

**TOWNSHIP OF UPPER FREEHOLD  
COUNTY OF MONMOUTH  
REPORT OF AUDIT  
FOR THE YEAR 2008**

**TOWNSHIP OF UPPER FREEHOLD**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Upper Freehold  
Cream Ridge, New Jersey 08514

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Upper Freehold, in the County of Monmouth, State of New Jersey as of December 31, 2008 and 2007, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Upper Freehold, in the County of Monmouth, State of New Jersey, as of December 31, 2008 and 2007, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Upper Freehold, in the County of Monmouth, State of New Jersey, as of December 31, 2008 and 2007, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2008 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

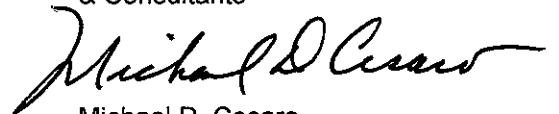
In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2009 on our consideration of the Township of Upper Freehold, in the County of Monmouth, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Upper Freehold's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 5, 2009

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and  
Members of the Township Committee  
Township of Upper Freehold  
Cream Ridge, New Jersey 08514

We have audited the financial statements (regulatory basis) of the Township of Upper Freehold, in the County of Monmouth, State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 5, 2009, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

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

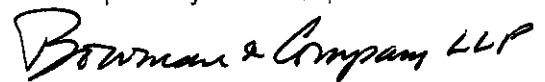
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

**Compliance and Other Matters**

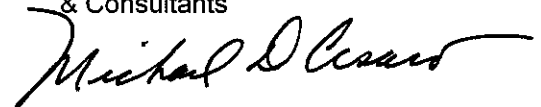
As part of obtaining reasonable assurance about whether the Township of Upper Freehold's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management of the Township, the Division of Local Government Services, Department of Community Affairs, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 5, 2009

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance  
 --Regulatory Basis  
 As of December 31, 2008 and 2007

| <u>ASSETS</u>  | <u>Ref.</u> | <u>2008</u>            | <u>2007</u>            |
|--|-------------|------------------------|------------------------|
| Regular Fund:  |             |                        |                        |
| Cash:  |             |                        |                        |
| Treasurer  | SA-1        | \$ 3,477,874.70        | \$ 4,729,168.09        |
| Collector  | SA-2        | 299,471.07             |                        |
| Change Funds   | SA-3        | 200.00                 | 200.00                 |
|  |             | <u>3,777,545.77</u>    | <u>4,729,368.09</u>    |
| Receivables and Other Assets with Full Reserves:                             |             |                        |                        |
| Taxes Receivable   | SA-4        | 416,431.79             | 480,678.26             |
| Tax Title Liens Receivable   | SA-5        | 194,101.67             | 157,334.00             |
| Property Acquired for Taxes--Assessed Valuation                              |             | 11,600.00              | 11,600.00              |
| Revenue Accounts Receivable  | SA-6        | 3,503.21               | 8,433.57               |
| Accounts Receivable -Interlocal Services Agreement - Animal Control Services | SA-9        | 270.00                 | 270.00                 |
| Due Trust Other Fund   | SB-4        | 13,592.56              | 15,361.77              |
| Due from General Capital Fund  | SC-12       |                        | 252,884.63             |
| Accounts Receivable -Interlocal Services Agreement - Fire Expenses           | SA-8        | 16,537.31              | 15,474.00              |
|  |             | <u>656,036.54</u>      | <u>942,036.23</u>      |
| Deferred Charges:  |             |                        |                        |
| Special Emergency Authorizations (40A:4-53)                                  | SA-10       | 222,000.00             | 324,000.00             |
| Emergency Authorizations (40A:4-46)  | SA-11       |                        | 22,150.00              |
|  |             | <u>222,000.00</u>      | <u>346,150.00</u>      |
|  |             | <u>4,655,582.31</u>    | <u>6,017,554.32</u>    |
| Federal and State Grant Fund:  |             |                        |                        |
| Due from Current Fund  | SA-7        | 167,230.94             | 149,218.33             |
| Federal and State Grants Receivable  | SA-24       | 48,887.19              | 41,821.61              |
|  |             | <u>216,118.13</u>      | <u>191,039.94</u>      |
|  |             | <u>\$ 4,871,700.44</u> | <u>\$ 6,208,594.26</u> |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance  
 --Regulatory Basis  
 As of December 31, 2008 and 2007

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>                            | <u>Ref.</u> | <u>2008</u>            | <u>2007</u>            |
|--|-------------|------------------------|------------------------|
| Regular Fund:  |             |                        |                        |
| Appropriation Reserves   | A-3;SA-12   | \$ 452,507.05          | \$ 310,569.89          |
| Reserve for Encumbrances   | SA-13       | 47,562.01              | 136,941.97             |
| Contracts Payable  |             | 25,699.20              | 25,699.20              |
| Due to State of New Jersey -- State Training Fees                        | SA-15       | 854.27                 | 3,706.78               |
| Prepaid Taxes  | SA-16       | 119,659.56             | 92,570.41              |
| Tax Overpayments   | SA-17       | 2,922.32               | 14,496.55              |
| Due to General Capital Fund  | SC-12       | 600.00                 |                        |
| Due to Federal and State Grant Fund                                      | SA-7        | 167,230.94             | 149,218.33             |
| Due to Trust - Open Space  | SB-12       | 8,707.09               | 28,333.65              |
| Accounts Payable   | SA-21       |                        | 31,222.87              |
| Due to State of New Jersey--Senior<br>Citizen's and Veteran's Deductions | SA-18       | 7,940.08               | 7,036.97               |
| Due to County for Added and Omitted Taxes                                | SA-19       | 55,212.59              | 102,058.66             |
| Reserve for Special Road Work  |             | 6,000.00               | 6,000.00               |
| Reserve for Garden State Preservation Trust Fund                         | SA-14       | 10,968.19              | 11,015.22              |
| Reserve for Polling Places   | SA-1        |                        | 800.00                 |
| Reserve for Preparation and Revision of the Master Plan                  | SA-22       | 196,210.64             | 265,361.78             |
| Reserve for Soil Witnessing Fees   | SA-23       | 4,479.12               | 5,970.62               |
|  |             | <u>1,106,553.06</u>    | <u>1,191,002.90</u>    |
| Reserves for Receivables and Other Assets                                |             | 656,036.54             | 942,036.23             |
| Fund Balance   | A-1         | <u>2,892,992.71</u>    | <u>3,884,515.19</u>    |
|  |             | <u>4,655,582.31</u>    | <u>6,017,554.32</u>    |
| Federal and State Grant Fund:  |             |                        |                        |
| Reserve for Encumbrances   | SA-13       | 18,286.10              | 8,241.64               |
| Unappropriated Reserves  | SA-25       | 2,183.53               | 1,144.65               |
| Appropriated Reserves  | SA-26       | 195,648.50             | 181,653.65             |
|  |             | <u>216,118.13</u>      | <u>191,039.94</u>      |
|  |             | <u>\$ 4,871,700.44</u> | <u>\$ 6,208,594.26</u> |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statements of Operations and Changes in  
 Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2008 and 2007

| <u>Revenue and Other Income Realized</u>                    | <u>2008</u>     | <u>2007</u>     |
|---|-----------------|-----------------|
| Fund Balance Utilized                                       | \$ 2,900,000.00 | \$ 3,345,000.00 |
| Miscellaneous Revenues Anticipated                          | 1,295,256.47    | 1,680,449.86    |
| Receipts from Delinquent Taxes                              | 462,369.39      | 500,392.66      |
| Receipts from Current Taxes                                 | 22,300,859.35   | 21,680,706.12   |
| Non-Budget Revenue  | 145,795.53      | 122,926.95      |
| Other Credits to Income:                                    |                 |                 |
| Unexpended Balance of Appropriation Reserves                | 223,739.68      | 323,888.25      |
| Cancellation of Accounts Payable                            | 30,555.47       |                 |
| Cancellation of Reserves for Federal and State Grants       | 834.91          | 4,922.46        |
| Liquidation of Reserve for:                                 |                 |                 |
| Accounts Receivable:  |                 |                 |
| Interlocal Services Agreement - Fire Services               |                 | 7,283.00        |
| Interlocal Services Agreement - Animal Control Services     |                 | 9,350.25        |
| Due from Trust Other Fund                                   | 1,769.21        |                 |
| Due from General Capital Fund                               | 252,884.63      |                 |
| Due from Federal and State Grant Fund                       |                 | 8,604.53        |
|   | <hr/>           | <hr/>           |
| Total Income  | 27,614,064.64   | 27,683,524.08   |
|   | <hr/>           | <hr/>           |
| <u>Expenditures</u>   |                 |                 |
| Budget and Emergency Appropriations:                        |                 |                 |
| Operations--Within "CAPS":                                  |                 |                 |
| Salaries and Wages  | 1,662,197.00    | 1,634,954.00    |
| Other Expenses  | 1,776,355.00    | 1,738,386.00    |
| Deferred Charges and Statutory Expenditures--               |                 |                 |
| Within "CAPS"   | 139,094.48      | 129,000.00      |
| Operations--Excluded from "CAPS":                           |                 |                 |
| Salaries and Wages  | 54,026.00       | 65,300.00       |
| Other Expenses  | 233,070.54      | 177,635.18      |
| Capital Improvements Excluded from "CAPS"                   | 333,000.00      | 370,500.00      |
| Municipal Debt Service                                      | 985,316.81      | 974,917.18      |
| Deferred Charges -- Excluded from "CAPS"                    | 124,750.00      | 122,358.36      |
| Senior Citizens' Deduction Disallowed by Tax Collector--    |                 |                 |
| Prior Year Taxes  | 750.00          | 750.00          |
| County Taxes  | 3,349,321.73    | 3,345,661.69    |
| Due County for Added and Omitted Taxes                      | 55,212.59       | 102,058.66      |
| Regional School Taxes                                       | 16,440,356.66   | 15,731,982.18   |
| Municipal Open Space Tax                                    | 548,697.09      | 542,859.74      |
| Cancellation of Accounts Receivable -                       |                 |                 |
| Reserve for Federal, State and Other Grants -- Appropriated | 834.91          | 4,922.46        |
| Refund of Prior Year Revenue                                | 1,541.00        | 7,979.00        |
| Reserves Created:   |                 |                 |
| Due from Trust Other Fund                                   |                 | 11,440.73       |
| Due from General Capital Fund                               |                 | 225,641.64      |
| Due from Borough of Allentown - Fire Expenses               | 1,063.31        |                 |
|   | <hr/>           | <hr/>           |
| Total Expenditures  | 25,705,587.12   | 25,186,346.82   |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statements of Operations and Changes in  
 Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2008 and 2007

|   | <u>2008</u>     | <u>2007</u>     |
|---|-----------------|-----------------|
| Excess in Revenues  | \$ 1,908,477.52 | \$ 2,497,177.26 |
| Adjustments to Income before Surplus:                     |                 |                 |
| Expenditures included above which are by Statute Deferred |                 |                 |
| Charges to Budget of Succeeding Year                      |                 | 22,150.00       |
| Statutory Excess to Surplus                               | 1,908,477.52    | 2,519,327.26    |
| Fund Balance Jan. 1                                       | 3,884,515.19    | 4,710,187.93    |
|   | 5,792,992.71    | 7,229,515.19    |
| Decreased by:   |                 |                 |
| Utilized as Revenue                                       | 2,900,000.00    | 3,345,000.00    |
| Balance Dec. 31   | \$ 2,892,992.71 | \$ 3,884,515.19 |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2008

|   | <u>Anticipated</u> |                                    |                 | <u>Excess or<br/>(Deficit)</u> |
|---|--------------------|------------------------------------|-----------------|--------------------------------|
|   | <u>Budget</u>      | <u>Special<br/>N.J.S. 40A:4-87</u> | <u>Realized</u> |                                |
| <b>Fund Balance Anticipated</b>   | \$ 2,900,000.00    |                                    | \$ 2,900,000.00 |                                |
| <b>Miscellaneous Revenue</b>  |                    |                                    |                 |                                |
| Fines and Costs:  |                    |                                    |                 |                                |
| Municipal Court   | 80,000.00          |                                    | 78,523.50       | (1,476.50)                     |
| Interest and Cost on Taxes  | 70,000.00          |                                    | 106,498.14      | 36,498.14                      |
| Interest on Investments and Deposits  | 250,000.00         |                                    | 122,780.47      | (127,219.53)                   |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)   | 630,707.00         |                                    | 630,707.00      |                                |
| Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.34)   | 65,178.00          |                                    | 65,178.00       |                                |
| Garden State Preservation Trust   | 11,015.22          |                                    | 11,015.22       |                                |
| Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):     |                    |                                    |                 |                                |
| Uniform Construction Code Fees  | 200,000.00         |                                    | 112,270.85      | (87,729.15)                    |
| Animal Control - Municipal Revenue  | 30,000.00          |                                    | 36,980.00       | 6,980.00                       |
| State and Federal Revenue Off-Set with Appropriations:  |                    |                                    |                 |                                |
| Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services: |                    |                                    |                 |                                |
| State and Federal Revenues Off-Set with Appropriations:   |                    |                                    |                 |                                |
| Uniform Fire Safety Act Fees  |                    |                                    |                 |                                |
| State   | 4,765.00           |                                    | 9,382.75        | 4,617.75                       |
| Local   | 373.00             |                                    | 704.00          | 331.00                         |
| Recreation for Individuals with Disabilities Grant  |                    | 7,000.00                           | 7,000.00        |                                |
| Recycling Tonnage Grant   |                    | \$ 1,144.65                        | 1,144.65        |                                |
| Alcohol Education and Rehabilitation Fund   |                    | 696.09                             | 696.09          |                                |
| Clean Communities Grant   |                    | 14,003.80                          | 14,003.80       |                                |
| Municipal Alliance on Alcoholism and Drug Abuse   | 42,622.00          |                                    | 42,622.00       |                                |
| NJDEP Environmental Service Program   | 4,500.00           |                                    | 4,500.00        |                                |
| Municipal Stormwater Regulation Grant   | 1,250.00           |                                    | 1,250.00        |                                |
| Other Special Items:  |                    |                                    |                 |                                |
| Reserve for Payment of Bonds - General Capital Fund   | 50,000.00          |                                    | 50,000.00       |                                |
| <b>Miscellaneous Revenue Anticipated</b>  | 1,441,554.87       | 21,699.89                          | 1,295,256.47    | (167,998.29)                   |
| <b>Receipts from Delinquent Taxes</b>   | 400,000.00         |                                    | 462,369.39      | 62,369.39                      |
| <b>Amounts to be Raised by Taxes for Support of Municipal Budget:</b>   |                    |                                    |                 |                                |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes  | 1,813,445.13       |                                    | 2,930,148.11    | 1,116,702.98                   |
| <b>Budget Totals</b>  | 6,555,000.00       | 21,699.89                          | 7,587,773.97    | 1,011,074.08                   |
| <b>Non-Budget Revenues</b>  |                    |                                    | 145,795.53      | 145,795.53                     |
|   | \$ 6,555,000.00    | \$ 21,699.89                       | \$ 7,733,569.50 | \$ 1,156,869.61                |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2008

Analysis of Realized Revenues

|  |                        |
|--|------------------------|
| Allocation of Current Tax Collections:                 |                        |
| Revenue from Collections                               | \$ 22,300,859.35       |
| Allocated to:  |                        |
| School, County and Local Open Space Taxes              | <u>20,639,580.61</u>   |
| Balance for Support of Municipal Budget Appropriations | 1,661,278.74           |
| Add: Appropriation "Reserve for Uncollected Taxes"     | <u>1,268,869.37</u>    |
| Amount for Support of Municipal Budget Appropriations  | <u>\$ 2,930,148.11</u> |
| Receipts from Delinquent Taxes:                        |                        |
| Delinquent Tax Collections                             | \$ 462,369.39          |
| Tax Title Lien Collections                             | <u>-</u>               |
|  | <u>\$ 462,369.39</u>   |
| Interest on Investments and Deposits:                  |                        |
| Current Fund   | \$ 109,187.91          |
| Trust--Other Fund                                      | <u>13,592.56</u>       |
|  | <u>\$ 122,780.47</u>   |

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:

Clerk:

|                            |               |
|----------------------------|---------------|
| Licenses, Fees and Permits | \$ 7,651.00   |
| Planning Board Fees        | 8,540.00      |
| Zoning Board Fees          | 825.00        |
| Health Officer:            |               |
| Fees and Permits           | 24,773.50     |
| Tax Assessor:              |               |
| Fees and Permits           | 290.00        |
| Cable Franchise Fees       | 18,448.00     |
| Collector:                 |               |
| Tax Search Fees            | <u>495.00</u> |

\$ 61,022.50

Treasurer:

|   |                  |
|---|------------------|
| Administrative Fee for Senior Citizen and Veterans Deductions | 1,235.25         |
| Cell Tower Lease  | 38,184.81        |
| Sale of Assets  | 21,502.43        |
| Insurance Reimbursements                                      | 2,337.50         |
| Farmland Lease  | 9,376.00         |
| Discovery Fees  | 561.70           |
| Miscellaneous   | <u>11,575.34</u> |

84,773.03

\$ 145,795.53

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

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|  | Appropriations |                           | Paid or Charged | Expended   |           | Unexpended Balance Canceled |
|--|----------------|---------------------------|-----------------|------------|-----------|-----------------------------|
|  | Budget         | Budget After Modification |                 | Encumbered | Reserved  |                             |
| <b>OPERATIONS - WITHIN "CAPS"</b>      |                |                           |                 |            |           |                             |
| <u>General Government</u>              |                |                           |                 |            |           |                             |
| General Administration                 |                |                           |                 |            |           |                             |
| Salaries and Wages                     | \$ 81,060.00   | \$ 81,060.00              | \$ 80,951.32    | \$         | \$ 108.68 |                             |
| Other Expenses                         | 56,050.00      | 59,050.00                 | 33,002.65       | 11,578.34  | 14,469.01 |                             |
| Human Resources                        |                |                           |                 |            |           |                             |
| Other Expenses                         | 60,000.00      | 60,000.00                 | 53,399.06       |            | 6,600.94  |                             |
| Education Programs for Employees       | 13,625.00      | 13,625.00                 | 7,102.00        | 1,297.76   | 5,225.24  |                             |
| Mayor and Township Committee           |                |                           |                 |            |           |                             |
| Salaries and Wages                     | 20,500.00      | 20,500.00                 | 20,450.00       |            | 50.00     |                             |
| Other Expenses                         | 1,300.00       | 1,300.00                  | 826.30          | 86.45      | 387.25    |                             |
| Township Clerk                         |                |                           |                 |            |           |                             |
| Salaries and Wages                     | 135,000.00     | 135,000.00                | 127,133.68      |            | 7,866.32  |                             |
| Other Expenses                         |                |                           |                 |            |           |                             |
| Printing and Legal Advertising         | 5,000.00       | 5,000.00                  | 4,518.80        |            | 481.20    |                             |
| Codification and Revision of Ordinance | 6,500.00       | 6,500.00                  |                 |            | 6,500.00  |                             |
| Miscellaneous Other Expenses           | 4,850.00       | 4,850.00                  | 3,901.75        |            | 948.25    |                             |
| Financial Administration               |                |                           |                 |            |           |                             |
| Salaries and Wages                     | 143,000.00     | 109,000.00                | 108,201.20      |            | 798.80    |                             |
| Other Expenses                         | 29,465.00      | 29,465.00                 | 24,269.24       | 2,049.18   | 3,146.58  |                             |
| Audit Services                         | 31,000.00      | 31,000.00                 | 31,000.00       |            |           |                             |
| Collection of Taxes                    |                |                           |                 |            |           |                             |
| Salaries and Wages                     | 76,300.00      | 76,300.00                 | 65,513.37       |            | 10,786.63 |                             |
| Other Expenses                         | 6,150.00       | 6,450.00                  | 6,394.01        | 55.99      |           |                             |
| Assessment of Taxes                    |                |                           |                 |            |           |                             |
| Salaries and Wages                     | 95,200.00      | 95,200.00                 | 93,329.76       |            | 1,870.24  |                             |
| Other Expenses                         |                |                           |                 |            |           |                             |
| Revision of Tax Map                    | 10,000.00      | 10,000.00                 | 569.06          |            | 9,430.94  |                             |
| Miscellaneous Other Expenses           | 11,900.00      | 11,900.00                 | 7,434.53        | 242.40     | 4,223.07  |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|  | Appropriations |                           | Paid or Charged | Expended   |           | Unexpended Balance Canceled |
|--|----------------|---------------------------|-----------------|------------|-----------|-----------------------------|
|  | Budget         | Budget After Modification |                 | Encumbered | Reserved  |                             |
| <b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>   |                |                           |                 |            |           |                             |
| Legal Services and Costs   | \$             | \$                        | \$              |            | \$        |                             |
| Other Expenses   | 163,000.00     | 163,000.00                | 106,895.39      |            | 56,104.61 |                             |
| Engineering Services   |                |                           |                 |            |           |                             |
| Other Expenses   | 30,000.00      | 30,000.00                 | 21,792.37       | 1,865.00   | 6,342.63  |                             |
| Municipal Court  |                |                           |                 |            |           |                             |
| Salaries and Wages   | 108,000.00     | 108,000.00                | 102,267.65      |            | 5,732.35  |                             |
| Other Expenses   | 33,150.00      | 33,150.00                 | 25,030.96       | 1,413.69   | 6,705.35  |                             |
| Public Defender  |                |                           |                 |            |           |                             |
| Other Expenses   | 1,000.00       | 2,400.00                  | 1,400.00        |            | 1,000.00  |                             |
| Insurance  |                |                           |                 |            |           |                             |
| General Liability  | 45,000.00      | 45,000.00                 | 41,526.77       |            | 3,473.23  |                             |
| Workers Compensation   | 33,000.00      | 33,000.00                 | 31,513.19       |            | 1,486.81  |                             |
| Employee Group Health  | 350,000.00     | 346,000.00                | 327,846.44      |            | 18,153.56 |                             |
| Land Use Administration  |                |                           |                 |            |           |                             |
| Planning Board   |                |                           |                 |            |           |                             |
| Salaries and Wages   | 61,300.00      | 61,300.00                 | 58,369.87       |            | 2,930.13  |                             |
| Other Expenses   |                |                           |                 |            |           |                             |
| Engineering  | 6,000.00       | 6,000.00                  | 5,782.97        |            | 217.03    |                             |
| Legal  | 20,000.00      | 20,000.00                 | 4,028.25        |            | 15,971.75 |                             |
| Professional Consultants - Planning  | 13,000.00      | 13,000.00                 | 7,714.50        |            | 5,285.50  |                             |
| Miscellaneous Other Expenses   | 3,750.00       | 3,750.00                  | 2,003.17        | 54.99      | 1,691.84  |                             |
| Zoning Board of Adjustments  |                |                           |                 |            |           |                             |
| Salaries and Wages   | 6,017.00       | 6,017.00                  | 6,016.10        |            | 0.90      |                             |
| Other Expenses   |                |                           |                 |            |           |                             |
| Engineering  | 250.00         | 250.00                    | 92.50           |            | 157.50    |                             |
| Legal  | 1,500.00       | 1,500.00                  | 1,005.00        |            | 495.00    |                             |
| Miscellaneous Other Expenses   | 750.00         | 750.00                    | 576.21          |            | 173.79    |                             |
| Planner  | 500.00         | 500.00                    |                 |            | 500.00    |                             |
| <b>Public Safety</b>   |                |                           |                 |            |           |                             |
| Police   |                |                           |                 |            |           |                             |
| Salaries and Wages   | 100.00         | 100.00                    |                 |            | 100.00    |                             |
| Other Expenses   | 1,000.00       | 1,000.00                  |                 |            | 1,000.00  |                             |
| Contract with Regional School Board of Education for Transportation of Local Pupils (N.J.S. 18A:39-12) | 85,000.00      | 85,000.00                 | 83,700.49       |            | 1,299.51  |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|  | Appropriations |                           | Paid or Charged | Expended   |           | Unexpended Balance Canceled |
|--|----------------|---------------------------|-----------------|------------|-----------|-----------------------------|
|  | Budget         | Budget After Modification |                 | Encumbered | Reserved  |                             |
|  |                |                           |                 |            |           |                             |
| <b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b> |                |                           |                 |            |           |                             |
| <u>Public Safety (Cont'd)</u>              |                |                           |                 |            |           |                             |
| 911 Emergency Telecommunications System    |                |                           |                 |            |           |                             |
| Other Expenses                             | \$ 10,175.00   | \$ 10,175.00              | \$ 10,174.56    | \$         | 0.44      |                             |
| Office of Emergency Management             |                |                           |                 |            |           |                             |
| Salaries and Wages                         | 12,750.00      | 12,750.00                 | 12,478.80       |            | 271.20    |                             |
| Other Expenses                             | 2,750.00       | 2,750.00                  | 1,383.00        | \$ 775.01  | 591.99    |                             |
| Aid to Volunteer Fire Companies            |                |                           |                 |            |           |                             |
| Hope Volunteer Fire Company                | 90,000.00      | 90,000.00                 | 67,500.00       |            | 22,500.00 |                             |
| First Aid Organization Contributions       |                |                           |                 |            |           |                             |
| Allentown                                  | 61,420.00      | 61,420.00                 | 61,420.00       |            |           |                             |
| New Egypt                                  | 11,000.00      | 11,000.00                 |                 |            | 11,000.00 |                             |
| Fire                                       |                |                           |                 |            |           |                             |
| Salaries and Wages                         | 199,450.00     | 198,330.00                | 164,338.39      |            | 33,991.61 |                             |
| Other Expenses                             | 16,800.00      | 16,800.00                 | 5,676.16        | 1,660.86   | 9,462.98  |                             |
| Municipal Prosecutor                       |                |                           |                 |            |           |                             |
| Miscellaneous Other Expenses               | 28,980.00      | 29,000.00                 | 29,000.00       |            |           |                             |
| Public Works                               |                |                           |                 |            |           |                             |
| Roads Repairs and Maintenance              |                |                           |                 |            |           |                             |
| Salaries and Wages                         | 300,000.00     | 300,000.00                | 253,919.86      |            | 46,080.14 |                             |
| Other Expenses                             | 115,075.00     | 115,075.00                | 94,474.58       | 2,761.07   | 17,839.35 |                             |
| Maintenance of Traffic Light - Contractual | 1,500.00       | 1,500.00                  | 355.11          | 34.74      | 1,110.15  |                             |
| Trash Collection                           |                |                           |                 |            |           |                             |
| Other Expenses                             | 15,000.00      | 15,000.00                 | 11,265.06       | 700.00     | 3,034.94  |                             |
| Recycling                                  |                |                           |                 |            |           |                             |
| Salaries and Wages                         | 5,800.00       | 5,800.00                  | 5,287.86        |            | 512.14    |                             |
| Other Expenses                             | 27,000.00      | 27,000.00                 | 22,965.40       | 2,500.00   | 1,534.60  |                             |
| Public Building and Grounds                |                |                           |                 |            |           |                             |
| Salaries and Wages                         | 100.00         | 100.00                    |                 |            | 100.00    |                             |
| Other Expenses                             | 40,700.00      | 40,700.00                 | 26,110.28       | 2,199.01   | 12,390.71 |                             |
| Vehicle Maintenance                        |                |                           |                 |            |           |                             |
| Other Expenses                             | 31,500.00      | 35,500.00                 | 29,850.82       | 4,546.29   | 1,102.89  |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|   | Appropriations |                           | Paid or Charged | Expended   |           | Unexpended Balance Canceled |
|---|----------------|---------------------------|-----------------|------------|-----------|-----------------------------|
|   | Budget         | Budget After Modification |                 | Encumbered | Reserved  |                             |
| <b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>  |                |                           |                 |            |           |                             |
| <b>Health and Human Services</b>            |                |                           |                 |            |           |                             |
| Board of Health                             |                |                           |                 |            |           |                             |
| Salaries and Wages                          | \$ 24,100.00   | \$ 24,100.00              | \$ 23,720.30    | \$ 74.96   | \$ 379.70 |                             |
| Other Expenses                              | 5,300.00       | 5,300.00                  | 756.20          |            | 4,468.84  |                             |
| Senior Citizens' Transportation             |                |                           |                 |            |           |                             |
| Other Expenses                              | 2,900.00       | 2,900.00                  | 2,159.04        |            | 740.96    |                             |
| Housing Inspection                          |                |                           |                 |            |           |                             |
| Salaries and Wages                          | 1,820.00       | 1,820.00                  | 1,811.23        |            | 8.77      |                             |
| Employee Immunization                       |                |                           |                 |            |           |                             |
| Other Expenses                              | 500.00         | 500.00                    |                 |            | 500.00    |                             |
| Environmental Commission                    |                |                           |                 |            |           |                             |
| (N.J.S.A. 40:56A-1 et. seq)                 |                |                           |                 |            |           |                             |
| Other Expenses                              | 1,495.00       | 1,495.00                  | 58.68           |            | 1,436.32  |                             |
| Dog Regulation                              |                |                           |                 |            |           |                             |
| Salaries and Wages                          | 12,500.00      | 12,500.00                 | 12,500.00       |            |           |                             |
| Other Expenses                              | 9,300.00       | 9,300.00                  | 4,309.84        | 77.92      | 4,912.24  |                             |
| <b>Parks and Recreation</b>                 |                |                           |                 |            |           |                             |
| Recreation Services and Programs            |                |                           |                 |            |           |                             |
| Salaries and Wages                          | 17,000.00      | 17,000.00                 | 16,618.09       |            | 381.91    |                             |
| Other Expenses                              | 2,600.00       | 12,600.00                 | 11,576.01       |            | 1,023.99  |                             |
| Maintenance of Parks                        |                |                           |                 |            |           |                             |
| Salaries and Wages                          | 116,000.00     | 116,000.00                | 114,805.19      |            | 1,194.81  |                             |
| Other Expenses                              | 33,400.00      | 33,400.00                 | 27,029.28       | 1,441.47   | 4,929.25  |                             |
| <b>Education</b>                            |                |                           |                 |            |           |                             |
| Aid to Allentown Public Library Association | 5,000.00       | 5,000.00                  | 5,000.00        |            |           |                             |
| Interest on Tax Appeals                     | 1,000.00       | 1,000.00                  |                 |            | 1,000.00  |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|  | Appropriations      |    | Budget After Modification | Paid or Charged     | Expended         |                   | Unexpended Balance Canceled |
|--|---------------------|----|---------------------------|---------------------|------------------|-------------------|-----------------------------|
|  | Budget              |    |                           |                     | Encumbered       | Reserved          |                             |
| <u>OPERATIONS - WITHIN "CAPS" (Cont'd)</u> |                     |    |                           |                     |                  |                   |                             |
| <u>Utility Expenses and Bulk Purchases</u> |                     |    |                           |                     |                  |                   |                             |
| Electricity                                | \$ 41,700.00        | \$ | 41,700.00                 | \$ 37,366.81        | \$ 2,437.04      | \$ 1,896.15       |                             |
| Street Lighting                            | 35,000.00           |    | 35,000.00                 | 29,968.32           | 2,063.26         | 2,968.42          |                             |
| Telephone                                  | 28,000.00           |    | 28,000.00                 | 25,806.39           | 705.61           | 1,488.00          |                             |
| Fuel Oil                                   | 11,000.00           |    | 11,000.00                 | 6,148.45            | 500.00           | 4,351.55          |                             |
| Gas  | 8,000.00            |    | 8,000.00                  | 5,741.51            | 1,890.43         | 368.06            |                             |
| Gasoline                                   | 43,000.00           |    | 63,000.00                 | 46,925.19           | 2,500.00         | 13,574.81         |                             |
| Landfill/Solid Waste Disposal Costs        | 30,000.00           |    | 30,000.00                 | 22,534.11           | 1,452.50         | 6,013.39          |                             |
| <u>Uniform Construction Code -</u>         |                     |    |                           |                     |                  |                   |                             |
| <u>Appropriations Offset by Dedicated</u>  |                     |    |                           |                     |                  |                   |                             |
| <u>Revenues (N.J.A.C. 5:23-4.17)</u>       |                     |    |                           |                     |                  |                   |                             |
| Construction Code Official                 | 123,200.00          |    | 123,200.00                | 116,848.03          |                  | 6,351.97          |                             |
| Salaries and Wages                         | 8,800.00            |    | 8,800.00                  | 3,548.85            | 56.37            | 5,194.78          |                             |
| Other Expenses                             |                     |    |                           |                     |                  |                   |                             |
| Sub-Code Officials                         | 30,100.00           |    | 30,100.00                 | 30,071.15           |                  | 28.85             |                             |
| Building Sub-Code Official                 |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         | 80,500.00           |    | 80,500.00                 | 78,256.45           |                  | 2,243.55          |                             |
| Building Inspector                         |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         | 20,520.00           |    | 20,520.00                 | 19,601.46           |                  | 918.54            |                             |
| Plumbing Sub-Code Official                 |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         | 19,800.00           |    | 19,800.00                 | 17,545.00           |                  | 2,255.00          |                             |
| Electrical Sub-Code Official               |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         | 7,200.00            |    | 7,200.00                  | 7,003.00            |                  | 197.00            |                             |
| Fire Protection Sub-Code Official          |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         |                     |    |                           |                     |                  |                   |                             |
| <b>Total Operations within "CAPS"</b>      | <b>3,438,952.00</b> |    | <b>3,438,552.00</b>       | <b>2,959,467.02</b> | <b>47,020.34</b> | <b>432,064.64</b> |                             |
| <u>Detail:</u>                             |                     |    |                           |                     |                  |                   |                             |
| Salaries and Wages                         | 1,697,317.00        |    | 1,662,197.00              | 1,537,037.76        |                  | 125,159.24        |                             |
| Other Expenses                             | 1,741,635.00        |    | 1,776,355.00              | 1,422,429.26        | 47,020.34        | 306,905.40        |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|   | Appropriations |                           | Paid or Charged | Expended     |             | Unexpended Balance Canceled |
|---|----------------|---------------------------|-----------------|--------------|-------------|-----------------------------|
|   | Budget         | Budget After Modification |                 | Encumbered   | Reserved    |                             |
| <u>Deferred Charges and Statutory Expenditures -- Municipal Within "CAPS"</u> |                |                           |                 |              |             |                             |
| Statutory Expenditures:   |                |                           |                 |              |             |                             |
| Prior Years' Bills:   |                |                           |                 |              |             |                             |
| Princeton Packet - 2006   | \$ 394.48      | \$ 394.48                 |                 |              | \$ 394.48   |                             |
| Contribution to:  |                |                           |                 |              |             |                             |
| Social Security System (O.A.S.I.)   | 138,000.00     | 138,000.00                | \$ 124,925.58   |              | 13,074.42   |                             |
| Defined Contribution Retirement Program                                       | 300.00         | 700.00                    | 681.88          |              | 18.12       |                             |
|   | 138,694.48     | 139,094.48                | 125,607.46      |              | 13,487.02   |                             |
| Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"   | 3,577,646.48   | 3,577,646.48              | 3,085,074.48    | \$ 47,020.34 | 445,551.66  |                             |
| Total General Appropriations for Municipal Purposes within "CAPS"             |                |                           |                 |              |             |                             |
| <u>OPERATIONS - EXCLUDED FROM "CAPS"</u>                                      |                |                           |                 |              |             |                             |
| Matching Funds for Grants   | 5,000.00       | 5,000.00                  |                 |              | 5,000.00    |                             |
| Public Employees Retirement System  | 77,760.00      | 77,760.00                 | 77,760.00       |              |             |                             |
| Police and Firemen's Retirement System of NJ                                  | 33,292.00      | 33,292.00                 | 33,292.00       |              |             |                             |
| Interlocal Municipal Service Agreements                                       |                |                           |                 |              |             |                             |
| Animal Control  | 30,000.00      | 30,000.00                 | 30,000.00       |              |             |                             |
| Salaries and Wages  |                |                           |                 |              |             |                             |
| Local Health Services   |                |                           |                 |              |             |                             |
| Other Expenses  | 58,300.00      | 58,300.00                 | 58,300.00       |              |             |                             |
| Other Expenses - Epidemiology   | 1,662.00       | 1,662.00                  | 1,662.00        |              |             |                             |
| Other Expenses - Services of Visiting Nurse                                   | 3,066.00       | 3,066.00                  | 3,066.00        |              |             |                             |
| Additional Appropriations Offset by Revenues                                  |                |                           |                 |              |             |                             |
| Uniform Fire Safety Act   |                |                           |                 |              |             |                             |
| Fire Official   |                |                           |                 |              |             |                             |
| Other Expenses  | 6,800.00       | 6,800.00                  | 4,302.94        | 541.67       | 1,955.39    |                             |
| Total Other Operations - Excluded from "CAPS"                                 | \$ 215,880.00  | \$ 215,880.00             | \$ 208,382.94   | \$ 541.67    | \$ 6,955.39 |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**

Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|  | Appropriations |                           | Paid or Charged   | Expended         |                    | Unexpended Balance Canceled |
|--|----------------|---------------------------|-------------------|------------------|--------------------|-----------------------------|
|  | Budget         | Budget After Modification |                   | Encumbered       | Reserved           |                             |
| <b>OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)</b>                        |                |                           |                   |                  |                    |                             |
| <b>Public and Private Programs Offset by Revenues</b>                    |                |                           |                   |                  |                    |                             |
| Handicapped Recreation Opportunities Grant (N.J.S.A. 40A-87 +\$7,000.00) | \$             | \$ 7,000.00               | \$ 7,000.00       |                  |                    |                             |
| Alliance to Prevent Alcoholism and Drug Abuse                            |                | 24,026.00                 | 24,026.00         |                  |                    |                             |
| Salaries and Wages (N.J.S.A. 40A-85 - \$11,274.00)                       | \$             | 18,596.00                 | 18,596.00         |                  |                    |                             |
| Other Expenses (N.J.S.A. 40A-85 + \$11,274.00)                           |                | 696.09                    | 696.09            |                  |                    |                             |
| Alcohol Education and Rehab. Fund (NJSA 40A-87 +\$696.09)                |                | 1,144.65                  | 1,144.65          |                  |                    |                             |
| Recycling Tonnage Grant  |                | 4,500.00                  | 4,500.00          |                  |                    |                             |
| NJDEP Environmental Service Program                                      |                | 14,003.80                 | 14,003.80         |                  |                    |                             |
| Clean Communities Grant (N.J.S.A. 40A:4-87 +\$14,003.80)                 |                | 1,250.00                  | 1,250.00          |                  |                    |                             |
| Municipal Stormwater Regulation Program                                  |                |                           |                   |                  |                    |                             |
| <b>Total Public and Private Programs Offset by Revenues</b>              |                | <b>71,216.54</b>          | <b>71,216.54</b>  |                  |                    |                             |
| <b>Total Operations - Excluded from "CAPS"</b>                           |                | <b>265,396.65</b>         | <b>279,599.48</b> | <b>\$ 541.67</b> | <b>\$ 6,955.39</b> |                             |
| <b>Detail:</b>   |                |                           |                   |                  |                    |                             |
| Salaries and Wages   |                | 65,300.00                 | 54,026.00         |                  |                    |                             |
| Other Expenses   |                | 200,096.65                | 225,573.48        | 541.67           | 6,955.39           |                             |
| <b>Capital Improvements - Excluded from "CAPS"</b>                       |                | <b>333,000.00</b>         | <b>333,000.00</b> |                  |                    |                             |
| Capital Improvement Fund   |                | 333,000.00                | 333,000.00        |                  |                    |                             |
| <b>Total Capital Improvements Excluded from "CAPS"</b>                   |                | <b>333,000.00</b>         | <b>333,000.00</b> |                  |                    |                             |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2008

|   | Appropriations         |                           | Paid or Charged        | Expended            |                      | Unexpended Balance Canceled |
|---|------------------------|---------------------------|------------------------|---------------------|----------------------|-----------------------------|
|   | Budget                 | Budget After Modification |                        | Encumbered          | Reserved             |                             |
| <u>Municipal Debt Service - Excluded from "CAPS"</u>                                      |                        |                           |                        |                     |                      |                             |
| Payment of Bond Principal   | \$ 350,000.00          | \$ 350,000.00             | \$ 350,000.00          |                     |                      |                             |
| Interest on Bonds   | 485,187.50             | 485,187.50                | 485,187.50             |                     |                      |                             |
| Interest on Notes   | 150,150.00             | 150,150.00                | 150,129.31             |                     |                      | \$ 20.69                    |
| <b>Total Municipal Debt Service - Excluded from "CAPS"</b>                                | <b>985,337.50</b>      | <b>985,337.50</b>         | <b>985,316.81</b>      |                     |                      | <b>20.69</b>                |
| <u>Deferred Charges - Municipal - Excluded from "CAPS"</u>                                |                        |                           |                        |                     |                      |                             |
| Emergency Authorizations  | 22,150.00              | 22,150.00                 | 22,150.00              |                     |                      |                             |
| Special Emergency Authorizations - 5 Years  | 102,000.00             | 102,000.00                | 102,000.00             |                     |                      |                             |
| Deferred Charges to Future Taxation - Ord. 2000-72  | 600.00                 | 600.00                    | 600.00                 |                     |                      |                             |
| <b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>                          | <b>124,750.00</b>      | <b>124,750.00</b>         | <b>124,750.00</b>      |                     |                      |                             |
| <b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>           | <b>1,708,484.15</b>    | <b>1,730,184.04</b>       | <b>1,722,666.29</b>    | <b>\$ 541.67</b>    | <b>\$ 6,955.39</b>   | <b>20.69</b>                |
| <b>Subtotal General Appropriations</b>  | <b>5,286,130.63</b>    | <b>5,307,830.52</b>       | <b>4,807,740.77</b>    | <b>47,562.01</b>    | <b>452,507.05</b>    | <b>20.69</b>                |
| <b>Reserve for Uncollected Taxes</b>  | <b>1,268,869.37</b>    | <b>1,268,869.37</b>       | <b>1,268,869.37</b>    |                     |                      |                             |
| <b>Total General Appropriations</b>   | <b>\$ 6,555,000.00</b> | <b>\$ 6,576,699.89</b>    | <b>\$ 6,076,610.14</b> | <b>\$ 47,562.01</b> | <b>\$ 452,507.05</b> | <b>\$ 20.69</b>             |
| <b>Appropriation by 40A:4-87 Budget</b>   |                        | <b>\$ 21,699.89</b>       |                        |                     |                      |                             |
|   |                        | <u>6,555,000.00</u>       |                        |                     |                      |                             |
|   |                        | <u>\$ 6,576,699.89</u>    |                        |                     |                      |                             |
| <b>Reserve for Federal and State Grants -- Appropriated Reserve for Uncollected Taxes</b> |                        |                           | <b>\$ 71,216.54</b>    |                     |                      |                             |
| <b>Deferred Charges -- Excluded from "CAPS" Disbursed</b>                                 |                        |                           | <b>1,268,869.37</b>    |                     |                      |                             |
|   |                        |                           | <u>124,750.00</u>      |                     |                      |                             |
|   |                        |                           | <u>4,611,774.23</u>    |                     |                      |                             |
|   |                        |                           | <u>\$ 6,076,610.14</u> |                     |                      |                             |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
**Statements of Assets, Liabilities and Reserves**  
**--Regulatory Basis**  
**As of December 31, 2008 and 2007**

| <u>ASSETS</u>  | <u>Ref.</u> | <u>2008</u>            | <u>2007</u>            |
|--|-------------|------------------------|------------------------|
| Animal Control Fund:   |             |                        |                        |
| Cash   | SB-1        | \$ 5,450.23            | \$ 7,902.81            |
| Other Funds:   |             |                        |                        |
| Cash   | SB-1        | 4,027,958.63           | 4,543,103.62           |
| Municipal Open Space Fund:   |             |                        |                        |
| Cash   | SB-1        | 278,432.94             | 497,383.57             |
| Due from Current Fund  | SB-12       | 8,707.09               | 28,333.65              |
|  |             | <u>287,140.03</u>      | <u>525,717.22</u>      |
|  |             | <u>\$ 4,320,548.89</u> | <u>\$ 5,076,723.65</u> |
| <br><u>LIABILITIES AND RESERVES</u><br>  |             |                        |                        |
| Animal Control Fund:   |             |                        |                        |
| Reserve for Animal Control Fund Expenditures   | SB-2        | \$ 5,450.23            | \$ 7,902.81            |
| Other Funds:   |             |                        |                        |
| Due Current Fund - Trust Other   | SB-4        | 13,592.56              | 15,361.77              |
| Payroll Deductions Payable   | SB-7        | 13,776.72              | 12,322.61              |
| Reserve for Unemployment Compensation Insurance  | SB-8        | 6,167.33               | 14,915.35              |
| Reserve for Escrow Deposits  | SB-9        | 1,753,103.99           | 2,306,622.02           |
| Reserve for Encumbrances - Escrow Deposits   | SB-17       | 4,739.23               | 9,705.57               |
| Premiums Received at Tax Sale  | SB-5        | 5,200.00               | 39,600.00              |
| Reserve for Tax Title Lien Redemptions   | SB-6        | 4,015.64               | 13,126.65              |
| Reserve for Alliance for Prevention of Alcoholism and Drug Abuse                         | SB-18       | 14,899.00              | 13,276.71              |
| Reserve for COAH Development Fee   | SB-13       | 2,021,297.99           | 1,870,415.43           |
| Reserve for Encumbrances - COAH Development Fee  | SB-16       | 8,222.70               | 70,000.00              |
| Reserve for Public Defender Fees   | SB-14       | 169.50                 | 599.50                 |
| Reserve for Snow Removal Trust   |             | 128,950.15             | 128,950.15             |
| Reserve for Recreation Trust   | SB-15       | 53,823.82              | 48,207.86              |
|  |             | <u>4,027,958.63</u>    | <u>4,543,103.62</u>    |
| Municipal Open Space Fund:   |             |                        |                        |
| Reserve for Open Space, Recreation, Farmland<br>and Historic Preservation                | SB-10       | 253,423.40             | 523,417.22             |
| Due to General Capital Fund  | SC-1        | 5,866.00               |                        |
| Reserve for Encumbrances - Open Space, Recreation,<br>Farmland and Historic Preservation | SB-11       | 27,850.63              | 2,300.00               |
|  |             | <u>287,140.03</u>      | <u>525,717.22</u>      |
|  |             | <u>\$ 4,320,548.89</u> | <u>\$ 5,076,723.65</u> |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
 Statement of Revenues--Regulatory Basis  
 For the Year Ended December 31, 2008

|                                 | Anticipated<br><u>Budget</u> | <u>Realized</u>        | Excess or<br><u>(Deficit)</u> |
|---------------------------------|------------------------------|------------------------|-------------------------------|
| Amount to be Raised by Taxation | \$ 539,990.00                | \$ 548,697.09          | \$ 8,707.09                   |
| Reserve Funds                   | 523,417.22                   | 523,417.22             |                               |
| Miscellaneous                   |                              | 8,886.46               | 8,886.46                      |
|                                 | <u>\$ 1,063,407.22</u>       | <u>\$ 1,081,000.77</u> | <u>\$ 17,593.55</u>           |

Analysis of Realized Revenues

|                         |                        |
|-------------------------|------------------------|
| Current Year Levy       | \$ 548,697.09          |
| Reserve Funds           | 523,417.22             |
| Miscellaneous:          |                        |
| Interest on Investments | <u>8,886.46</u>        |
|                         | <u>\$ 1,081,000.77</u> |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
 Statement of Expenditures--Regulatory Basis  
 For the Year Ended December 31, 2008

|  | <u>Appropriations</u>  |                                  | <u>Paid or Charged</u> | <u>Expended</u>     |                 | <u>Unexpended Balance Canceled</u> |
|--|------------------------|----------------------------------|------------------------|---------------------|-----------------|------------------------------------|
|  | <u>Original Budget</u> | <u>Budget After Modification</u> |                        | <u>Encumbered</u>   | <u>Reserved</u> |                                    |
| Development of Lands for Recreation and Conservation | \$ 50,000.00           | \$ 50,000.00                     | \$ 9,082.51            | \$ 27,850.63        | \$              | \$ 13,066.86                       |
| Acquisition of Lands for Recreation and Conservation | 200,000.00             | 163,385.42                       | 1,838.50               |                     |                 | 161,546.92                         |
| Acquisition of Farmland                              | 813,407.22             | 813,407.22                       | 752,191.15             |                     |                 | 61,216.07                          |
| Debt Service - Interest on Notes                     |                        | 36,614.58                        | 36,614.58              |                     |                 |                                    |
|  | <u>\$ 1,063,407.22</u> | <u>\$ 1,063,407.22</u>           | <u>\$ 799,726.74</u>   | <u>\$ 27,850.63</u> | <u>\$</u>       | <u>\$ 235,829.85</u>               |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance  
 --Regulatory Basis  
 As of December 31, 2008 and 2007

| <u>ASSETS</u>  | <u>Ref.</u> | <u>2008</u>             | <u>2007</u>             |
|--|-------------|-------------------------|-------------------------|
| Cash   | SC-1        | \$ 3,064,855.07         | \$ 3,885.98             |
| Deferred Charges to Future Taxation--Funded                    | SC-3        | 11,430,000.00           | 11,780,000.00           |
| Deferred Charges to Future Taxation--Unfunded                  | SC-4        | 11,594,906.13           | 11,647,256.13           |
| State of New Jersey - Green Acres Grant Receivable             | SC-5        | 1,234,375.00            | 1,534,375.00            |
| Due to/from Current Fund                                       | SC-12       | 600.00                  |                         |
| Due from Trust - Open Space Fund                               | SC-1        | 5,866.00                |                         |
| Due from Township of Washington                                |             | 100,000.00              | 100,000.00              |
|  |             | <u>\$ 27,430,602.20</u> | <u>\$ 25,065,517.11</u> |
| <br><u>LIABILITIES, RESERVES AND FUND BALANCE</u><br>          |             |                         |                         |
| Bond Anticipation Notes  | SC-13       | \$ 8,931,875.00         | \$ 4,181,875.00         |
| General Serial Bonds   | SC-14       | 11,430,000.00           | 11,780,000.00           |
| Due to/from Current Fund                                       | SC-12       |                         | 252,884.63              |
| Capital Improvement Fund                                       | SC-7        | 749,777.52              | 550,527.52              |
| Improvement Authorizations:                                    |             |                         |                         |
| Funded   | SC-8        | 450,838.76              | 944,512.85              |
| Unfunded   | SC-8        | 2,044,216.20            | 2,733,087.00            |
| Contracts Payable  | SC-9        |                         | 22,813.53               |
| Reserve for Encumbrances                                       | SC-11       | 2,111,221.33            | 2,499,599.90            |
| Reserve for Emergency Vehicles and Appurtenances               | SC-10       | 241,915.00              | 350,000.00              |
| Reserve for Acquisition of Office Equipment and Computers      |             | 10,500.00               | 10,500.00               |
| Reserve for Stone Hill Road Paving                             |             | 10,000.00               | 10,000.00               |
| Reserve for State of New Jersey - Green Acres Grant Receivable | SC-5        | 1,234,375.00            | 1,534,375.00            |
| Reserve for Payment of Bonds                                   | SC-6        | 49,114.40               | 99,114.40               |
| Fund Balance   | C-1         | 166,768.99              | 96,227.28               |
|  |             | <u>\$ 27,430,602.20</u> | <u>\$ 25,065,517.11</u> |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance--Regulatory Basis  
For the Year Ended December 31, 2008

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|                         |                             |
|-------------------------|-----------------------------|
| Balance Dec. 31, 2007   | \$ 96,227.28                |
| Increased by:           |                             |
| Premiums on Note Issues | <u>70,541.71</u>            |
| Balance Dec. 31, 2008   | <u><u>\$ 166,768.99</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**PUBLIC ASSISTANCE TRUST FUND**  
Statement of Assets, Liabilities and Reserves  
--Regulatory Basis  
As of December 31, 2008 and 2007

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|                                 | <u>Ref.</u> | <u>2008</u>  | <u>2007</u>  |
|---------------------------------|-------------|--------------|--------------|
| <u>ASSETS</u>                   |             |              |              |
| Cash                            | SE-1        | \$ 18,968.55 | \$ 18,968.55 |
| <u>LIABILITIES AND RESERVES</u> |             |              |              |
| Reserve for Public Assistance   |             | \$ 18,968.55 | \$ 18,968.55 |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
 Schedule of General Fixed Asset Group of Accounts  
 For the Year Ended December 31, 2008

|  | <u>Balance</u><br><u>Dec. 31, 2007</u> | <u>Additions</u>    | <u>Deletions</u>     | <u>Balance</u><br><u>Dec. 31, 2008</u> |
|--|--|---------------------|----------------------|--|
| General Fixed Assets:                    |  |                     |                      |  |
| Land                                     | \$ 946,638.00                          |                     |                      | \$ 946,638.00                          |
| Buildings and Improvements               | 1,932,273.45                           |                     |                      | 1,932,273.45                           |
| Vehicles and Equipment                   | 3,377,343.71                           | \$ 29,475.86        | \$ 138,890.00        | 3,267,929.57                           |
| Total General Fixed Assets               | <u>\$ 6,256,255.16</u>                 | <u>\$ 29,475.86</u> | <u>\$ 138,890.00</u> | <u>\$ 6,146,841.02</u>                 |
| Total Investment in General Fixed Assets | <u>\$ 6,256,255.16</u>                 |                     |                      | <u>\$ 6,146,841.02</u>                 |

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

**TOWNSHIP OF UPPER FREEHOLD**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2008**

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Upper Freehold is a New Jersey municipal corporation and a suburb of Trenton, New Jersey, located in Monmouth County. The population according to the 2000 census is 4,282.

The form of Government is known as a Township pursuant to N.J.S.A. 40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. Under the statutes the Mayor is the chairman of the Township Committee and head of the municipal government. The Mayor presides at meetings of the Committee and has the right to vote on all matters before the Committee. The Township Committee acts as the legislative body of the municipality and has executive responsibilities not assigned by law to the Mayor.

**Component Units** - The Township of Upper Freehold had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township of Upper Freehold contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Upper Freehold accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Funds** - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Public Assistance Fund** - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. On February 1, 1998, the governing body resolved to transfer all public assistance activities to the County of Monmouth.

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** – The Township of Upper Freehold must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Upper Freehold requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$500.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund Balance included in the current fund represents an amount available for anticipation as revenue in future years budgets, with certain restrictions.

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Monmouth and the Upper Freehold Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Upper Freehold Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the regional school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2007 and decreased by the amount deferred at December 31, 2008.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the Township's bank balance of \$11,224,023.09 as of December 31, 2008, \$1,681,787.58 was uninsured and uncollateralized.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Comparative Schedule of Tax Rates**

|   | <u>2008</u>    | <u>2007</u>    | <u>2006(1)</u> | <u>2005</u>    | <u>2004</u>    |
|---|----------------|----------------|----------------|----------------|----------------|
| Tax Rate                                  | <u>\$1.659</u> | <u>\$1.632</u> | <u>\$1.596</u> | <u>\$3.071</u> | <u>\$2.968</u> |
| Apportionment of Tax Rate:                |                |                |                |                |                |
| Municipal                                 | 0.135          | 0.112          | 0.112          | 0.227          | 0.207          |
| Municipal Open Space Fund                 | 0.040          | 0.040          | 0.040          | 0.040          | 0.040          |
| County                                    | 0.233          | 0.239          | 0.239          | 0.495          | 0.503          |
| County Open Space Preservation Trust Fund | 0.015          | 0.014          | 0.013          | 0.028          | 0.029          |
| Regional School                           | 1.236          | 1.227          | 1.192          | 2.281          | 2.189          |

**Assessed Valuation**

|          |                    |
|----------|--------------------|
| 2008     | \$1,349,984,787.00 |
| 2007     | 1,320,518,129.00   |
| 2006 (1) | 1,280,840,868.00   |
| 2005     | 592,108,242.00     |
| 2004     | 546,042,393.00     |

(1) – Revaluation

Note 3: **PROPERTY TAXES (CONT'D)****Comparison of Tax Levies and Collections**

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|--------------------|----------------------------------|
| 2008        | \$22,758,475.39 | \$22,300,859.35    | 97.98%                           |
| 2007        | 22,194,856.77   | 21,680,706.12      | 97.68%                           |
| 2006        | 21,074,885.00   | 20,503,869.11      | 97.29%                           |
| 2005        | 19,968,222.95   | 19,629,935.64      | 98.30%                           |
| 2004        | 17,610,467.38   | 17,084,108.45      | 97.01%                           |

**Delinquent Taxes and Tax Title Liens**

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2008        | \$194,101.67           | \$416,431.79            | \$610,533.46            | 2.68%                         |
| 2007        | 157,334.00             | 480,687.26              | 638,021.26              | 2.87%                         |
| 2006        | 131,761.09             | 550,059.20              | 681,820.29              | 3.23%                         |
| 2005        | 110,457.68             | 318,969.13              | 429,426.81              | 2.15%                         |
| 2004        | 109,620.18             | 529,592.79              | 639,212.97              | 3.63%                         |

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

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2008        | 13            |
| 2007        | 8             |
| 2006        | 7             |
| 2005        | 7             |
| 2004        | 8             |

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2008        | \$11,600.00   |
| 2007        | 11,600.00     |
| 2006        | 11,600.00     |
| 2005        | 11,600.00     |
| 2004        | 11,600.00     |

Note 5: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

| <u>Year</u>                | <u>Balance<br/>Dec. 31</u> | <u>Utilized<br/>In Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|----------------------------|----------------------------|--|--|
| <b><u>Current Fund</u></b> |                            |  |  |
| 2008                       | \$2,892,992.71             | \$2,050,000.00                                       | 70.86%   |
| 2007                       | 3,884,515.19               | 2,900,000.00   | 74.65%   |
| 2006                       | 4,710,187.93               | 3,345,000.00   | 71.02%   |
| 2005                       | 5,399,292.66               | 3,925,000.00   | 72.69%   |
| 2004                       | 5,114,258.32               | 3,725,000.00   | 72.84%   |

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2008:

| <u>Fund</u>                  | <u>Interfunds<br/>Receivable</u> | <u>Interfunds<br/>Payable</u> |
|------------------------------|----------------------------------|-------------------------------|
| Current Fund                 | \$13,592.56                      | \$176,538.03                  |
| Federal and State Grant Fund | 167,230.94                       |                               |
| Trust – Other Fund           | 8,707.09                         | 19,458.56                     |
| General Capital Fund         | 6,466.00                         |                               |
|                              | <u>\$195,996.59</u>              | <u>\$195,996.59</u>           |

Note 7: **PENSION PLANS**

The Township of Upper Freehold contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System and the Police and Firemen's Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B for the PERS and N.J.S.A. 43:16A and 43:3B for the PFRS. Each plan has a Board of Trustees that is primarily responsible for its administration. 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. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The Township is billed annually for its normal contribution plus any accrued liability.

The Township's contributions to the various plans, equal to the required contributions, were as follows:

**Public Employees Retirement System**

| <u>Year</u> | <u>Normal<br/>Contribution</u> | <u>Accrued<br/>Liability</u> | <u>Total<br/>Liability</u> | <u>Funded by<br/>State</u> | <u>Paid by<br/>Township</u> |
|-------------|--------------------------------|------------------------------|----------------------------|----------------------------|-----------------------------|
| 2008        | \$54,895.00                    | \$42,305.00                  | \$97,200.00                | \$19,440.00                | \$77,760.00                 |
| 2007        | 51,626.00                      | 26,808.00                    | 78,434.00                  | 31,373.60                  | 47,060.40                   |
| 2006        | 48,491.00                      | 13,338.00                    | 61,829.00                  | 37,097.40                  | 24,731.60                   |

**Police and Firemen's Retirement System**

| <u>Year</u> | <u>Normal<br/>Contribution</u> | <u>Accrued<br/>Liability</u> | <u>Total<br/>Liability</u> | <u>Funded by<br/>State</u> | <u>Paid by<br/>Township</u> |
|-------------|--------------------------------|------------------------------|----------------------------|----------------------------|-----------------------------|
| 2008        | \$20,466.00                    | \$12,826.00                  | \$33,292.00                | None                       | \$33,292.00                 |
| 2007        | 14,176.00                      | 7,769.00                     | 21,945.00                  | \$4,389.00                 | 17,556.00                   |
| 2006        | 17,788.00                      | 7,176.00                     | 24,964.00                  | 9,985.60                   | 14,978.40                   |

Under the provisions of Chapter 108, P.L. 2003 the Township's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Township is paying 100% of the total normal contribution and accrued liability.

**Note 8: OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Township provides for the post employment payment of Medicare Supplement premiums, at its cost, to certain retirees and thereafter the surviving spouse. The retiree must meet the following requirements to qualify for this benefit:

1. The retiree shall be at least sixty-five (65) years of age at the time of retirement.
2. The retiree shall have served the Township for twenty-five (25) years as a full-time employee and/or constitutional officer and shall have retired in "good standing".
3. The retiree shall have been a member during the retiree's employment and at the time of retirement in a State and/or local retirement system.

All of the criteria set forth above shall have been complied with and met at the time of actual retirement in order for the benefit to be paid by the Township for the retiree and/or surviving spouse where applicable.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2008, there was one retired employee who received this benefit resulting in the payment of \$6,275.60 in related Medicare Supplement premiums.

**Note 9: COMPENSATED ABSENCES**

In the first year of employment, an employee is entitled to one day of sick leave for each month of employment. Thereafter, sick leave is earned on the basis of 12 days a year, or one day for each full month of employment. Unused sick leave is cumulative from year to year to a maximum of 24 days. At the end of the year, employees receive compensation at their hourly rate for one-half of all hours accumulated above the maximum 24 days.

Vacation days are earned at the following rate:

| <u>Years of Service</u> | <u>Amount of Vacation Leave</u>  |
|-------------------------|--|
| Twelve months or less   | Five-sixth of one day per month during the first 12 months of service                          |
| One to five years       | Ten working days during each 12-month period.  |
| Six to fourteen years   | Ten working days plus one additional day for each year of service during each 12-month period. |
| Fifteen years or more   | Twenty working days during each 12-month period.   |

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2008, accrued benefits for compensated absences are valued at \$55,414.34.

Note 10: **LEASE OBLIGATIONS**

At December 31, 2008, the Township had lease agreements in effect for the following:

Operating:  
Postage Meter and Scale

The following is an analysis of operating leases.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2009        | \$3,144.00    |
| 2010        | 3,144.00      |
| 2011        | 3,144.00      |
| 2012        | 1,572.00      |

Rental payments under operating leases for the year 2008 were \$3,144.00.

Note 11: **CAPITAL DEBT****Summary of Debt**

|   | <u>Year 2008</u> | <u>Year 2007</u> | <u>Year 2006</u> |
|---|------------------|------------------|------------------|
| <b><u>Issued</u></b>                          |                  |                  |                  |
| General:                                      |                  |                  |                  |
| Bonds and Notes                               | \$20,361,875.00  | \$15,961,875.00  | \$16,261,875.00  |
| <b><u>Authorized but not Issued</u></b>       |                  |                  |                  |
| General:                                      |                  |                  |                  |
| Bonds and Notes                               | 3,213,031.13     | 7,465,381.13     | 7,465,381.13     |
| Total Issued and<br>Authorized but Not Issued | 23,574,906.13    | 23,427,256.13    | 23,727,614.49    |
| Deductions:                                   |                  |                  |                  |
| Funds Temporarily Held<br>To Pay Bonds        | 5,099,114.40     | 4,899,114.40     | 4,899,114.40     |
| Net Debt                                      | \$18,475,791.73  | \$18,578,141.73  | \$18,828,500.09  |

**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 indicated a statutory net debt of 1.45%.

|                          | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------------------|-------------------|-------------------|-----------------|
| Regional School District | \$61,760,081.16   | \$61,760,081.16   |                 |
| General                  | 23,574,906.13     | 5,099,114.40      | \$18,475,791.73 |
|                          | \$85,334,987.29   | \$66,859,195.56   | \$18,475,791.73 |

Net Debt \$18,475,791.73 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,271,294,149.33 equals 1.45%

Note 11: **CAPITAL DEBT****Borrowing Power Under N.J.S.A.40A:2-6 As Amended**

|   |                        |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$44,495,295.23        |
| Net Debt  | <u>18,475,791.73</u>   |
| Remaining Borrowing Power                       | <u>\$26,019,503.50</u> |

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

| <u>Year</u> | <u>General</u>         |                       | <u>Total</u>           |
|-------------|------------------------|-----------------------|------------------------|
|             | <u>Principal</u>       | <u>Interest</u>       |                        |
| 2009        | \$400,000.00           | \$471,187.50          | \$871,187.50           |
| 2010        | 450,000.00             | 455,187.50            | 905,187.50             |
| 2011        | 550,000.00             | 437,187.50            | 987,187.50             |
| 2012        | 650,000.00             | 415,187.50            | 1,065,187.50           |
| 2013        | 700,000.00             | 389,187.50            | 1,089,187.50           |
| 2014-18     | 4,050,000.00           | 1,497,937.50          | 5,547,937.50           |
| 2019-23     | 4,630,000.00           | 609,750.00            | 5,239,750.00           |
|             | <u>\$11,430,000.00</u> | <u>\$4,275,625.00</u> | <u>\$15,705,625.00</u> |

Note 12: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

|                                  | <u>Balance<br/>Dec. 31, 2008</u> | <u>2009 Budget<br/>Appropriation</u> |
|----------------------------------|----------------------------------|--------------------------------------|
| Current Fund:                    |                                  |                                      |
| Special Emergency Authorizations | \$222,000.00                     | \$102,000.00                         |

The appropriations in the 2009 Budget as adopted are not less than that required by the statutes.

Note 13: **SCHOOL TAXES**

Upper Freehold Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

|                | <u>Balance Dec. 31,<br/>2008</u> | <u>2007</u>         |
|----------------|----------------------------------|---------------------|
| Balance of Tax | \$8,343,174.30                   | \$8,097,181.76      |
| Deferred       | <u>8,343,174.30</u>              | <u>8,097,181.76</u> |
|                | ---                              | ---                 |

Note 14: **JOINT INSURANCE POOL**

The Township of Upper Freehold is a member of the Monmouth County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Casualty and Crime Coverage  
Environmental Liability  
Property – Blanket Building and Grounds  
Public Official's Liability  
General and Automobile Liability

The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2008, which can be obtained from:

Monmouth County Municipal Joint Insurance Fund  
Park 80 West, Plaza One  
Saddlebrook, New Jersey 07663

Note 15: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

| <u>Year</u> | <u>Township<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-------------|-----------------------------------|------------------------------|---------------------------|
| 2008        | None                              | \$12,347.60                  | \$6,167.33                |
| 2007        | None                              | 9,992.03                     | 14,915.35                 |
| 2006        | None                              | ---                          | 20,644.02                 |

Note 16: **LITIGATION**

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Current Cash--Treasurer  
 For the Year Ended December 31, 2008

|  | <u>Regular</u>       | <u>Federal and State Grant Fund</u> |
|--|----------------------|-------------------------------------|
| Balance Dec. 31, 2007  |                      | ---                                 |
| Increased by Receipts:   |                      |                                     |
| Collector  | \$ 22,541,003.88     |                                     |
| Petty Cash   | 250.00               |                                     |
| Revenue Accounts Receivable                                      | 251,321.85           |                                     |
| Miscellaneous Revenues not Anticipated                           | 84,773.03            |                                     |
| Due from Trust -- Other Fund                                     | 15,361.77            |                                     |
| Due General Capital Fund   | 302,884.63           |                                     |
| Due from the Borough of Allentown - Fire Expenses                | 62,635.42            |                                     |
| Due from Interlocal Services Agreement - Animal Control Services | 36,980.00            |                                     |
| Due from State of New Jersey (Ch. 73, P.L. 1976)                 | 61,799.00            |                                     |
| Energy Receipts Tax  | 630,707.00           |                                     |
| Consolidated Municipal Property Tax Relief Aid                   | 65,178.00            |                                     |
| Reserve for Garden State Preservation Trust Fund                 | 10,968.19            |                                     |
| Reserve for Soil Witnessing Fees                                 | 2,355.00             |                                     |
| Animal Control - Municipal Revenue                               | 36,980.00            |                                     |
| Uniform Fire Safety Act Fees - State and Local                   | 10,086.75            |                                     |
| Interest on Investments and Deposits                             | 109,187.91           |                                     |
| Due to State of New Jersey--State Training Fees                  | 10,496.15            |                                     |
| Due Current Fund -- Federal and State Grant Fund                 | 18,012.61            |                                     |
| Federal and State Grants Receivable                              |                      | \$ 64,354.93                        |
|  | <u>24,250,981.19</u> | <u>\$ 64,354.93</u>                 |
| Balance Forward  | 28,980,149.28        | 64,354.93                           |

(Continued)

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Current Cash--Treasurer  
 For the Year Ended December 31, 2008

|   | <u>Regular</u>         | <u>Federal and State Grant Fund</u> |
|---|------------------------|-------------------------------------|
| Balance Brought Forward                                 |                        |                                     |
| Decreased by Disbursements:                             |                        |                                     |
| Petty Cash  | \$ 250.00              |                                     |
| 2008 Budget Appropriations                              | 4,611,774.23           |                                     |
| 2007 Appropriation Reserves                             | 223,772.18             |                                     |
| Due Trust - Open Space                                  | 568,323.65             |                                     |
| Due from the Borough of Allentown - Fire Expenses       | 63,698.73              |                                     |
| Due from Interlocal Services Agreement - Animal Control | 36,980.00              |                                     |
| County Taxes  | 3,349,321.73           |                                     |
| County Share of Added and Omitted Taxes                 | 102,058.66             |                                     |
| Regional School Taxes                                   | 16,440,356.66          |                                     |
| Refund of Tax Overpayments                              | 16,384.04              |                                     |
| Due to State of New Jersey -- State Training Fees       | 13,348.66              |                                     |
| Accounts Payable  | 667.40                 |                                     |
| Due Current Fund -- Federal and State Grant Fund        |                        | \$ 18,012.61                        |
| Reserve for Preparation and Revision of the Master Plan | 69,151.14              |                                     |
| Reserve for Polling Places                              | 800.00                 |                                     |
| Reserve for Soil Witnessing Fees                        | 3,846.50               |                                     |
| Refund of Prior Year Revenue                            | 1,541.00               |                                     |
| Reserve for Federal and State Grants Appropriated       |                        | <u>46,342.32</u>                    |
|   |                        | <u>25,502,274.58</u>                |
| Balance Dec. 31, 2008                                   | <u>\$ 3,477,874.70</u> | <u>64,354.93</u>                    |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Current Cash--Collector  
For the Year Ended December 31, 2008

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## Increased by Receipts:

|                             |                   |
|-----------------------------|-------------------|
| Taxes Receivable            | \$22,603,009.54   |
| Revenue Accounts Receivable | 495.00            |
| Prepaid Taxes               | 117,645.22        |
| Tax Overpayments            | 12,827.05         |
| Interest and Costs on Taxes | <u>106,498.14</u> |

\$ 22,840,474.95

## Decreased by:

|                       |                      |
|-----------------------|----------------------|
| Payments to Treasurer | <u>22,541,003.88</u> |
|-----------------------|----------------------|

Balance Dec. 31, 2008

\$ 299,471.07

TOWNSHIP OF UPPER FREEHOLD  
CURRENT FUND  
Schedule of Change Funds  
For the Year Ended December 31, 2008

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| <u>Office</u>   | <u>Balance<br/>Dec. 31, 2008</u> |
|-----------------|----------------------------------|
| Municipal Court | \$ 100.00                        |
| Tax Collector   | <u>100.00</u>                    |
|                 | <u>\$ 200.00</u>                 |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2008

| Year | Balance<br>Dec. 31, 2007 | 2008 Levy        | Added<br>Taxes | 2007<br>Collections | 2008<br>Collections | Due from<br>State of<br>New Jersey | Overpayments<br>Applied | Cancelled    | Transferred<br>to Tax<br>Title Liens | Balance<br>Dec. 31, 2008 |
|------|--------------------------|------------------|----------------|---------------------|---------------------|------------------------------------|-------------------------|--------------|--------------------------------------|--------------------------|
| 2005 | \$ 12,661.73             |                  |                | \$ 10,591.02        |                     |                                    |                         |              | \$ 2,070.71                          |                          |
| 2006 | 15,725.39                |                  |                | 11,366.19           |                     |                                    |                         |              | 4,359.20                             |                          |
| 2007 | 452,291.14               |                  | 750.00         | 440,412.18          |                     |                                    |                         |              | 7,434.45                             | 5,194.51                 |
|      | 480,678.26               |                  | 750.00         | 462,369.39          |                     |                                    |                         |              | 7,434.45                             | 11,624.42                |
| 2008 |                          | \$ 22,758,475.39 |                | \$ 92,570.41        | 22,140,640.15       | \$ 61,645.89                       | \$ 6,002.90             | \$ 25,322.43 | 27,486.24                            | 404,807.37               |
|      | \$ 480,678.26            | \$ 22,758,475.39 | \$ 750.00      | \$ 92,570.41        | \$ 22,603,009.54    | \$ 61,645.89                       | \$ 6,002.90             | \$ 25,322.43 | \$ 34,920.69                         | \$ 416,431.79            |

Analysis of 2008 Tax Levy

Tax Yield  
 General Purpose Tax  
 Added/Omitted Taxes (54:4-63.1 et seq.)

\$ 22,396,247.62  
362,227.77  
\$ 22,758,475.39

Tax Levy

Regional School Tax  
 County Taxes  
 County Tax  
 County Library Tax  
 County Open Space Tax  
 Due County for Added/Omitted Taxes (54:4-63.1 et seq.)

16,686,349.20  
  
 \$ 2,872,216.97  
 178,874.72  
 198,230.04  
55,212.59  
\$ 22,758,475.39

Total County Taxes

3,404,534.32

Municipal Open Space Tax  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

548,697.09  
 1,820,586.69  
298,308.09  
2,118,894.78  
\$ 22,758,475.39

Local Tax for Municipal Purposes Levied

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2008

---

|  |                 |                      |
|--|-----------------|----------------------|
| Balance Dec. 31, 2007                  |                 | \$ 157,334.00        |
| Increased by:                          |                 |                      |
| Transfers from Taxes Receivable        | \$ 34,920.69    |                      |
| Interest and Costs Accrued at Tax Sale | <u>1,846.98</u> |                      |
|  |                 | <u>36,767.67</u>     |
| Balance Dec. 31, 2008                  |                 | <u>\$ 194,101.67</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2008

|                             | Balance<br>Dec. 31, 2007 | Accrued<br>in 2008   | Collected by |                      | Balance<br>Dec. 31, 2008 |
|-----------------------------|--------------------------|----------------------|--------------|----------------------|--------------------------|
|                             |                          |                      | Collector    | Treasurer            |                          |
| Clerk:                      |                          |                      |              |                      |                          |
| Licenses, Fees and Permits  |                          | \$ 7,651.00          | \$           | 7,651.00             |                          |
| Construction Code Official: |                          |                      |              |                      |                          |
| Fees and Permits            |                          | 112,270.85           |              | 112,270.85           |                          |
| Planning Board:             |                          |                      |              |                      |                          |
| Subdivision Fees            |                          | 8,540.00             |              | 8,540.00             |                          |
| Zoning Board of Adjustment: |                          |                      |              |                      |                          |
| Fees and Permits            |                          | 825.00               |              | 825.00               |                          |
| Health Officer:             |                          |                      |              |                      |                          |
| Fees and Permits            |                          | 24,773.50            |              | 24,773.50            |                          |
| Municipal Court:            |                          |                      |              |                      |                          |
| Fines and Costs             | \$ 8,433.57              | 73,593.14            |              | 78,523.50            | \$ 3,503.21              |
| Tax Assessor:               |                          |                      |              |                      |                          |
| Fees and Permits            |                          | 290.00               |              | 290.00               |                          |
| Cable Franchise Fees        |                          | 18,448.00            |              | 18,448.00            |                          |
| Tax Search Fees             |                          | 495.00               | \$           | 495.00               |                          |
|                             | <u>\$ 8,433.57</u>       | <u>\$ 246,886.49</u> | <u>\$</u>    | <u>\$ 251,321.85</u> | <u>\$ 3,503.21</u>       |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Due To Federal and State Grant Fund  
For the Year Ended December 31, 2008

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|                       |    |            |
|-----------------------|----|------------|
| Balance Dec. 31, 2007 | \$ | 149,218.33 |
| Increased by:         |    |            |
| Receipts              |    | 18,012.61  |
| Balance Dec. 31, 2008 | \$ | 167,230.94 |

Exhibit SA-8

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Accounts Receivable - Interlocal Services Agreement - Fire Expenses  
For the Year Ended December 31, 2008

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|                       |    |           |
|-----------------------|----|-----------|
| Balance Dec. 31, 2007 | \$ | 15,474.00 |
| Increased by:         |    |           |
| Fire Expenses Paid    |    | 63,698.73 |
|                       |    | 79,172.73 |
| Decreased by:         |    |           |
| Receipts              |    | 62,635.42 |
| Balance Dec. 31, 2008 | \$ | 16,537.31 |

Exhibit SA-9

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Due From Interlocal Services Agreement - Animal Control Services  
For the Year Ended December 31, 2008

---

|                              |    |           |
|------------------------------|----|-----------|
| Balance Dec. 31, 2007        | \$ | 270.00    |
| Increased by:                |    |           |
| Animal Control Services Paid |    | 36,980.00 |
|                              |    | 37,250.00 |
| Decreased by:                |    |           |
| Receipts                     |    | 36,980.00 |
| Balance Dec. 31, 2008        | \$ | 270.00    |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Deferred Charges N.J.S. 40A:4-53 Special Emergency  
 For the Year Ended December 31, 2008

| <u>Date Authorized</u> | <u>Purpose</u>                              | Net Amount Authorized | 1/5 of                |                      | Balance Dec. 31, 2007       | Decreased            | Balance Dec. 31, 2008 |
|------------------------|---|-----------------------|-----------------------|----------------------|-----------------------------|----------------------|-----------------------|
|                        |   |                       | Net Amount Authorized | Net Amount           |                             |                      |                       |
| 8/19/2004              | Revaluation Program                         | \$ 210,000.00         | \$ 42,000.00          | \$ 84,000.00         | \$ 42,000.00                | \$ 42,000.00         |                       |
| 11/28/2006             | Preparation and Revision of the Master Plan | 300,000.00            | 60,000.00             | 240,000.00           | 60,000.00                   | 180,000.00           |                       |
|                        |   |                       |                       | <u>\$ 324,000.00</u> | <u>\$ 102,000.00</u>        | <u>\$ 222,000.00</u> |                       |
|                        |   |                       |                       |                      | <u>Budget Appropriation</u> | <u>\$ 102,000.00</u> |                       |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Deferred Charges  
For the Year Ended December 31, 2008

---

|                          | <u>Balance</u><br><u>Dec. 31, 2007</u> | <u>Raised in</u><br><u>2008</u><br><u>Budget</u> |
|--------------------------|--|--|
| Emergency Authorizations | \$ 22,150.00                           | \$ 22,150.00                                     |
|                          | <u>\$ 22,150.00</u>                    | <u>\$ 22,150.00</u>                              |

TOWNSHIP OF UPPER FREEHOLD  
CURRENT FUND  
Statement of 2007 Appropriation Reserves  
For the Year Ended December 31, 2008

|   | Balance           |           | Balances After | Paid or     | Balance   |
|---|-------------------|-----------|----------------|-------------|-----------|
|   | December 31, 2007 | Reserved  |                |             |           |
|   | Encumbered        |           |                |             |           |
| <b>OPERATIONS – WITHIN "CAPS"</b>   |                   |           |                |             |           |
| <b>General Government</b>   |                   |           |                |             |           |
| General Administration  |                   |           |                |             |           |
| Salaries and Wages  |                   | \$ 444.70 | \$ 444.70      |             | \$ 444.70 |
| Other Expenses  | \$ 3,849.97       | 1,406.88  | 5,256.85       | \$ 4,008.11 | 1,248.74  |
| Human Resources   |                   |           |                |             |           |
| Other Expenses  |                   | 28,047.64 | 28,047.64      | 15,424.85   | 12,622.99 |
| Education Program for Employees   | 97.07             | 5,992.41  | 6,089.48       | 97.07       | 5,992.41  |
| Mayor and Township Committee  |                   |           |                |             |           |
| Salaries and Wages  |                   | 16.00     | 16.00          |             | 16.00     |
| Other Expenses  | 85.00             | 520.05    | 605.05         | 85.00       | 520.05    |
| Township Clerk  |                   |           |                |             |           |
| Salaries and Wages  |                   | 502.11    | 502.11         |             | 502.11    |
| Other Expenses:   |                   |           |                |             |           |
| Printing and Legal Advertising  |                   | 3,000.24  | 3,000.24       |             | 3,000.24  |
| Codification and Revision of Ordinance  |                   | 53.90     | 53.90          |             | 53.90     |
| Miscellaneous Other Expenses  | 290.25            | 1,020.37  | 1,310.62       | 290.25      | 1,020.37  |
| Financial Administration  |                   |           |                |             |           |
| Salaries and Wages  |                   | 3,207.22  | 3,207.22       | 432.00      | 2,775.22  |
| Other Expenses  | 674.81            | 1,744.95  | 2,419.76       | 574.33      | 1,845.43  |
| Collection of Taxes   |                   |           |                |             |           |
| Salaries and Wages  |                   | 959.42    | 959.42         |             | 959.42    |
| Other Expenses  |                   | 185.41    | 185.41         |             | 185.41    |
| Assessment of Taxes   |                   |           |                |             |           |
| Salaries and Wages  |                   | 0.23      | 0.23           |             | 0.23      |
| Other Expenses  |                   |           |                |             |           |
| Revision of Tax Map   | 1,115.56          | 2,149.62  | 3,265.18       | 1,115.56    | 2,149.62  |
| Miscellaneous Other Expenses  | 84.00             | 3,441.84  | 3,525.84       | 311.75      | 3,214.09  |
| Legal Services and Costs  |                   |           |                |             |           |
| Salaries and Wages  |                   | 0.02      | 0.02           |             | 0.02      |
| Other Expenses  |                   | 26,931.45 | 26,931.45      | 25,648.48   | 1,282.97  |
| Engineering Services  |                   |           |                |             |           |
| Other Expenses  |                   | 6,647.15  | 6,647.15       | 2,182.72    | 4,464.43  |
| Municipal Court   |                   |           |                |             |           |
| Salaries and Wages  |                   | 7,837.78  | 7,837.78       | 354.50      | 7,483.28  |
| Other Expenses  | 1,268.15          | 1,165.53  | 2,433.68       | 2,312.93    | 120.75    |
| Public Defender   |                   |           |                |             |           |
| Other Expenses  | 400.00            | 850.00    | 1,250.00       | 400.00      | 850.00    |
| <b>Land Use Administration</b>  |                   |           |                |             |           |
| Planning Board  |                   |           |                |             |           |
| Salaries and Wages  |                   | 39.09     | 39.09          | 39.09       |           |
| Other Expenses:   |                   |           |                |             |           |
| Engineering   |                   | 2,217.50  | 2,217.50       | 540.00      | 1,677.50  |
| Legal   | 484.00            | 9,746.45  | 10,230.45      | 2,717.50    | 7,512.95  |
| Professional Consultants - Planning   | 1,125.00          | 9,287.50  | 10,412.50      | 4,967.00    | 5,445.50  |
| Miscellaneous Other Expenses  |                   | 939.65    | 939.65         | 112.84      | 826.81    |
| Zoning Board of Adjustment  |                   |           |                |             |           |
| Salaries and Wages  |                   | 102.88    | 102.88         |             | 102.88    |
| Other Expenses:   |                   |           |                |             |           |
| Engineering   |                   | 250.00    | 250.00         |             | 250.00    |
| Legal   |                   | 1,736.00  | 1,736.00       |             | 1,736.00  |
| Miscellaneous Other Expenses  | 15.58             | 160.20    | 175.78         | 15.58       | 160.20    |
| Planner   |                   | 500.00    | 500.00         |             | 500.00    |
| Insurance   |                   |           |                |             |           |
| Liability Insurance   |                   | 1,553.46  | 1,553.46       |             | 1,553.46  |
| Workers Compensation Insurance  |                   | 1,980.25  | 1,980.25       |             | 1,980.25  |
| Group Insurance Plan for Employees  |                   | 9,187.01  | 9,187.01       | 625.00      | 8,562.01  |
| <b>OPERATIONS – WITHIN "CAPS" (Cont'd)</b>  |                   |           |                |             |           |
| <b>Public Safety</b>  |                   |           |                |             |           |
| Police  |                   |           |                |             |           |
| Salaries and Wages  |                   | 100.00    | 100.00         |             | 100.00    |
| Other Expenses  |                   | 1,000.00  | 1,000.00       |             | 1,000.00  |
| Contract with Regional High School Board of Education for Transportation of Local Pupils (N.J.S. 18A:39-12) | 83,422.45         | 1,577.55  | 85,000.00      | 83,422.45   | 1,577.55  |
| 911 Emergency Telecommunications System   |                   |           |                |             |           |
| Other Expenses  |                   | 0.61      | 0.61           |             | 0.61      |
| Office of Emergency Management  |                   |           |                |             |           |
| Salaries and Wages  |                   | 0.14      | 0.14           |             | 0.14      |
| Other Expenses  |                   | 93.46     | 93.46          |             | 93.46     |
| Aid to Volunteer Fire Companies   |                   |           |                |             |           |
| Hope Volunteer Fire Company   |                   | 22,500.00 | 22,500.00      | 22,500.00   |           |

(Continued)

TOWNSHIP OF UPPER FREEHOLD  
CURRENT FUND  
Statement of 2007 Appropriation Reserves  
For the Year Ended December 31, 2008

|   | Balance           |              | Balances After | Paid or     | Balance     |
|---|-------------------|--------------|----------------|-------------|-------------|
|   | December 31, 2007 |              |                |             |             |
|   | Encumbered        | Reserved     | Modification   | Charged     | Lapsed      |
| <b>OPERATIONS – WITHIN "CAPS" (Cont'd)</b>                          |                   |              |                |             |             |
| <b>Public Safety (Cont'd)</b>                                       |                   |              |                |             |             |
| Fire  |                   |              |                |             |             |
| Salaries and Wages  |                   | \$ 10,806.18 | \$ 10,806.18   | \$ 6,225.13 | \$ 4,581.05 |
| Other Expenses  | \$ 268.99         | 172.05       | 441.04         | 388.80      | 52.24       |
| Municipal Prosecutor  |                   |              |                |             |             |
| Salaries and Wages  |                   | 1,104.00     | 1,104.00       |             | 1,104.00    |
| <b>Public Works</b>   |                   |              |                |             |             |
| Road Repairs and Maintenance  |                   |              |                |             |             |
| Salaries and Wages  |                   | 23,987.41    | 23,987.41      | 299.32      | 23,688.09   |
| Other Expenses  | 6,561.58          | 4,023.16     | 10,584.74      | 6,546.21    | 4,038.53    |
| Maintenance of Traffic Light - Contractual                          | 34.39             | 2,640.01     | 2,674.40       | 505.96      | 2,168.44    |
| Trash Collection  |                   |              |                |             |             |
| Other Expenses  | 1,750.00          | 3,534.80     | 5,284.80       | 1,925.00    | 3,359.80    |
| Recycling   |                   |              |                |             |             |
| Salaries and Wages  |                   | 125.55       | 125.55         | 15.14       | 110.41      |
| Other Expenses  | 3,952.30          | 1,625.60     | 5,577.90       | 4,678.07    | 899.83      |
| Public Buildings and Grounds  |                   |              |                |             |             |
| Salaries and Wages  |                   | 100.00       | 100.00         |             | 100.00      |
| Other Expenses  | 2,402.72          | 8,725.46     | 11,128.18      | 1,912.94    | 9,215.24    |
| Vehicle Maintenance   |                   |              |                |             |             |
| Other Expenses  | 1,857.74          | 3,595.37     | 5,453.11       | 1,616.65    | 3,836.46    |
| <b>Health and Human Services</b>                                    |                   |              |                |             |             |
| Board of Health   |                   |              |                |             |             |
| Salaries and Wages  |                   | 101.41       | 101.41         |             | 101.41      |
| Other Expenses  |                   | 6,025.30     | 6,025.30       | 147.40      | 5,877.90    |
| Senior Citizens' Transportation                                     |                   |              |                |             |             |
| Other Expenses  |                   | 675.35       | 675.35         | 592.20      | 83.15       |
| Housing Inspection  |                   |              |                |             |             |
| Salaries and Wages  |                   | 52.33        | 52.33          |             | 52.33       |
| Employee Immunization   |                   |              |                |             |             |
| Other Expenses  |                   | 1,000.00     | 1,000.00       |             | 1,000.00    |
| Environmental Commission<br>(N.J.S.A. 40:56A-1 et. seq.)            |                   |              |                |             |             |
| Other Expenses  | 750.00            | 2,500.00     | 3,250.00       | 750         | 2,500.00    |
| Dog Regulation  |                   |              |                |             |             |
| Other Expenses  | 2,509.80          | 1,539.42     | 4,049.22       | 2,773.07    | 1,276.15    |
| <b>Parks and Recreation</b>   |                   |              |                |             |             |
| Recreation Services and Programs                                    |                   |              |                |             |             |
| Other Expenses  |                   | 1,554.86     | 1,554.86       |             | 1,554.86    |
| Maintenance of Parks  |                   |              |                |             |             |
| Salaries And Wages  |                   | 2,181.96     | 2,181.96       |             | 2,181.96    |
| Other Expenses  | 6,522.46          | 3,396.26     | 9,918.72       | 6,406.92    | 3,511.80    |
| Interest on Tax Appeals   |                   | 1,000.00     | 1,000.00       |             | 1,000.00    |
| <b>Utility Expenses and Bulk Purchases</b>                          |                   |              |                |             |             |
| Electricity   | 2,501.09          | 2,240.12     | 3,741.21       | 2,694.96    | 1,046.25    |
| Street Lighting   | 1,093.81          | 65.18        | 2,158.99       | 2,158.99    |             |
| Telephone and Telegraph   | 661.64            | 3,001.66     | 3,663.30       | 1,792.58    | 1,870.72    |
| Gas   | 300.00            | 1,455.29     | 1,755.29       | 601.01      | 1,154.28    |
| Fuel Oil  | 200.00            | 2,012.62     | 2,212.62       | 1,379.96    | 832.66      |
| Gasoline  | 2,500.00          | 4,420.13     | 6,920.13       |             | 6,920.13    |
| Landfill/Solid Waste Disposal Costs                                 | 3,788.95          | 2,991.80     | 6,780.75       | 4,621.44    | 2,159.31    |
| <b>Uniform Construction Code</b>                                    |                   |              |                |             |             |
| Appropriations Offset by Dedicated<br>Revenues (N.J.A.C. 5:23-4.17) |                   |              |                |             |             |
| Construction Official   |                   |              |                |             |             |
| Salaries and Wages  |                   | 135.34       | 135.34         |             | 135.34      |
| Other Expenses  | 47.39             | 68.99        | 116.38         | 59.96       | 56.42       |
| Subcode Officials:  |                   |              |                |             |             |
| Building Sub-Code Official  |                   |              |                |             |             |
| Salaries and Wages  |                   | 124.20       | 124.20         |             | 124.20      |

(Continued)

TOWNSHIP OF UPPER FREEHOLD  
CURRENT FUND  
Statement of 2007 Appropriation Reserves  
For the Year Ended December 31, 2008

|  | Balance              |                      | Balances After       | Paid or              | Balance              |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | December 31, 2007    | Reserved             |                      |                      |                      |
|  | Encumbered           |                      |                      |                      |                      |
| <b>OPERATIONS – WITHIN "CAPS" (Cont'd)</b>   |                      |                      |                      |                      |                      |
| <b>Uniform Construction Code (Cont'd)</b>  |                      |                      |                      |                      |                      |
| Building Inspector   |                      |                      |                      |                      |                      |
| Salaries and Wages   |                      | \$ 1,031.95          | \$ 1,031.95          |                      | \$ 1,031.95          |
| Electrical Sub-Code Official   |                      |                      |                      |                      |                      |
| Salaries and Wages   |                      | 2,719.58             | 2,719.58             |                      | 2,719.58             |
| Fire Protection Sub-Code Official  |                      |                      |                      |                      |                      |
| Salaries and Wages   |                      | 500.17               | 500.17               |                      | 500.17               |
| Plumbing Sub-Code Official   |                      |                      |                      |                      |                      |
| Salaries and Wages   |                      | 250.11               | 250.11               |                      | 250.11               |
| <b>Total Operations – Within "CAPS"</b>  | <b>\$ 130,614.70</b> | <b>260,580.29</b>    | <b>391,194.99</b>    | <b>\$ 216,268.52</b> | <b>174,926.47</b>    |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES–</b>  |                      |                      |                      |                      |                      |
| <b>– MUNICIPAL – WITHIN "CAPS"</b>   |                      |                      |                      |                      |                      |
| Statutory Expenditures:  |                      |                      |                      |                      |                      |
| Contribution to:   |                      |                      |                      |                      |                      |
| Social Security System (O.A.S.I.)  |                      | 2,743.00             | 2,743.00             |                      | 2,743.00             |
| <b>Total Deferred Charges and Statutory Expenditures – Municipal – Within "CAPS"</b>               |                      | <b>2,743.00</b>      | <b>2,743.00</b>      |                      | <b>2,743.00</b>      |
| <b>Total General Appropriations for Municipal Purposes Within – "CAPS"</b>                         | <b>130,614.70</b>    | <b>263,323.29</b>    | <b>393,937.99</b>    | <b>216,268.52</b>    | <b>177,669.47</b>    |
| <b>OPERATIONS EXCLUDED FROM "CAPS"</b>   |                      |                      |                      |                      |                      |
| PERS   |                      | 0.60                 | 0.60                 |                      | 0.60                 |
| Matching Funds for Grants  |                      | 5,000.00             | 5,000.00             |                      | 5,000.00             |
| Uniform Fire Safety Act  |                      |                      |                      |                      |                      |
| Other Expenses   | 1,433.98             | 613.64               | 2,047.62             | 620.98               | 1,426.64             |
| Local Health Services  |                      |                      |                      |                      |                      |
| Other Expenses - Services of Visiting Nurse  |                      | 34.00                | 34.00                |                      | 34.00                |
| <b>Total Operations – Excluded from "CAPS"</b>   | <b>1,433.98</b>      | <b>5,648.24</b>      | <b>7,082.22</b>      | <b>620.98</b>        | <b>6,461.24</b>      |
| <b>Capital Improvements – Excluded from "CAPS"</b>   |                      |                      |                      |                      |                      |
| Acquisition of Public Works Equipment  |                      | 384.00               | 384.00               |                      | 384.00               |
| Improvements to Parks  |                      | 211.87               | 211.87               |                      | 211.87               |
| Acquisition of Fire Fighting Equipment   |                      |                      |                      |                      |                      |
| Hope Fire Company  | 4,160.30             | 23,783.78            | 27,944.08            | 4,219.42             | 23,724.66            |
| Other  | 408.04               | 6,779.12             | 7,187.16             | 579.04               | 6,608.12             |
| Acquisition of Property for Municipal Improvements to Municipal Building and Salt Storage Facility |                      | 8,276.50             | 8,276.50             | 2,084.22             | 6,192.28             |
| Acquisition of Office Equipment and Computers  | 324.85               | 2.09                 | 327.04               |                      | 327.04               |
| Acquisition of Vehicles  |                      | 1,350.00             | 1,350.00             |                      | 1,350.00             |
| Acq. Of Office Furniture & Equipment   |                      | 811.00               | 811.00               |                      | 811.00               |
| <b>Total Capital Improvements – Excluded from "CAPS"</b>   | <b>4,893.29</b>      | <b>41,598.36</b>     | <b>46,491.65</b>     | <b>6,882.68</b>      | <b>39,608.97</b>     |
| <b>Total General Appropriations</b>  | <b>\$ 136,941.97</b> | <b>\$ 310,589.89</b> | <b>\$ 447,511.86</b> | <b>\$ 223,772.18</b> | <b>\$ 223,739.68</b> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2008

|  |                  |                            |
|--|------------------|----------------------------|
| <hr/>                                    |                  |                            |
| Balance Dec. 31, 2007                    |                  |                            |
| Current Fund                             | \$ 136,941.97    |                            |
| Federal and State Grant Fund             | <u>8,241.64</u>  |                            |
|  |                  | \$ 145,183.61              |
|  |                  |                            |
| Increased by Encumbered in 2008:         |                  |                            |
| Current Fund                             | 47,562.01        |                            |
| Federal and State Grant Fund             | <u>18,286.10</u> |                            |
|  |                  | <u>65,848.11</u>           |
|  |                  |                            |
|  |                  | 211,031.72                 |
| Decreased by:                            |                  |                            |
| Transferred to Appropriation Reserves:   |                  |                            |
| Current Fund                             | 136,941.97       |                            |
| Federal and State Grant Fund             | <u>8,241.64</u>  |                            |
|  |                  | <u>145,183.61</u>          |
|  |                  |                            |
| Balance Dec. 31, 2008                    |                  | <u><u>\$ 65,848.11</u></u> |
|  |                  |                            |
| <u>Analysis of Balance Dec. 31, 2008</u> |                  |                            |
| Current Fund                             | \$ 47,562.01     |                            |
| Federal and State Grant Fund             | <u>18,286.10</u> |                            |
|  |                  | <u><u>\$ 65,848.11</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Reserve for Garden State Preservation Trust Fund  
For the Year Ended December 31, 2008

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|                                    |              |
|------------------------------------|--------------|
| Balance Dec. 31, 2007              | \$ 11,015.22 |
| Increased by:                      |              |
| Receipts                           | 10,968.19    |
|                                    | 21,983.41    |
| Decreased by:                      |              |
| Realized as Revenue in 2008 Budget | 11,015.22    |
| Balance Dec. 31, 2008              | \$ 10,968.19 |

Exhibit SA-15

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Uniform Construction Code--State Training Fees  
For the Year Ended December 31, 2008

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|                       |             |
|-----------------------|-------------|
| Balance Dec. 31, 2007 | \$ 3,706.78 |
| Increased by:         |             |
| Collections           | 10,496.15   |
|                       | 14,202.93   |
| Decreased by:         |             |
| Payments              | 13,348.66   |
| Balance Dec. 31, 2008 | \$ 854.27   |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2008

|                                      |                 |                             |
|--------------------------------------|-----------------|-----------------------------|
| Balance Dec. 31, 2007 (2008 Taxes)   |                 | \$ 92,570.41                |
| Increased by:                        |                 |                             |
| Collections--2009 Taxes              | \$ 117,645.22   |                             |
| Transferred from Overpayments        | <u>2,014.34</u> |                             |
|                                      |                 | <u>119,659.56</u>           |
|                                      |                 | 212,229.97                  |
| Decreased by:                        |                 |                             |
| Application to 2008 Taxes Receivable |                 | <u>92,570.41</u>            |
| Balance Dec. 31, 2008 (2009 Taxes)   |                 | <u><u>\$ 119,659.56</u></u> |

Exhibit SA-17

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2008

|                             |                 |                           |
|-----------------------------|-----------------|---------------------------|
| Balance Dec. 31, 2007       |                 | \$ 14,496.55              |
| Increased by:               |                 |                           |
| Overpayments in 2008        |                 | <u>12,827.05</u>          |
|                             |                 | 27,323.60                 |
| Decreased by:               |                 |                           |
| Refunds                     | \$ 16,384.04    |                           |
| Applied to Taxes Receivable | 6,002.90        |                           |
| Applied to Prepaid Taxes    | <u>2,014.34</u> |                           |
|                             |                 | <u>24,401.28</u>          |
| Balance Dec. 31, 2008       |                 | <u><u>\$ 2,922.32</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Senior Citizens' and Veterans' Deductions  
For the Year Ended December 31, 2008

|  |                  |                           |
|--|------------------|---------------------------|
| Balance Dec. 31, 2007  |                  | \$ 7,036.97               |
| Increased by:  |                  |                           |
| Collections  |                  | <u>61,799.00</u>          |
|  |                  | 68,835.97                 |
| Decreased by:  |                  |                           |
| Accrued in 2008:   |                  |                           |
| Senior Citizens' Deductions per Billings                                 | \$ 4,500.00      |                           |
| Veterans' Deductions per Billings  | <u>55,500.00</u> |                           |
|  | 60,000.00        |                           |
| Deductions Allowed by Tax Collector--2008 Taxes                          | <u>1,750.00</u>  |                           |
|  | 61,750.00        |                           |
| Deductions Disallowed by Tax Collector--2008 Taxes                       | <u>104.11</u>    |                           |
| Subtotal--2008 Taxes   | 61,645.89        |                           |
| Deduct:  |                  |                           |
| 2007 Veterans' and Senior Citizens' Deduction<br>Disallowed by Collector | <u>750.00</u>    |                           |
|  |                  | <u>60,895.89</u>          |
| Balance Dec. 31, 2008  |                  | <u><u>\$ 7,940.08</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2008

|   |                 |                     |
|---|-----------------|---------------------|
| Balance Dec. 31, 2007                   |                 |                     |
| Added Taxes (2007)                      | \$ 97,235.17    |                     |
| Omitted Taxes (2007)                    | <u>4,823.49</u> |                     |
|   |                 | \$ 102,058.66       |
| Increased by County Share of 2008 Levy: |                 |                     |
| Added Taxes (R.S.54:4-63.1 et seq.)     | 54,170.53       |                     |
| Omitted Taxes (R.S.54:4-63.12 et seq.)  | <u>1,042.06</u> |                     |
|   |                 | <u>55,212.59</u>    |
|   |                 | 157,271.25          |
| Decreased by:                           |                 |                     |
| Payments:                               |                 |                     |
| Added Taxes (2007)                      | 97,235.17       |                     |
| Omitted Taxes (2007)                    | <u>4,823.49</u> |                     |
|   |                 | <u>102,058.66</u>   |
| Balance Dec. 31, 2008                   |                 |                     |
| Added Taxes (2008)                      | 54,170.53       |                     |
| Omitted Taxes (2008)                    | <u>1,042.06</u> |                     |
|   |                 | <u>\$ 55,212.59</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Regional School Tax  
For the Year Ended December 31, 2008

---

|   |                                |
|---|--------------------------------|
| Balance Dec. 31, 2007                           |                                |
| School Tax Deferred                             | \$ 8,097,181.76                |
| Increased by:                                   |                                |
| Levy--School Year July 1, 2007 to June 30, 2008 | <u>16,686,349.20</u>           |
|   | 24,783,530.96                  |
| Decreased by:                                   |                                |
| Payments  | <u>16,440,356.66</u>           |
| Balance Dec. 31, 2008                           |                                |
| School Tax Deferred                             | <u><u>\$ 8,343,174.30</u></u>  |
| 2008 Liability for Local School Tax:            |                                |
| Tax Paid  | \$ 16,440,356.66               |
| Less: Tax Payable Dec. 31, 2007                 | <u>---</u>                     |
| Amount Charged to 2008 Operations               | <u><u>\$ 16,440,356.66</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Accounts Payable  
For the Year Ended December 31, 2008

---

|                       |               |                     |
|-----------------------|---------------|---------------------|
| Balance Dec. 31, 2007 |               | \$ 31,222.87        |
| Decreased by:         |               |                     |
| Cancelled             | \$ 30,555.47  |                     |
| Disbursements         | <u>667.40</u> |                     |
|                       |               | <u>\$ 31,222.87</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Reserve for Preparation and Revision of the Master Plan  
For the Year Ended December 31, 2008

---

|                       |    |            |
|-----------------------|----|------------|
| Balance Dec. 31, 2007 | \$ | 265,361.78 |
| Decreased by:         |    |            |
| Disbursed             |    | 69,151.14  |
| Balance Dec. 31, 2008 | \$ | 196,210.64 |

Exhibit SA-23

**TOWNSHIP OF UPPER FREEHOLD**  
**CURRENT FUND**  
Statement of Reserve for Soil Witnessing Program  
For the Year Ended December 31, 2008

---

|                       |    |          |
|-----------------------|----|----------|
| Balance Dec. 31, 2007 | \$ | 5,970.62 |
| Increased by:         |    |          |
| Receipts              |    | 2,355.00 |
|                       |    | 8,325.62 |
| Decreased by:         |    |          |
| Disbursed             |    | 3,846.50 |
| Balance Dec. 31, 2008 | \$ | 4,479.12 |

**TOWNSHIP OF UPPER FREEHOLD**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Federal, State and Other Grants Receivable  
 For the Year Ended December 31, 2008

| <u>Program</u>                                     | <u>Balance</u><br><u>Dec. 31, 2007</u> | <u>Accrued</u> | <u>Received</u> | <u>Canceled</u> | <u>Balance</u><br><u>Dec. 31, 2008</u> |
|--|--|----------------|-----------------|-----------------|--|
| Federal Grants:                                    |  |                |                 |                 |  |
| N.J. Transportation Trust Fund Authority           | \$ 20,923.56                           |                |                 |                 | \$ 20,923.56                           |
| State Grants:                                      |  |                |                 |                 |  |
| Alcohol Education and Rehab. Fund                  | \$                                     | 696.09 \$      | 696.09          |                 |  |
| Clean Communities Grant                            |  | 14,003.80      | 14,003.80       |                 |  |
| GovConnect Grant                                   | 500.00                                 |                |                 |                 | 500.00                                 |
| Recreation for Individuals with Disabilities Grant |  | 7,000.00       | 7,000.00        |                 |  |
| NJDEP Environmental Service Program                | 2,500.00                               | 4,500.00       | 7,000.00        |                 |  |
| Stormwater Regulation Grant                        |  | 1,250.00       | 1,250.00        |                 |  |
| Recycling Tonnage Grant                            |  | 2,183.53       | 2,183.53        |                 |  |
| Municipal Alliance on Alcoholism and Drug Abuse    | 15,548.05                              | 42,622.00      | 32,221.51       | 834.91          | 25,113.63                              |
| Total State Grants                                 | 18,548.05                              | 72,255.42      | 64,354.93       | 834.91          | 25,613.63                              |
| Other Grants:                                      |  |                |                 |                 |  |
| Monmouth County Historical Grant                   | 2,350.00                               |                |                 |                 | 2,350.00                               |
| Total Federal, State and Other Grants              | \$ 41,821.61                           | \$ 72,255.42   | \$ 64,354.93    | \$ 834.91       | \$ 48,887.19                           |

**TOWNSHIP OF UPPER FREEHOLD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Unappropriated  
For the Year Ended December 31, 2008

| Program  | <u>Balance<br/>Dec. 31, 2007</u> | <u>Federal and<br/>State Grants<br/>Receivable</u> | <u>Realized as<br/>Miscellaneous<br/>Revenue in<br/>2008 Budget</u> | <u>Balance<br/>Dec. 31, 2008</u> |
|--|----------------------------------|--|---|----------------------------------|
| State Grants:                                      |                                  |  |   |                                  |
| Alcohol Education and Rehabilitation               |                                  | \$ 696.09  | \$ 696.09   |                                  |
| Clean Communities Grant                            |                                  | 14,003.80  | 14,003.80   |                                  |
| Recreation for Individuals with Disabilities Grant |                                  | 7,000.00   | 7,000.00  |                                  |
| Recycling Tonnage Grant                            | \$ 1,144.65                      | 2,183.53   | 1,144.65  | \$ 2,183.53                      |
| Municipal Alliance on Alcoholism and Drug Abuse    |                                  | 42,622.00  | 42,622.00   |                                  |
| Stormwater Regulation Grant                        |                                  | 1,250.00   | 1,250.00  |                                  |
| NJDEP Environmental Service Program                |                                  | 4,500.00   | 4,500.00  |                                  |
| <br>Total State Grants                             | <br>\$ 1,144.65                  | <br>\$ 72,255.42                                   | <br>\$ 71,216.54  | <br>\$ 2,183.53                  |

**TOWNSHIP OF UPPER FREEHOLD**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal, State and Other Grants -- Appropriated  
 For the Year Ended December 31, 2008

|  | Balance<br>Dec. 31, 2007 |               | Transferred<br>from 2008<br>Budget<br>Appropriation | Canceled  | Paid or      |              | Balance<br>Dec. 31, 2008 |
|--|--------------------------|---------------|---|-----------|--------------|--------------|--------------------------|
|  | Encumbered               | Reserved      |   |           | Charged      | Encumbered   |                          |
| Federal Grants:                                    |                          |               |   |           |              |              |                          |
| N.J. Transportation Trust Fund Authority           |                          | \$ 169,246.65 |   |           |              |              | \$ 169,246.65            |
| State Grants:                                      |                          |               |   |           |              |              |                          |
| Drunk Driving Enforcement Grant                    |                          | 2,280.43      |   |           |              |              | 2,280.43                 |
| Clean Communities Grant                            |                          | 8,414.84      | \$ 14,003.80  |           | \$ 4,329.78  | \$ 1,682.80  | 16,406.06                |
| GovConnect Grant                                   |                          | 502.20        |   |           |              |              | 502.20                   |
| Recreation for Individuals with Disabilities Grant | \$ 6,862.00              |               | 7,000.00  |           | 6,862.00     | 7,000.00     | 4,500.00                 |
| NJDEP Environmental Service Program                | 750.00                   |               | 4,500.00  |           | 750.00       |              | 1,144.65                 |
| Recycling Tonnage Grant                            |                          | 349.57        | 1,250.00  |           | 1,248.30     | 1.70         | 349.57                   |
| Stormwater Regulation Grant                        |                          | 522.85        | 696.09  |           |              |              | 1,218.94                 |
| Alcohol Education and Rehabilitation               |                          | 337.11        | 42,622.00   | \$ 834.91 | 33,152.24    | 9,601.60     | 0.00                     |
| Municipal Alliance on Alcoholism and Drug Abuse    |                          |               |   |           |              |              |                          |
| Total State Grants                                 | 8,241.64                 | 12,407.00     | 71,216.54   | 834.91    | 46,342.32    | 18,286.10    | 26,401.85                |
| Total Federal and State Grants                     | \$ 8,241.64              | \$ 181,653.65 | \$ 71,216.54  | \$ 834.91 | \$ 46,342.32 | \$ 18,286.10 | \$ 195,648.50            |

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

TOWNSHIP OF UPPER FREEHOLD  
TRUST FUND  
Statement of Cash--Treasurer  
For the Year Ended December 31, 2008

|  | Animal Control   | Municipal Open Space | Other               |
|--|------------------|----------------------|---------------------|
| Balance Dec. 31, 2007  | \$ 7,902.81      | \$ 497,383.57        | \$ 4,543,103.62     |
| Increased by Receipts:   |                  |                      |                     |
| Animal Control License Fees  | \$ 6,581.10      |                      |                     |
| State Registration Fees  | 1,628.40         |                      |                     |
| Due from Current Fund - Open Space, Recreation, Farmland and Historic Preservation       | \$ 568,323.65    |                      | \$ 13,592.56        |
| Due to Current Fund - Trust Other Funds  |                  |                      |                     |
| Due to General Capital Fund - Open Space, Recreation, Farmland and Historic Preservation |                  | 5,866.00             |                     |
| Net Payroll  |                  |                      | 1,144,385.80        |
| Payroll Deductions   |                  |                      | 823,239.83          |
| Reserve for Unemployment Compensation Insurance  |                  |                      | 3,599.58            |
| Reserve for Escrow Deposits  |                  |                      | 205,860.84          |
| Reserve for Open Space, Recreation, Farmland and Historic Preservation                   | 8,886.46         |                      | 218,084.71          |
| Reserve for Tax Title Lien Redemptions   |                  |                      | 180,545.38          |
| Reserve for COAH Development Fee   |                  |                      | 68,461.00           |
| Reserve for Recreation Trust   |                  |                      | 34,569.75           |
| Reserve for Alliance for Prevention of Alcoholism and Drug Abuse                         |                  |                      | 2,319.50            |
| Reserve for Public Defender Fees   |                  |                      |                     |
|  | <u>8,209.50</u>  | <u>583,076.11</u>    | <u>2,694,658.95</u> |
| Decreased by Disbursements:  |                  |                      |                     |
| Expenditures Under R.S.4:19-15.11  | 16,112.31        | 1,080,459.68         | 7,237,762.57        |
| State Registration Fees  | 9,033.68         |                      |                     |
| Due to Current Fund - Trust Other Funds  | 1,628.40         |                      |                     |
| Net Payroll  |                  |                      | 15,361.77           |
| Payroll Deductions   |                  |                      | 1,144,385.80        |
| Reserve for Escrow Deposits  |                  |                      | 821,785.72          |
| Reserve for Encumbrances - Escrow Deposits   |                  |                      | 754,639.64          |
| Reserve for Open Space, Recreation, Farmland and Historic Preservation                   |                  | 799,726.74           | 9,705.57            |
| Reserve for Encumbrances - Open Space, Recreation, Farmland and Historic Preservation    |                  |                      |                     |
| and Historic Preservation  |                  | 2,300.00             |                     |
| Reserve for Tax Title Lien Redemptions   |                  |                      | 227,195.72          |
| Premiums Received at Tax Sale  |                  |                      | 34,400.00           |
| Reserve for COAH Development Fee   |                  |                      | 91,440.12           |
| Reserve for Unemployment Compensation Insurance  |                  |                      | 12,347.60           |
| Reserve for Public Defender Fees   |                  |                      | 2,749.50            |
| Reserve for Alliance for Prevention of Alcoholism and Drug Abuse                         |                  |                      | 32,947.46           |
| Reserve for Recreation Trust   |                  |                      | 62,845.04           |
|  | <u>10,662.08</u> | <u>802,026.74</u>    | <u>3,209,803.94</u> |
| Balance Dec. 31, 2008  | \$ 5,450.23      | \$ 278,432.94        | \$ 4,027,958.63     |

**TOWNSHIP OF UPPER FREEHOLD**  
**ANIMAL CONTROL TRUST FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2008

---

|  |             |
|--|-------------|
| Balance Dec. 31, 2007                  | \$ 7,902.81 |
| Increased by:                          |             |
| Animal Control License Fees Collected  | 6,581.10    |
|  | 14,483.91   |
| Decreased by:                          |             |
| Expenditures Under R.S.4:19-15.11-Cash | 9,033.68    |
| Balance Dec. 31, 2008                  | \$ 5,450.23 |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2006        | \$ 6,274.90   |
| 2007        | 6,437.40      |
|             | \$ 12,712.30  |

Exhibit SB-3

**TOWNSHIP OF UPPER FREEHOLD**  
**ANIMAL CONTROL TRUST FUND**  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2008

---

|                                   |             |
|-----------------------------------|-------------|
| Increased by:                     |             |
| State Registration Fees Collected | \$ 1,628.40 |
| Decreased by:                     |             |
| Payments                          | \$ 1,628.40 |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Due to Current Fund  
Trust-Other Funds  
For the Year Ended December 31, 2008

---

|  |              |
|--|--------------|
| Balance Dec. 31, 2007                                | \$ 15,361.77 |
| Increased by:  |              |
| Municipal Share - Interest Earned on Escrow Deposits | 13,592.56    |
|  | 28,954.33    |
| Decreased by:  |              |
| Disbursements  | 15,361.77    |
| Balance Dec. 31, 2008                                | \$ 13,592.56 |

## Exhibit SB-5

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Premiums Received at Tax Sale  
For the Year Ended December 31, 2008

---

|                       |              |
|-----------------------|--------------|
| Balance Dec. 31, 2007 | \$ 39,600.00 |
| Decreased by:         |              |
| Refunds               | 34,400.00    |
| Balance Dec. 31, 2008 | \$ 5,200.00  |

## Exhibit SB-6

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Tax Title Lien Redemptions  
For the Year Ended December 31, 2008

---

|                       |              |
|-----------------------|--------------|
| Balance Dec. 31, 2007 | \$ 13,126.65 |
| Increased by:         |              |
| Receipts              | 218,084.71   |
|                       | 231,211.36   |
| Decreased by:         |              |
| Disbursements         | 227,195.72   |
| Balance Dec. 31, 2008 | \$ 4,015.64  |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2008

---

|                       |  |              |
|-----------------------|--|--------------|
| Balance Dec. 31, 2007 |  | \$ 12,322.61 |
| Increased by:         |  |              |
| Receipts              |  | 823,239.83   |
|                       |  | 835,562.44   |
| Decreased by:         |  |              |
| Disbursed             |  | 821,785.72   |
|                       |  | 13,776.72    |
| Balance Dec. 31, 2008 |  | \$ 13,776.72 |

Exhibit SB-8

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for New Jersey  
Unemployment Compensation Insurance  
For the Year Ended December 31, 2008

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|                                |             |              |
|--------------------------------|-------------|--------------|
| Balance Dec. 31, 2007          |             | \$ 14,915.35 |
| Increased by:                  |             |              |
| Employee Contributions         | \$ 3,399.04 |              |
| Interest Earned on Investments | 200.54      |              |
|                                |             | 3,599.58     |
|                                |             | 18,514.93    |
| Decreased by:                  |             |              |
| Disbursements                  |             | 12,347.60    |
|                                |             | 6,167.33     |
| Balance Dec. 31, 2008          |             | \$ 6,167.33  |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Escrow Deposits  
For the Year Ended December 31, 2008

|   |               |                 |
|---|---------------|-----------------|
| Balance Dec. 31, 2007                     |               | \$ 2,306,622.02 |
| Increased by:                             |               |                 |
| Deposits Received                         | \$ 184,144.46 |                 |
| Interest Earned - Developers              | 21,716.38     |                 |
|   |               | 205,860.84      |
|   |               | 2,512,482.86    |
| Decreased by:                             |               |                 |
| Professional Planning Review and Refunds: |               |                 |
| Encumbered                                | 4,739.23      |                 |
| Disbursed                                 | 754,639.64    |                 |
|   |               | 759,378.87      |
| Balance Dec. 31, 2008                     |               | \$ 1,753,103.99 |

A Schedule of the Reserve for Escrow Deposits is Maintained by the Treasurer's Office.

**Exhibit SB-10**

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Open Space, Recreation, Farmland and Historic Preservation  
For the Year Ended December 31, 2008

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Balance Dec. 31, 2007                |               | \$ 523,417.22 |
| Increased by:                        |               |               |
| Tax Levy - Due from Current Fund     | \$ 548,697.09 |               |
| Receipts -                           |               |               |
| Interest Earned                      | 8,886.46      |               |
|                                      |               | 557,583.55    |
|                                      |               | 1,081,000.77  |
| Decreased by:                        |               |               |
| Transfer to Reserve for Encumbrances | 27,850.63     |               |
| Disbursements                        | 799,726.74    |               |
|                                      |               | 827,577.37    |
| Balance Dec. 31, 2008                |               | \$ 253,423.40 |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Encumbrances-  
Open Space, Recreation, Farmland and Historic Preservation  
For the Year Ended December 31, 2008

|                       |  |                            |
|-----------------------|--|----------------------------|
| Balance Dec. 31, 2007 |  | \$ 2,300.00                |
| Increased by:         |  |                            |
| 2008 Encumbrances     |  | <u>27,850.63</u>           |
|                       |  | 30,150.63                  |
| Decreased by:         |  |                            |
| Disbursements         |  | <u>2,300.00</u>            |
| Balance Dec. 31, 2008 |  | <u><u>\$ 27,850.63</u></u> |

Exhibit SB-12

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Due from Current Fund  
Open Space, Recreation, Farmland and Historic Preservation  
For the Year Ended December 31, 2008

|                       |  |                           |
|-----------------------|--|---------------------------|
| Balance Dec. 31, 2007 |  | \$ 28,333.65              |
| Increased by:         |  |                           |
| Tax Levy              |  | <u>548,697.09</u>         |
|                       |  | 577,030.74                |
| Decreased by:         |  |                           |
| Receipts              |  | <u>568,323.65</u>         |
| Balance Dec. 31, 2008 |  | <u><u>\$ 8,707.09</u></u> |

Exhibit SB-13

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for COAH Development Fee  
For the Year Ended December 31, 2008

|                                      |                  |                               |
|--------------------------------------|------------------|-------------------------------|
| Balance Dec. 31, 2007                |                  | \$ 1,870,415.43               |
| Increased by:                        |                  |                               |
| Reserve for Encumbrances - Cancelled |                  | \$ 70,000.00                  |
| Developer's Contributions            | \$ 146,621.90    |                               |
| Interest Earned                      | <u>33,923.48</u> |                               |
|                                      |                  | <u>180,545.38</u>             |
|                                      |                  | <u>250,545.38</u>             |
|                                      |                  | 2,120,960.81                  |
| Decreased by:                        |                  |                               |
| Encumbered                           |                  | 8,222.70                      |
| Disbursements                        |                  | <u>91,440.12</u>              |
|                                      |                  | <u>99,662.82</u>              |
| Balance Dec. 31, 2008                |                  | <u><u>\$ 2,021,297.99</u></u> |

**TOWNSHIP OF UPPER FREEHOLD  
TRUST FUND  
Statement of Reserve for Public Defender Fees  
For the Year Ended December 31, 2008**

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|                       |    |          |
|-----------------------|----|----------|
| Balance Dec. 31, 2007 | \$ | 599.50   |
| Increased by:         |    |          |
| Receipts              |    | 2,319.50 |
|                       |    | 2,919.00 |
| Decreased by:         |    |          |
| Disbursed             |    | 2,749.50 |
|                       |    | 169.50   |
| Balance Dec. 31, 2008 | \$ | 169.50   |

Exhibit SB-15

**TOWNSHIP OF UPPER FREEHOLD  
TRUST FUND  
Statement of Reserve for Recreation Trust  
For the Year Ended December 31, 2008**

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|                       |    |            |
|-----------------------|----|------------|
| Balance Dec. 31, 2007 | \$ | 48,207.86  |
| Increased by:         |    |            |
| Receipts              |    | 68,461.00  |
|                       |    | 116,668.86 |
| Decreased by:         |    |            |
| Disbursements         |    | 62,845.04  |
|                       |    | 53,823.82  |
| Balance Dec. 31, 2008 | \$ | 53,823.82  |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Encumbrances-COAH Development Fee  
For the Year Ended December 31, 2008

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|                       |                           |
|-----------------------|---------------------------|
| Balance Dec. 31, 2007 | \$ 70,000.00              |
| Increased by:         |                           |
| 2008 Encumbrances     | <u>8,222.70</u>           |
|                       | 78,222.70                 |
| Decreased by:         |                           |
| Cancelled             | <u>70,000.00</u>          |
| Balance Dec. 31, 2008 | <u><u>\$ 8,222.70</u></u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Statement of Reserve for Encumbrances-  
Escrow Deposits  
For the Year Ended December 31, 2008

---

|                       |             |
|-----------------------|-------------|
| Balance Dec. 31, 2007 | \$ 9,705.57 |
| Increased by:         |             |
| 2008 Encumbrances     | 4,739.23    |
|                       | 14,444.80   |
| Decreased by:         |             |
| Disbursements         | 9,705.57    |
| Balance Dec. 31, 2008 | \$ 4,739.23 |

Exhibit SB-18

**TOWNSHIP OF UPPER FREEHOLD**  
**TRUST FUND**  
Reserve for Alliance for Prevention of Alcoholism and Drug Abuse  
Statement of Reserve for Municipal Drug Alliance  
For the Year Ended December 31, 2008

---

|                       |              |
|-----------------------|--------------|
| Balance Dec. 31, 2007 | \$ 13,276.71 |
| Increased by:         |              |
| Receipts              | 34,569.75    |
|                       | 47,846.46    |
| Decreased by:         |              |
| Disbursements         | 32,947.46    |
| Balance Dec. 31, 2008 | \$ 14,899.00 |

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital--Treasurer  
For the Year Ended December 31, 2008

|                                   |    |    |                            |
|-----------------------------------|----|----|----------------------------|
| Balance Dec. 31, 2007             |    | \$ | 3,885.98                   |
| Increased by Receipts:            |    |    |                            |
| Budget Appropriations:            |    |    |                            |
| Capital Improvement Fund          | \$ |    | 333,000.00                 |
| Bond Anticipation Notes           |    |    | 4,750,000.00               |
| Premium on Notes Issued           |    |    | 70,541.71                  |
| County of Monmouth - Open Space   |    |    | 250,000.00                 |
| FEMA Grant                        |    |    | 10,000.00                  |
| Refund of Prior Year Expenditures |    |    | 936,786.00                 |
| State of New Jersey - Green Acres |    |    | 300,000.00                 |
|                                   |    |    | <u>6,650,327.71</u>        |
|                                   |    |    | 6,654,213.69               |
| Decreased by Disbursements:       |    |    |                            |
| Current Fund                      |    |    | 302,884.63                 |
| Improvement Authorizations        |    |    | 3,280,607.99               |
| Due Trust - Open Space            |    |    | 5,866.00                   |
|                                   |    |    | <u>3,589,358.62</u>        |
| Balance Dec. 31, 2008             |    | \$ | <u><u>3,064,855.07</u></u> |

TOWNSHIP OF UPPER FREEHOLD  
 GENERAL CAPITAL FUND  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2008

|  | Balance        |                      | Receipts             |                    | Disbursements              |               | Balance         |                 |                 |
|--|----------------|----------------------|----------------------|--------------------|----------------------------|---------------|-----------------|-----------------|-----------------|
|  | Dec. 31, 2007  | Budget Appropriation | Budget Appropriation | Anticipation Notes | Improvement Authorizations | Miscellaneous | Transfers From  | To              | Dec. 31, 2008   |
| Fund Balance   | \$ 96,227.28   |                      |                      |                    |                            |               |                 |                 | \$ 186,788.99   |
| Capital Improvement Fund   | 550,527.52     | \$ 333,000.00        |                      |                    |                            |               | 133,750.00      |                 | 749,777.52      |
| Contracts Payable  | 22,813.63      |                      |                      |                    |                            |               | 22,813.63       |                 |                 |
| Reserve for Encumbrances   | 2,459,599.90   |                      |                      |                    |                            |               | 2,459,599.90    |                 | 2,111,221.33    |
| Due from Current Fund  | 252,884.63     |                      |                      |                    |                            |               | 600.00          | 50,000.00       | (600.00)        |
| Due from Trust Fund - Open Space Trust Fund                                |                |                      |                      |                    |                            |               |                 |                 | (5,866.00)      |
| State of New Jersey - Green Acres Grant Receivable                         | (1,534,375.00) |                      |                      |                    |                            |               |                 |                 | (1,234,375.00)  |
| Due from Township of Washington  | (100,000.00)   |                      |                      |                    |                            |               |                 |                 | (100,000.00)    |
| Reserve for Stone Hill Road Paving   | 10,000.00      |                      |                      |                    |                            |               |                 |                 | 10,000.00       |
| Reserve for Emergency Vehicles and Appurtenances                           | 350,000.00     |                      |                      |                    |                            |               | 108,085.00      |                 | 241,915.00      |
| Reserve for Acquisition of Office Equipment and Computers                  | 10,500.00      |                      |                      |                    |                            |               |                 |                 | 10,500.00       |
| Reserve for Payment of Bonds   | 99,114.40      |                      |                      |                    |                            |               | 50,000.00       |                 | 49,114.40       |
| Reserve for State of New Jersey - Green Acres Grant Receivable             | 1,534,375.00   |                      |                      |                    |                            |               | 300,000.00      |                 | 1,234,375.00    |
| Cash Pledged to Payment of Bond Anticipation Notes                         |                |                      |                      |                    |                            |               |                 | 550,000.00      | 550,000.00      |
| Improvement Authorizations:  |                |                      |                      |                    |                            |               |                 |                 |                 |
| Ordinance Number:  |                |                      |                      |                    |                            |               |                 |                 |                 |
| 95-4 Reconstruction of Holmes Mill Road and Burlington Path                |                |                      |                      |                    |                            |               |                 | 18,831.07       | 24,713.76       |
| 95-6 Acquisition of a Fire Truck and Related Equipment                     | 5,882.69       |                      |                      |                    |                            |               |                 |                 |                 |
| 96-25 Reconstruction of Various Streets                                    |                |                      |                      |                    |                            |               |                 |                 |                 |
| 99-57, 64-00; Improvements to Various Roads                                | 66,708.75      |                      |                      |                    |                            |               |                 | 3,892.46        | 72,691.21       |
| 71-00  |                |                      |                      |                    |                            |               |                 |                 |                 |
| 2000-72 Acquisition of a Fire Truck and Related Equipment                  | (600.00)       |                      |                      |                    |                            |               |                 | 600.00          | (1,250.00)      |
| 2000-74; Engineering, Construction of Improvements and Equipping of        |                |                      |                      |                    |                            |               |                 |                 |                 |
| 2002-102 Bryon Johnson Memorial Park and Other Recreational Facilities     | 19,681.26      |                      |                      |                    |                            |               |                 | 9,363.00        | 13,687.56       |
| 01-80,07-190 Resurfacing and Reconstruction Program                        | 289,981.97     |                      |                      |                    |                            |               |                 |                 | 45,661.89       |
| 08-212 Various Road Improvements   | 547,015.70     |                      |                      |                    |                            |               |                 | 294,611.33      | 176,817.76      |
| 2002-98 Various Road Improvements  |                |                      |                      |                    |                            |               |                 |                 |                 |
| 02-100; 03-119 Acquisition and Development of Lands for Outdoor Recreation |                |                      |                      |                    |                            |               |                 |                 |                 |
| 172-06; 182-06 and Conservation Purposes                                   | (3,897,944.71) |                      | \$ 4,750,000.00      |                    |                            | 1,186,785.00  | 1,893,060.55    | 2,353,786.92    | 842,013.16      |
| 02-105; 05-148; Construction of New Municipal Offices and Improvements to  |                |                      |                      |                    |                            |               |                 |                 |                 |
| 06-171 the Existing Municipal Buildings                                    | 7,536.18       |                      |                      |                    |                            |               |                 |                 | 7,536.18        |
| 2003-116 Purchase of Computer Systems                                      | 1,465.46       |                      |                      |                    |                            |               |                 |                 | 1,465.46        |
| 2004-143 Purchase of Fire Fighting Equipment                               | 1,767.00       |                      |                      |                    |                            |               |                 |                 | 1,767.00        |
| 05-157,07-191 Various Road Improvements                                    | (2,511,619.73) |                      |                      |                    |                            |               |                 |                 | (2,698,553.30)  |
| 08-212 Various Road Improvements   |                |                      |                      |                    |                            |               |                 |                 |                 |
| 2005-159 Various Road Improvements   | 10,000.00      |                      |                      |                    |                            |               |                 |                 | 10,000.00       |
| 06-164,08-195 Acquisition with the State of New Jersey of Certain          |                |                      |                      |                    |                            |               |                 |                 |                 |
| Property for Conservation and Open Space and the                           |                |                      |                      |                    |                            |               |                 |                 |                 |
| Development of Outdoor Recreation  | 1,670,334.13   |                      |                      |                    |                            |               |                 |                 | 678,583.48      |
| 2008-198 Various Capital Improvements                                      |                |                      |                      |                    |                            |               |                 | 301,265.65      |                 |
| 2008-207 Acquisition of Fire Fighting Equipment                            |                |                      |                      |                    |                            |               |                 | 24,556.00       | (7,144.45)      |
| 2008-211 Acquisition of Fire Fighting Equipment                            |                |                      |                      |                    |                            |               |                 | 63,085.00       |                 |
|  |                |                      |                      |                    |                            |               |                 | 108,095.00      |                 |
|  |                |                      |                      |                    |                            |               |                 | 435.00          | 104,054.10      |
|  |                |                      |                      |                    |                            |               |                 | 2,526.90        |                 |
|  |                |                      |                      |                    |                            |               |                 | 3,280,607.99    | 5,776,069.76    |
|  | \$ 3,895.98    | \$ 333,000.00        | \$ 4,750,000.00      | \$ 1,567,327.71    | \$ 3,280,607.99            | \$ 305,750.63 | \$ 5,776,069.76 | \$ 5,776,069.76 | \$ 3,084,655.07 |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2008

---

|                                   |                         |
|-----------------------------------|-------------------------|
| Balance Dec. 31, 2007             | \$ 11,780,000.00        |
| Decreased by:                     |                         |
| 2008 Budget Appropriation to Pay: |                         |
| Serial Bonds                      | <u>350,000.00</u>       |
| Balance Dec. 31, 2008             | <u>\$ 11,430,000.00</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation—Unfunded  
 For the Year Ended December 31, 2008

| Ordinance Number               | Improvement Description  | Balance Dec. 31, 2007 | 2008 Authorizations | Other Financing Sources | Funded by Budget Appropriation          | Balance Dec. 31, 2008 | Analysis of Balance Dec. 31, 2008   |                 |                                       |  |
|--------------------------------|--|-----------------------|---------------------|-------------------------|---|-----------------------|-------------------------------------|-----------------|---------------------------------------|--|
|                                |  |                       |                     |                         |   |                       | Financed by Bond Anticipation Notes | Expenditures    | Unexpended Improvement Authorizations |  |
| <b>General Improvements:</b>   |  |                       |                     |                         |   |                       |                                     |                 |                                       |  |
| 96-25                          | Reconstruction of Various Streets  |                       |                     |                         |   |                       |                                     |                 |                                       |  |
| 99-57; 64-00; 71-00            | Improvements to Various Roads  | \$ 3,000.00           |                     |                         | \$ 600.00                               | \$ 3,000.00           |                                     |                 | \$ 3,000.00                           |  |
| 2000-72                        | Acquisition of a Fire Truck and Related Equipment  | 12,381.13             |                     |                         | \$                                      | 11,781.13             | \$ 1,250.00                         |                 | 10,531.13                             |  |
| 05-157; 07-191                 | Various Road Improvements  | 2,700,000.00          |                     |                         |   | 2,700,000.00          |                                     | 2,688,553.30    | 11,446.70                             |  |
| 08-212                         |  |                       |                     |                         |   |                       |                                     |                 |                                       |  |
| 02-100; 03-119; 172-06; 182-06 | Acquisition and Development of Lands for Outdoor Recreation and Conservation Purposes  | 4,750,000.00          |                     | \$ 250,000.00           |   | 4,500,000.00          | \$ 4,500,000.00                     |                 |                                       |  |
| 02-105; 05-148; 06-171         | Construction of New Municipal Offices and Improvements to the Existing Municipal Buildings   | 95,000.00             |                     |                         |   | 95,000.00             |                                     |                 | 95,000.00                             |  |
| 06-164; 08-195                 | Acquisition with the State of New Jersey of Certain Property for Conservation and Open Space and the Development of Outdoor Recreation | 4,086,875.00          |                     | 300,000.00              |   | 3,786,875.00          | 3,786,875.00                        |                 |                                       |  |
| 2008-198                       | Various Capital Improvements   |                       | \$ 508,250.00       | 10,000.00               |   | 498,250.00            |                                     | 7,144.45        | 491,105.55                            |  |
|                                |  | \$ 11,647,256.13      | \$ 508,250.00       | \$ 560,000.00           | \$ 600.00                               | \$ 11,594,906.13      | \$ 8,381,875.00                     | \$ 2,696,947.75 | \$ 516,083.38                         |  |
|                                |  |                       |                     | \$ 250,000.00           | Improvement Authorizations - Unfunded   |                       |                                     |                 | \$ 2,044,216.20                       |  |
|                                |  |                       |                     | 300,000.00              | Less: Unexpended Proceeds of BAN Issued |                       |                                     |                 |                                       |  |
|                                |  |                       |                     | 10,000.00               | Ord. 02-100; 03-119                     |                       |                                     |                 |                                       |  |
|                                |  |                       |                     |                         | 06-172; 06-182                          |                       | \$ 842,013.16                       |                 |                                       |  |
|                                |  |                       |                     |                         | Ord. 02-105;                            |                       |                                     |                 |                                       |  |
|                                |  |                       |                     |                         | 05-148; 06-171                          |                       | 7,536.18                            |                 |                                       |  |
|                                |  |                       |                     |                         | Ord. 2006-164                           |                       | 678,583.48                          |                 |                                       |  |
|                                |  |                       |                     |                         |   |                       | 1,528,132.82                        |                 |                                       |  |
|                                |  |                       |                     |                         |   |                       |                                     |                 | \$ 516,083.38                         |  |

County of Monmouth - Open Space Funding  
 State of New Jersey - Green Acres Grant  
 FEMA Grant

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Schedule of Due from State of New Jersey - Green Acres Grant Receivable  
For the Year Ended December 31, 2008

---

|  |                        |
|--|------------------------|
| Balance Dec. 31, 2007                    | \$ 1,534,375.00        |
| Decreased by:                            |                        |
| Receipts                                 | <u>300,000.00</u>      |
| Balance Dec. 31, 2008                    | <u>\$ 1,234,375.00</u> |
| <u>Analysis of Balance Dec. 31, 2008</u> |                        |
| Reserved Balance: Ord. 2006-164          | <u>\$ 1,234,375.00</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Bonds  
For the Year Ended December 31, 2008

---

|  |              |
|--|--------------|
| Balance Dec. 31, 2007  | \$ 99,114.40 |
| Decreased by:  |              |
| Current Fund Anticipated Revenue -<br>Reserve for Payment of Bonds | 50,000.00    |
| Balance Dec. 31, 2008  | \$ 49,114.40 |

Exhibit SC-7

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2008

---

|   |               |
|---|---------------|
| Balance Dec. 31, 2007                               | \$ 550,527.52 |
| Increased by:                                       |               |
| 2008 Budget Appropriation                           | 333,000.00    |
|   | 883,527.52    |
| Decreased by:                                       |               |
| Appropriation to Finance Improvement Authorizations | 133,750.00    |
| Balance Dec. 31, 2008                               | \$ 749,777.52 |

TOWNSHIP OF UPPER FREEHOLD  
GENERAL CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2003

2003 Authorizations

| Ordinance Number               | Improvement Description  | Date                               | Ordinance Amount | Balance Dec. 31, 2002 |             | Capital Improvement Fund | Other Financing Sources | Deferred Charges to Future Taxation Unfunded | Refunds       | Transfer from Reserve for Encumbrances | Paid or Charged | Contracts Payable Cancelled | Balance Dec. 31, 2003 |               |                 |
|--------------------------------|--|------------------------------------|------------------|-----------------------|-------------|--------------------------|-------------------------|--|---------------|--|-----------------|-----------------------------|-----------------------|---------------|-----------------|
|                                |  |                                    |                  | Funded                | Unfunded    |                          |                         |  |               |  |                 |                             | Funded                | Unfunded      |                 |
| 95-8                           | Acquisition of a Fire Truck and Related Equipment  | 7-6-95                             | \$ 250,000.00    | \$ 5,832.89           |             |                          |                         |  |               |  |                 | \$ 18,931.07                | \$ 24,713.76          |               |                 |
| 95-571, 00-64, 00-71           | Repairs to Various Roads   | 6-19-95; 8-22-00; 10-23-00         | 1,175,000.00     | 68,708.75             | \$ 3,000.00 |                          |                         |  |               |  |                 | 3,882.46                    | 72,891.21             | \$ 3,000.00   |                 |
| 2000-72                        | Acquisition of a Fire Truck and Related Equipment  | 10-23-00                           | 350,000.00       |                       | 11,781.13   |                          |                         |  |               | \$ 1,250.00                            |                 |                             |                       | 10,531.13     |                 |
| 2000-74; 2002-102              | Engineering, Construction of Improvements and Equipping of Bryon Johnson Memorial Park and Other Recreational Facilities               | 12-21-00; 10-2-02                  | 1,500,000.00     | 19,681.28             |             |                          |                         |  |               | \$ 9,393.00                            | 15,396.72       |                             | 13,897.59             |               |                 |
| 01-80; 07-180 06-212           | Resurfacing and Reconstruction Program   | 6-8-01                             | 1,500,000.00     | 289,991.87            |             |                          |                         |  |               |  | 244,330.08      |                             | 45,891.89             |               |                 |
| 2002-88                        | Various Road Improvements  | 8-21-02                            | 2,000,000.00     | 547,045.70            |             |                          |                         |  |               | 75.00                                  | 370,272.92      |                             | 176,817.78            |               |                 |
| 02-100; 03-119; 172-06; 182-05 | Acquisition and Development of Lands for Outdoor Recreation and Conservation Purposes  | 9-18-02; 10-23-03 6-1-06; 11-28-05 | 12,580,000.00    | 852,055.28            |             |                          |                         |  | \$ 898,786.00 | 2,383,766.92                           | 3,340,815.05    |                             | 842,013.16            |               |                 |
| 02-105; 05-148; 06-171         | Construction of New Municipal Offices and Improvements to the Existing Municipal Buildings   | 1-2-03; 2-17-05 5-18-06            | 2,600,000.00     | 7,536.18              |             |                          |                         |  |               |  |                 |                             | 7,536.18              |               |                 |
| 2003-116                       | Purchase of Computer Systems   | 8-21-03                            | 25,000.00        | 1,485.46              |             |                          |                         |  |               |  |                 |                             | 1,485.46              |               |                 |
| 2004-143                       | Purchase of Fire Fighting Equipment  | 12-16-04                           | 195,000.00       | 1,787.00              |             |                          |                         |  |               |  |                 |                             | 1,787.00              |               |                 |
| 05-157; 07-181 06-212          | Various Road Improvements  | 8-6-05                             | 3,200,000.00     | 10,000.00             |             |                          |                         |  |               |  |                 |                             | 10,000.00             |               |                 |
| 2005-159                       | Various Road Improvements  | 10-6-05                            | 20,000.00        |                       |             |                          |                         |  |               |  |                 |                             |                       |               |                 |
| 06-161; 03-195                 | Acquisition with the State of New Jersey of Certain Property for Conservation and Open Space and the Development of Outdoor Recreation | 2-27-05                            | 5,450,000.00     | 1,670,834.13          |             |                          |                         |  |               |  |                 |                             |                       |               |                 |
| 2006-193                       | Various Capital Improvements   | 5-1-03                             | 595,000.00       |                       |             | \$ 26,750.00             |                         | \$ 508,250.00                                |               |  |                 |                             |                       | 876,593.43    |                 |
| 2006-207                       | Acquisition of Fire Fighting Equipment   | 8-20-03                            | 108,085.00       |                       |             |                          | \$ 108,085.00           |  |               |  |                 |                             |                       | 481,105.55    |                 |
| 2006-211                       | Acquisition of Fire Fighting Equipment   | 10-16-03                           | 107,000.00       |                       |             | 107,000.00               |                         |  |               |  |                 |                             |                       | 104,334.10    |                 |
|                                |  |                                    |                  |                       |             |                          |                         |  |               |  |                 |                             | \$ 22,813.53          | \$ 450,836.78 | \$ 2,044,216.20 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |                 |                 |                 |              |               |                 |
|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------------|-----------------|-----------------|--------------|---------------|-----------------|
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 103,085.00   |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 808,250.00   | \$ 2,489,698.80 | \$ 5,391,629.32 | \$ 22,813.53 | \$ 450,836.78 | \$ 2,044,216.20 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 3,280,607.99 |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | 2,111,221.33    |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 5,391,629.32 |                 |                 |              |               |                 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |                 |                 |                 |              |               |                 |
|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------------|-----------------|-----------------|--------------|---------------|-----------------|
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 103,085.00   |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 808,250.00   | \$ 2,489,698.80 | \$ 5,391,629.32 | \$ 22,813.53 | \$ 450,836.78 | \$ 2,044,216.20 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 3,280,607.99 |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | 2,111,221.33    |                 |                 |              |               |                 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 5,391,629.32 |                 |                 |              |               |                 |

Reserve for Emergency Equipment and Appurtenances

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
Schedule of Contracts Payable  
For the Year Ended December 31, 2008

---

|                            |                     |
|----------------------------|---------------------|
| Balance Dec. 31, 2007      | \$ 22,813.53        |
| Decreased by:<br>Cancelled | <u>\$ 22,813.53</u> |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Emergency Vehicles and Appurtenances  
 For the Year Ended December 31, 2008

---

|  |    |            |
|--|----|------------|
| Balance Dec. 31, 2007                              | \$ | 350,000.00 |
| Decreased by:                                      |    |            |
| Appropriation to Finance Improvement Authorization |    | 108,085.00 |
| Balance Dec. 31, 2008                              | \$ | 241,915.00 |

Exhibit SC-11

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2008

---

|   |    |              |
|---|----|--------------|
| Balance Dec. 31, 2007                                   | \$ | 2,499,599.90 |
| Increased by:   |    |              |
| 2008 Encumbrances Charged to Improvement Authorizations |    | 2,111,221.33 |
|   |    | 4,610,821.23 |
| Decreased by:   |    |              |
| Transferred to Improvement Authorizations               |    | 2,499,599.90 |
| Balance Dec. 31, 2008                                   | \$ | 2,111,221.33 |

Exhibit SC-12

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of Due to/from Current Fund  
 For the Year Ended December 31, 2008

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|  |    |            |
|--|----|------------|
| Balance Dec. 31, 2007 (Due to)   | \$ | 252,884.63 |
| Increased by:  |    |            |
| Current Fund Anticipated Revenue -<br>Reserve for Payment of Bonds               |    | 50,000.00  |
|  |    | 302,884.63 |
| Decreased by:  |    |            |
| Disbursements  | \$ | 302,884.63 |
| 2008 Budget Appropriation-<br>Deferred Charges to Future Taxation - Ord. 2000-72 |    | 600.00     |
|  |    | 303,484.63 |
| Balance Dec. 31, 2008 (Due from)   | \$ | 600.00     |

TOWNSHIP OF UPPER FREEHOLD  
 GENERAL CAPITAL FUND  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2008

| Ordinance Number                 | Improvement Description  | Date of Issue                                | Date of Maturity     | Interest Rate  | Balance Dec. 31, 2007 | Increased                    | Decreased       | Balance Dec. 31, 2008 |
|----------------------------------|--|--|----------------------|----------------|-----------------------|------------------------------|-----------------|-----------------------|
| 06-164;08-195                    | Acquisition with the State of New Jersey of Certain Property for Conservation and Open Space and the Development of Outdoor Recreation | 08/31/06<br>08/30/07<br>08/14/08<br>08/14/08 | 08/29/08<br>08/14/09 | 3.60%<br>2.50% | \$ 4,086,875.00       | \$ 4,086,875.00              | \$ 4,086,875.00 | \$ 4,086,875.00       |
| 02-100; 03-119;<br>172-06;182-06 | Acquisition and Development of Lands for Outdoor Recreation and Conservation Purposes  | 05/08/08<br>08/14/08                         | 08/29/08<br>08/14/09 | 2.50%<br>2.50% |                       | 4,750,000.00<br>4,750,000.00 | 4,750,000.00    | 4,750,000.00          |
| 02-105; 05-148;<br>06-171        | Construction of New Municipal Offices and Improvements to the Existing Municipal Buildings   | 08/31/06<br>08/30/07<br>08/14/08             | 08/29/08<br>08/14/09 | 3.60%<br>2.50% | 95,000.00             | 95,000.00                    | 95,000.00       | 95,000.00             |
|                                  |  |  |                      |                | \$ 4,181,875.00       | \$ 13,681,875.00             | \$ 8,931,875.00 | \$ 8,931,875.00       |
|                                  |  |  |                      |                |                       | \$ 8,931,875.00              | \$ 8,931,875.00 |                       |
|                                  |  |  |                      |                |                       | 4,750,000.00                 |                 |                       |
|                                  |  |  |                      |                |                       | \$ 13,681,875.00             | \$ 8,931,875.00 | \$ 8,931,875.00       |

Renewals Issued for Cash

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2008

| <u>Purpose</u>        | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Maturities of Bonds</u>       |               | <u>Interest Rate</u> | <u>Balance Dec. 31, 2007</u> | <u>Paid by Budget Appropriation</u> | <u>Balance Dec. 31, 2008</u> |
|-----------------------|----------------------|-----------------------|----------------------------------|---------------|----------------------|------------------------------|-------------------------------------|------------------------------|
|                       |                      |                       | <u>Outstanding Dec. 31, 2008</u> | <u>Amount</u> |                      |                              |                                     |                              |
| General Bonds of 2003 | 12-15-2003           | \$ 12,680,000.00      | 12/15/2009                       | \$ 400,000.00 | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2010                       | 450,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2011                       | 550,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2012                       | 650,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2013                       | 700,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/14;15                      | 750,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2016                       | 800,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2017                       | 850,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2018                       | 900,000.00    | 4.00%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2019                       | 900,000.00    | 4.125%               |                              |                                     |                              |
|                       |                      |                       | 12/15/2020                       | 900,000.00    | 4.25%                |                              |                                     |                              |
|                       |                      |                       | 12/15/2021                       | 930,000.00    | 4.375%               |                              |                                     |                              |
|                       |                      | 12/15/22;23           | 950,000.00                       | 4.375%        |                      |                              |                                     |                              |
|                       |                      |                       |                                  |               |                      | \$ 11,780,000.00             | \$ 350,000.00                       | \$ 11,430,000.00             |
|                       |                      |                       |                                  |               |                      | <u>11,780,000.00</u>         | <u>\$ 350,000.00</u>                | <u>\$ 11,430,000.00</u>      |

**TOWNSHIP OF UPPER FREEHOLD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2008

| <u>Ordinance Number</u>          | <u>Improvement Description</u>  | <u>Balance Dec. 31, 2007</u> | <u>2008 Authorizations</u> | <u>Funded by Budget Appropriation</u> | <u>Other Financing Sources</u> | <u>Notes Issued</u>    | <u>Balance Dec. 31, 2008</u> |
|----------------------------------|---|------------------------------|----------------------------|---------------------------------------|--------------------------------|------------------------|------------------------------|
| <b>General Improvements:</b>     |   |                              |                            |                                       |                                |                        |                              |
| 2000-72                          | Acquisition of a Fire Truck and Related Equipment                                     | \$ 12,381.13                 |                            | \$ 600.00                             |                                |                        | \$ 11,781.13                 |
| 99-57;64-00<br>71-00             | Improvements to Various Roads   | 3,000.00                     |                            |                                       |                                |                        | 3,000.00                     |
| 05-157;07-191<br>08-212          | Various Road Improvements   | 2,700,000.00                 |                            |                                       |                                |                        | 2,700,000.00                 |
| 02-100; 03-119;<br>172-06;182-06 | Acquisition and Development of Lands for Outdoor Recreation and Conservation Purposes | 4,750,000.00                 |                            |                                       |                                | \$ 4,750,000.00        |                              |
| 2008-198                         | Various Capital Improvements  |                              | \$ 508,250.00              |                                       | \$ 10,000.00                   |                        | 498,250.00                   |
|                                  |   | <u>\$ 7,465,381.13</u>       | <u>\$ 508,250.00</u>       | <u>\$ 600.00</u>                      | <u>\$ 10,000.00</u>            | <u>\$ 4,750,000.00</u> | <u>\$ 3,213,031.13</u>       |

**SUPPLEMENTAL EXHIBITS**  
**PUBLIC ASSISTANCE FUND**

**TOWNSHIP OF UPPER FREEHOLD**  
**PUBLIC ASSISTANCE TRUST FUND**  
Schedule of Cash - Treasurer  
For the Year Ended December 31, 2008

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|                       | P.A.T.F.<br>I       | Fund<br><u>Total</u> |
|-----------------------|---------------------|----------------------|
| Balance Dec. 31, 2008 | <u>\$ 18,968.55</u> | <u>\$ 18,968.55</u>  |

**TOWNSHIP OF UPPER FREEHOLD**

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**TOWNSHIP OF UPPER FREEHOLD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2008**

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF UPPER FREEHOLD  
Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management**

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None.

**TOWNSHIP OF UPPER FREEHOLD**  
**Officials in Office and Surety Bonds**

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

| <u>Name</u>              | <u>Title</u>   | <u>Amount of<br/>Surety Bond</u> |
|--------------------------|--|----------------------------------|
| Stephen J. Alexander     | Mayor  | (B)                              |
| Robert Faber             | Deputy Mayor   | (B)                              |
| Stanley Moslowski, Jr.   | Committee Member   | (B)                              |
| Lorisue H. Mount         | Committee Member   | (B)                              |
| David Reed               | Committee Member   | (B)                              |
| Barbara Bascom           | Administrator, Municipal Clerk, Improvement<br>Search Clerk, Registrar of Vital Statistics,<br>Public Agency Compliance Officer, and<br>Affirmative Action Officer | (B)                              |
| Dianne Kelly             | Chief Financial Officer and Treasurer  | (A)                              |
| Barbara Pater            | Tax Collector and Tax Search Officer   | (A)                              |
| Dana Tyler               | Deputy Municipal Clerk   | (B)                              |
| Ronald Gafgen            | Building Inspector, Zoning Officer, Public Officer,<br>Construction Code Official, and Building Subcode<br>Official  | (B)                              |
| J. Stephen Walters       | Assessor   | (B)                              |
| Susan H. Babbitt         | Clerk of the Planning Board, and Secretary to<br>the Zoning Board of Adjustment  | (B)                              |
| Bonnie L. Goldman        | Judge of the Municipal Court   | (A)                              |
| Lynn A. Richards         | Municipal Court Administrator  | (A)                              |
| Julia I. Burton          | Deputy Municipal Court Administrator   | (A)                              |
| Granville D. Magee, Esq. | Attorney   |                                  |
| Granville M. Magee, Esq. | Attorney   |                                  |
| Glenn R. Gerken, P.E.    | Engineer   |                                  |

(A) Statutory Position Bond - Monmouth County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

(B) Public Officials Bond - Monmouth County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

All of the bonds were examined and were properly executed.

14300

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink that reads "Michael D. Cesaro". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant