMBER 31, 2008**

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

### **AND ON COMPLIANCE AND OTHER MATTERS BASED ON**

### **AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN**

### **ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the Borough of Barnegat Light (the "Borough"), as of and for the year ended December 31, 2008, and have issued our report thereon dated July 31, 2009. Our report disclosed that, as described in Note 1 to the regulatory basis financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited. Except as noted in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Division.

### **Internal Control Over Financial Reporting**

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

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

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 Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported to management of the Borough in a separate letter dated July 31, 2009.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*William E. Antonides and Company*  
**Independent Auditors**

July 31, 2009

**BOROUGH OF BARNEGAT LIGHT**

**COUNTY OF OCEAN**

**PART IV**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2008**

An audit of the financial accounts and transactions of the Borough of Barnegat Light, in the County of Ocean, for the year ended December 31, 2008, has recently been completed. The results of the audit are herewith set forth.

## **SCOPE OF AUDIT**

The audit covered the financial transactions of the Chief Financial Officer, Tax/Utility Collector, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statement of Revenues and Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

All material items of revenue and receipts were established and verified as to source and amount where practical.

## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4a 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 Borough's purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C. 198 (C. 40A:11-9) thereby enabling the governing body of the contracting unit to establish a bid threshold of up to \$29,000. The Borough Council has elected to avail the Borough of this provision in the statute and have set the bid threshold at the \$29,000 sum as permitted by law.

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

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.

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.

**Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4a (Continued)**

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

**Change Orders Pursuant to N.J.A.C. 5:30-11.9 et seq.**

None

**Contracts or Agreements not Required to be Advertised per 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 15 percent or more of that amount... the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

**Collection of Interest on Delinquent Taxes and Water-Sewer Rents**

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

The governing body on January 2, 2008 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water-sewer rents:

**"BE IT RESOLVED** that the governing body of the Borough of Barnegat Light set the rate of interest to be charged on delinquent water and sewer accounts and delinquent taxes at 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 and 6% to be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. A 10 day grace period shall be permitted as provided by N.J.S.A. 54:4-67."

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2008	None
2007	None
2006	None

## **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<b><u>Type</u></b>	<b><u>Number Mailed</u></b>
Payment of 2008 Taxes	20
Payment of 2008 Water-Sewer Utility Rents	20
Delinquent Taxes	15
Delinquent Water-Sewer Utility Rents	15

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

## **Miscellaneous**

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for the year 2008.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

## **FOLLOW-UP OF PRIOR YEAR FINDINGS**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. All prior year findings were corrected in 2008.

## **FINDINGS/RECOMMENDATIONS**

None

**ACKNOWLEDGEMENT**

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of the audit.

The foregoing comments are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments please contact us at your earliest opportunity.

\* \* \* \* \*