TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY
NEW JERSEY

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION

FOR THE FISCAL YEARS
ENDED JUNE 30, 2007 and 2006

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

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TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY
NEW JERSEY

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FOR THE FISCAL YEARS
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TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS AND
NOTES TO FINANCIAL STATEMENTS

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MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of North Brunswick
County of Middlesex, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds of the Township of North Brunswick, County of Middlesex, New Jersey, as of June 30, 2007 and 2006 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statements of revenues – statutory basis and statements of expenditures – statutory basis of the various funds for the year ended June 30, 2007. 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 audits.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

The financial statements referred to in the first paragraph include the Statement of Governmental Fixed Assets. As disclosed in Note 2 to the financial statements, the Statement of Governmental Fixed Assets is unaudited and represents 100 percent of the assets of the governmental fixed asset group.

The financial statements referred to in the first paragraph include the assets and reserves of the Township's Length of Service Award Program, which is unaudited. The Length of Service Award Program is included in the Trust Funds.

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITOR'S REPORT
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
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Township of North Brunswick
County of Middlesex, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds of the Township of North Brunswick, County of Middlesex, New Jersey, as of June 30, 2007 and 2006 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statements of revenues – statutory basis and statements of expenditures – statutory basis of the various funds for the year ended June 30, 2007. 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 audits.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

The financial statements referred to in the first paragraph include the Statement of Governmental Fixed Assets. As disclosed in Note 2 to the financial statements, the Statement of Governmental Fixed Assets is unaudited and represents 100 percent of the assets of the governmental fixed asset group.

The financial statements referred to in the first paragraph include the assets and reserves of the Township's Length of Service Award Program, which is unaudited. The Length of Service Award Program is included in the Trust Funds.

We were unable to obtain an audit nor an internal control report of the service organization, which has been contracted for the operation, maintenance and management services for the Township's water and wastewater systems for June 30, 2006, nor were we able to satisfy ourselves as to the financial activities by other procedures. Those financial activities are included in the Water Utility Funds and the Sewer Utility Funds and represents 100% of the assets and revenues of these funds.

In our opinion, because the prescribed statutory basis of accounting as described in the third paragraph is utilized by the Township of North Brunswick, County of Middlesex, New Jersey for the purpose of financial statement preparation, 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 North Brunswick, County of Middlesex, New Jersey as of June 30, 2007 and 2006 or the results of its operations, or cash flows of its proprietary funds for the year then ended.

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined had we audited the financial statements of the Water Utility Funds and the Sewer Utility Funds as of June 30, 2006 and the Statement of Governmental Fixed Assets as of June 30, 2007 and 2006, the financial statements – statutory basis referred to above present fairly, in all material respects, the financial position – statutory basis of the various funds of the Township of North Brunswick, County of Middlesex, New Jersey as of June 30, 2007 and 2006 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statements of revenues – statutory basis and statements of expenditures – statutory basis of the various funds for the year ended June 30, 2007, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 29, 2008 on our consideration of the Township of North Brunswick'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 considered in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey taken as a whole. The accompanying schedules of expenditures of federal and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations"* and New Jersey OMB Circular 04-04 and are not a required part of the financial statements. Additionally, the information included in the supplementary data and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. Such information, as identified herein, except for the completeness and the categorization of federal and state funding sources for certain grants, along with the reporting of various CFDA and account numbers included within the aforementioned schedules of financial assistance, on which we express no opinion, has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
February 29, 2008

FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006
Current Fund:			
Cash	A-4	$23,632,392.66	$21,188,939.53
Change Funds	A-5	1,125.00	1,125.00
Due from State of New Jersey			
Sr. Citizens & Veterans Deductions	A-6	185,000.01	193,764.17
Deferred Charges			
Emergency Appropriations	A-3	90,000.00	
Special Emergency Appropriation -			
Master Plan Revisions	A-3	90,000.00	120,000.00
Tax Map Revisions	A,A-3	30,000.00	45,000.00
Total		24,028,517.67	21,548,828.70
Receivable Offset by Reserves:			
Property Tax Receivables	A-7	258,416.07	156,479.96
Property Acquired for Taxes	A-7	161,970.58	161,970.58
Total	A	420,386.65	318,450.54
Total Current Fund Assets		$24,448,904.32	$21,867,279.24
Grant Fund:			
Cash	A-4	$2,460,692.85	$907,984.98
Grant Accounts Receivable	A-15	1,303,851.45	1,906,480.43
Total Grant Fund Assets		$3,764,544.30	$2,814,465.41
Total		$28,213,448.62	$24,681,744.65

Liabilities	Ref.	June 30, 2007	June 30, 2006
Current Fund:			
Accounts Payable	A-9	$371,095.71	$455,812.08
Encumbrances - Current Budget	A-3, A-10	1,043,659.04	694,959.73
Appropriation Reserves	A-3, A-10	1,643,825.14	1,604,377.31
Prepaid Taxes & Tax Overpayments	A-11	179,396.24	173,330.02
Encumbrance - Tax Overpayment	A-11		
Taxes Payable	A-12	32,963,910.60	29,786,512.44
Less Deferred School Taxes	A-12	(26,667,758.00)	(23,767,758.00)
Marriage License Filing Fees	A-9	2,100.00	2,525.00
Civil Union Filing Fees	A-9	175.00	
State Training Fees	A-9	8,827.00	11,273.00
Master Plan	A-9	2,516.00	19,182.69
Tax Appeals	A-9	95,585.41	61,140.95
Tax Map Revisions	A-9	9,346.25	13,416.25
Reserve for Excess Non-Municipal Billings	A-9	278,778.79	268,115.57
Due to General Capital Fund	A-13	90,000.00	44,529.14
Due to Other Trust Fund	A-13		93,000.00
Total Cash Liabilities		10,021,457.18	9,460,416.18
Reserve for Accounts Receivable	A	420,386.65	318,450.54
Fund Balance	A-1	14,007,060.49	12,088,412.52
Total Current Fund Liabilities, Reserves, and Fund Balance		$24,448,904.32	$21,867,279.24
Grant Fund:			
Unappropriated Grant Reserves	A-14	$39,535.60	$29,378.08
Reserve for Encumbrances	A-16	2,291,783.01	880,394.16
Appropriated Grant Reserves	A-16	1,433,225.69	1,904,693.17
Total Grant Fund Liabilities and Reserves		$3,764,544.30	$2,814,465.41
Total		$28,213,448.62	$24,681,744.65

Note: See Notes to Financial Statements

Exhibit A-1

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	Ref.	June 30, 2007	June 30, 2006
Revenue and Other Realized Income			
Surplus Anticipated	A-1, A-2	$5,950,000.00	$4,909,000.00
Miscellaneous Revenues Anticipated	A- 2	14,968,700.00	14,783,725.16
Receipts from Current Taxes	A- 7	108,429,710.34	97,301,960.50
Non Budget Revenue (MRNA)	A-8	963,122.42	2,648,479.32
Unexpended Balance of Appropriation Reserves	A-10	645,354.24	668,315.20
Total Revenue and Realized Income		130,956,887.00	120,311,480.18
Expenditures			
Budget Appropriations	A- 3	43,016,462.24	39,216,718.47
Tax Collections			
County Taxes	A-12	11,789,146.63	10,197,985.00
County Taxes (Open Space)	A-12	1,364,515.23	1,121,425.00
County Taxes (Added & Omitted)	A-12	63,908.65	74,400.71
Local School District Taxes	A-12	69,105,598.50	61,529,116.00
Less Additional School Taxes Deferred	A-12	(2,900,000.00)	(2,800,000.00)
Municipal Open Space Trust Fund	A-12	738,607.78	740,759.00
Total Expenditures		123,178,239.03	110,080,404.18
Statutory Excess		7,778,647.97	10,231,076.00
Decreased by Surplus Anticipated	A-1, A-2	(5,950,000.00)	(4,909,000.00)
Charges Deferred to Future Years' Budgets	A-3	90,000.00	
Fund Balance, Beginning of Year	A	12,088,412.52	6,766,336.52
Fund Balance, End of Year	A	$14,007,060.49	$12,088,412.52

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Ref.	Anticipated SFY 2007 Budget	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated	A-1	$5,950,000.00		$5,950,000.00	
Miscellaneous Revenues:					
MCIA Interest Proceeds		8,000.00		8,059.00	$59.00
Open Space Trust Fund		461,775.00		461,775.00	
Water & Sewer Operating Funds		1,100,000.00			(1,100,000.00)
Licenses - Alcoholic Beverages		44,000.00		45,300.00	1,300.00
Licenses - Other		140,650.00		142,511.74	1,861.74
Fees & Permits		221,810.00		246,586.90	24,776.90
Fines & Costs - Municipal Court		925,000.00		1,055,724.36	130,724.36
Interest & Costs on Taxes		105,000.00		132,018.21	27,018.21
Interest on Investments and Deposits		1,460,000.00		1,887,173.64	427,173.64
Fire Prevention Fines & Fees		98,600.00		139,654.56	41,054.56
Cable Television Franchise Fee		97,064.00		102,165.00	5,101.00
Hotel Tax		157,100.00		162,098.27	4,998.27
No. Bruns. Bd of Ed - Contribution to Soil Remediation Project		294,000.00		294,000.00	
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex		145,184.00		152,950.00	7,766.00
Technology Center of NJ		1,175,000.00		1,149,352.86	(25,647.14)
Uniform Construction Code Fees		430,000.00		552,869.00	122,869.00
Uniform Fire Safety Act		59,590.00		58,646.49	(943.51)
MCIA Rebate		47,200.00		47,216.40	16.40
State Aid					
Consolidated Municipal Property Tax Relief Aid		2,029,756.00		2,029,756.00	
Energy Receipts Tax		3,793,616.00		3,793,616.00	
Legislative Block Grant		142,282.00		142,282.00	
Homeland Security Assistance		140,000.00		140,000.00	
Watershed Moratorium Aid		4,653.00		4,653.00	
Sub-total		13,080,280.00		12,748,408.43	(331,871.57)

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Ref.	Anticipated SFY 2007 Budget	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Public and Private Revenues Offset with Appropriations:					
Community Development:					
NJ Transportation Trust - Remsen Road			260,000.00	260,000.00	
Public Safety:					
Safe and Secure Communities Program			$60,000.00	60,000.00	
Secure Our Schools			45,861.00	45,861.00	
Click-it or Ticket		4,000.00		4,000.00	
Domestic Violence Training			2,000.00	2,000.00	
Body Armor Grant - State			7,941.26	7,941.26	
Child Passenger Safety Grant			7,000.00	7,000.00	
DWI Check Point			1,190.00	1,190.00	
Safe Holiday Grant			10,000.00	10,000.00	
Cops in Shop			2,000.00	2,000.00	
Bullet Proof Vests			7,199.89	7,199.89	
Byrne Narcotics Task Force			12,000.00	12,000.00	
Highway Safety (Safe Corridors)		73,000.00		73,000.00	
Enhancement 9-1-1 Grant		35,749.00		35,749.00	
Parks Recreation & Community Service					
Municipal Alliance			34,082.00	34,082.00	
Green Community Challenge			3,000.00	3,000.00	
Clean Communities CY 2007 Program			33,781.64	33,781.64	
Open Space Recreation & Farmland Grant			1,500,000.00	1,500,000.00	
County Open Space & Recreation Grant-Pedestrian/Bike Path		80,000.00		80,000.00	
Public Works:					
Recycling Tonnage Grant			19,574.78	19,574.78	
Recycling Enhancement Grant			3,412.00	3,412.00	
Alternative Fuel Vehicle Rebate Program			8,000.00	8,000.00	
ANJEC-Smart Growth Planning Grant Program		10,500.00		10,500.00	
Sub-total		203,249.00	2,017,042.57	2,220,291.57	
Current Fund Total Miscellaneous	A-1	13,283,529.00	2,017,042.57	14,968,700.00	(331,871.57)
Local Purpose Tax	A-7	22,211,795.00		25,870,933.55	3,659,138.55
Total General Revenues	A-1	$41,445,324.00	$2,017,042.57	$46,789,633.55	$3,327,266.98
	Ref.	A-3	A-3	A-1	

	Ref.	
Federal & State Grants	A-15	$ 2,220,291.57
Cash	A-4	12,748,408.43
Total Miscellaneous Revenue		$14,968,700.00

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
General Government:										
Administration	$414,571.00	$28,500.00	$409,571.00	$33,500.00	($397,115.62)	($27,828.35)	($1,773.40)		$12,455.38	$3,898.25
Purchasing		6,900.00		6,900.00		(3,005.73)	(342.57)			3,551.70
Municipal Clerk	198,781.00	32,900.00	188,781.00	32,900.00	(174,990.33)	(19,891.86)	(1,648.10)		13,790.67	11,360.04
Financial Administration	248,091.00	54,550.00	246,091.00	50,550.00	(242,603.61)	(37,701.79)	(5,955.93)		3,487.39	6,892.28
Audit		55,000.00		55,000.00			(55,000.00)			
Information Technology	132,300.00	78,000.00	134,300.00	82,000.00	(130,609.51)	(74,710.20)	(5,350.62)		3,690.49	1,939.18
Tax Collection	108,831.00	22,575.00	113,831.00	17,575.00	(112,978.93)	(9,962.01)	(2,228.50)		852.07	5,384.49
Tax Assessment	124,845.00	155,250.00	124,845.00	150,250.00	(122,698.48)	(87,623.37)	(27,211.65)		2,146.52	35,414.98
Reserve for Tax Appeals		50,000.00		50,000.00		(50,000.00)				
Legal	1,200.00	330,000.00	1,200.00	330,000.00	(1,200.00)	(243,468.95)	(52,115.71)			34,415.34
Insurance:										
Other Insurance		1,230,000.00		1,190,000.00		(1,092,949.69)				97,050.31
Employee Group Insurance		3,800,000.00		3,750,000.00		(3,384,144.05)	(219,083.66)			146,772.29
Community Development										
Engineering	84,711.00	108,465.00	86,711.00	106,465.00	(84,066.18)	(69,339.41)	(32,900.75)		2,644.82	4,224.84
Planning	168,658.00	27,800.00	229,658.00	26,800.00	(227,406.34)	(11,825.41)	(9,695.23)		2,251.66	5,279.36
Zoning	93,300.00	23,075.00	93,300.00	15,075.00	(93,184.14)	(6,707.23)	(1,387.40)		115.86	6,980.37
Affordable Housing	3,600.00	100.00	3,600.00	100.00	(3,150.00)	(32.87)			450.00	67.13
Code Enforcement	168,081.00	4,500.00	128,081.00	4,500.00	(126,311.01)	(3,903.32)	(541.40)		1,769.99	55.28
Uniform Construction Code	296,260.00	98,400.00	286,260.00	98,400.00	(282,459.01)	(97,087.56)	(1,249.09)		3,800.99	63.35
Rent Control Board	1,200.00	100.00	1,200.00	100.00	(1,200.00)					100.00
Public Safety:										
Police	10,357,677.00	520,450.00	10,287,677.00	610,450.00	(10,233,512.04)	(361,585.31)	(109,291.07)		51,753.90	141,984.68
Emergency Management	76,650.00	42,450.00	76,650.00	42,450.00	(74,686.56)	(15,491.41)	(6,190.22)		1,963.44	20,768.37
Volunteer Fire Departments		195,000.00		195,000.00		(188,231.77)	(3,553.50)			3,214.73
First Aid Organizations		75,000.00		75,000.00		(70,000.00)				5,000.00
Fire Safety	234,102.00	14,200.00	234,102.00	14,200.00	(223,186.61)	(11,079.73)	(1,000.00)		10,915.39	2,120.27
LOSAP		75,000.00		75,000.00		(58,500.00)				16,500.00
Juvenile Aid	2,400.00	5,000.00	2,400.00	5,000.00	(2,400.00)	(1,588.57)	(1,227.00)			2,184.43

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Public Works:										
Streets and Roads	$1,262,433.00	$220,300.00	$1,227,433.00	$220,300.00	($1,201,378.15)	($171,120.86)	($22,824.56)		$26,054.85	$26,354.58
PEOSHA		10,000.00		10,000.00		(5,601.96)	(1,101.00)			3,297.04
Solid Waste Disposal Fees		772,500.00		772,500.00		(630,833.36)				141,666.64
Sanitation	695,639.00	2,400.00	675,639.00	2,400.00	(654,224.58)	(1,238.15)	(237.50)		21,414.42	924.35
Recycling		357,400.00		367,400.00		(309,500.26)	(45,426.40)			12,473.34
Buildings and Grounds	230,975.00	172,100.00	185,975.00	202,100.00	(160,287.93)	(140,597.34)	(37,497.00)		25,687.07	24,005.66
Motor Vehicle Maintenance	365,756.00	358,500.00	370,756.00	373,500.00	(362,806.14)	(279,099.51)	(58,261.55)		7,949.86	36,138.94
Muni Services/Condo/Apt Reimb		550,000.00		550,000.00		(472.46)	(117,064.17)			432,463.37
NJDES/Stormwater Permit	269,718.00	34,000.00	269,718.00	34,000.00	(218,573.46)	(14,097.91)			51,144.54	19,902.09
Parks Recreation & Community Services										
Board of Health	1,200.00	82,050.00	1,200.00	82,050.00	(1,200.00)	(81,701.00)				349.00
Committee Board Secretaries	8,400.00		8,400.00		(1,200.00)				7,200.00	
Animal Control	32,000.00	21,000.00	38,000.00	15,000.00	(37,245.04)	(13,629.38)	(175.00)		754.96	1,195.62
Environmental Commission	1,200.00	1,950.00	1,200.00	1,950.00	(1,200.00)	(795.18)				1,154.82
Recreation & Community Svs	344,113.00	131,200.00	332,613.00	141,200.00	(328,521.96)	(134,878.87)	(5,785.50)		4,091.04	535.63
Senior Services	404,426.00	27,400.00	412,926.00	27,400.00	(411,056.19)	(25,576.75)	(970.33)		1,869.81	852.92
Parks and Playgrounds	629,554.00	193,800.00	667,554.00	183,800.00	(665,520.10)	(158,562.73)	(10,497.25)		2,033.90	14,740.02
Education - Library		1,340,000.00		1,340,000.00		(1,217,084.61)	(122,915.39)			(0.00)
Municipal Court										
Municipal Court	364,812.00	12,850.00	364,812.00	12,850.00	(354,711.45)	(11,956.72)	(847.30)		10,100.55	45.98
Public Defender		20,000.00		20,000.00		(9,000.00)	(10,400.00)			600.00
Unclassified										
Salary Adjustments	19,000.00		2,000.00						2,000.00	
Utilities / Facilities Costs		1,388,429.00		1,458,429.00		(1,355,392.83)	(71,910.29)			31,125.88
Contingency		2,000.00		2,000.00						2,000.00
Statutory Expenditures:										
Public Employees Retirement		237,728.00		237,728.00		(214,536.00)				23,192.00
Police & Fire Retirement		1,214,347.00		1,214,347.00		(1,214,347.00)				
Social Security		1,240,000.00		1,275,000.00		(1,258,371.48)				16,628.52
Unemployment Compensation		90,000.00		90,000.00		(90,000.00)				
Matching Funds for Grants		40,000.00		40,000.00		(13,432.50)				26,567.50
Sub-Total Operations	17,344,484.00	15,553,169.00	17,206,484.00	15,691,169.00	(16,931,683.37)	(13,278,485.45)	(1,043,659.04)		272,389.57	1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Public and Private Programs Offset by Revenues:										
Community Development:										
NJ Transportation Trust - Remsen Road				$260,000.00		(260,000.00)				
Public Safety:										
Safe & Secure Communities				60,000.00		(60,000.00)				
Safe Holiday Grant				10,000.00		(10,000.00)				
Click-it or Ticket		4,000.00		4,000.00		(4,000.00)				
Domestic Violence Training				2,000.00		(2,000.00)				
Bullet Proof Vests-Federal				7,199.89		(7,199.89)				
Child Passenger Safety Education				7,000.00		(7,000.00)				
Cops In Shops				2,000.00		(2,000.00)				
Secure Our Schools				45,861.00		(45,861.00)				
Body Armor Grant - State				7,941.26		(7,941.26)				
County DWI Check Point				1,190.00		(1,190.00)				
Byrne- Middlesex County Narcotics Grant				12,000.00		(12,000.00)				
Enhancement 9-1-1 Grant		35,749.00		35,749.00		(35,749.00)				
Highway Safety (Safe Corridors)		73,000.00		73,000.00		(73,000.00)				
Parks Recreation & Community Service										
Municipal Alliance				34,082.00		(34,082.00)				
Clean Communities				33,781.64		(33,781.64)				
Green Communities Challenge				3,000.00		(3,000.00)				
County Open Space and Recreation Pedestrian/Bicycle		80,000.00		80,000.00		(80,000.00)				
County Open Space and Recreation Grant				1,500,000.00		(1,500,000.00)				
Public Works:										
Recycling Tonnage Grant				19,574.78		(19,574.78)				
Alternative Fuel Vehicle Rebate Program				8,000.00		(8,000.00)				
Recycling Enhancement Grant				3,412.00		(3,412.00)				
ANJEC-Smart Growth Planning Grant Program		10,500.00		10,500.00		(10,500.00)				
Public and Private Programs		203,249.00		2,220,291.57		(2,220,291.57)				
Total Operations	17,344,484.00	15,756,418.00	17,206,484.00	17,911,460.57	(16,931,683.37)	(15,498,777.02)	(1,043,659.04)		272,389.57	1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Capital Improvements:										
Capital Improvement Fund		$320,000.00		$320,000.00		($320,000.00)				
Down Payments on Improvements				90,000.00		(90,000.00)				
Total Capital Improvements		320,000.00		410,000.00		(410,000.00)				
Debt Service:										
MCIA Equipment Lease		235,290.00		235,290.00		(235,289.33)		($0.67)		
EDA Loan		45,456.00		45,456.00		(45,455.60)		(0.40)		
Bond Principal		4,375,000.00		4,500,000.00		(4,500,000.00)				
Note Principal										
Interest on Bonds		1,769,426.00		1,644,426.00		(1,612,967.21)		(31,458.79)		
Interest on Notes		480,000.00		480,000.00		(478,666.65)		(1,333.35)		
Interest on Notes - School Soil Remediation		399,000.00		399,000.00		(398,888.88)		(111.12)		
Deferred Charges										
Special Emergency - Tax Map		45,000.00		45,000.00		(45,000.00)				
Unfunded Capital Ordinances		172,250.00		172,250.00		(172,250.00)				
Total Debt Service		7,521,422.00		7,521,422.00		(7,488,517.67)		(32,904.33)		
Total Appropriations before Reserve for Uncollected Taxes	17,344,484.00	23,597,840.00	17,206,484.00	25,842,882.57	(16,931,683.37)	(23,397,294.69)	(1,043,659.04)	(32,904.33)	272,389.57	1,371,435.57
Reserve for Uncollected Taxes		503,000.00		503,000.00		(503,000.00)				
Total Current Fund Budget	$17,344,484.00	$24,100,840.00	$17,206,484.00	$26,345,882.57	($16,931,683.37)	($23,900,294.69)	($1,043,659.04)	($32,904.33)	$272,389.57	$1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Total Current Fund Budget	$17,344,484.00	$24,100,840.00	$17,206,484.00	$26,345,882.57	($16,931,683.37)	($23,900,294.69)	($1,043,659.04)	($32,904.33)	$272,389.57	$1,371,435.57

	Ref.	
Cash Disbursed	A-4	($37,910,253.99)
Deferred Charges	A	(45,000.00)
Reserve for Encumbrances	A	(1,043,659.04)
Reserve for Tax Appeals	A-9	(50,000.00)
Due General Capital Fund	A-13	(90,000.00)
Reserve for Uncollected Taxes	A-7	(503,000.00)
State & Federal Grants	A-16	(2,233,724.07)
Total Paid or Charged		($41,875,637.10)

Adopted Budget:		
Salaries	$17,344,484.00	
Other Expenses	26,345,882.57	
Total Adopted Budget		$41,445,324.00
Budget Amendments		
NJSA 40A:4-87	2,017,042.57	
Emergency Appropriation	90,000.00	
Total Budget Amendments		2,107,042.57
Total Modified Budget		$43,552,366.57

( ) Denotes deficit or deduction.

Reserved Balance

Salaries	$272,389.57
Other Expense	1,371,435.57
Total Reserved Balance	$1,643,825.14

Exhibit - B

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

	Ref.	June 30, 2007	June 30, 2006
ASSETS			
Cash	B-2	$14,195,204.23	$9,021,733.96
Assessments & Liens Receivable	B-1	113,805.00	113,805.00
Due from Current Fund	B-2		93,000.00
Due from NJ Dept. of Transportation	B-2	1,706.90	1,706.90
Due from Middlesex County - CDBG	B-2	159,370.21	124,749.51
Due from Developer (RCA)			
Phase I	B-2		675,000.00
Phase II	B-2	1,237,530.00	4,219,530.00
LOSAP Funds Held by Trustee (unaudited)	B	496,086.63	336,504.02
Total		$16,203,702.97	$14,586,029.39
LIABILITIES			
Reserve for Assessments and Liens	B-1	$113,805.00	$113,805.00
Parks and Recreation			
Due NJ - Animal License Fees	B-2	34.20	99.00
Animal Control Reserves	B-2	40,055.30	26,494.88
Recreation Programs	B-2	659,044.23	582,897.58
Open Space	B-2	861,478.92	1,051,735.14
Finance			
NJ Unemployment	B-2	224,703.37	163,500.28
Terminal Leave	B-2	749,203.56	507,988.90
Tax Sale, Premium on TTL	B-2	934,317.80	489,917.80
Payroll Liabilities Payable	B-2	25,867.19	26,270.03
Public Safety			
Forfeited Funds	B-2	25,875.84	17,818.73
Seized Funds	B-2	947.00	947.00
Unclaimed Funds	B-2	3,183.00	2,695.00
Outside Employment	B-2	11,099.35	8,162.30
Uniform Fire Code	B-2	29,646.56	34,792.51
Public Works - Snow Removal	B-2	151,130.30	121,130.30
Mayor's Accounts - Service Fund	B-2	9.35	9.35

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

		June 30, 2007	June 30, 2006
Municipal Court			
Handicapped Parking	B-2	$7,026.41	$6,676.41
Public Defender	B-2	22,978.00	8,531.00
POAA Fines	B-2	340.57	242.57
Spinal Research	B-2	24.16	24.16
Community Development Block Grant			
Prior Years			
Reserve Housing Repairs	B-2	148,724.74	98,000.42
Reserve for Code Enforcement	B-2		50,000.00
Livingston Ave Streetscape	B-2	35,956.00	36,176.00
Library Handicapped Parking	B-2		32,000.00
FY 2005-2006			
Reserve for Code Enforcement	B-2	50,000.00	
FY 2006-2007			
Reserve Housing Repairs	B-2	14,547.21	
Reserve for Code Enforcement	B-2	40,000.00	
Sr. Center Kitchen Repairs	B-2	6,540.00	
Handicapped Access Senior Bus	B-2	30,000.00	
Community Development Department			
Prepaid Rental C/O's	B-2	235.00	2,565.00
Third Party UCC Inspections	B-2	283,117.84	270,468.28
Developers' Escrow	B-2	2,463,268.02	1,575,922.60
Miscellaneous Reserves	B-2	266,900.59	279,250.59
Regional Contribution Agreement	B-2		
Reserve for Affordable Housing Contribution			
Phase I	B-2	675,000.00	675,000.00
Phase II	B-2	6,499,786.46	3,131,948.12
Reserve for Receivable Affordable Housing Contribution			
Phase I	B-2		675,000.00
Phase II	B-2	1,237,530.00	4,219,530.00
Growth Share Reserve	B-2	78,211.62	24,214.70
Donations, Gifts, & Bequests	B-2	17,028.75	15,711.72
Reserve for LOSAP Funds (unaudited)	B	496,086.63	336,504.02
Total		$16,203,702.97	$14,586,029.39

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

	Ref.	June 30, 2007	June 30, 2006
ASSETS			
Cash	C-2	$ 5,577,488.93	$ 4,669,633.77
Federal & State Grants Receivable	C-4		56,250.00
Deferred Charges to Future Taxation:			
Funded	C-5	40,552,871.83	41,016,748.57
Unfunded	C-6	42,370,250.00	39,017,500.00
Due from Current Fund	C-13	90,000.00	44,529.14
Total		$ 88,590,610.76	$ 84,804,661.48
LIABILITIES, RESERVES, & FUND BALANCE			
Outstanding Debt:			
Bond Anticipation Notes Payable	C-9	$ 27,000,000.00	$ 22,000,000.00
Serial Bonds Payable	C-8	40,219,000.00	40,424,000.00
EDA Loan Payable	C-10	181,822.40	227,278.00
MCIA Equipment Lease Purchase	C-11	152,049.43	365,470.57
Improvement Authorizations:			
Funded	C-7	1,561,596.22	1,143,301.35
Unfunded	C-7	15,569,097.65	12,337,678.69
Reserve for Encumbrances	C-7	3,405,909.41	8,054,741.73
Reserve to Retire Debt:			
BAN Payment	C-14	45,000.00	45,000.00
High School/Vets Park Soil Remediation	C-14	313,593.60	94,429.14
Capital Improvement Fund	C-12	342.00	342.00
Fund Balance	C-1	142,200.05	112,420.00
Total		$ 88,590,610.76	$ 84,804,661.48
Bonds & Notes Authorized but not Issued	C-15	$ 15,370,250.00	$ 17,017,500.00

Note: See Notes to Financial Statements

Exhibit C-1

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2007

	Ref.	
Balance June 30, 2006	C	$ 112,420.00
Increased by Cash Receipts		
Premium on Sale of Bonds & Notes	C-2	29,780.05
Balance June 30, 2007	C	$ 142,200.05

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006	Liabilities	Ref.	June 30, 2007	June 30, 2006
Water Operating				Water Operating			
Cash	D-5	$ 2,627,485.45	$ 1,067,933.81	Reserve for Encumbrances	D-4,D-9	$ 632,126.43	$ 480,840.45
Due from Water Capital Fund	D	100,000.00	610,000.00	Appropriation Reserves	D-4,D-9	70,615.63	65,856.01
				Accounts Payable	D-9	87,370.84	95,147.34
				Accrued Interest Payable	D-4	213,857.13	221,519.88
				Total Liabilities		1,003,970.03	863,363.68
				Fund Balance	D-1	1,723,515.42	814,570.13
Total Water Operating Fund		$ 2,727,485.45	$ 1,677,933.81	Total Water Operating Fund		$ 2,727,485.45	$ 1,677,933.81
Water Assessment				Water Assessment			
Assessment Liens Receivable							
Accounts Receivable	D	$ 412.00	$ 412.00	Reserve for Receivables	D	$ 700.00	$ 700.00
Liens Interest & Costs	D	288.00	288.00				
Total Water Assessment Fund		$ 700.00	$ 700.00	Total Water Assessment Fund		$ 700.00	$ 700.00

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006	Liabilities	Ref.	June 30, 2007	June 30, 2006
Water Capital				Water Capital			
Cash	D-5,D-6	$ 2,176.82	$ 4,713.86	Due to Water Operating Fund	D	$ 100,000.00	$ 610,000.00
Due from Developer	D	130,000.00	130,000.00	Contracts Payable	D-17	18,465.41	107,481.00
Fixed Capital				Serial Bonds Payable	D-11	3,375,000.00	1,465,000.00
Completed	D-7	30,065,994.03	30,065,994.03	Lease Purchase Obligation	D-13	15,215,000.00	15,870,000.00
Authorized not Completed	D-8	3,722,695.56	2,222,695.56	Bond Anticipation Notes	D-12	500,000.00	1,000,000.00
				Improvement Authorizations:			
				Funded	D-10	144,576.99	
				Unfunded	D-10	2,095,515.84	1,668,926.53
				Reserve for Encumbrances	D-10	535,892.02	547,110.53
				Reserve for Amortization	D-14	11,698,689.59	10,953,689.59
				Reserve for:			
				Water System Improvements	D-16	67,430.76	30,900.00
				Capital Improvement Fund	D-15	89,067.59	89,067.59
				Fund Balance	D-2	81,228.21	81,228.21
Total Water Capital Fund		$ 33,920,866.41	$ 32,423,403.45	Total Water Capital Fund		$ 33,920,866.41	$ 32,423,403.45
Total		$ 36,649,051.86	$ 34,102,037.26	Total		$ 36,649,051.86	$ 34,102,037.26

Note: See Notes to Financial Statements
There were Bonds and Notes Authorized but Not Issued at June 30, 2007 in the amount of $3,000,000.00 (Exhibit - D-18).

Exhibit D-1

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	Ref.	June 30, 2007	June 30, 2006
Revenue and Other Realized Income			
Surplus Anticipated	D-3	$ 35,000.00	$ 125,000.00
Water Capital Fund Balance	D-3		80,000.00
Water Rents	D-3	5,257,799.49	5,390,988.42
Connection Fees	D-3	113,397.00	63,965.00
Developer Contribution	D-3	160,320.00	159,400.00
Miscellaneous Revenues	D-3	591,140.60	605,591.85
Unexpended Balance of Appropriation Reserves	D-9	66,890.62	5,268.61
Total Revenue and Realized Income		6,224,547.71	6,430,213.88
Expenditures			
Budget Appropriations	D-4	(5,280,602.42)	(5,847,274.17)
Total Expenditures		(5,280,602.42)	(5,847,274.17)
Statutory Excess		943,945.29	582,939.71
Decreased by Surplus Anticipated	D-1	(35,000.00)	(125,000.00)
Fund Balance, Beginning of Year	D	814,570.13	356,630.42
Fund Balance, End of Year	D	$ 1,723,515.42	$ 814,570.13

( ) Denotes Deficit or Deduction
Note: See Notes to Financial Statements

Exhibit D-2

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Ref.		
Balance June 30, 2006	D	$	81,228.21
Balance June 30, 2007	D	$	81,228.21

( ) Denotes Deficit or Deduction
Note: See Notes to Financial Statements

Exhibit D-3

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus	$ 35,000.00	$ 35,000.00	
Water Rents	5,282,000.00	5,257,799.49	$ (24,200.51)
Connection Fees	63,000.00	113,397.00	50,397.00
Developer Contribution	159,000.00	160,320.00	1,320.00
Miscellaneous			
Meter Fees	451,000.00	454,087.85	3,087.85
Interest on Delinquent Accounts	45,000.00	46,056.92	1,056.92
Other	90,000.00	90,995.83	995.83
Water Utility Operating Fund Total	$ 6,125,000.00	$ 6,157,657.09	$ 32,657.09
Ref.	D-4		

	Ref.	
Surplus Anticipated	D-1	$ 35,000.00
Cash Receipts	D-5	6,122,657.09
Total Revenue	D-1	$ 6,157,657.09

( ) Denotes Deficit or Deduction
Note: See Notes to Financial Statements

Exhibit D-4

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2007

	Budget Original	Budget Modified	Paid/Charged	Encumbrances	Canceled	Reserved
Operating Salaries	$ 63,500.00	$ 63,500.00	$ (60,480.00)			$ 3,020.00
Operating Expenses	3,618,810.00	3,618,810.00	(2,931,474.94)	$ (619,739.43)		67,595.63
Debt Service:						
Bond Principal	90,000.00	90,000.00	(90,000.00)			
Interest on Bonds	77,230.00	122,230.00	(119,700.18)		$ (2,529.82)	
Interest on Notes	98,500.00	53,500.00	(27,445.89)		(26,054.11)	
MCIA Lease Payments	1,376,960.00	1,376,960.00	(1,348,759.35)	(12,387.00)	(15,813.65)	
Surplus - Current Fund	800,000.00	800,000.00			(800,000.00)	
Total Water Utility Operating	$ 6,125,000.00	$ 6,125,000.00	$ (4,577,860.36)	$ (632,126.43)	$ (844,397.58)	$ 70,615.63
	D-3			D		D

	Ref.	
Cash	D-5	$ (4,585,523.11)
Accrued Interest		
Bonds - 6/30/2006	D,D-11	17,683.00
Bonds - 6/30/2007	D,D-11	(29,832.00)
Notes - 6/30/2006	D,D-12	25,000.00
Notes - 6/30/2007	D,D-12	(12,557.00)
Lease - 6/30/2006	D,D-13	178,836.88
Lease - 6/30/2007	D,D-13	(171,468.13)
Total Paid or Charged		$ (4,577,860.36)

( ) Denotes deficit or deduction.
Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006
Sewer Utility Operating:			
Cash	E-5	$ 804,041.02	$ 687,584.45
Due from Sewer Capital Fund	E-4		1,000.00
Total Sewer Operating Fund		$ 804,041.02	$ 688,584.45
Sewer Utility Capital:			
Cash	E-5 E-6	$ 24,329.56	$ 737,170.98
Due from State of N.J. - Infrastructure Loans	E-7		968,252.00
Fixed Capital			
Completed	E-8	13,795,637.00	13,795,637.00
Authorized and Uncompleted	E-9	8,590,000.00	8,340,000.00
Deferred Charge			
MCIA Lease Purchase	E-18	5,764,201.00	6,419,201.00
Total Sewer Capital Fund		$ 28,174,167.56	$ 30,260,260.98
Total Sewer Utility Funds		$ 28,978,208.58	$ 30,948,845.43

Liabilities	Ref.	June 30, 2007	June 30, 2006
Sewer Utility Operating:			
Encumbrances Payable	E-4,E-10	$ 128,648.70	$ 90,978.75
Appropriation Reserves	E-4,E-10	60,223.86	29,006.41
Accounts Payable	E-10	30,892.75	22,392.75
Accrued Interest Payable	E-4	186,464.23	208,278.29
Total Liabilities		406,229.54	350,656.20
Fund Balance	E-1	397,811.48	337,928.25
Total Sewer Operating Fund		$ 804,041.02	$ 688,584.45
Sewer Utility Capital:			
Debt			
N.J. E.I.T. Loan Payable	E-14	$ 1,079,046.01	$ 1,128,937.33
Lease Purchase Obligation	E-13	15,215,000.00	15,870,000.00
Serial Bonds	E-11	945,000.00	995,000.00
Bond Anticipation Notes	E-12		1,000,000.00
Improvement Authorizations:			
Funded	E-15	163,562.62	124,115.09
Unfunded	E-15	5,578,999.60	5,681,826.61
Encumbrances	E-15	184,219.34	550,933.28
Due to Sewer Operating Fund	E-15		1,000.00
Reserve for:			
Env. Trust Loan Premiums	E-16	11,688.00	11,688.00
Amortization	E-18	4,567,479.99	4,467,588.67
Deferred Amortization	E-18	370,000.00	120,000.00
Capital Improvement Fund	E-17	28,900.00	278,900.00
Fund Balance	E-2	30,272.00	30,272.00
Total Sewer Capital Fund		$ 28,174,167.56	$ 30,260,260.98
Total Sewer Utility Funds		$ 28,978,208.58	$ 30,948,845.43

Note: See Notes to Financial Statements
There were Bonds and Notes Authorized but Not Issued at June 30, 2007 in the amount of $5,973,312.00 (Exhibit E-19).

Exhibit E-1

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	Ref.	June 30, 2007	June 30, 2006
Revenue and Other Realized Income			
Surplus Anticipated	E-2	$ 360,000.00	
Sewer Rents	E-2	5,238,737.47	$ 5,327,672.63
Connection Fees	E-2	49,825.00	132,750.00
Sewer Capital Surplus	E-3		20,000.00
Accounts Payable Canceled	E-10		27,041.82
Unexpended Balance of Appropriation Reserves	E-10	821.71	17,942.36
Total Revenue and Realized Income		5,649,384.18	5,525,406.81
Budget Appropriations	E-4	(5,218,743.13)	(5,262,357.40)
Accrued Interest Adjustment	E-4	(10,757.82)	
Statutory Excess (Deficit)		419,883.23	263,049.41
Use of Fund Balance		(360,000.00)	
Fund Balance, Beginning of Year		337,928.25	74,878.84
Fund Balance, End of Year	E	$ 397,811.48	$ 337,928.25

Note: See Notes to Financial Statements

Exhibit E-2

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Ref.	
Balance June 30, 2006	E	$ 30,272.00
Balance June 30, 2007	E	$ 30,272.00

( ) Denotes Deficit or Deduction
Note: See Notes to Financial Statements

Exhibit E-3

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Ref.	Anticipated	Realized	Excess (Deficit)
Surplus Anticipated.....	E-1	$ 360,000.00	$ 360,000.00	$ -
Sewer Rents.....	E-1	5,325,000.00	5,238,737.47	(86,262.53)
Connection Fees.....	E-1	131,000.00	49,825.00	(81,175.00)
Sewer Capital Surplus.....	E-1	45,000.00		(45,000.00)
Sewer Utility Operating Fund Total.....		$ 5,861,000.00	$ 5,648,562.47	$ (212,437.53)
	Ref.	E-4	E-5	

Note: See Notes to Financial Statements

Exhibit E-4

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Modified Budget	Paid/Charged	Encumbrances	Canceled	Reserved
Operating Salaries & Wages	$ 182,000.00	$ 182,000.00	$ (162,465.56)			$ 19,534.44
Operating Other Expenses	3,798,552.00	3,798,552.00	(3,341,600.88)	$ (116,261.70)	$ (300,000.00)	40,689.42
Debt Service:						
Bond Principal	50,000.00	50,000.00	(50,000.00)			
Bond Interest	34,719.00	34,719.00	(34,515.61)		(203.39)	
MCIA Lease Payments	1,377,010.00	1,377,010.00	(1,348,759.35)	(12,387.00)	(15,863.65)	
NJ Env. Infras. Trust Loan Payments	78,719.00	78,719.00	(77,640.28)		(1,078.72)	
Interest on Notes	40,000.00	40,000.00	(14,888.89)		(25,111.11)	
Surplus - Current Fund	300,000.00	300,000.00			(300,000.00)	
Total Sewer Utility Operating	$ 5,861,000.00	$ 5,861,000.00	$ (5,029,870.57)	$ (128,648.70)	$ (642,256.87)	$ 60,223.86
Ref.	E-3					E

	Ref.	
Cash	E-5	$ (5,062,442.45)
Accrued Interest Adjustment	E-1	10,757.82
Accrued Interest:		
Serial Bonds 6/30/2006	E, E-11	4,441.41
Serial Bonds 6/30/2007	E, E-11	(4,238.28)
Loans 6/30/2007	E, E-14	(10,757.82)
Notes 6/30/2006	E, E-12	25,000.00
Capital Lease 6/30/2006	E, E-13	178,836.88
Capital Lease 6/30/2007	E, E-13	(171,468.13)
Total Paid or Charged		$ (5,029,870.57)

( ) Denotes deficit or deduction.
Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit F

STATEMENT OF GOVERNMENTAL FIXED ASSETS - STATUTORY BASIS
FOR YEARS ENDIND JUNE 30, 2007 AND 2006
(UNAUDITED)

	6/30/2007	6/30/2006
GOVERNMENTAL FIXED ASSETS		
Land	$ 22,031,300.00	$ 22,031,300.00
Buildings	24,450,364.00	24,450,364.00
Equipment and Improvements	7,448,427.00	7,448,427.00
Vehicles	4,437,808.00	4,437,808.00
Total Governmental Fixed Assets	$ 58,367,899.00	$ 58,367,899.00

Note: See Notes to Financial Statements

Note 1: FORM OF GOVERNMENT

The Township of North Brunswick is managed under a Mayor Council Administrator form of government. Under this plan, created by N.J.S.A. 40:69A-149 et seq., the Mayor and six Council members are elected at partisan elections for terms of four years and three years, respectively. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of North Brunswick include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of North Brunswick, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of North Brunswick do not include the operations of the municipal library, the board of education, first aid organizations, volunteer fire companies or senior housing.

B. Description of Funds

The accounting policies of the Township of North Brunswick conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of North Brunswick accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund
Unemployment Compensation Insurance Trust Fund
Dedicated Law Enforcement Trust Fund
Developer's Escrow Fund
Community Development Block Grant Fund
Open Space Trust Fund

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

Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Water Utility activities and the assets and liabilities relative to such activities.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Sewer Utility activities and the assets and liabilities relative to such activities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Description of Funds (Cont'd.)

Governmental Fixed Assets - Governmental Fixed Assets system is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles in the United States of America. This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Borough. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

C. Basis of Accounting

Basis of Accounting and Measurement Focus – The basis of accounting prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and water and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Funds, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water and sewer utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP.

Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting (Cont'd.)

Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

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

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township has adopted policies, which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Water Utility and Sewer Utility) fund on a full accrual basis.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Self Insurance Reserves - Charges to self insurance reserves are recorded when payments of claims and related expenses are made. Increases to self insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self insurance funds not exceed the amount determined.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting (Cont'd.)

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

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

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Governmental Fixed Assets - N.J.A.C. 5:30-5.6 established a mandate for fixed accounting by municipalities, effective December 31, 1985. The Township with a third party inventory service performed a physical inventory and assessment of fixed assets in June of 2000. Assets acquired through June 2000 were valued based on actual costs, where available, and other methods, including current replacement values and estimated historical costs. The Township records assets acquired subsequent to June 2000 at original cost. The general fixed asset records have not been updated during fiscal year 2007.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" in September 2006. This statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (cont'd)

GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" in November 2006. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB issued Statement No. 50, "Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27" in May 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" in June 2007. This Statement requires that all intangible assets not specifically excluded by its scope provisions by classified as capital assets.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. The adoption of these new standards will not adversely effect the reporting on the Township's financial condition.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications have been made to the fiscal year 2006 financial statements to conform with classifications used in fiscal year 2007.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	SFY 2007	SFY 2006
Issued:		
General:		
Bonds and Notes	$ 67,219,000.00	$ 62,424,000.00
Water Utility:		
Bonds and Notes	3,875,000.00	2,465,000.00
Sewer Utility:		
Bonds and Notes	945,000.00	1,995,000.00
Total Issued	72,039,000.00	66,884,000.00
Net Issued	72,039,000.00	66,884,000.00
Authorized But Not Issued:		
General:		
Bonds and Notes	15,370,250.00	17,017,500.00
Water Utility:		
Bonds and Notes	3,000,000.00	3,000,000.00
Sewer Utility:		
Bonds and Notes	5,973,312.00	4,973,312.00
Total Authorized But Not Issued	24,343,562.00	24,990,812.00
Total Bonds and Notes Issued and Authorized but not Issued	$ 96,382,562.00	$ 91,874,812.00

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at June 30, 2007 and 2006:

	SFY 2007	SFY 2006
General Debt:		
$4,300,000, General Obligation Bonds of 1991, due in annual installments of $300,000 through October 11, 2007, interest at 6.10%.	$ 300,000.00	$ 600,000.00
$12,975,000, Refunding Bonds of 1997, due in annual installments of $1,095,000 to $1,390,000 through May 2013, interest at 4.50% to 5.00%.	1,150,000.00	8,705,000.00
$9,995,000 , Refunding Bonds of 1998, due in annual installments of $1,445 to $1,695,000 through July 2010, interest at 4.00% to 4.40%.	6,390,000.00	7,835,000.00
$4,685,000, General Obligation Bonds of 2000 due in annual installments of $275,000 to $400,000 through April 2009, interest at 5.25%.	700,000.00	975,000.00
$3,794,000, General Obligation Bonds of 2002 due in annual installments of $225,000 to $419,000 through January 2015, interest at 4.65%.	2,669,000.00	2,894,000.00
$2,075,000, Refunding Bonds of 2003 due in annual installments of $105,000 to $310,000 through August 2014, interest at 2.50% to 4.85%.	1,735,000.00	1,850,000.00
$6,000,000, General Obligation Bonds of 2003 due in annual installments of $300,000 to $600,000 through August 2017, interest at 3.25% to 4.00%.	5,100,000.00	5,400,000.00
$4,500,000, Open Space Bonds of 2003 due in annual installments of $125,000 to $200,000 through August 2028, interest at 3.25% to 4.50%.	4,175,000.00	4,300,000.00
$3,000,000, General Obligation Bonds of 2004 due in annual installments of $150,000 to $300,000 through August 2015, interest at 3.25% to 3.70%.	2,700,000.00	2,850,000.00
$5,075,000, Refunding Bonds of 2006 due in annual installments of $345,000 to $815,000 through April 2015, interest at 3.50% to 4.25%.	4,670,000.00	5,015,000.00
$6,550,000, Refunding Bonds of 2007 due in annual installments of $1,205,000 to $1,365,000 through May 2013, interest at 4.00% to 5.00%.	6,425,000.00	

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	SFY 2007	SFY 2006
General Debt (cont'd.):		
$4,205,000, General Obligation Bonds of 2006 due in annual installments of $170,000 to $340,000 through November 2021, interest at 3.875% to 4.000%.	4,205,000.00	
$10,000,000, General Capital Bond Anticipation Notes issued on 8/16/05 due on 8/15/06, interest 4.00%		10,000,000.00
$12,000,000, General Capital Bond Anticipation Notes issued on 11/15/05 due on 11/14/06, interest 4.00%		12,000,000.00
$10,000,000, General Capital Bond Anticipation Notes issued on 8/21/06 due on 8/20/07, interest 4.50%	10,000,000.00	
$17,000,000, General Capital Bond Anticipation Notes issued on 11/14/06 due on 11/9/07, interest 4.00%	17,000,000.00	
Total General Capital Debt	$ 67,219,000.00	$ 62,424,000.00
Utility Debt:		
$2,020,000, Ordinance 96-21 due in annual installments of $90,000 to $150,000 through April 2019, interest at 4.80% to 4.90%.	1,375,000.00	1,465,000.00
$2,000,000, Ordinance 03-31 due in annual installments of $65,000 to $130,000 through November 2026, interest at 3.875% to 4.000%.	2,000,000.00	
$1,095,000, Ordinance 97-25 due in annual installments of $50,000 to $100,000 through August 2018, interest at 3.25% to 4.00%.	945,000.00	995,000.00
$1,000,000, Water Utility Capital Bond Anticipation Notes issued on 11/15/05 due on 11/14/06, interest 4.00%		1,000,000.00
$500,000, Water Utility Capital Bond Anticipation Notes issued on 11/14/06 due on 11/9/07, interest 4.00%	500,000.00	
$1,000,000, Sewer Utility Capital Bond Anticipation Notes issued on 11/15/05 due on 11/14/06, interest 4.00%		1,000,000.00
Total Utility Debt	4,820,000.00	4,460,000.00
Total Debt Issued and Outstanding	$ 72,039,000.00	$ 66,884,000.00

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of:

SFY 2007	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 71,488,162.00	$ 71,488,162.00	
Water Utility and Sewer Utility Debt *	45,303,440.62	45,303,440.62	
General Debt**	82,923,121.83	19,367,049.43	63,556,072.40
	$ 199,714,724.45	$ 136,158,652.05	$ 63,556,072.40

Net Debt $63,556,072.40 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $4,014,855,324.00 = 1.58%

* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).
** Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

SFY 2006	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 74,214,000.00	$ 74,214,000.00	
Water Utility and Sewer Utility Debt *	45,302,249.33	45,302,249.33	-
General Debt**	80,034,248.57	19,695,470.57	60,338,778.00
	$ 199,550,497.90	$ 139,211,719.90	$ 60,338,778.00

Net Debt $60,338,778.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $3,583,395,727.00 = 1.68%

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

	2007	2006
3 1/2% of Equalized Valuation Basis Municipal	$ 140,519,936.34	$ 125,418,850.45
Net Debt	63,556,072.40	60,338,778.00
Remaining Borrowing Power	$ 76,963,863.94	$ 65,080,072.45

SFY 2007 Equalized Valuation Basis

2004 Equalized Valuation Basis of Real Property	$ 3,520,838,464.00
2005 Equalized Valuation Basis of Real Property	3,960,883,965.00
2006 Equalized Valuation Basis of Real Property	4,562,843,542.00
Average Equalized Valuation	$ 4,014,855,323.67

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)

SFY 2006 Equalized Valuation Basis

2003 Equalized Valuation Basis of Real Property	$	3,268,464,751.00
2004 Equalized Valuation Basis of Real Property		3,520,838,464.00
2005 Equalized Valuation Basis of Real Property		3,960,883,965.00
Average Equalized Valuation	$	3,583,395,726.67

Calculation of "Self-Liquidating Purpose"
Water and Sewer Utility Per N.J.S.A. 40A:2-45

The calculation of "Self-Liquidating Purpose" for the Water Utility, per N.J.S.A. 40A:2-45 is as follows:

		2007		2006
Cash Receipts from Fees, Rents or Other Charges for Year	$	6,122,657.09	$	6,299,945.27
Deductions:				
Operating & Maintenance Cost		3,682,310.00		3,575,677.00
Debt Service Per Water Acct.		1,598,292.42		1,571,597.17
Total Deductions		5,280,602.42		5,147,274.17
Excess/(Deficit) in Revenue	$	842,054.67	$	1,152,671.10

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Water Utility is as follows:

		2007		2006
Excess/(Deficit) in Revenues - Cash Basis (D-1)	$	943,945.29	$	582,939.71
Add: Fund Balance Utilized as Anticipated Revenue in Municipal Budget				700,000.00
		943,945.29		1,282,939.71
Less: Unexpended Balance of Appropriation Reserves		66,890.62		5,268.61
Fund Balance Utilized		35,000.00		125,000.00
		101,890.62		130,268.61
Excess/(Deficit) in Revenue	$	842,054.67	$	1,152,671.10

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

		2007		2006
Cash Receipts from Fees, Rents or Other Charges for Year	$	5,288,562.47	$	5,480,422.63
Deductions:				
Operating & Maintenance Cost		3,680,552.00		3,304,944.00
Debt Service Per Sewer Acct.		1,538,191.13		1,557,413.40
Accrued Interest Adjustment		10,757.82		
Total Deductions		5,229,500.95		4,862,357.40
Excess/(Deficit) in Revenue	$	59,061.52	$	618,065.23

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Sewer Utility is as follows:

		2007	2006
Excess/(Deficit) in Revenues - Cash Basis (E-1)		$ 419,883.23	$ 263,049.41
Add:	Fund Balance Utilized as Anticipated Revenue in Municipal Budget		400,000.00
		419,883.23	663,049.41
Less:	Accounts Payable Canceled		27,041.82
	Unexpended Balance of Appropriation Reserves	821.71	17,942.36
	Fund Balance Utilized	360,000.00	
		360,821.71	44,984.18
Excess/(Deficit) in Revenue		$ 59,061.52	$ 618,065.23

C. Capital Lease Purchase Agreements

The Township is obligated to the Middlesex County Improvement Authority for lease payments under the 1992, 1993, 1994, 1995, 1996, 1997 and 2000 Capital Equipment Improvement Lease Programs. The interest rates for the period range from 4.25% to 6.5%. The following is a schedule of future minimum lease payments under these capital leases. Payment dates for these leases programs range from March 1 to October 1 of each year.

Year Ending June 30	
2008	$ 77,417.55
2009	61,383.69
2010	41,498.75
Total Minimum Lease Payments	180,299.99
Less: Amount Representing Interest	13,325.06
Present Value of Net Minimum Lease Payments	$ $166,974.93

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. North Brunswick Senior Housing Bonds

$8,300,000 North Brunswick Taxable Guaranteed Revenue Bonds were issued by the Middlesex County Improvement Authority for the Senior Citizens housing Project. The Bonds were dated November 1, 1994 and come due on December 1, in years 1998 through 2027. Payment, when due, of the principal and interest on the Bonds is guaranteed by the Township of North Brunswick.

Fiscal Year	Principal	Interest	Total
2008	$ 130,000.00	$ 676,718.76	$ 806,718.76
2009	145,000.00	664,343.76	809,343.76
2010	155,000.00	650,743.76	805,743.76
2011	170,000.00	636,218.76	806,218.76
2012	185,000.00	620,243.76	805,243.76
2013	200,000.00	602,918.76	802,918.76
2014	220,000.00	566,018.76	786,018.76
2015	240,000.00	563,318.76	803,318.76
2016	260,000.00	560,656.26	820,656.26
2017	285,000.00	515,790.63	800,790.63
2018	310,000.00	488,643.75	798,643.75
2019	340,000.00	458,987.50	798,987.50
2020	370,000.00	426,593.75	796,593.75
2021	405,000.00	391,236.38	796,236.38
2022	440,000.00	372,678.26	812,678.26
2023	485,000.00	310,478.13	795,478.13
2024	525,000.00	264,396.88	789,396.88
2025	575,000.00	214,209.38	789,209.38
2026	625,000.00	159,459.38	784,459.38
2027	685,000.00	99,690.63	784,690.63
2028	750,000.00	34,218.75	784,218.75
	$ 7,500,000.00	$ 9,277,564.76	$ 16,777,564.76

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

E. New Jersey Economic Development Authority Loan

The Township is obligated to the New Jersey Economic Development Authority for an underground Storage Tank Loan in the amount of $272,733.60. This loan is interest free and is payable in 6 annual installment of $45,455.60. The following is a schedule of payments and their due dates.

Payment Number	Due Date	Principal	Loan Balance	Total Payment
			$ 272,733.60	
1	4/1/2006	45,455.60	227,278.00	45,455.60
2	4/1/2007	45,455.60	181,822.40	45,455.60
3	4/1/2008	45,455.60	136,366.80	45,455.60
4	4/1/2009	45,455.60	90,911.20	45,455.60
5	4/1/2010	45,455.60	45,455.60	45,455.60
6	4/1/2011	45,455.60	-	45,455.60
Total		$ 272,733.60		$ 272,733.60

F. Water/Wastewater System Lease Revenue Bonds-Water Utility and Sewer Utility

In connection with the water/wastewater operating agreements, the Middlesex County Improvement Authority issued $34,805,000 Township of North Brunswick Lease Revenue Bonds dated September 15, 2002. The Bonds carry interest rates from 2.00% to 5.00%. The annual principal and interest requirements payable from the Water Utility and Sewer Utility combined, are set forth below:

Fiscal Year	Principal	Interest	Total
2008	1,370,000.00	1,340,920.00	2,710,920.00
2009	1,420,000.00	1,288,795.00	2,708,795.00
2010	1,465,000.00	1,245,520.00	2,710,520.00
2011	1,510,000.00	1,199,385.00	2,709,385.00
2012	1,560,000.00	1,148,900.00	2,708,900.00
2013	1,625,000.00	1,081,950.00	2,706,950.00
2014	1,710,000.00	998,575.00	2,708,575.00
2015	1,800,000.00	910,825.00	2,710,825.00
2016	1,890,000.00	818,575.00	2,708,575.00
2017	1,975,000.00	731,825.00	2,706,825.00
2018	2,070,000.00	640,575.00	2,710,575.00
2019	2,175,000.00	534,450.00	2,709,450.00
2020	2,285,000.00	422,950.00	2,707,950.00
2021	2,405,000.00	305,700.00	2,710,700.00
2022	2,525,000.00	185,606.26	2,710,606.26
2023	2,645,000.00	62,818.76	2,707,818.76
	$ 30,430,000.00	$ 12,917,370.02	$ 43,347,370.02

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

G. North Brunswick Refunding Pension Bonds - Series 2003 (Taxable)

The Township issued taxable Refunding Pension Bonds - Series 2003, dated May 1, 2003. The Refunding Pension Bonds were issued to retire the Township's unfunded Early Retirement Incentive (ERI) Programs liability under the ERI Programs previously adopted by the Township. The ERI Programs provided early retirement opportunities for Township members of the Public Employees Retirement System (PERS) adopted in 1991 and 1993 and the Police and Fire Retirement (PFRS) adopted in 1993. The implementation of these programs created unfunded liabilities which would be retired by annual payments to PERS through the years 2021 and 2033, respectively, and to PFRS through the year 2012. P.L. 2002, c.42, was enacted to permit local units to sell refunding bonds in accordance with the Local Bond Law to retire the present value of the liabilities attributable to ERI programs. The total gross annual pension liability payments due from fiscal year 2004 through 2033 amounted to $3,565,629. The present value of the Township's liabilities for the ERI programs was established by the State Division of Pensions as of May 14, 2003, in the amount of $560,046 for PERS and $1,423,781 for PFRS. The net present value savings benefit resulting from the paydown of the unfunded ERI program liabilities was $450,988.33 or 22.525% of the refunded principal. The enabling legislation for the pension refunding bonds allows a deduction from gross debt for the these bonds. The bonds carry interest rates from 1.40% in fiscal year 2003 to 4.85% in fiscal year 2015.

The outstanding debt service with respect to the Township's 2003 Refunding Pension Bonds is as follows:

Fiscal Year	Principal	Interest	Total
2008	$ 135,000.00	$ 70,077.50	$ 205,077.50
2009	235,000.00	63,822.50	298,822.50
2010	260,000.00	54,652.50	314,652.50
2011	290,000.00	43,622.50	333,622.50
2012	310,000.00	30,712.50	340,712.50
2013	200,000.00	19,242.50	219,242.50
2014	200,000.00	9,842.50	209,842.50
2015	105,000.00	2,546.25	107,546.25
	$ 1,735,000.00	$ 294,518.75	$ 2,029,518.75

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

H. Department of Environmental Protection - Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station. Information relating to these loans is as follows:

	Loan #1	Loan #2
Draw Down Date	11/4/04	11/4/04
Loan Amount	$ 570,000.00	$ 581,688.00
Interest Rates	various	0.00%
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	19	39
Final Payment Date	August 1, 2024	August 1, 2024

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition.

Fiscal Year	Fund Loan Principal	Trust Loan Principal	Interest	Total
2008	$ 29,518.98	$ 20,000.00	$ 25,418.76	$ 74,937.74
2009	28,934.03	20,000.00	24,518.76	73,452.79
2010	28,284.11	20,000.00	23,518.76	71,802.87
2011	30,802.58	25,000.00	22,393.76	78,196.34
2012	29,990.18	25,000.00	21,143.76	76,133.94
2013	29,177.76	25,000.00	19,893.76	74,071.52
2014	28,365.35	25,000.00	18,643.76	72,009.11
2015	30,818.84	30,000.00	18,318.76	79,137.60
2016	30,038.92	30,000.00	16,218.76	76,257.68
2017	29,259.00	30,000.00	15,018.76	74,277.76
2018	28,381.60	30,000.00	13,668.76	72,050.36
2019	30,575.11	35,000.00	12,043.76	77,618.87
2020	29,437.73	35,000.00	10,293.76	74,731.49
2021	28,300.36	35,000.00	8,543.76	71,844.12
2022	30,331.38	40,000.00	6,668.76	77,000.14
2023	29,031.53	40,000.00	4,668.76	73,700.29
2024	27,829.35	40,000.00	2,818.76	70,648.11
2025	29,886.59	45,000.00	984.64	75,871.23
	$ 528,963.40	$ 550,000.00	$ 264,778.56	$ 1,343,741.96

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

I. Schedule of Annual Debt Service for Principal and Interest for Township Bonded Debt Issued and Outstanding

SFY Year	General Principal	General Interest	Water Utility Principal	Water Utility Interest
2008	$ 4,735,000.00	$ 1,418,416.00	$ 155,000.00	$ 142,365.63
2009	4,760,000.00	1,223,226.00	165,000.00	135,286.88
2010	4,905,000.00	1,018,263.50	165,000.00	127,968.13
2011	5,140,000.00	817,671.00	165,000.00	120,649.38
2012	3,755,000.00	631,758.50	165,000.00	113,330.63
Subtotal	23,295,000.00	5,109,335.00	815,000.00	639,600.65
2013	3,925,000.00	386,120.38	195,000.00	105,384.38
2014	2,195,000.00	315,807.25	205,000.00	96,593.75
2015	2,149,000.00	188,023.50	220,000.00	87,190.00
2016	1,240,000.00	151,375.00	220,000.00	77,390.00
2017	940,000.00	110,325.00	225,000.00	67,427.50
Subtotal	10,449,000.00	1,151,651.13	1,065,000.00	433,985.63
2018	940,000.00	73,625.00	240,000.00	56,957.50
2019	340,000.00	48,025.00	260,000.00	49,350.00
2020	340,000.00	34,425.00	115,000.00	37,500.00
2021	340,000.00	20,825.00	115,000.00	32,900.00
2022	340,000.00	7,012.50	120,000.00	28,200.00
Subtotal	2,300,000.00	183,912.50	850,000.00	204,907.50
2023			125,000.00	23,300.00
2024			130,000.00	18,200.00
2025			130,000.00	13,000.00
2026			130,000.00	7,800.00
2027			130,000.00	2,600.00
Subtotal	-	-	645,000.00	64,900.00
Totals	$ 36,044,000.00	$ 6,444,898.63	$ 3,375,000.00	$ 1,343,393.78

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

I. Schedule of Annual Debt Service for Principal and Interest for Township Bonded Debt Issued and Outstanding (Cont'd)

SFY Year	Sewer Utility Principal	Sewer Utility Interest	Open Space Principal	Open Space Interest	Total
2008	$ 50,000.00	$ 33,097.50	$ 125,000.00	$ 161,112.50	$ 6,819,991.63
2009	50,000.00	31,472.50	150,000.00	156,643.75	6,671,629.13
2010	50,000.00	29,847.50	150,000.00	151,768.75	6,597,847.88
2011	75,000.00	27,767.50	175,000.00	146,378.13	6,667,466.01
2012	75,000.00	25,187.50	175,000.00	140,362.50	5,080,639.13
Subtotal	300,000.00	147,372.50	775,000.00	756,265.63	31,837,573.78
2013	75,000.00	22,562.50	200,000.00	133,800.00	5,042,867.26
2014	75,000.00	19,937.50	200,000.00	126,800.00	3,234,138.50
2015	95,000.00	16,962.50	200,000.00	119,800.00	3,075,976.00
2016	100,000.00	13,500.00	200,000.00	112,700.00	2,114,965.00
2017	100,000.00	9,850.00	200,000.00	105,400.00	1,758,002.50
Subtotal	445,000.00	82,812.50	1,000,000.00	598,500.00	15,225,949.26
2018	100,000.00	6,000.00	200,000.00	97,700.00	1,714,282.50
2019	100,000.00	2,000.00	200,000.00	89,700.00	1,089,075.00
2020			200,000.00	81,700.00	808,625.00
2021			200,000.00	73,700.00	782,425.00
2022			200,000.00	65,575.00	760,787.50
Subtotal	200,000.00	8,000.00	1,000,000.00	408,375.00	5,155,195.00
2023			200,000.00	57,250.00	405,550.00
2024			200,000.00	48,800.00	397,000.00
2025			200,000.00	40,175.00	383,175.00
2026			200,000.00	31,400.00	369,200.00
2027			200,000.00	22,500.00	355,100.00
Subtotal	-	-	1,000,000.00	200,125.00	1,910,025.00
2028			200,000.00	13,500.00	213,500.00
2029			200,000.00	4,500.00	204,500.00
Subtotal	-	-	400,000.00	18,000.00	418,000.00
Totals	$ 945,000.00	$ 238,185.00	$ 4,175,000.00	$ 1,981,265.63	$ 54,546,743.04

Note 4: FUND BALANCES APPROPRIATED

Fund balances at June 30, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	2007	2006
Current Fund	$6,700,000	$5,950,000
Water Utility Operating Fund	-0-	35,000
Sewer Utility Operating Fund	-0-	360,000

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 2007, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE JUNE 30, 2006	AMOUNT RAISED IN 2007	AMOUNT RESULTING FROM 2007	BALANCE JUNE 30, 2007
Current Fund:				
Emergency Appropriation:				
Downpayments on Impts			$ 90,000.00	$ 90,000.00
Special Emergency Appropriation:				
Master Plan Revisions	$ 120,000.00	$ 30,000.00		90,000.00
Tax Map Revisions	45,000.00	15,000.00		30,000.00
Total Current Fund	$ 165,000.00	$ 45,000.00	$ 90,000.00	$ 210,000.00

Note 6: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The State of New Jersey Cash Management Fund is authorized by statutes and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one and one-half percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State"

Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

Deposits (Cont'd).

participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At June 30, 2007 and 2006, the cash and cash equivalents and investments of the Township consisted of the following:

	2007	2006
Cash (Demand Accts.)	$50,679,415.32	$39,158,225.54
Change Funds (On-Hand)	1,125.00	1,125.00
Total	$50,680,540.32	$39,159,350.54

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year end, the book value of the Township's deposits was $49,324,329.81 and the bank balance was $50,679,415.32. Of the bank balance, $800,000.00 was covered by Federal depository insurance and $49,879,415.32 was covered under the provisions of NJGUDPA.

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk other than those polices that adhere to the requirements of statute. As of June 30, 2007, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balances were considered to be exposed to custodial credit risk.

Depository Account	Bank Balance
Insured--FDIC	$ 800,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	49,879,415.32
Total	$ 50,679,415.32

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;

2. Government money market mutual funds;

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;

Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

Investments (Cont'd)

5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;

6. Local government investment pools;

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities, if:
   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
   b. the custody of collateral is transferred to a third party;
   c. the maturity of the agreement is more than 30 days; and
   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2007, the Township had no funds on deposit with the New Jersey Cash Management Fund.

Generally, the Township's investments consist of money market and savings accounts. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar yearbasis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONT'D)

previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. In addition, the law now allows for, and the Township has authorized, the imposition of a penalty of 6% on delinquencies exceeding $10,000.00 that remain unpaid at the end of a calendar year. If taxes remain delinquent on or after April 1 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality, even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14. The statutory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

In accordance with the accounting principles presented by the State of New Jersey, taxes receivable and tax title liens are realized when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

Note 8: PENSION AND RETIREMENT PLANS

Employees of the Township of North Brunswick are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plan are not available. For 2007 and 2006, the Township contributed $214,536.00 and $121,639.60 for PERS and $1,214,347.00 and $806,238.00 for PFRS.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. These financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension and retirement plans described in Note 8, the Township provides post-retirement health care benefits, in accordance with State statutes, to police officers who retire from the Township with at least 25 years of service. Benefits consist of full medical, dental, prescription and optical coverage, and expenditures are recognized as claims are reported. At June 30, 2007 and 2006, thirty-five (35) and thirty-three (33) retirees were receiving post retirement health care benefits at an annual cost to the Township of approximately $495,645.00 and $487,835.20.

Note 10: ACCRUED SICK AND VACATION BENEFITS

The Township has established uniform personnel policies via employee contracts and municipal ordinances that set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave - Sick Leave shall accumulate at the rate of one (1) day per month for the first year of service and fifteen (15) days for each subsequent year for all permanent employees and shall be cumulative from year to year without limit. Upon retirement or death after ten (10) years of service, the employee or his survivor is entitled to receive full payment for any unused accumulated sick leave computed on the basis of final wages.

Vacations - Vacation pay for permanent employees accumulates in accordance with the approved schedules. Vacation days may be taken in year earned, but not to exceed the number of days earned at time of vacation. Earned vacation day may be accumulated up to one (1) year of current vacation credits with the exception of employees in the PBA or SOA unions who may accumulate vacation days without limit. Any employee who has separated his/her employment may be paid the salary equivalent to accrued vacation earned, not to exceed more than one (1) year of current vacation credits earned with the exception of those employees in the PBA or SOA.

The Township maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. It is estimated that the cost of such unpaid sick and vacation pay would approximate $3,531,857.00 and $3,170,305.00 at June 30, 2007 and 2006. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 11: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Middlesex County Municipal Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severably obligated for any deficiency in the amount available to pay all claims. Lines of coverage provided by the Fund include property; boiler and machinery; equipment floater; auto physical; blanket bond; auto liability; general liability; law enforcement liability; public official liability and worker compensation and employer liability.

At December 31, 2006, the Fund reported for all years combined, total assets of $18,423,087, liabilities and reserves of $21,478,495, which includes case reserves of $11,934,504 and IBNR of $9,407,726 and a deficit fund balance for all years of $3,055,408.

Note 12: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2007, the Township does not believe that any material liabilities will result form such audits.

Note 12: COMMITMENTS AND CONTINGENCIES (CONT'D)

As of the date of this report, Management's review of litigations indicated the Township was not involved in any pending or threatened litigation nor any unasserted claims or assessments that would be of a material nature that would have a negative impact to the financial statements. There are a number of commercial tax appeals pending before the Tax Court.

Note 13: DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the plan.

Note 14: WATER AND SEWER UTILITY AGREEMENTS

In February 1996, the Township of North Brunswick entered into an agreement with U.S. Water, Inc. ("U.S. Water") for the operation, maintenance and management services for the Township's water and wastewater systems (collectively, the "System"). The agreement, which was completed under the New jersey Water Supply Public-Private Contracting Act and the New Jersey Wastewater Treatment Public-Private Contracting Act, covers a period of 20 years commencing July 1, 1996 and it may be extended for up to four additional five-year periods. The agreement was approved by the New Jersey Department of Community Affairs, Division of Local Government Services. The portion of the agreement pertaining to water supply was approved by the New Jersey Board of Public Utilities.

Under the agreement, U.S. Water operated, maintains and manages the System at all times on behalf of the Township in compliance withal federal, state and local laws and regulations. U.S. Water is entitled to received the revenues generated from user charges to water and sewer customers. Such user charges are based on annual base rates established in the agreement over customers. Such user charges are based on annual base rates established in the agreement over the 20 – year period, subject to certain specific adjustments. U.S. Water is responsible for the billing and collection of such user charges.

U.S. Water paid $6,000,000 to the Township as an initial concession payment upon the execution of the agreement. In addition, U.S. Water provided funds in sufficient amounts to complete the retirement (through tender offer and defeasance) in June 1996 of the Township's water utility loans, notes and bonds payable totaling $20,390,298 and sewer utility notes and bonds payable totaling $1,473,000. U.S. Water also agreed to make the following annual payments to the Township over the 20 – year period commencing on June 1, 1997: $1,000,000 in the first year and $2,000,000 from the 16th to the 20th year. The Township is also entitled to share in revenues under certain provisions of the agreement.

The initial concession payment was recorded as concession fee revenue in the statements of operations of the Water Utility and Sewer Utility Operating funds. The amount paid for the retirement of the water and sewer utility debts was accounted for as contributed capital from U.S. Water, based on the carrying amount of such debts, in the balance sheets of the Township's Water Utility and Sewer Utility Capital Funds. The annual payments and revenue sharing, if any, to be received in future years shall be recognized as revenues of both utility operating funds.

Note 14: WATER AND SEWER UTILITY AGREEMENTS (CONT'D.)

On August 27, 2002, pursuant to the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et. seq and other applicable law, the Township entered into a water services agreement with the Middlesex County Improvement Authority and a joint venture of American Water Services, Inc. and JJS Management Services, LLC (the "Water Operator"). The agreement transfers the responsibilities for the operation, management, maintenance and repairs of the water system to the Water Operator. Pursuant to the New Jersey Wastewater Treatment Public-Private Contracting Act,

N.J.S.A. 58:27-19 et. seq and other applicable law, the Township, also on August 27, 2002, entered into a wastewater operating agreement with the Middlesex County Improvement Authority and U.S. Water Service Company, LLC (the "Wastewater Operator"). The wastewater agreement transfers the responsibilities for the operation, management, maintenance and repairs of the wastewater system to the Wastewater Operator. The execution of these agreements effectively terminate the agreement as described above.

In connection with the August 27, 2002 operating agreements with the water operator and wastewater operator, the Middlesex County Improvement Authority issued $34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002. The Bonds finally mature October 1, 2022, and carry interest rates from 2.00% to 4.75% with yields of 1.40% to 4.65%. As of the date of the Bonds, the Township and the Authority entered into a Franchise Agreement, pursuant to which the Township conveyed to the Authority the franchise to operate and a leasehold interest in the Wastewater and Water Systems. Simultaneously, the Authority, as lessor, and the Township, as lessee, will enter into a lease agreement conveying a subleasehold interest in the Water and Wastewater Systems to the Township, subject to the operating agreements and the franchise agreement.

Note 15: REGIONAL CONTRIBUTION AGREEMENT

The Township had entered into an Affordable Housing Contribution Agreement with Brunswick Manor Associates (the "Developer") on July 22, 2002. Per the agreement, the Township may transfer housing units to another municipality that has a plan to build low-income housing units. The Developer's affordable housing obligation shall be equal to 17.6% of the 1,975 total units or 348 units to be constructed in the Renaissance development. The Developer's payment schedule shall be in two (2) phases with Phase I consisting of 135 units at $20,000 per unit or $2,700,000 and Phase II consisting of 213 units at $35,000 per unit or $7,455,000. The contributions for Phase I are received in four (4) equal payments of $675,000. The contributions for Phase II are to be received in equal payments payable when each of the last 500 certificates of occupancy are issued at a rate of $14,910 per certificate issued.

The Township has contracted with the receiving municipalities of the Borough of Carteret and the City of New Brunswick. Per the agreement, ninety (90) units will be transferred to the City of New Brunswick in four (4) equal annual payments of $450,000 for a total of $1,800,000 and forty-five (45) units will be transferred to the Borough of Carteret in four (4) equal annual payments of $225,000 for a total of $900,000. The payments began in October 2004 and will conclude in October 2007.

At June 30, 2007, $-0- for Phase I and $1,237,530 for Phase II are due from Brunswick Manor Associates.

Note 16: SCHOOL TAXES

Tax revenue for the Township of North Brunswick Board of Education has been collected and the liability deferred by statute. The following is a schedule of deferred taxes:

	June 30	
	2007	2006
Balance of Tax	$ 32,963,910.60	$ 29,786,512.44
Deferred	26,667,758.00	23,767,758.00
Payable	$ 6,296,152.60	$ 6,018,754.44

Note 17: SUBSEQUENT EVENTS

On August 6, 2007, the Township issued a Bond Ordinance for Water Treatment Plant Upgrades and Improvements appropriating the aggregate amount of $19,000,000 and authorizing the issuance of $19,000,000 in Bonds and Notes.

On August 15, 2007, the Township issued General Obligation in the sum of $5,500,000 due in annual installments of $235,000 to $465,000 from August 15, 2008 through 2022, interest at 4.125% to 4.250%.

On August 20, 2007, the Township issued Bond Anticipation Notes in the amount of $25,828,000 due August 19, 2008, interest at 4.25%.

On September 4, 2007, the Township issued a Bond Ordinance for Capital Improvements appropriating the aggregate amount of $3,896,000 and authorizing the issuance of $3,701,200 in Bonds and Notes.

On October 1, 2007, the Township issued a Bond Ordinance for Replacement of Water Supply Lines and Directing the Special Assessment of the Costs appropriating $2,150,000 and authorizing the issuance of $2,150,000 in Bonds and Notes.

On November 8, 2007, the Township contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Water Treatment Plant Upgrades and Improvements through their Environmental Infrastructure Trust Financing Program.

On December 4, 2007, the Township issued a Bond Ordinance Amending Bond Ordinance #00-27 in order to provide for a change in the Section 20 Expenses Authorized by Such Ordinance.

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART II
SUPPLEMENTAL FINANCIAL STATEMENTS
SUPPLEMENTARY DATA
GENERAL COMMENTS AND RECOMMENDATIONS

SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.
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MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

Honorable Mayor and Members
of the Township Council
Township of North Brunswick
County of Middlesex, New Jersey

We have audited the basic financial statements of the Township of North Brunswick, in the County of Middlesex, New Jersey, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 29, 2008. Our report was qualified because of the departure from accounting principles Governmentally accepted in the United States of America as disclosed in Note 2 and Governmental Fixed Assets not being audited. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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 North Brunswick'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 and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick'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 of North Brunswick's ability to initiate, authorize, record, process or report financial date reliably in accordance with Governmentally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township of North Brunswick's financial statements that is more than inconsequential will not be prevented or detected by the Township of North Brunswick'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 of North Brunswick'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 North Brunswick'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 instances of noncompliance or other matters 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, which are described in the accompanying schedule of findings and questioned costs as item 2007-01. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Township in the General Comments section of the Report of Audit.

This report is intended solely for the information of the Mayor and Township Council, management, Division of Local Government Services and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
February 29, 2008

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable Mayor and Members
of the Township Council
Township of North Brunswick
County of Middlesex, New Jersey

Compliance

We have audited the compliance of the Township of North Brunswick with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year June 30, 2007. The Township of North Brunswick's major federal and state programs are identified in the "Summary of Auditor's Results Section" of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township of North Brunswick's management. Our responsibility is to express an opinion on the Township of North Brunswick's compliance based on our audit.

We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of North Brunswick's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Township of North Brunswick's compliance with those requirements.

In our opinion, the Township of North Brunswick complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2007-01.

Internal Control Over Compliance

The management of the Township of North Brunswick is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Township of North Brunswick's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program that is more than in consequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and Township Council, management, the Division of Local Government Services and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
February 29, 2008

SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	PROGRAM OR AWARD AMOUNT	CASH RECEIPTS	DISBURSE-MENTS/ EXPENDITURES	CUMULATIVE EXPENDITURES AT JUNE 30, 2007
Direct Program:						
Department of Environmental Protection:						
Public Wastewater Facilities:						
NJ Env. Infrastructure Trust & Fund Loan	66.458	Various	581,688.00	$ 484,126.00	$ 36,565.14	$ 274,264.85
				484,126.00	36,565.14	274,264.85
Department of Justice:						
Office of Community Oriented Policing Services:						
COPS in Shops	16.710	2007	2,000.00		1,775.00	1,775.00
Bureau of Justice Assistance:						
Bulletproof Vest Partnership Reimbursement	16.607	2006	6,807.29	3,394.89	32.80	6,807.29
Bulletproof Vest Partnership Reimbursement	16.607	2007	7,199.89	1,199.98	3,676.68	3,676.68
				4,594.87	5,484.48	12,258.97
Indirect Program:						
Department of Transportation:						
Highway Planning & Construction:						
Improvements to Arlington Avenue	20.205	2004	475,000.00		10,300.15	116,150.01
Improvements to Aaron Road	20.205	2005	200,000.00		112,581.41	112,581.41
Improvements to Riverton Street	20.205	2006	220,000.00	165,000.00	220,000.00	220,000.00
Improvements to Ridgewood Avenue	20.205	Various	225,000.00	56,250.00	66.71	220,875.94
				221,250.00	342,948.27	669,607.36
Department of Law & Public Safety:						
Division of Highway & Traffic Safety:						
Click It or Ticket	20.6	2007	4,000.00	4,000.00	4,000.00	4,000.00
				4,000.00	4,000.00	4,000.00
Department of Education:						
Office of Elementary & Secondary Education:						
Safe & Drug-Free Schools & Communities	84.186	2005	35,000.00	10,000.00	13,479.89	33,576.79
				10,000.00	13,479.89	33,576.79

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	PROGRAM OR AWARD AMOUNT	CASH RECEIPTS	DISBURSE-MENTS/ EXPENDITURES	CUMULATIVE EXPENDITURES AT JUNE 30, 2007
Indirect Program (Cont'd):						
Department of Justice:						
Bureau of Justice Assistance:						
Byrne Narcotics Task Force	16.738	2006	12,000.00	$ 6,000.00	$ 12,000.00	$ 12,000.00
				6,000.00	12,000.00	12,000.00
Department of Housing & Urban Development:						
Community Development Block Grant Program	14.218	2005	132,000.00	128,580.00	85,172.21	132,000.00
	14.218	2006	118,800.00	68,800.00	57,650.00	68,800.00
	14.218	2007	118,800.00	8,800.00	38,862.79	38,862.79
				206,180.00	181,685.00	239,662.79
				$ 936,150.87	$ 596,162.78	$ 1,245,370.76

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Awards. Also, see paragraph on the accompanying schedules of federal awards and state financial assistance with respect to a partial disclaimer of opinion, included within the independent auditor's report.

The Township's federal grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

Schedule B

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

STATE FUNDING DEPARTMENT	STATE PROGRAM	GRANT PERIOD	STATE ACCOUNT NUMBER	PROGRAM OR GRANT AWARD AMOUNT	PROGRAM RECEIPTS	AMOUNT OF EXPENDITURES	CUMULATIVE EXPENDITURES
Dept of Community Development	NJDOT - Rt 27 Sec (6V) Bridge (Water)	Indefinite	n/a	$ 25,000.00		$ 632.50	$ 932.50
	NJDOT - Rt 1 Sec (6V) Bridge (Water)	Indefinite	n/a	20,000.00		1,039.50	2,083.50
	Smart Growth	FY2007	022-8070-100-039-00	10,500.00		1,200.00	1,200.00
	Highway Safety (Safe Corridors)	FY2007	n/a	73,000.00		71,371.43	71,371.43
Dept of Law & Public Safety	Drunk Driving Enforcement Fund	FY2006	066-1160-100-113-06	18,217.94		12,303.49	18,182.78
	Safe & Secure Communities	FY2006	066-1020-100-232-06	60,000.00	60,000.00	60,000.00	60,000.00
		FY2007	066-1020-100-232-07	60,000.00	52,500.00	60,000.00	60,000.00
	Body Armor	FY2004	066-1020-718-001-04	7,723.57		599.24	7,124.33
		FY2005	066-1020-718-001-05	7,491.10		3,110.24	5,598.27
Dept of Environmental Protection	Clean Communities Program	FY2002	042-4900-765-004-02	8,244.42		129.00	8,244.42
		FY2004	042-4900-765-004-04	31,538.24		33.81	31,538.24
		FY2005	042-4900-765-004-05	31,342.20		5,536.02	31,342.20
		FY2006	042-4900-765-004-06	32,861.14		18,657.86	18,657.86
	Recycling Tonnage Grant	FY2006	042-4900-752-001-06	29,013.49		29,013.49	29,013.49
	Environmental Infrastructure Trust & Fund Loan	FY2005-FY2024	n/a	581,688.00	484,126.00	36,565.13	274,264.85
	Green Acres - Otken Farm	Indefinite	n/a	2,950,000.00		7,454.52	60,480.13
County of Middlesex	Municipal Alliance	FY2006	082-2000-100-044-06	42,602.50	6,000.00	15,662.50	26,133.75
		FY2007	082-2000-100-044-07	42,602.50	36,660.00	17,137.50	17,137.50
Dept of Health	Alcohol Education & Enforcement Fund	FY2005	046-760-4240-001-05	3,994.48		11.38	3,744.48
		FY2006	046-760-4240-001-06	964.33		738.62	738.62
Dept of Treasury	Enhancement 911 Grant	FY2006	082-2034-100-050-6110	35,749.00	35,749.00	23,443.00	35,749.00
		FY2007	082-2034-100-050-6110	35,749.00	35,749.00	35,324.25	35,324.25
	Property Tax & Emergency Response	FY2005	n/a	110,000.00		40,842.00	110,000.00
				$ 4,218,281.91	$ 710,784.00	$ 440,805.48	$ 908,861.60

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Awards. Also, see paragraph on the accompanying schedules of federal awards and state financial assistance with respect to a partial disclaimer of opinion, included within the independent auditor's report.

The Township's state grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2007

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal and state financial assistance present the activity of all federal and state financial assistance programs of the Township of North Brunswick. The Township is defined in Note 1 to the Township's financial statements. Federal and state financial assistance passed through other government agencies, as identified, is included within the respective schedules of financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state financial assistance are presented using the basis of accounting as described in Note 2 to the Township's financial statements.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree in all material repects with amounts reported in the Township's financial statements.

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports, where required and identified.

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal Control over financial reporting:

1) Material weakness(es) identified? _____Yes ___X___No

2) Significant deficiency(s) identified that are not considered to be material weaknesses? _____Yes ___X___No

Noncompliance material to general-purpose financial statements noted? _____Yes ___X___No

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? _____Yes ___X___No

2) Significant deficiency(s) identified that are not considered to be material weaknesses? _____Yes ___X___No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section.510(a) of Circular A-133? _____Yes ___X___No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grant
20.205	Highway Planning & Construction

Dollar threshold used to distinguish between type A and B programs: $300,000.00

Auditee qualified as low-risk auditee? ____Yes ___X___No

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Section II – Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards.*

Significant Deficiency(s)

None noted

Compliance and Other Matters:

2007-01 Fixed Asset Reporting:

Condition:
The governmental fixed asset accounting system has not been maintained on a current basis and the records to support the amounts reported (unaudited) in the financial statements have not been made available for audit.

Questioned Costs:
None.

Context:
See condition above.

Effect:
A critical facet of the Township's financial reporting system is nonfunctioning.

Cause:
Systems are not in place or are nonfunctioning that would allow for the capture and recording of the appropriate financial information to provide the required source documentation, subsidiary ledgers and financial statement reporting for governmental fixed assets.

Recommendation:
The Township's financial information reporting system and the related methods for the processing and recording of fixed asset activity should be reviewed and procedures implemented to provide for the proper reporting of governmental fixed assets.

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Section III – Federal Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB circular A-133.

Federal Award Programs:

Significant Deficiency(s):

None noted.

Compliance:

Finding 2007-01 as cited on the financial statement level is repeated.

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Section I – Summary of Prior Year Federal Findings

SUMMARY OF PRIOR YEAR FINDINGS

Not Applicable

Section II – Summary of Prior Year State Findings

SUMMARY OF PRIOR YEAR FINDINGS

2006-04 Transaction Positing

The computerized data processing system allows for the back posting of transactions.

The ability to back post transactions can limit the effectiveness of the data processing ability.

Current Status: The computerized data processing system continues to allow for the back posting of transactions which can limit the effectiveness of the data processing ability as cited in the General Comments section of this report.

CURRENT FUND

Exhibit A-4

CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Current Fund	A	$21,188,939.53	
Grant Fund	A	907,984.98	
Cash Balance June 30, 2006			$22,096,924.51
Increased by Cash Receipts			
Current Fund			
Miscellaneous Anticipated Revenue	A-2	12,748,408.43	
Petty Cash Returned	A-5	1,050.00	
Due NJ Sr Citizens and Veterans Deductions	A-6	252,402.50	
Taxes Receivable	A-7	109,058,736.04	
Miscellaneous Revenue Not Anticipated	A-8	160,889.24	
Miscellaneous Accounts Payable & Reserves	A-9	108,218.00	
Grant Fund			
Transfer - Matching Funds For Grants	A-17	33,432.50	
Grants Receivable	A-15	2,822,920.55	
Unappropriated Grant Reserves	A-14	10,157.52	
Total Cash Receipts			125,196,214.78
Decreased by Disbursements			
Current Fund			
Budget Appropriations	A-3	(37,910,253.99)	
Transfer - Matching Funds For Grants	A-17	(33,432.50)	
Petty Cash Advanced	A-5	(1,050.00)	
Miscellaneous A/R, A/P, & Reserves	A-9	(394,554.29)	
Appropriation Reserves	A-10	(1,471,351.11)	
Tax Overpayments	A-11	(53,701.42)	
Taxes Payable	A-12	(79,884,378.63)	
Interfunds	A-13	(137,529.14)	
Grant Fund			
Appropriated Grant Reserves	A-16	(1,313,802.70)	
Total Cash Disbursements			(121,200,053.78)
Current Fund	A	23,632,392.66	
Grant Fund	A	2,460,692.85	
Cash Balance June 30, 2007			$26,093,085.51

Exhibit A-5

CURRENT FUND
SCHEDULE OF CHANGE PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2006	Advanced	Returned	Balance June 30, 2007
Change Fund.....	$1,125.00			$1,125.00
Petty Cash Funds:				
Senior Center.....		$200.00	$200.00	
Public Works.....		200.00	200.00	
Police.....		250.00	250.00	
Purchasing.....		200.00	200.00	
Recreation.....		200.00	200.00	
Total	$1,125.00	$1,050.00	$1,050.00	$1,125.00
Ref.	A	A-4	A-4	A

Exhibit A-6

CURRENT FUND
SCHEDULE OF DUE NJ - SR CITIZENS & VETERANS DEDUCTIONS

	Ref.		
Balance July 1, 2006	A		$193,764.17
Revenue - Eligible Deductions			
Sr Citizens & Veterans Deductions - Original Levy		$241,500.00	
Deductions Allowed by Tax Collector		2,138.34	
Total Revenue	A-7		243,638.34
Decreased by:			
Cash Received from State of NJ	A-4		(252,402.50)
Balance June 30, 2007	A		$185,000.01

Exhibit A-7

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Ref.	Total	FY 2008 Prepaid	FY 2007 Current	FY 2006 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2006.....	A	$318,450.54					$156,479.96	$161,970.58
Billings / Levy:								
Original Levy.....		105,406,525.39		$105,406,525.39				
Added & Omitted.....		507,160.86		507,160.86				
Added - County/State Tax Appeals...		3,453,582.00		2,659,112.50	794,469.50			
Adjustments.....		(152.31)			281.68		(433.99)	
Canceled Taxes.....		(22,681.91)		(20,226.40)	(2,455.51)			
Transfers.....		108.82		(22,943.69)			23,052.51	
Revenue								
Sr.Citizens & Vets.....	A-6	(243,638.34)		(243,638.34)				
Cash Receipts.....	A-4	(109,058,736.04)	($99,342.42)	(108,208,614.00)	(742,287.69)	1,445.58	(9,937.51)	
Prepaids Applied.....	A-11	(102,169.29)		(102,169.29)				
Overpayments Applied.....	A-11	(51,453.56)			(50,007.98)	(1,445.58)		
Overpayments Created.....	A-11	213,390.49	99,342.42	114,048.07				
Balance June 30, 2007.....	A	$420,386.65		$89,255.10			$169,160.97	$161,970.58

.....Analysis of FY 2007 Property Tax Levy.....

Tax Yield:	Ref.	
General Purpose Tax.....	A-7	$105,406,525.39
Added Taxes.....	A-7	507,160.86
Added - Tax Appeals.....	A-7	2,659,112.50
Total Levy.....		$108,572,798.75

Tax Levy:	Ref.	
Non-Municipal Taxes.....	A-12	$83,061,776.79
Municipal Purpose Tax.....	A- 2	22,211,795.00
Total Amount to be Raised.....		$105,273,571.79

Current Taxes Realized	Ref.	
Sr. Citizens & Vets.....	A-6, A-7	$243,638.34
Cash Receipts.....	A-7	108,094,565.93
Prepayments.....	A-7	102,169.29
Excess Non-Municipal Billings.....	A-9	(10,663.22)
Subtotal.....	A-1	108,429,710.34
Reserve for Uncollected Taxes.....	A-3	503,000.00
Total Revenue, Current Taxes.....		108,932,710.34
Taxes Payable.....	A-12	(83,061,776.79)
Revenue, Local Purpose Tax.....	A-2	$25,870,933.55

% of Tax Levy Collected

Total Tax Revenue.....	$108,429,710.34
Total Tax Levy.....	$108,572,798.75
% of Tax Levy Collected.....	99.87%

Exhibit A-8

CURRENT FUND
SCHEDULE OF NON-BUDGET REVENUE

	Ref	June 30, 2007	June 30, 2006
Receipts from Delinquent Taxes		$802,233.18	$2,424,059.87
Prior Year Reimbursements			145.80
NSF Fees		325.00	308.00
Cellular Tower Lease		3,000.00	6,000.00
Inspection Fees - State of NJ		9,229.00	8,810.00
Miscellaneous		3,018.26	69,220.71
Sale of Municipal Assets (Auction)		28,151.24	26,463.75
Payment in Lieu of Taxes (PILOT) - NJ Highway		5,400.00	
Community Development			
Escrow Inspections		11,614.69	16,689.98
Parks Recreation & Community Services			
Senior Citizen Center		6,885.75	5,212.50
Public Works			
Recycling Buckets		110.00	102.00
Sanitation Bins / Automated Carts		2,750.00	4,500.00
Refuse Container Rental		14,900.00	20,450.00
Police - Admin Fee, Off-Duty Police		75,505.30	66,516.71
Total	A-4	$160,889.24	$224,419.45
Total	A-1	$963,122.42	$2,648,479.32

Exhibit A-9

CURRENT FUND
SCHEDULE OF CHANGES IN MISCELLANEOUS ACCOUNTS PAYABLE, & RESERVES

	June 30, 2006	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	Adjustments	June 30, 2007
Vendor Accounts Payable	$455,812.08	$162,631.69		($247,348.06)		$371,095.71
Due State of NJ:						
Marriage License filing fee	2,525.00		$6,200.00	(6,625.00)		2,100.00
DCA - UCC Training Fees	11,273.00		101,693.00	(104,139.00)		8,827.00
Civil Union Fees			325.00	(150.00)		175.00
Spending Reserves						
Master Plan	19,182.69			(16,666.69)		2,516.00
Tax Appeals	61,140.95	50,000.00		(15,555.54)		95,585.41
Tax Map Revisions	13,416.25			(4,070.00)		9,346.25
Reserve for Apt/Condo Reimbursement						
Excess Non-Municipal Billings	268,115.57				$10,663.22	278,778.79
Total	$831,465.54	$212,631.69	$108,218.00	($394,554.29)	$10,663.22	$768,424.16
Ref.	A	A-3, A-10	A-4	A-4	A-7	A

Exhibit A-10

CURRENT FUND
SCHEDULE OF FY 2006 APPROPRIATION RESERVES

	6/30/2006 Balance Salaries	6/30/2006 Balance Other	Encumbrances Transferred	Transfers Salaries	Transfers Other	Balance Modified Salaries	Balance Modified Other	Expended Salaries	Expended Other	Transfer to Reserves	Accounts Payable	Overcommitted Funds	Balance Lapsed
General Government:													
Administration	$2,153.72	$9,800.45	$1,327.29			$2,153.72	$11,127.74	($2,000.00)	($8,610.57)				$2,670.89
Purchasing		2,784.94	446.77				3,231.71		(598.54)				2,633.17
Municipal Clerk	7,269.82	17,964.01	269.16			7,269.82	18,233.17	(7,000.00)	(11,223.91)				7,279.08
Financial Administration	20,835.12	4,827.81	8,047.51			20,835.12	12,875.32	(20,000.00)	(3,954.03)				9,756.41
Audit			55,000.00				55,000.00		(25,000.00)		(30,000.00)		
Information Technology	886.82	116.21	2,081.21			886.82	2,197.42		(2,081.21)				1,003.03
Tax Collection	6,602.77	9,080.11	2,252.75			6,602.77	11,332.86	(6,000.00)	(3,554.43)				8,381.20
Tax Assessment	6,042.86	52,597.73	37,393.52			6,042.86	89,991.25	(6,000.00)	(13,763.51)		(1,300.00)		74,970.60
Legal		26,360.17	73,072.42				99,432.59		(27,577.17)				71,855.42
Insurance:													
Other Insurance		50,187.33			(20,000.00)		30,187.33		(2,418.60)				27,768.73
Group Insurance for Employees		94,040.05	145,534.74		(40,000.00)		199,574.79		(268.17)	(230,000.00)		30,693.38	(0.00)
Community Development													
Engineering	2,831.52	26,612.84	9,250.99			2,831.52	35,863.83	(2,000.00)	(15,977.93)		(6,100.00)		14,617.42
Planning	2,674.55	12,993.89	9,002.53			2,674.55	21,996.42	(2,000.00)	(6,149.18)				16,521.79
Zoning	1,848.07	14,277.03	11,895.46			1,848.07	26,172.49	(1,000.00)	(1,255.02)	(20,000.00)			5,765.54
Affordable Housing		4.43	47.25				51.68		(47.25)				4.43
Code Enforcement	3,453.04	744.30	518.40			3,453.04	1,262.70	(3,000.00)	(422.40)				1,293.34
Uniform Construction Code	11,608.45	6,738.77	266.60			11,608.45	7,005.37	(11,000.00)	(472.89)				7,140.93
Rent Control Board		100.00					100.00						100.00
Public Safety:													
Police	78,061.33	13,347.80	42,185.05			78,061.33	55,532.85	(75,500.00)	(40,019.37)				18,074.81
Emergency Management	1,812.38		15,798.18			1,812.38	15,798.18		(13,136.85)		(2,661.33)		1,812.38
Volunteer Fire Departments		2,202.02	1,602.38				3,804.40		(2,916.49)				887.91
First Aid Organizations		4,953.00					4,953.00						4,953.00
Fire Safety	12,578.03	3,655.09	1,601.19			12,578.03	5,256.28	(12,500.00)	(1,601.19)				3,733.12
LOSAP		46,900.00					46,900.00		(39,500.00)				7,400.00
Juvenile Aid		1,547.59	1,996.00				3,543.59		(1,996.00)				1,547.59
Public Works:													
Streets and Roads	11,714.98	15,099.43	10,662.22			11,714.98	25,761.65	(12,000.00)	(16,947.77)				8,528.86
PEOSHA		4,131.37	1,075.33				5,206.70		(1,075.33)				4,131.37
Solid Waste Disposal Fees		66,273.97	71,208.52				137,482.49		(71,208.52)				66,273.97
Sanitation	15,053.94	27,635.58				15,053.94	27,635.58	(15,000.00)	(20,000.00)				7,689.52
Recycling		37,535.60	13,669.00				51,204.60		(13,663.80)				37,540.80
Buildings and Grounds	7,009.95	24,944.48	29,239.38			7,009.95	54,183.86	(7,000.00)	(48,384.13)				5,809.68
Motor Vehicle Maintenance	7,731.62	33,369.55	35,500.34			7,731.62	68,869.89	(7,000.00)	(44,498.85)				25,102.66
Municipal Services/Condo Reimb		564,204.43	(316.43)				563,888.00		(375,439.32)		(122,511.78)		65,936.90
Stormwater	334.00	1,955.09				334.00	1,955.09						2,289.09

CURRENT FUND
SCHEDULE OF FY 2006 APPROPRIATION RESERVES

	6/30/2006 Balance Salaries	6/30/2006 Balance Other	Encumbrances Transferred	Transfers Salaries	Transfers Other	Balance Modified Salaries	Balance Modified Other	Expended Salaries	Expended Other	Transfer to Reserves	Accounts Payable	Overcommitted Funds	Balance Lapsed
Parks Recreation & Community Services													
Board of Health		$2,753.02					$2,753.02						$2,753.02
Animal Control	$2,213.39	228.22				$2,213.39	228.22						2,441.61
Environmental Commission		8.23					8.23						8.23
Recreation	9,119.82	8,373.62	15,483.28			9,119.82	23,856.90	(9,000.00)	(14,692.43)				9,284.29
Senior Services	9,651.99	2,560.08	919.02			9,651.99	3,479.10	($9,000.00)	(183.60)				3,947.49
Parks and Playgrounds	9,008.68	18,154.61	24,526.02			9,008.68	42,680.63	(9,000.00)	(15,984.36)				26,704.95
Education - Library													
Municipal Court													
Municipal Court	9,174.72	6,947.81	269.36			9,174.72	7,217.17	(9,000.00)	(1,119.36)				6,272.53
Public Defender		3,000.00	10,600.00				13,600.00		(12,600.00)				1,000.00
Unclassified													
Salary Adjustments	29,300.00					29,300.00		(29,300.00)					
Utilities / Facilities Costs		46,236.33	62,534.29		60,000.00		168,770.62		(108,708.93)		(58.58)		60,003.11
Contingency		2,009.00					2,009.00						2,009.00
Statutory Expenditures:													
Public Employees Retirement System.		4,360.40					4,360.40						4,360.40
Police & Fire Retirement System		762.00					762.00						762.00
Social Security		31,547.85					31,547.85						31,547.85
Matching Funds for Grants		$31,479.50					31,479.50		(20,000.00)				11,479.50
Total Operations	$268,971.57	$1,335,405.74	$694,959.73			$268,971.57	$2,030,365.47	($254,300.00)	($987,051.11)	($250,000.00)	($162,631.69)	$30,693.38	$676,047.62
Total Operations	$268,971.57	$1,335,405.74	$694,959.73			$268,971.57	$2,030,365.47	($254,300.00)	($987,051.11)	($250,000.00)	($162,631.69)	$30,693.38	$676,047.62
	Ref.		A								A-9	A-1	A-1

Salaries		$268,971.57
Other Expenses		1,335,405.74
June 30, 2006	A	$1,604,377.31

	Ref.	
Cash Disbursements	A-4	($1,471,351.11)
State & Federal Grant Match	A-16	(20,000.00)
Total		($1,491,351.11)

	Ref.	
Balance Lapsed		$676,047.62
Overcommitted Funds		(30,693.38)
Balance Lapsed	A-1	$645,354.24

Exhibit A-11

CURRENT FUND
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

	Ref.	Total	FY 2008 Prepaid	FY 2007 Current	FY 2006 Delinquent	Arrears
Balance June 30, 2006	A	($173,330.02)		($102,169.29)	($68,908.46)	($2,252.27)
Encumbrances	A					
Transferred from Tax Receivable	A-7	(213,390.49)	($99,342.42)	(114,048.07)		
Overpayments Applied	A-7	51,453.56			50,007.98	1,445.58
Prepaids Applied	A-7	102,169.29		102,169.29		
Refund of Overpayments:						
Cash Payments	A-4	53,701.42		45,204.08	7,690.65	806.69
Balance June 30, 2007	A	($179,396.24)	($99,342.42)	($68,843.99)	($11,209.83)	

Exhibit A-12

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	Ref.	June 30, 2006	Taxes Levied	Cash Disbursements	June 30, 2007
County - General.....		($35.31)	$11,789,146.63	($11,789,134.83)	($23.51)
County - Open Space.....		(342.87)	1,364,515.23	(1,364,401.53)	(229.17)
County - Added & Omitted..			63,908.65	(63,908.65)	
Local School District Taxes..		29,786,890.62	69,105,598.50	(65,928,325.84)	32,964,163.28
Local Open Space.....			738,607.78	(738,607.78)	
Sub-Total.....	A-7	29,786,512.44	83,061,776.79	(79,884,378.63)	32,963,910.60
School Taxes Deferred.....		(23,767,758.00)	(2,900,000.00)		(26,667,758.00)
Total Taxes Payable.....		$6,018,754.44	$80,161,776.79	($79,884,378.63)	$6,296,152.60
	Ref.	A	A-1, A-2, A-7	A-4	A

Exhibit A-13

CURRENT FUND
SCHEDULE OF INTERFUNDS

	June 30, 2006	Cash Disbursement	Budget Appropriations	June 30, 2007
Due General Capital Fund	$44,529.14	($44,529.14)	$90,000.00	$90,000.00
Due Other Trust Fund	93,000.00	(93,000.00)		
Total	$137,529.14	($137,529.14)	$90,000.00	$90,000.00
Ref.	A	A-4	A-3	A

Exhibit A-14

STATE AND FEDERAL GRANT FUND
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2006	Cash Receipts	June 30, 2007
Fiscal Year 2002			
COPS - School Based Partnership.....	$25,515.94		$25,515.94
Fiscal Year 2005			
Bullet Proof Vests.....	3,812.14		3,812.14
Municipal Alliance.....	50.00		50.00
Fiscal Year 2007			
Alcohol Education & Enforcement Fund.....		$958.47	958.47
Drunk Driving Enforcement Fund.....		5,801.75	5,801.75
Clean Communities.....		3,397.30	3,397.30
Total.....	$29,378.08	$10,157.52	$39,535.60
Ref.	A	A-4	A

Exhibit A-15

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Community Development:					
NJ DOT - Rt 130,1,171 Project (Water)	$52,759.34				$52,759.34
NJ DOT - Rt 130,1,171 Project (Sewer)	33,472.75				33,472.75
NJ DOT - Rt 27 (Utilities)	92,000.00				92,000.00
NJ Transportation Trust - Arlington Avenue	475,000.00				475,000.00
Safe Streets to Schools	45,000.00				45,000.00
NJ DOT - Mae Brook (Water)	40,250.00				40,250.00
NJ DOT - Mae Brook (Sewer)	40,250.00				40,250.00
NJ Transportation Trust - Aaron Road	50,000.00				50,000.00
NJ Transportation Trust - Riverton Road	220,000.00			$165,000.00	55,000.00
NJ Transportation Trust - Remsen Road			$260,000.00	195,000.00	65,000.00
Smart Growth		$10,500.00			10,500.00
Property Tax Relief - Sucker Brook	50,000.00				50,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Water)	20,000.00				20,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Sewer)	20,000.00				20,000.00
NJDOT - Rt 27 Sec (6V) Bridge (Water)	25,000.00				25,000.00
Public Safety:					
Bullet Proof Vest Grant - Federal	4,437.71			3,394.89	1,042.82
Bullet Proof Vest Partnership			7,199.89	1,199.98	5,999.91
Child Passenger Safety Education	1,275.42				1,275.42
Child Passenger Safety Education			7,000.00		7,000.00
Byrne Narcotics Block Grant - Street Program	5,000.00			5,000.00	
Byrne Narcotics Block Grant - Street Program	25,000.00			(5,000.00)	30,000.00
Cops in Shops			2,000.00		2,000.00
Safe and Secure Communities Program	60,000.00			60,000.00	
Safe and Secure Communities Program			60,000.00	52,500.00	7,500.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Public Safety (cont'd):					
Click-it or Ticket		$4,000.00		$4,000.00	
Highway Safety		73,000.00			$73,000.00
Domestic Violence Training	$4,650.15				4,650.15
Domestic Violence Training			$2,000.00		2,000.00
Body Armor Grant - State			7,941.26	7,941.26	
County DWI Check Point			1,190.00	1,190.00	
Child Passenger Safety Education	1,208.11				1,208.11
Street Program - Safe Schools	10,000.00			10,000.00	
Secure Our Schools Grant	55,000.00			55,000.00	
Byrne Narcotics Task Force			12,000.00	6,000.00	6,000.00
Byrne Narcotics Task Force	6,000.00			6,000.00	
Enhancement 9-1-1 Grant	35,749.00			35,749.00	
Enhancement 9-1-1 Grant		35,749.00		35,749.00	
COPS Secure Our Schools			45,861.00		45,861.00
Safe Holiday Grant			10,000.00		10,000.00
Parks Recreation & Community Service					
County - Heritage Day	875.00			875.00	
County - Heritage Day	7,000.00			7,000.00	
County - Arts & Humanities (Martin Luther King Day)	1,100.00			825.00	275.00
Municipal Alliance			34,082.00	28,140.00	5,942.00
Municipal Alliance	6,000.00			6,000.00	
Clean Communities CY Program			33,781.64	33,781.64	
Green Community			3,000.00		3,000.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Parks Recreation & Community Service (Cont'd)					
Pedestrian/Bike Path		$80,000.00		$80,000.00	
County Open Space	$500,000.00			500,000.00	
County Open Space			$1,500,000.00	1,500,000.00	
Public Works:					
Recycling Tonnage Grant			19,574.78	19,574.78	
Recycling Enhancement Grant			3,412.00		$3,412.00
Stormwater Regulation Management	5,155.00				5,155.00
Alternative Fuel Vehicle Rebate Program			8,000.00	8,000.00	
Library					
Local Library Aid - Computers	14,100.00				14,100.00
Municipal Court					
Alcohol Education and Enforcement Fund	197.95				197.95
Total	$1,906,480.43	$203,249.00	$2,017,042.57	$2,822,920.55	$1,303,851.45
	A			A-4	A

	Ref	
Adopted Budget	A-2	$203,249.00
Amended (NJSA 40A:4-87)	A-2	2,017,042.57
Total	A-2, A-17	$2,220,291.57

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Community Development:								
NJ DOT - Rt 130,1,171 Project (Water)	$5,587.09	$12,749.50	$18,336.59				$12,749.50	$5,587.09
NJ DOT - Rt 130,1,171 Project (Sewer)	225.00	33,496.50	33,721.50				33,496.50	225.00
Safe Streets to Schools		45,000.00	45,000.00				45,000.00	
NJ DOT - Mae Brook (Water)		15,554.50	15,554.50				15,554.50	
NJ DOT - Mae Brook (Sewer)		17,123.75	17,123.75				17,123.75	
NJ Transportation Trust - Aaron Road		200,000.00	200,000.00			$112,581.41	87,418.59	
NJ Transportation Trust - Arlington Avenue		114,150.14	114,150.14			10,300.15	103,849.99	
NJ Transportation Trust - Remsen Avenue					$260,000.00		260,000.00	
NJ Transportation Trust - Riverton Road		220,000.00	220,000.00			220,000.00		
Property Tax Relief - Sucker Brook	50,000.00		50,000.00					50,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Water)		18,956.00	18,956.00			1,039.50	17,916.50	
NJDOT - Rt 1 Sec (6V) Bridge (Sewer)		20,000.00	20,000.00				20,000.00	
NJDOT - Rt 27 Sec (6V) Bridge (Water)		24,700.00	24,700.00			632.50	24,067.50	
Smart Growth Grant				$10,500.00		1,200.00	2,000.00	7,300.00
Public Safety:								
Bullet Proof Vest Grant	262.10		262.10					262.10
Bullet Proof Vest Grant - Federal	32.80		32.80			32.80		
Bullet Proof Vest Grant - Federal					7,199.89	3,676.68	3,523.21	
Straight Up Program	19.00		19.00					19.00
Community Oriented Policing (COPS)	2,927.63		2,927.63					2,927.63
Body Armor Grant - State	343.89		343.89					343.89
Body Armor Grant - State	1,198.48		1,198.48			599.24		599.24
Body Armor Grant - State	5,003.07		5,003.07			3,110.24	1,892.83	
Body Armor Grant - State	7,491.10		7,491.10				3,140.92	4,350.18
Body Armor Grant - State					7,941.26			7,941.26
DWI Check Point	58.94		58.94					58.94
DWI Check Point	430.50		430.50					430.50
DWI Check Point	102.92	318.28	421.20				318.28	102.92
DWI Check Point	1,190.00		1,190.00				933.50	256.50
DWI Check Point					1,190.00			1,190.00
Byrne Narcotics Block Grant - Street Program	129.27	150.00	279.27				150.00	129.27
Byrne Narcotics Block Grant - Street Program	40,000.00		40,000.00					40,000.00
Safe and Secure Communities Program	7,500.00		7,500.00					7,500.00
Safe and Secure Communities Program	60,000.00		60,000.00			60,000.00		
Safe and Secure Communities Program					60,000.00	60,000.00		
Secure Our School Grant	55,000.00		55,000.00					55,000.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Public Safety (cont'd):								
Child Passenger Safety Education	$1,167.92		$1,167.92					$1,167.92
Child Passenger Safety Education					$7,000.00		$939.87	6,060.13
OEM - SLAHEOP State Grant	2,405.72		2,405.72					2,405.72
Click-it or Ticket				$4,000.00		$4,000.00		
Domestic Violence Training	1.00		1.00					1.00
Domestic Violence Training	4,625.47		4,625.47					4,625.47
Domestic Violence Training					2,000.00			2,000.00
COPS Secure Our Schools Grant					45,861.00			45,861.00
COPS in Shops					2,000.00	1,775.00		225.00
Safe Holiday Grant					10,000.00	5,050.00		4,950.00
Drunk Driving Enforcement Fund	$411.36		$411.36					411.36
Drunk Driving Enforcement Fund	12,338.65		12,338.65			12,303.49		35.16
Enhancement 9-1-1 Grant	403.00	$23,040.00	23,443.00			23,443.00		
Enhancement 9-1-1 Grant				35,749.00		35,324.25	$375.60	49.15
Child Passenger Safety Education	1,208.11		1,208.11					1,208.11
Street Program - Safe Schools	14,903.10		14,903.10			13,479.89	1,418.26	4.95
Byrne Narcotics Task Force	6,000.00		6,000.00					6,000.00
Byrne Narcotics Task Force	12,000.00		12,000.00			12,000.00		
Byrne Narcotics Task Force					12,000.00			12,000.00
Homeland Security Grant	1,723.00		1,723.00					1,723.00
Prop Tax Relief - Police & Emerg Response		40,842.00	40,842.00			40,842.00		
Highway Safety (Safe Corridors)				$73,000.00		71,371.43		1,628.57
Parks Recreation & Community Service								
County - Arts & Humanities	1,150.00		1,150.00					1,150.00
History Grant - Cultural & Heritage	1,073.85		1,073.85					1,073.85
County - Heritage Day	3,600.00	3,400.00	7,000.00			1,190.00		5,810.00
County History Grant - Cultural & Heritage	1,824.98		1,824.98					1,824.98
County - Arts & Humanities	2,100.00	150.00	2,250.00				150.00	2,100.00
County - Arts & Humanities (Martin Luther King Day)	1,100.00		1,100.00					1,100.00
Clean Communities CY 2002 Program	129.00		129.00			129.00		
Clean Communities CY 2004 Program	33.81		33.81			33.81		
Clean Communities CY 2005 Program	5,536.02		5,536.02			5,536.02		
Clean Communities CY 2006 Program	32,861.14		32,861.14			18,657.86	5,267.37	8,935.91
Clean Communities CY 2007 Program					33,781.64			33,781.64

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Parks Recreation & Community Service (Cont'd)								
Municipal Alliance	$268.00	$1,000.00	$1,268.00				$1,000.00	$268.00
Municipal Alliance	693.23		693.23					693.23
Municipal Alliance	16,468.75		16,468.75			$15,662.50		806.25
Municipal Alliance					$42,602.50	17,137.50		25,465.00
County Open Space - Sabella Park	1,000,000.00		1,000,000.00					1,000,000.00
County Open Space & Recreation Pedestrian/Bicycle				$100,000.00			100,000.00	
Open Space Recreation & Farmland Grant	500,000.00		500,000.00			466,686.86	33,313.14	
Open Space Recreation & Farmland Grant					1,500,000.00		1,499,933.20	66.80
Cablevision Grant		60,000.00	60,000.00			46,816.88		13,183.12
Green Commnity Challenge Grant					4,500.00			4,500.00
Public Works:								
Recycling Tonnage Grant	2,391.56		2,391.56					2,391.56
Recycling Tonnage Grant		29,013.49	29,013.49			29,013.49		
Recycling Tonnage Grant					19,574.78			19,574.78
Recycling Enhancement Grant					6,824.00	6,822.50		1.50
Stormwater Regulation Management	5,579.00		5,579.00					5,579.00
Stormwater Regulation Management	20,619.00		20,619.00					20,619.00
Alternative Fuel Vehicle Rebate Program					8,000.00			8,000.00
Library								
Local Library Aid - Computers	14,100.00		14,100.00			$12,604.70		1,495.30
Municipal Court								
Alcohol Education and Enforcement Fund	11.38	250.00	261.38			11.38	$250.00	
Alcohol Education and Enforcement Fund	464.33	500.00	964.33			738.62		225.71
Total	$1,904,693.17	$880,394.16	$2,785,087.33	$223,249.00	$2,030,475.07	$1,313,802.70	$2,291,783.01	$1,433,225.69
Ref.	A	A				A-4	A	A

	Ref	
Adopted Budget		$223,249.00
Amended (NJSA 40A:4-87)		2,030,475.07
Total	A-3, A-17	$2,253,724.07

Exhibit A-17

STATE & FEDERAL GRANT FUND
SCHEDULE OF INTERFUND CURRENT FUND / GRANT FUND

	Ref.		
Increased by			
Local Match Requirement			
Appropriated Reserves.....	A-16	$2,253,724.07	
Less Grant Revenues.....	A-15	(2,220,291.57)	
Local Match Requirement.....	A-4		$33,432.50
Decreased by			
Cash Transfer - Local Match			
From Current Fund to Grant Fund.....	A-4		(33,432.50)
Interfund Balance (Due Current Fund) June 30, 2007.....			$ -

TRUST FUND

Exhibit B-1

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation Date	Installments	Due Dates	Balance 6/30/06 & 2007
Assessments Receivable				
Georges Road / Route #1 - Water.....	12/8/81	10	12/8/1981-1990	371.00
Maple Meade / Church Lane - Sewer.....	8/21/74	10	10/1/1974-1983	42,750.00
Total Assessments Receivable.....				43,121.00
Assessment Liens				
Maple Meade - Sewer.....	11/12/72			255.00
Maple Meade / Church Lane - Sewer.....	8/21/74			396.00
East Adams - Sewer.....	11/15/76			13,763.00
Adams Lane - Water.....	7/7/75			34,791.00
East Adams - Water.....	12/18/77			3,659.00
Linder, Evelyn & Thomas.....	6/19/78			3,666.00
Aaron Road - Section 1.....	12/3/83			1,278.00
Marigold - LaRose.....	12/28/77			2,654.00
Interest & Costs on Assessment Liens.....				10,222.00
Total Assessment Liens Receivable.....				70,684.00
Total Assessments & Assessment Liens Receivable.....				$113,805.00

Ref. B

Exhibit B-2

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2006	Cash Receipts	Cash Disbursements	Adjustments	Balance June 30, 2007
Due NJ - Animal License Fees	$99.00	$2,842.80	($2,907.60)		$34.20
Animal Control Reserves	26,494.88	17,965.00	(4,404.58)		40,055.30
Payroll - Deductions Payable	8,701.53	20,706,186.20	(20,706,541.92)		8,345.81
Payroll - Miscellaneous	17,568.50		(47.12)		17,521.38
Recreation	582,897.58	1,127,740.89	(1,051,594.24)		659,044.23
Developers' Escrow	1,575,922.60	1,688,888.51	(801,543.09)		2,463,268.02
Other Trust Funds					
Due Current Fund	(93,000.00)	93,000.00			
Finance					
NJ Unemployment	163,500.28	108,374.76	(47,171.67)		224,703.37
Terminal Leave	507,988.90	504,300.00	(263,085.34)		749,203.56
Tax Sale - Premium on TTL	489,917.80	511,000.00	(66,600.00)		934,317.80
Open Space					
Dedicated Tax Levy - Open Space	865,313.48	781,126.13	(1,125,197.61)		521,242.00
Developers' Parkland Improvements	179,911.00				179,911.00
Tree Preservation		149,840.00			149,840.00
Program Income	6,510.66	5,670.00	(1,694.74)		10,485.92
Miscellaneous Reserves	279,250.59		(12,350.00)		266,900.59
Public Safety					
Forfeited Funds	17,818.73	11,230.76	(3,173.65)		25,875.84
Seized Funds	947.00				947.00
Unclaimed Funds	2,695.00	488.00			3,183.00
Outside Employment					
Miscellaneous	8,162.30	342,035.30	(339,098.25)		11,099.35
NJ Dept of Transportation	(1,706.90)				(1,706.90)
Uniform Fire Code	34,792.51		(5,145.95)		29,646.56
Public Works - Snow Removal	121,130.30	30,000.00			151,130.30
Mayor's Accounts - Service Fund	9.35				9.35
Municipal Court					
Handicapped Parking	6,676.41	350.00			7,026.41
Public Defender	8,531.00	15,647.00	(1,200.00)		22,978.00
POAA Fines	242.57	98.00			340.57
Spinal Research	24.16				24.16

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2006	Cash Receipts	Cash Disbursements	Adjustments	Balance June 30, 2007
Community Development Block Grant					
Prior Years					
Reserve Housing Repairs	$98,000.42	$93,550.32	($42,826.00)		$148,724.74
Reserve for Code Enforcement	50,000.00		(50,000.00)		
Livingston Ave Streetscape	36,176.00		(220.00)		35,956.00
Library Handicapped Parking	32,000.00		(32,000.00)		
Due from Middlesex County	(124,749.51)	88,793.51			(35,956.00)
FY 2005-2006					
Reserve Housing Repairs			(50,000.00)	50,000.00	
Reserve for Code Enforcement				50,000.00	50,000.00
Sr. Center Furnace & Chimney			(7,650.00)	7,650.00	
Due from Middlesex County		105,385.79		(118,800.00)	(13,414.21)
FY 2006-2007					
Reserve Housing Repairs			(25,452.79)	40,000.00	14,547.21
Reserve for Code Enforcement				40,000.00	40,000.00
Sr. Center Kitchen Repairs			(13,410.00)	19,950.00	6,540.00
Handicapped Access Senior Bus				30,000.00	30,000.00
Due from Middlesex County		8,800.00		(118,800.00)	(110,000.00)
Community Development Department					
Prepaid Rental C/O's	2,565.00	6,830.00	(9,160.00)		235.00
Third Party UCC Inspections	270,468.28	87,116.00	(74,466.44)		283,117.84
Regional Contribution Agreement					
Due from Developer					
Phase I	(675,000.00)	675,000.00			
Phase II	(4,219,530.00)	2,982,000.00			(1,237,530.00)
Reserve for Affordable Housing Contribution					
Phase I	675,000.00				675,000.00
Phase II	3,131,948.12	3,367,838.34			6,499,786.46
Reserve for Receivable Affordable Housing Contribution					
Phase I	675,000.00		(675,000.00)		
Phase II	4,219,530.00		(2,982,000.00)		1,237,530.00
Growth Share Reserve	24,214.70	181,731.71	(127,734.79)		78,211.62
Donations, Gifts, & Bequests	15,711.72	6,250.00	(4,932.97)		17,028.75
Other Trust Sub-Total	6,810,049.87	10,156,455.62	(5,959,570.20)		11,006,935.29
Total - All Trust Funds	$9,021,733.96	$33,700,079.02	($28,526,608.75)		$14,195,204.23
Ref.	B				B

GENERAL CAPITAL FUND

Exhibit C-2

GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS

	Ref.		
Balance June 30, 2006	C		$ 4,669,633.77
Increased by Receipts:			
Premium on Sale of Bonds & Notes	C-1	$ 29,780.05	
Grant Receivables	C-4	56,250.00	
Deferred Charges, Unfunded	C-6	232,250.00	
Proceeds from Sale of Bonds	C-8	10,755,000.00	
Bond Anticipation Notes	C-9	27,000,000.00	
Capital Improvement Fund	C-12	320,000.00	
Interfund	C-13	44,529.14	
Various Reserves	C-14	219,164.46	
Total Receipts			38,656,973.65
Decreased by Disbursements:			
Bond Anticipation Notes	C-9	(22,000,000.00)	
Improvement Authorizations	C-7	(15,749,118.49)	
Total Disbursements			(37,749,118.49)
Balance June 30, 2007	C		$ 5,577,488.93

Analysis of Cash Balance

Soil Remediation Account	$ 5,389,044.62
General Account	188,444.31
Total Cash	$ 5,577,488.93

Exhibit C-3

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Notes Outstanding	Other	Cash Balance
87-06	Black Horse Land and Wood Avenue		$ (172,250.00)				$ (172,250.00)
88-16	Fire Fighting Equipment		(158,000.00)				(158,000.00)
97-24	Drainage System - Washington Place			$ 4,502.52			4,502.52
99-13	Underground Storage Tanks			6,875.37			6,875.37
00-27	Acquisition of Lands		(6,200,000.00)	4,640,039.12	$ 2,200,000.00		640,039.12
02-24	Fire Communications System, Park/Playground Improvements & Playground Equipment			473,876.63			473,876.63
02-38	Various Capital Improvements		(45,000.00)	994,469.99			949,469.99
03-12	Refunding of Certain Unfunded Pension Liability			14,094.33			14,094.33
03-13	Refunding of the Outstanding FYABs			3,050.00			3,050.00
03-30	Various Capital Improvements		(2,478,000.00)	62,105.86	2,000,000.00		(415,894.14)
04-05	High School/Vets Park Soil Remediation		(11,000,000.00)	5,234,769.93	10,000,000.00		4,234,769.93
04-28	Various Capital Improvements		(2,460,000.00)	294,115.32	1,600,000.00		(565,884.68)
04-27	UCC Scanning/Indexing System		(180,000.00)	125,268.97			(54,731.03)
04-26	Otken Farm Improvements		(8,695,000.00)		8,095,000.00		(600,000.00)
05-15	Various Capital Improvements		(2,793,000.00)	181,326.54	2,706,000.00		94,326.54
05-26	Refunding Bonds			1,602.00			1,602.00
06-07	Various Capital Improvements		(399,000.00)	11,198.25	399,000.00		11,198.25
06-15	Various Capital Improvements		(5,890,000.00)	3,260,190.66			(2,629,809.34)
06-19	Library Improvements		(190,000.00)	5,083.00			(184,917.00)
06-40	Refunding Bonds			18,841.62			18,841.62
07-01	Various Capital Improvements		(1,710,000.00)	1,799,283.76			89,283.76
Reserve for Encumbrances		C-7		3,405,909.41			3,405,909.41
Due from Current Fund		C-13				$ (90,000.00)	(90,000.00)
Capital Improvement Fund		C-12				342.00	342.00
Fund Balance		C-1				142,200.05	142,200.05
Reserve to Retire Debt:							
	Retire Debt	C-14				45,000.00	45,000.00
	High School/Vets Park Soil Remediation	C-14				313,593.60	313,593.60
Total			$ (42,370,250.00)	$ 20,536,603.28	$ 27,000,000.00	$ 411,135.65	$ 5,577,488.93
		Ref.	C,C-6	C,C-7	C,C-9		C,C-2

Exhibit C-4

GENERAL CAPITAL
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Ordinance	Grant Program	Balance June 30, 2006	Cash Receipts	Balance June 30, 2007
00-28	Ridgewood Avenue.....	$ 56,250.00	$ 56,250.00	$ -
	Total.....	$ 56,250.00	$ 56,250.00	$ -
	Ref.	C	C-2	C

Exhibit C-5

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - FUNDED

	Total Funded Deferred Charges	Serial Bonds	EDA Loan	MCIA Lease-Purchase
Balance - June 30, 2006.....	$ 41,016,748.57	$ 40,424,000.00	$ 227,278.00	$ 365,470.57
Increased by Serial Bonds Issued.....	10,755,000.00	10,755,000.00		
Decreased by				
Serial Bonds/Loans paid from Budget Appropriation.....	(4,758,876.74)	(4,500,000.00)	(45,455.60)	(213,421.14)
Refunding Bonds Defeased.....	(6,460,000.00)	(6,460,000.00)		
Balance - June 30, 2007.....	$ 40,552,871.83	$ 40,219,000.00	$ 181,822.40	$ 152,049.43
Ref.	C	C-8	C-10	C-11

Exhibit C-6

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2006	Authorizations	Cash Receipts	Bonds Issued	Cancelled	Balance June 30, 2007	Notes Outstanding	Expended	Unexpended Balance of Impt Auth.
87-06	Black Horse Lane & Wood Ave.	$ 344,500.00		$ (172,250.00)			$ 172,250.00		$ 172,250.00	
88-16	Fire Fighting Equipment	158,000.00					158,000.00		158,000.00	
00-27	Acquisition of Lands	6,200,000.00					6,200,000.00	$ 2,200,000.00		$ 4,000,000.00
02-38	Various Capital Improvements	3,450,500.00			$ (3,405,500.00)		45,000.00			45,000.00
03-30	Various Capital Improvements	3,277,500.00			(799,500.00)		2,478,000.00	2,000,000.00	415,894.14	62,105.86
04-05	High School/Vets Park - Soil Remediation	11,000,000.00					11,000,000.00	10,000,000.00		1,000,000.00
04-28	Various Capital Improvements	2,460,000.00					2,460,000.00	1,600,000.00	565,884.68	294,115.32
04-27	UCC Scanning/Indexing System	240,000.00		(60,000.00)			180,000.00		54,731.03	125,268.97
04-26	Otken Farm Improvements	8,695,000.00					8,695,000.00	8,095,000.00	600,000.00	
05-15	Various Capital Improvements	2,793,000.00					2,793,000.00	2,706,000.00		87,000.00
06-07	Various Capital Improvements	399,000.00					399,000.00	399,000.00		
06-15	Various Capital Improvements		$ 5,890,000.00				5,890,000.00		2,629,809.34	3,260,190.66
06-19	Library Improvements		190,000.00				190,000.00		184,917.00	5,083.00
06-40	Refunding Bonds		8,100,000.00		(6,550,000.00)	$ (1,550,000.00)				
07-01	Various Capital Improvements		1,710,000.00				1,710,000.00			1,710,000.00
	Total	$ 39,017,500.00	$ 15,890,000.00	$ (232,250.00)	$ (10,755,000.00)	$ (1,550,000.00)	$ 42,370,250.00	$ 27,000,000.00	$ 4,781,486.19	$ 10,588,763.81
	Ref.	C	C-7	C-2	C-8,C-9		C			

Current Fund Appropriation:

Deferred Charges	$ (172,250.00)
Other	(60,000.00)
Total Cash Receipts	$ (232,250.00)

Unexpended Balances of Unfunded Impt Auth.	$ 12,337,678.69
Less: Unexpended Proceeds of Bond Anticipation Notes	1,748,914.88
	$ 10,588,763.81

Exhibit C-7

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2006 Funded	June 30, 2006 Unfunded	Encumbrances June 30, 2006	Authorizations	Cancelled	Cash Payments	Encumbrances June 30, 2007	June 30, 2007 Funded	June 30, 2007 Unfunded
97-24	Drainage System - Washington Place	$ 4,502.52							$ 4,502.52	
99-13 99-29	Removal and Replacement of Underground Storage Tanks	186,884.75					$ (180,009.38)		6,875.37	
00-03	Development of Road Replacement & Maintenance Program	700.00					(700.00)			
00-27	Acquisition of Land		$ 4,734,872.95				(46,590.13)	$ (48,243.70)		$ 4,640,039.12
00-28	Improvement of Various Streets	1,690.00		$ 103,101.58			(1,690.00)	$ (103,101.58)		
01-19	Various Capital Improvements	458,503.12		52,280.00			(428,246.86)	(82,536.26)		
02-24	Fire Communications System, Improvements to Parks/Playgrounds & Playground Equipment	473,876.63		52,513.27			(5,590.00)	(46,923.27)	473,876.63	
02-38	Various Capital Improvements		1,011,496.54	266,609.09			(161,128.30)	(122,507.34)	949,469.99	45,000.00
03-12	Refunding Pension Liability	14,094.33							14,094.33	
03-13	Refunding of the Outstanding FYABs	3,050.00							3,050.00	
03-30	Various Capital Improvements		336,888.43	299,068.88			(471,063.76)	(102,787.69)		62,105.86
04-05	High School / Vets Park Soil Remediation		5,374,929.86	190,598.49			(183,874.11)	(146,884.31)		5,234,769.93
04-28	Various Capital Improvements		483,993.71	522,874.58			(648,679.16)	(64,073.81)		294,115.32

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2006 Funded	June 30, 2006 Unfunded	Encumbrances June 30, 2006	Authorizations	Cancelled	Cash Payments	Encumbrances June 30, 2007	June 30, 2007 Funded	June 30, 2007 Unfunded
04-27	UCC Scanning/Indexing System	$ -	$ 8.72	$ 359,900.00			$ (209,756.08)	$ (24,883.67)		$ 125,268.97
04-26	Otken Farm Improvements		1,384.33	3,724,041.54			(3,294,533.00)	(430,892.87)		
05-15	Various Capital Improvements		357,127.99	2,100,628.46			(2,179,738.98)	(96,690.93)		181,326.54
06-07	Various Capital Improvements		32,874.16	383,125.84			(404,801.75)			11,198.25
05-26	Refunding Bonds		4,102.00				(2,500.00)		$ 1,602.00	
06-15	Various Capital Improvements				$ 6,200,000.00		(944,862.89)	(1,994,946.45)		3,260,190.66
06-19	Library Improvements				200,000.00		(53,479.47)	(141,437.53)		5,083.00
06-40	Refunding Bonds				8,100,000.00	$ (1,550,000.00)	(6,531,158.38)		18,841.62	
07-01	Various Streets & Roads				1,800,000.00		(716.24)		89,283.76	1,710,000.00
	Total	$ 1,143,301.35	$ 12,337,678.69	$ 8,054,741.73	$ 16,300,000.00	$ (1,550,000.00)	$ (15,749,118.49)	$ (3,405,909.41)	$ 1,561,596.22	$ 15,569,097.65
	Ref.	C	C	C		C-6	C-2	C	C	C

	Ref.	
Capital Improvement Fund	C-12	$ 320,000.00
Due Current Fund	C-13	90,000.00
Deferred Chgs Unfunded	C-6	15,890,000.00
Total		$ 16,300,000.00

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006
Current Fund:			
Cash	A-4	$23,632,392.66	$21,188,939.53
Change Funds	A-5	1,125.00	1,125.00
Due from State of New Jersey			
Sr. Citizens & Veterans Deductions	A-6	185,000.01	193,764.17
Deferred Charges			
Emergency Appropriations	A-3	90,000.00	
Special Emergency Appropriation -			
Master Plan Revisions	A-3	90,000.00	120,000.00
Tax Map Revisions	A,A-3	30,000.00	45,000.00
Total		24,028,517.67	21,548,828.70
Receivable Offset by Reserves:			
Property Tax Receivables	A-7	258,416.07	156,479.96
Property Acquired for Taxes	A-7	161,970.58	161,970.58
Total	A	420,386.65	318,450.54
Total Current Fund Assets		$24,448,904.32	$21,867,279.24
Grant Fund:			
Cash	A-4	$2,460,692.85	$907,984.98
Grant Accounts Receivable	A-15	1,303,851.45	1,906,480.43
Total Grant Fund Assets		$3,764,544.30	$2,814,465.41
Total		$28,213,448.62	$24,681,744.65

Liabilities	Ref.	June 30, 2007	June 30, 2006
Current Fund:			
Accounts Payable	A-9	$371,095.71	$455,812.08
Encumbrances - Current Budget	A-3, A-10	1,043,659.04	694,959.73
Appropriation Reserves	A-3, A-10	1,643,825.14	1,604,377.31
Prepaid Taxes & Tax Overpayments	A-11	179,396.24	173,330.02
Encumbrance - Tax Overpayment	A-11		
Taxes Payable	A-12	32,963,910.60	29,786,512.44
Less Deferred School Taxes	A-12	(26,667,758.00)	(23,767,758.00)
Marriage License Filing Fees	A-9	2,100.00	2,525.00
Civil Union Filing Fees	A-9	175.00	
State Training Fees	A-9	8,827.00	11,273.00
Master Plan	A-9	2,516.00	19,182.69
Tax Appeals	A-9	95,585.41	61,140.95
Tax Map Revisions	A-9	9,346.25	13,416.25
Reserve for Excess Non-Municipal Billings	A-9	278,778.79	268,115.57
Due to General Capital Fund	A-13	90,000.00	44,529.14
Due to Other Trust Fund	A-13		93,000.00
Total Cash Liabilities		10,021,457.18	9,460,416.18
Reserve for Accounts Receivable	A	420,386.65	318,450.54
Fund Balance	A-1	14,007,060.49	12,088,412.52
Total Current Fund Liabilities, Reserves, and Fund Balance		$24,448,904.32	$21,867,279.24
Grant Fund:			
Unappropriated Grant Reserves	A-14	$39,535.60	$29,378.08
Reserve for Encumbrances	A-16	2,291,783.01	880,394.16
Appropriated Grant Reserves	A-16	1,433,225.69	1,904,693.17
Total Grant Fund Liabilities and Reserves		$3,764,544.30	$2,814,465.41
Total		$28,213,448.62	$24,681,744.65

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
General Government:										
Administration	$414,571.00	$28,500.00	$409,571.00	$33,500.00	($397,115.62)	($27,828.35)	($1,773.40)		$12,455.38	$3,898.25
Purchasing		6,900.00		6,900.00		(3,005.73)	(342.57)			3,551.70
Municipal Clerk	198,781.00	32,900.00	188,781.00	32,900.00	(174,990.33)	(19,891.86)	(1,648.10)		13,790.67	11,360.04
Financial Administration	248,091.00	54,550.00	246,091.00	50,550.00	(242,603.61)	(37,701.79)	(5,955.93)		3,487.39	6,892.28
Audit		55,000.00		55,000.00			(55,000.00)			
Information Technology	132,300.00	78,000.00	134,300.00	82,000.00	(130,609.51)	(74,710.20)	(5,350.62)		3,690.49	1,939.18
Tax Collection	108,831.00	22,575.00	113,831.00	17,575.00	(112,978.93)	(9,962.01)	(2,228.50)		852.07	5,384.49
Tax Assessment	124,845.00	155,250.00	124,845.00	150,250.00	(122,698.48)	(87,623.37)	(27,211.65)		2,146.52	35,414.98
Reserve for Tax Appeals		50,000.00		50,000.00		(50,000.00)				
Legal	1,200.00	330,000.00	1,200.00	330,000.00	(1,200.00)	(243,468.95)	(52,115.71)			34,415.34
Insurance:										
Other Insurance		1,230,000.00		1,190,000.00		(1,092,949.69)				97,050.31
Employee Group Insurance		3,800,000.00		3,750,000.00		(3,384,144.05)	(219,083.66)			146,772.29
Community Development										
Engineering	84,711.00	108,465.00	86,711.00	106,465.00	(84,066.18)	(69,339.41)	(32,900.75)		2,644.82	4,224.84
Planning	168,658.00	27,800.00	229,658.00	26,800.00	(227,406.34)	(11,825.41)	(9,695.23)		2,251.66	5,279.36
Zoning	93,300.00	23,075.00	93,300.00	15,075.00	(93,184.14)	(6,707.23)	(1,387.40)		115.86	6,980.37
Affordable Housing	3,600.00	100.00	3,600.00	100.00	(3,150.00)	(32.87)			450.00	67.13
Code Enforcement	168,081.00	4,500.00	128,081.00	4,500.00	(126,311.01)	(3,903.32)	(541.40)		1,769.99	55.28
Uniform Construction Code	296,260.00	98,400.00	286,260.00	98,400.00	(282,459.01)	(97,087.56)	(1,249.09)		3,800.99	63.35
Rent Control Board	1,200.00	100.00	1,200.00	100.00	(1,200.00)					100.00
Public Safety:										
Police	10,357,677.00	520,450.00	10,287,677.00	610,450.00	(10,233,512.04)	(361,585.31)	(109,291.07)		51,753.90	141,984.68
Emergency Management	76,650.00	42,450.00	76,650.00	42,450.00	(74,686.56)	(15,491.41)	(6,190.22)		1,963.44	20,768.37
Volunteer Fire Departments		195,000.00		195,000.00		(188,231.77)	(3,553.50)			3,214.73
First Aid Organizations		75,000.00		75,000.00		(70,000.00)				5,000.00
Fire Safety	234,102.00	14,200.00	234,102.00	14,200.00	(223,186.61)	(11,079.73)	(1,000.00)		10,915.39	2,120.27
LOSAP		75,000.00		75,000.00		(58,500.00)				16,500.00
Juvenile Aid	2,400.00	5,000.00	2,400.00	5,000.00	(2,400.00)	(1,588.57)	(1,227.00)			2,184.43

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Public Works:										
Streets and Roads	$1,262,433.00	$220,300.00	$1,227,433.00	$220,300.00	($1,201,378.15)	($171,120.86)	($22,824.56)		$26,054.85	$26,354.58
PEOSHA		10,000.00		10,000.00		(5,601.96)	(1,101.00)			3,297.04
Solid Waste Disposal Fees		772,500.00		772,500.00		(630,833.36)				141,666.64
Sanitation	695,639.00	2,400.00	675,639.00	2,400.00	(654,224.58)	(1,238.15)	(237.50)		21,414.42	924.35
Recycling		357,400.00		367,400.00		(309,500.26)	(45,426.40)			12,473.34
Buildings and Grounds	230,975.00	172,100.00	185,975.00	202,100.00	(160,287.93)	(140,597.34)	(37,497.00)		25,687.07	24,005.66
Motor Vehicle Maintenance	365,756.00	358,500.00	370,756.00	373,500.00	(362,806.14)	(279,099.51)	(58,261.55)		7,949.86	36,138.94
Muni Services/Condo/Apt Reimb		550,000.00		550,000.00		(472.46)	(117,064.17)			432,463.37
NJDES/Stormwater Permit	269,718.00	34,000.00	269,718.00	34,000.00	(218,573.46)	(14,097.91)			51,144.54	19,902.09
Parks Recreation & Community Services										
Board of Health	1,200.00	82,050.00	1,200.00	82,050.00	(1,200.00)	(81,701.00)				349.00
Committee Board Secretaries	8,400.00		8,400.00		(1,200.00)				7,200.00	
Animal Control	32,000.00	21,000.00	38,000.00	15,000.00	(37,245.04)	(13,629.38)	(175.00)		754.96	1,195.62
Environmental Commission	1,200.00	1,950.00	1,200.00	1,950.00	(1,200.00)	(795.18)				1,154.82
Recreation & Community Svs	344,113.00	131,200.00	332,613.00	141,200.00	(328,521.96)	(134,878.87)	(5,785.50)		4,091.04	535.63
Senior Services	404,426.00	27,400.00	412,926.00	27,400.00	(411,056.19)	(25,576.75)	(970.33)		1,869.81	852.92
Parks and Playgrounds	629,554.00	193,800.00	667,554.00	183,800.00	(665,520.10)	(158,562.73)	(10,497.25)		2,033.90	14,740.02
Education - Library		1,340,000.00		1,340,000.00		(1,217,084.61)	(122,915.39)			(0.00)
Municipal Court										
Municipal Court	364,812.00	12,850.00	364,812.00	12,850.00	(354,711.45)	(11,956.72)	(847.30)		10,100.55	45.98
Public Defender		20,000.00		20,000.00		(9,000.00)	(10,400.00)			600.00
Unclassified										
Salary Adjustments	19,000.00		2,000.00						2,000.00	
Utilities / Facilities Costs		1,388,429.00		1,458,429.00		(1,355,392.83)	(71,910.29)			31,125.88
Contingency		2,000.00		2,000.00						2,000.00
Statutory Expenditures:										
Public Employees Retirement		237,728.00		237,728.00		(214,536.00)				23,192.00
Police & Fire Retirement		1,214,347.00		1,214,347.00		(1,214,347.00)				
Social Security		1,240,000.00		1,275,000.00		(1,258,371.48)				16,628.52
Unemployment Compensation		90,000.00		90,000.00		(90,000.00)				
Matching Funds for Grants		40,000.00		40,000.00		(13,432.50)				26,567.50
Sub-Total Operations	17,344,484.00	15,553,169.00	17,206,484.00	15,691,169.00	(16,931,683.37)	(13,278,485.45)	(1,043,659.04)		272,389.57	1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Public and Private Programs Offset by Revenues:										
Community Development:										
NJ Transportation Trust - Remsen Road				$260,000.00		(260,000.00)				
Public Safety:										
Safe & Secure Communities				60,000.00		(60,000.00)				
Safe Holiday Grant				10,000.00		(10,000.00)				
Click-it or Ticket		4,000.00		4,000.00		(4,000.00)				
Domestic Violence Training				2,000.00		(2,000.00)				
Bullet Proof Vests-Federal				7,199.89		(7,199.89)				
Child Passenger Safety Education				7,000.00		(7,000.00)				
Cops In Shops				2,000.00		(2,000.00)				
Secure Our Schools				45,861.00		(45,861.00)				
Body Armor Grant - State				7,941.26		(7,941.26)				
County DWI Check Point				1,190.00		(1,190.00)				
Byrne- Middlesex County Narcotics Grant				12,000.00		(12,000.00)				
Enhancement 9-1-1 Grant		35,749.00		35,749.00		(35,749.00)				
Highway Safety (Safe Corridors)		73,000.00		73,000.00		(73,000.00)				
Parks Recreation & Community Service										
Municipal Alliance				34,082.00		(34,082.00)				
Clean Communities				33,781.64		(33,781.64)				
Green Communities Challenge				3,000.00		(3,000.00)				
County Open Space and Recreation Pedestrian/Bicycle		80,000.00		80,000.00		(80,000.00)				
County Open Space and Recreation Grant				1,500,000.00		(1,500,000.00)				
Public Works:										
Recycling Tonnage Grant				19,574.78		(19,574.78)				
Alternative Fuel Vehicle Rebate Program				8,000.00		(8,000.00)				
Recycling Enhancement Grant				3,412.00		(3,412.00)				
ANJEC-Smart Growth Planning Grant Program		10,500.00		10,500.00		(10,500.00)				
Public and Private Programs		203,249.00		2,220,291.57		(2,220,291.57)				
Total Operations	17,344,484.00	15,756,418.00	17,206,484.00	17,911,460.57	(16,931,683.37)	(15,498,777.02)	(1,043,659.04)		272,389.57	1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Capital Improvements:										
Capital Improvement Fund		$320,000.00		$320,000.00		($320,000.00)				
Down Payments on Improvements				90,000.00		(90,000.00)				
Total Capital Improvements		320,000.00		410,000.00		(410,000.00)				
Debt Service:										
MCIA Equipment Lease		235,290.00		235,290.00		(235,289.33)		($0.67)		
EDA Loan		45,456.00		45,456.00		(45,455.60)		(0.40)		
Bond Principal		4,375,000.00		4,500,000.00		(4,500,000.00)				
Note Principal										
Interest on Bonds		1,769,426.00		1,644,426.00		(1,612,967.21)		(31,458.79)		
Interest on Notes		480,000.00		480,000.00		(478,666.65)		(1,333.35)		
Interest on Notes - School Soil Remediation		399,000.00		399,000.00		(398,888.88)		(111.12)		
Deferred Charges										
Special Emergency - Tax Map		45,000.00		45,000.00		(45,000.00)				
Unfunded Capital Ordinances		172,250.00		172,250.00		(172,250.00)				
Total Debt Service		7,521,422.00		7,521,422.00		(7,488,517.67)		(32,904.33)		
Total Appropriations before Reserve for Uncollected Taxes	17,344,484.00	23,597,840.00	17,206,484.00	25,842,882.57	(16,931,683.37)	(23,397,294.69)	(1,043,659.04)	(32,904.33)	272,389.57	1,371,435.57
Reserve for Uncollected Taxes		503,000.00		503,000.00		(503,000.00)				
Total Current Fund Budget	$17,344,484.00	$24,100,840.00	$17,206,484.00	$26,345,882.57	($16,931,683.37)	($23,900,294.69)	($1,043,659.04)	($32,904.33)	$272,389.57	$1,371,435.57

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2007 Budget		Modified 2007 Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
Total Current Fund Budget	$17,344,484.00	$24,100,840.00	$17,206,484.00	$26,345,882.57	($16,931,683.37)	($23,900,294.69)	($1,043,659.04)	($32,904.33)	$272,389.57	$1,371,435.57

	Ref.	
Cash Disbursed	A-4	($37,910,253.99)
Deferred Charges	A	(45,000.00)
Reserve for Encumbrances	A	(1,043,659.04)
Reserve for Tax Appeals	A-9	(50,000.00)
Due General Capital Fund	A-13	(90,000.00)
Reserve for Uncollected Taxes	A-7	(503,000.00)
State & Federal Grants	A-16	(2,233,724.07)
Total Paid or Charged		($41,875,637.10)

Adopted Budget:		
Salaries	$17,344,484.00	
Other Expenses	26,345,882.57	
Total Adopted Budget		$41,445,324.00
Budget Amendments		
NJSA 40A:4-87	2,017,042.57	
Emergency Appropriation	90,000.00	
Total Budget Amendments		2,107,042.57
Total Modified Budget		$43,552,366.57

( ) Denotes deficit or deduction.

Reserved Balance

Salaries	$272,389.57
Other Expense	1,371,435.57
Total Reserved Balance	$1,643,825.14

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006	Liabilities	Ref.	June 30, 2007	June 30, 2006
Water Operating				Water Operating			
Cash	D-5	$ 2,627,485.45	$ 1,067,933.81	Reserve for Encumbrances	D-4,D-9	$ 632,126.43	$ 480,840.45
Due from Water Capital Fund	D	100,000.00	610,000.00	Appropriation Reserves	D-4,D-9	70,615.63	65,856.01
				Accounts Payable	D-9	87,370.84	95,147.34
				Accrued Interest Payable	D-4	213,857.13	221,519.88
				Total Liabilities		1,003,970.03	863,363.68
				Fund Balance	D-1	1,723,515.42	814,570.13
Total Water Operating Fund		$ 2,727,485.45	$ 1,677,933.81	Total Water Operating Fund		$ 2,727,485.45	$ 1,677,933.81
Water Assessment				Water Assessment			
Assessment Liens Receivable							
Accounts Receivable	D	$ 412.00	$ 412.00	Reserve for Receivables	D	$ 700.00	$ 700.00
Liens Interest & Costs	D	288.00	288.00				
Total Water Assessment Fund		$ 700.00	$ 700.00	Total Water Assessment Fund		$ 700.00	$ 700.00

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006	Liabilities	Ref.	June 30, 2007	June 30, 2006
Water Capital				Water Capital			
Cash	D-5,D-6	$ 2,176.82	$ 4,713.86	Due to Water Operating Fund	D	$ 100,000.00	$ 610,000.00
Due from Developer	D	130,000.00	130,000.00	Contracts Payable	D-17	18,465.41	107,481.00
Fixed Capital				Serial Bonds Payable	D-11	3,375,000.00	1,465,000.00
Completed	D-7	30,065,994.03	30,065,994.03	Lease Purchase Obligation	D-13	15,215,000.00	15,870,000.00
Authorized not Completed	D-8	3,722,695.56	2,222,695.56	Bond Anticipation Notes	D-12	500,000.00	1,000,000.00
				Improvement Authorizations:			
				Funded	D-10	144,576.99	
				Unfunded	D-10	2,095,515.84	1,668,926.53
				Reserve for Encumbrances	D-10	535,892.02	547,110.53
				Reserve for Amortization	D-14	11,698,689.59	10,953,689.59
				Reserve for:			
				Water System Improvements	D-16	67,430.76	30,900.00
				Capital Improvement Fund	D-15	89,067.59	89,067.59
				Fund Balance	D-2	81,228.21	81,228.21
Total Water Capital Fund		$ 33,920,866.41	$ 32,423,403.45	Total Water Capital Fund		$ 33,920,866.41	$ 32,423,403.45
Total		$ 36,649,051.86	$ 34,102,037.26	Total		$ 36,649,051.86	$ 34,102,037.26

Note: See Notes to Financial Statements
There were Bonds and Notes Authorized but Not Issued at June 30, 2007 in the amount of $3,000,000.00 (Exhibit - D-18).

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
JUNE 30, 2007 AND 2006

Assets	Ref.	June 30, 2007	June 30, 2006
Sewer Utility Operating:			
Cash	E-5	$ 804,041.02	$ 687,584.45
Due from Sewer Capital Fund	E-4		1,000.00
Total Sewer Operating Fund		$ 804,041.02	$ 688,584.45
Sewer Utility Capital:			
Cash	E-5 E-6	$ 24,329.56	$ 737,170.98
Due from State of N.J. - Infrastructure Loans	E-7		968,252.00
Fixed Capital			
Completed	E-8	13,795,637.00	13,795,637.00
Authorized and Uncompleted	E-9	8,590,000.00	8,340,000.00
Deferred Charge			
MCIA Lease Purchase	E-18	5,764,201.00	6,419,201.00
Total Sewer Capital Fund		$ 28,174,167.56	$ 30,260,260.98
Total Sewer Utility Funds		$ 28,978,208.58	$ 30,948,845.43

Liabilities	Ref.	June 30, 2007	June 30, 2006
Sewer Utility Operating:			
Encumbrances Payable	E-4,E-10	$ 128,648.70	$ 90,978.75
Appropriation Reserves	E-4,E-10	60,223.86	29,006.41
Accounts Payable	E-10	30,892.75	22,392.75
Accrued Interest Payable	E-4	186,464.23	208,278.29
Total Liabilities		406,229.54	350,656.20
Fund Balance	E-1	397,811.48	337,928.25
Total Sewer Operating Fund		$ 804,041.02	$ 688,584.45
Sewer Utility Capital:			
Debt			
N.J. E.I.T. Loan Payable	E-14	$ 1,079,046.01	$ 1,128,937.33
Lease Purchase Obligation	E-13	15,215,000.00	15,870,000.00
Serial Bonds	E-11	945,000.00	995,000.00
Bond Anticipation Notes	E-12		1,000,000.00
Improvement Authorizations:			
Funded	E-15	163,562.62	124,115.09
Unfunded	E-15	5,578,999.60	5,681,826.61
Encumbrances	E-15	184,219.34	550,933.28
Due to Sewer Operating Fund	E-15		1,000.00
Reserve for:			
Env. Trust Loan Premiums	E-16	11,688.00	11,688.00
Amortization	E-18	4,567,479.99	4,467,588.67
Deferred Amortization	E-18	370,000.00	120,000.00
Capital Improvement Fund	E-17	28,900.00	278,900.00
Fund Balance	E-2	30,272.00	30,272.00
Total Sewer Capital Fund		$ 28,174,167.56	$ 30,260,260.98
Total Sewer Utility Funds		$ 28,978,208.58	$ 30,948,845.43

Note: See Notes to Financial Statements
There were Bonds and Notes Authorized but Not Issued at June 30, 2007 in the amount of $5,973,312.00 (Exhibit E-19).

Exhibit E-4

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Modified Budget	Paid/Charged	Encumbrances	Canceled	Reserved
Operating Salaries & Wages	$ 182,000.00	$ 182,000.00	$ (162,465.56)			$ 19,534.44
Operating Other Expenses	3,798,552.00	3,798,552.00	(3,341,600.88)	$ (116,261.70)	$ (300,000.00)	40,689.42
Debt Service:						
Bond Principal	50,000.00	50,000.00	(50,000.00)			
Bond Interest	34,719.00	34,719.00	(34,515.61)		(203.39)	
MCIA Lease Payments	1,377,010.00	1,377,010.00	(1,348,759.35)	(12,387.00)	(15,863.65)	
NJ Env. Infras. Trust Loan Payments	78,719.00	78,719.00	(77,640.28)		(1,078.72)	
Interest on Notes	40,000.00	40,000.00	(14,888.89)		(25,111.11)	
Surplus - Current Fund	300,000.00	300,000.00			(300,000.00)	
Total Sewer Utility Operating	$ 5,861,000.00	$ 5,861,000.00	$ (5,029,870.57)	$ (128,648.70)	$ (642,256.87)	$ 60,223.86
Ref.	E-3					E

	Ref.	
Cash	E-5	$ (5,062,442.45)
Accrued Interest Adjustment	E-1	10,757.82
Accrued Interest:		
Serial Bonds 6/30/2006	E, E-11	4,441.41
Serial Bonds 6/30/2007	E, E-11	(4,238.28)
Loans 6/30/2007	E, E-14	(10,757.82)
Notes 6/30/2006	E, E-12	25,000.00
Capital Lease 6/30/2006	E, E-13	178,836.88
Capital Lease 6/30/2007	E, E-13	(171,468.13)
Total Paid or Charged		$ (5,029,870.57)

( ) Denotes deficit or deduction.
Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	PROGRAM OR AWARD AMOUNT	CASH RECEIPTS	DISBURSE-MENTS/ EXPENDITURES	CUMULATIVE EXPENDITURES AT JUNE 30, 2007
Direct Program:						
Department of Environmental Protection:						
Public Wastewater Facilities:						
NJ Env. Infrastructure Trust & Fund Loan	66.458	Various	581,688.00	$ 484,126.00	$ 36,565.14	$ 274,264.85
				484,126.00	36,565.14	274,264.85
Department of Justice:						
Office of Community Oriented Policing Services:						
COPS in Shops	16.710	2007	2,000.00		1,775.00	1,775.00
Bureau of Justice Assistance:						
Bulletproof Vest Partnership Reimbursement	16.607	2006	6,807.29	3,394.89	32.80	6,807.29
Bulletproof Vest Partnership Reimbursement	16.607	2007	7,199.89	1,199.98	3,676.68	3,676.68
				4,594.87	5,484.48	12,258.97
Indirect Program:						
Department of Transportation:						
Highway Planning & Construction:						
Improvements to Arlington Avenue	20.205	2004	475,000.00		10,300.15	116,150.01
Improvements to Aaron Road	20.205	2005	200,000.00		112,581.41	112,581.41
Improvements to Riverton Street	20.205	2006	220,000.00	165,000.00	220,000.00	220,000.00
Improvements to Ridgewood Avenue	20.205	Various	225,000.00	56,250.00	66.71	220,875.94
				221,250.00	342,948.27	669,607.36
Department of Law & Public Safety:						
Division of Highway & Traffic Safety:						
Click It or Ticket	20.6	2007	4,000.00	4,000.00	4,000.00	4,000.00
				4,000.00	4,000.00	4,000.00
Department of Education:						
Office of Elementary & Secondary Education:						
Safe & Drug-Free Schools & Communities	84.186	2005	35,000.00	10,000.00	13,479.89	33,576.79
				10,000.00	13,479.89	33,576.79

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	PROGRAM OR AWARD AMOUNT	CASH RECEIPTS	DISBURSE-MENTS/ EXPENDITURES	CUMULATIVE EXPENDITURES AT JUNE 30, 2007
Indirect Program (Cont'd):						
Department of Justice:						
Bureau of Justice Assistance:						
Byrne Narcotics Task Force	16.738	2006	12,000.00	$ 6,000.00	$ 12,000.00	$ 12,000.00
				6,000.00	12,000.00	12,000.00
Department of Housing & Urban Development:						
Community Development Block Grant Program	14.218	2005	132,000.00	128,580.00	85,172.21	132,000.00
	14.218	2006	118,800.00	68,800.00	57,650.00	68,800.00
	14.218	2007	118,800.00	8,800.00	38,862.79	38,862.79
				206,180.00	181,685.00	239,662.79
				$ 936,150.87	$ 596,162.78	$ 1,245,370.76

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Awards. Also, see paragraph on the accompanying schedules of federal awards and state financial assistance with respect to a partial disclaimer of opinion, included within the independent auditor's report.

The Township's federal grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

Schedule B

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

STATE FUNDING DEPARTMENT	STATE PROGRAM	GRANT PERIOD	STATE ACCOUNT NUMBER	PROGRAM OR GRANT AWARD AMOUNT	PROGRAM RECEIPTS	AMOUNT OF EXPENDITURES	CUMULATIVE EXPENDITURES
Dept of Community Development	NJDOT - Rt 27 Sec (6V) Bridge (Water)	Indefinite	n/a	$ 25,000.00		$ 632.50	$ 932.50
	NJDOT - Rt 1 Sec (6V) Bridge (Water)	Indefinite	n/a	20,000.00		1,039.50	2,083.50
	Smart Growth	FY2007	022-8070-100-039-00	10,500.00		1,200.00	1,200.00
	Highway Safety (Safe Corridors)	FY2007	n/a	73,000.00		71,371.43	71,371.43
Dept of Law & Public Safety	Drunk Driving Enforcement Fund	FY2006	066-1160-100-113-06	18,217.94		12,303.49	18,182.78
	Safe & Secure Communities	FY2006	066-1020-100-232-06	60,000.00	60,000.00	60,000.00	60,000.00
		FY2007	066-1020-100-232-07	60,000.00	52,500.00	60,000.00	60,000.00
	Body Armor	FY2004	066-1020-718-001-04	7,723.57		599.24	7,124.33
		FY2005	066-1020-718-001-05	7,491.10		3,110.24	5,598.27
Dept of Environmental Protection	Clean Communities Program	FY2002	042-4900-765-004-02	8,244.42		129.00	8,244.42
		FY2004	042-4900-765-004-04	31,538.24		33.81	31,538.24
		FY2005	042-4900-765-004-05	31,342.20		5,536.02	31,342.20
		FY2006	042-4900-765-004-06	32,861.14		18,657.86	18,657.86
	Recycling Tonnage Grant	FY2006	042-4900-752-001-06	29,013.49		29,013.49	29,013.49
	Environmental Infrastructure Trust & Fund Loan	FY2005-FY2024	n/a	581,688.00	484,126.00	36,565.13	274,264.85
	Green Acres - Otken Farm	Indefinite	n/a	2,950,000.00		7,454.52	60,480.13
County of Middlesex	Municipal Alliance	FY2006	082-2000-100-044-06	42,602.50	6,000.00	15,662.50	26,133.75
		FY2007	082-2000-100-044-07	42,602.50	36,660.00	17,137.50	17,137.50
Dept of Health	Alcohol Education & Enforcement Fund	FY2005	046-760-4240-001-05	3,994.48		11.38	3,744.48
		FY2006	046-760-4240-001-06	964.33		738.62	738.62
Dept of Treasury	Enhancement 911 Grant	FY2006	082-2034-100-050-6110	35,749.00	35,749.00	23,443.00	35,749.00
		FY2007	082-2034-100-050-6110	35,749.00	35,749.00	35,324.25	35,324.25
	Property Tax & Emergency Response	FY2005	n/a	110,000.00		40,842.00	110,000.00
				$ 4,218,281.91	$ 710,784.00	$ 440,805.48	$ 908,861.60

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Awards. Also, see paragraph on the accompanying schedules of federal awards and state financial assistance with respect to a partial disclaimer of opinion, included within the independent auditor's report.

The Township's state grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

Exhibit A-7

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Ref.	Total	FY 2008 Prepaid	FY 2007 Current	FY 2006 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2006.....	A	$318,450.54					$156,479.96	$161,970.58
Billings / Levy:								
Original Levy.....		105,406,525.39		$105,406,525.39				
Added & Omitted.....		507,160.86		507,160.86				
Added - County/State Tax Appeals...		3,453,582.00		2,659,112.50	794,469.50			
Adjustments.....		(152.31)			281.68		(433.99)	
Canceled Taxes.....		(22,681.91)		(20,226.40)	(2,455.51)			
Transfers.....		108.82		(22,943.69)			23,052.51	
Revenue								
Sr.Citizens & Vets.....	A-6	(243,638.34)		(243,638.34)				
Cash Receipts.....	A-4	(109,058,736.04)	($99,342.42)	(108,208,614.00)	(742,287.69)	1,445.58	(9,937.51)	
Prepaids Applied.....	A-11	(102,169.29)		(102,169.29)				
Overpayments Applied.....	A-11	(51,453.56)			(50,007.98)	(1,445.58)		
Overpayments Created.....	A-11	213,390.49	99,342.42	114,048.07				
Balance June 30, 2007.....	A	$420,386.65		$89,255.10			$169,160.97	$161,970.58

.....Analysis of FY 2007 Property Tax Levy.....

Tax Yield:	Ref.	
General Purpose Tax.....	A-7	$105,406,525.39
Added Taxes.....	A-7	507,160.86
Added - Tax Appeals.....	A-7	2,659,112.50
Total Levy.....		$108,572,798.75

Tax Levy:	Ref.	
Non-Municipal Taxes.....	A-12	$83,061,776.79
Municipal Purpose Tax.....	A- 2	22,211,795.00
Total Amount to be Raised.....		$105,273,571.79

Current Taxes Realized	Ref.	
Sr. Citizens & Vets.....	A-6, A-7	$243,638.34
Cash Receipts.....	A-7	108,094,565.93
Prepayments.....	A-7	102,169.29
Excess Non-Municipal Billings.....	A-9	(10,663.22)
Subtotal.....	A-1	108,429,710.34
Reserve for Uncollected Taxes.....	A-3	503,000.00
Total Revenue, Current Taxes.....		108,932,710.34
Taxes Payable.....	A-12	(83,061,776.79)
Revenue, Local Purpose Tax.....	A-2	$25,870,933.55

% of Tax Levy Collected

Total Tax Revenue.....	$108,429,710.34
Total Tax Levy.....	$108,572,798.75
% of Tax Levy Collected.....	99.87%

Exhibit A-9

CURRENT FUND
SCHEDULE OF CHANGES IN MISCELLANEOUS ACCOUNTS PAYABLE, & RESERVES

	June 30, 2006	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	Adjustments	June 30, 2007
Vendor Accounts Payable	$455,812.08	$162,631.69		($247,348.06)		$371,095.71
Due State of NJ:						
Marriage License filing fee	2,525.00		$6,200.00	(6,625.00)		2,100.00
DCA - UCC Training Fees	11,273.00		101,693.00	(104,139.00)		8,827.00
Civil Union Fees			325.00	(150.00)		175.00
Spending Reserves						
Master Plan	19,182.69			(16,666.69)		2,516.00
Tax Appeals	61,140.95	50,000.00		(15,555.54)		95,585.41
Tax Map Revisions	13,416.25			(4,070.00)		9,346.25
Reserve for Apt/Condo Reimbursement						
Excess Non-Municipal Billings	268,115.57				$10,663.22	278,778.79
Total	$831,465.54	$212,631.69	$108,218.00	($394,554.29)	$10,663.22	$768,424.16
Ref.	A	A-3, A-10	A-4	A-4	A-7	A

Exhibit A-10

CURRENT FUND
SCHEDULE OF FY 2006 APPROPRIATION RESERVES

	6/30/2006 Balance Salaries	6/30/2006 Balance Other	Encumbrances Transferred	Transfers Salaries	Transfers Other	Balance Modified Salaries	Balance Modified Other	Expended Salaries	Expended Other	Transfer to Reserves	Accounts Payable	Overcommitted Funds	Balance Lapsed
General Government:													
Administration	$2,153.72	$9,800.45	$1,327.29			$2,153.72	$11,127.74	($2,000.00)	($8,610.57)				$2,670.89
Purchasing		2,784.94	446.77				3,231.71		(598.54)				2,633.17
Municipal Clerk	7,269.82	17,964.01	269.16			7,269.82	18,233.17	(7,000.00)	(11,223.91)				7,279.08
Financial Administration	20,835.12	4,827.81	8,047.51			20,835.12	12,875.32	(20,000.00)	(3,954.03)				9,756.41
Audit			55,000.00				55,000.00		(25,000.00)		(30,000.00)		
Information Technology	886.82	116.21	2,081.21			886.82	2,197.42		(2,081.21)				1,003.03
Tax Collection	6,602.77	9,080.11	2,252.75			6,602.77	11,332.86	(6,000.00)	(3,554.43)				8,381.20
Tax Assessment	6,042.86	52,597.73	37,393.52			6,042.86	89,991.25	(6,000.00)	(13,763.51)		(1,300.00)		74,970.60
Legal		26,360.17	73,072.42				99,432.59		(27,577.17)				71,855.42
Insurance:													
Other Insurance		50,187.33			(20,000.00)		30,187.33		(2,418.60)				27,768.73
Group Insurance for Employees		94,040.05	145,534.74		(40,000.00)		199,574.79		(268.17)	(230,000.00)		30,693.38	(0.00)
Community Development													
Engineering	2,831.52	26,612.84	9,250.99			2,831.52	35,863.83	(2,000.00)	(15,977.93)		(6,100.00)		14,617.42
Planning	2,674.55	12,993.89	9,002.53			2,674.55	21,996.42	(2,000.00)	(6,149.18)				16,521.79
Zoning	1,848.07	14,277.03	11,895.46			1,848.07	26,172.49	(1,000.00)	(1,255.02)	(20,000.00)			5,765.54
Affordable Housing		4.43	47.25				51.68		(47.25)				4.43
Code Enforcement	3,453.04	744.30	518.40			3,453.04	1,262.70	(3,000.00)	(422.40)				1,293.34
Uniform Construction Code	11,608.45	6,738.77	266.60			11,608.45	7,005.37	(11,000.00)	(472.89)				7,140.93
Rent Control Board		100.00					100.00						100.00
Public Safety:													
Police	78,061.33	13,347.80	42,185.05			78,061.33	55,532.85	(75,500.00)	(40,019.37)				18,074.81
Emergency Management	1,812.38		15,798.18			1,812.38	15,798.18		(13,136.85)		(2,661.33)		1,812.38
Volunteer Fire Departments		2,202.02	1,602.38				3,804.40		(2,916.49)				887.91
First Aid Organizations		4,953.00					4,953.00						4,953.00
Fire Safety	12,578.03	3,655.09	1,601.19			12,578.03	5,256.28	(12,500.00)	(1,601.19)				3,733.12
LOSAP		46,900.00					46,900.00		(39,500.00)				7,400.00
Juvenile Aid		1,547.59	1,996.00				3,543.59		(1,996.00)				1,547.59
Public Works:													
Streets and Roads	11,714.98	15,099.43	10,662.22			11,714.98	25,761.65	(12,000.00)	(16,947.77)				8,528.86
PEOSHA		4,131.37	1,075.33				5,206.70		(1,075.33)				4,131.37
Solid Waste Disposal Fees		66,273.97	71,208.52				137,482.49		(71,208.52)				66,273.97
Sanitation	15,053.94	27,635.58				15,053.94	27,635.58	(15,000.00)	(20,000.00)				7,689.52
Recycling		37,535.60	13,669.00				51,204.60		(13,663.80)				37,540.80
Buildings and Grounds	7,009.95	24,944.48	29,239.38			7,009.95	54,183.86	(7,000.00)	(48,384.13)				5,809.68
Motor Vehicle Maintenance	7,731.62	33,369.55	35,500.34			7,731.62	68,869.89	(7,000.00)	(44,498.85)				25,102.66
Municipal Services/Condo Reimb		564,204.43	(316.43)				563,888.00		(375,439.32)		(122,511.78)		65,936.90
Stormwater	334.00	1,955.09				334.00	1,955.09						2,289.09

CURRENT FUND
SCHEDULE OF FY 2006 APPROPRIATION RESERVES

	6/30/2006 Balance Salaries	6/30/2006 Balance Other	Encumbrances Transferred	Transfers Salaries	Transfers Other	Balance Modified Salaries	Balance Modified Other	Expended Salaries	Expended Other	Transfer to Reserves	Accounts Payable	Overcommitted Funds	Balance Lapsed
Parks Recreation & Community Services													
Board of Health		$2,753.02					$2,753.02						$2,753.02
Animal Control	$2,213.39	228.22				$2,213.39	228.22						2,441.61
Environmental Commission		8.23					8.23						8.23
Recreation	9,119.82	8,373.62	15,483.28			9,119.82	23,856.90	(9,000.00)	(14,692.43)				9,284.29
Senior Services	9,651.99	2,560.08	919.02			9,651.99	3,479.10	($9,000.00)	(183.60)				3,947.49
Parks and Playgrounds	9,008.68	18,154.61	24,526.02			9,008.68	42,680.63	(9,000.00)	(15,984.36)				26,704.95
Education - Library													
Municipal Court													
Municipal Court	9,174.72	6,947.81	269.36			9,174.72	7,217.17	(9,000.00)	(1,119.36)				6,272.53
Public Defender		3,000.00	10,600.00				13,600.00		(12,600.00)				1,000.00
Unclassified													
Salary Adjustments	29,300.00					29,300.00		(29,300.00)					
Utilities / Facilities Costs		46,236.33	62,534.29		60,000.00		168,770.62		(108,708.93)		(58.58)		60,003.11
Contingency		2,009.00					2,009.00						2,009.00
Statutory Expenditures:													
Public Employees Retirement System.		4,360.40					4,360.40						4,360.40
Police & Fire Retirement System		762.00					762.00						762.00
Social Security		31,547.85					31,547.85						31,547.85
Matching Funds for Grants		$31,479.50					31,479.50		(20,000.00)				11,479.50
Total Operations	$268,971.57	$1,335,405.74	$694,959.73			$268,971.57	$2,030,365.47	($254,300.00)	($987,051.11)	($250,000.00)	($162,631.69)	$30,693.38	$676,047.62
Total Operations	$268,971.57	$1,335,405.74	$694,959.73			$268,971.57	$2,030,365.47	($254,300.00)	($987,051.11)	($250,000.00)	($162,631.69)	$30,693.38	$676,047.62
	Ref.		A								A-9	A-1	A-1

Salaries		$268,971.57
Other Expenses		1,335,405.74
June 30, 2006	A	$1,604,377.31

	Ref.	
Cash Disbursements	A-4	($1,471,351.11)
State & Federal Grant Match	A-16	(20,000.00)
Total		($1,491,351.11)

	Ref.	
Balance Lapsed		$676,047.62
Overcommitted Funds		(30,693.38)
Balance Lapsed	A-1	$645,354.24

Exhibit A-11

CURRENT FUND
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

	Ref.	Total	FY 2008 Prepaid	FY 2007 Current	FY 2006 Delinquent	Arrears
Balance June 30, 2006	A	($173,330.02)		($102,169.29)	($68,908.46)	($2,252.27)
Encumbrances	A					
Transferred from Tax Receivable	A-7	(213,390.49)	($99,342.42)	(114,048.07)		
Overpayments Applied	A-7	51,453.56			50,007.98	1,445.58
Prepaids Applied	A-7	102,169.29		102,169.29		
Refund of Overpayments:						
Cash Payments	A-4	53,701.42		45,204.08	7,690.65	806.69
Balance June 30, 2007	A	($179,396.24)	($99,342.42)	($68,843.99)	($11,209.83)	

Exhibit A-13

CURRENT FUND
SCHEDULE OF INTERFUNDS

	June 30, 2006	Cash Disbursement	Budget Appropriations	June 30, 2007
Due General Capital Fund	$44,529.14	($44,529.14)	$90,000.00	$90,000.00
Due Other Trust Fund	93,000.00	(93,000.00)		
Total	$137,529.14	($137,529.14)	$90,000.00	$90,000.00
Ref.	A	A-4	A-3	A

Exhibit A-15

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Community Development:					
NJ DOT - Rt 130,1,171 Project (Water)	$52,759.34				$52,759.34
NJ DOT - Rt 130,1,171 Project (Sewer)	33,472.75				33,472.75
NJ DOT - Rt 27 (Utilities)	92,000.00				92,000.00
NJ Transportation Trust - Arlington Avenue	475,000.00				475,000.00
Safe Streets to Schools	45,000.00				45,000.00
NJ DOT - Mae Brook (Water)	40,250.00				40,250.00
NJ DOT - Mae Brook (Sewer)	40,250.00				40,250.00
NJ Transportation Trust - Aaron Road	50,000.00				50,000.00
NJ Transportation Trust - Riverton Road	220,000.00			$165,000.00	55,000.00
NJ Transportation Trust - Remsen Road			$260,000.00	195,000.00	65,000.00
Smart Growth		$10,500.00			10,500.00
Property Tax Relief - Sucker Brook	50,000.00				50,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Water)	20,000.00				20,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Sewer)	20,000.00				20,000.00
NJDOT - Rt 27 Sec (6V) Bridge (Water)	25,000.00				25,000.00
Public Safety:					
Bullet Proof Vest Grant - Federal	4,437.71			3,394.89	1,042.82
Bullet Proof Vest Partnership			7,199.89	1,199.98	5,999.91
Child Passenger Safety Education	1,275.42				1,275.42
Child Passenger Safety Education			7,000.00		7,000.00
Byrne Narcotics Block Grant - Street Program	5,000.00			5,000.00	
Byrne Narcotics Block Grant - Street Program	25,000.00			(5,000.00)	30,000.00
Cops in Shops			2,000.00		2,000.00
Safe and Secure Communities Program	60,000.00			60,000.00	
Safe and Secure Communities Program			60,000.00	52,500.00	7,500.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Public Safety (cont'd):					
Click-it or Ticket		$4,000.00		$4,000.00	
Highway Safety		73,000.00			$73,000.00
Domestic Violence Training	$4,650.15				4,650.15
Domestic Violence Training			$2,000.00		2,000.00
Body Armor Grant - State			7,941.26	7,941.26	
County DWI Check Point			1,190.00	1,190.00	
Child Passenger Safety Education	1,208.11				1,208.11
Street Program - Safe Schools	10,000.00			10,000.00	
Secure Our Schools Grant	55,000.00			55,000.00	
Byrne Narcotics Task Force			12,000.00	6,000.00	6,000.00
Byrne Narcotics Task Force	6,000.00			6,000.00	
Enhancement 9-1-1 Grant	35,749.00			35,749.00	
Enhancement 9-1-1 Grant		35,749.00		35,749.00	
COPS Secure Our Schools			45,861.00		45,861.00
Safe Holiday Grant			10,000.00		10,000.00
Parks Recreation & Community Service					
County - Heritage Day	875.00			875.00	
County - Heritage Day	7,000.00			7,000.00	
County - Arts & Humanities (Martin Luther King Day)	1,100.00			825.00	275.00
Municipal Alliance			34,082.00	28,140.00	5,942.00
Municipal Alliance	6,000.00			6,000.00	
Clean Communities CY Program			33,781.64	33,781.64	
Green Community			3,000.00		3,000.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash Received	June 30, 2007
Parks Recreation & Community Service (Cont'd)					
Pedestrian/Bike Path		$80,000.00		$80,000.00	
County Open Space	$500,000.00			500,000.00	
County Open Space			$1,500,000.00	1,500,000.00	
Public Works:					
Recycling Tonnage Grant			19,574.78	19,574.78	
Recycling Enhancement Grant			3,412.00		$3,412.00
Stormwater Regulation Management	5,155.00				5,155.00
Alternative Fuel Vehicle Rebate Program			8,000.00	8,000.00	
Library					
Local Library Aid - Computers	14,100.00				14,100.00
Municipal Court					
Alcohol Education and Enforcement Fund	197.95				197.95
Total	$1,906,480.43	$203,249.00	$2,017,042.57	$2,822,920.55	$1,303,851.45
	A			A-4	A

	Ref	
Adopted Budget	A-2	$203,249.00
Amended (NJSA 40A:4-87)	A-2	2,017,042.57
Total	A-2, A-17	$2,220,291.57

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Community Development:								
NJ DOT - Rt 130,1,171 Project (Water)	$5,587.09	$12,749.50	$18,336.59				$12,749.50	$5,587.09
NJ DOT - Rt 130,1,171 Project (Sewer)	225.00	33,496.50	33,721.50				33,496.50	225.00
Safe Streets to Schools		45,000.00	45,000.00				45,000.00	
NJ DOT - Mae Brook (Water)		15,554.50	15,554.50				15,554.50	
NJ DOT - Mae Brook (Sewer)		17,123.75	17,123.75				17,123.75	
NJ Transportation Trust - Aaron Road		200,000.00	200,000.00			$112,581.41	87,418.59	
NJ Transportation Trust - Arlington Avenue		114,150.14	114,150.14			10,300.15	103,849.99	
NJ Transportation Trust - Remsen Avenue					$260,000.00		260,000.00	
NJ Transportation Trust - Riverton Road		220,000.00	220,000.00			220,000.00		
Property Tax Relief - Sucker Brook	50,000.00		50,000.00					50,000.00
NJDOT - Rt 1 Sec (6V) Bridge (Water)		18,956.00	18,956.00			1,039.50	17,916.50	
NJDOT - Rt 1 Sec (6V) Bridge (Sewer)		20,000.00	20,000.00				20,000.00	
NJDOT - Rt 27 Sec (6V) Bridge (Water)		24,700.00	24,700.00			632.50	24,067.50	
Smart Growth Grant				$10,500.00		1,200.00	2,000.00	7,300.00
Public Safety:								
Bullet Proof Vest Grant	262.10		262.10					262.10
Bullet Proof Vest Grant - Federal	32.80		32.80			32.80		
Bullet Proof Vest Grant - Federal					7,199.89	3,676.68	3,523.21	
Straight Up Program	19.00		19.00					19.00
Community Oriented Policing (COPS)	2,927.63		2,927.63					2,927.63
Body Armor Grant - State	343.89		343.89					343.89
Body Armor Grant - State	1,198.48		1,198.48			599.24		599.24
Body Armor Grant - State	5,003.07		5,003.07			3,110.24	1,892.83	
Body Armor Grant - State	7,491.10		7,491.10				3,140.92	4,350.18
Body Armor Grant - State					7,941.26			7,941.26
DWI Check Point	58.94		58.94					58.94
DWI Check Point	430.50		430.50					430.50
DWI Check Point	102.92	318.28	421.20				318.28	102.92
DWI Check Point	1,190.00		1,190.00				933.50	256.50
DWI Check Point					1,190.00			1,190.00
Byrne Narcotics Block Grant - Street Program	129.27	150.00	279.27				150.00	129.27
Byrne Narcotics Block Grant - Street Program	40,000.00		40,000.00					40,000.00
Safe and Secure Communities Program	7,500.00		7,500.00					7,500.00
Safe and Secure Communities Program	60,000.00		60,000.00			60,000.00		
Safe and Secure Communities Program					60,000.00	60,000.00		
Secure Our School Grant	55,000.00		55,000.00					55,000.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Public Safety (cont'd):								
Child Passenger Safety Education	$1,167.92		$1,167.92					$1,167.92
Child Passenger Safety Education					$7,000.00		$939.87	6,060.13
OEM - SLAHEOP State Grant	2,405.72		2,405.72					2,405.72
Click-it or Ticket				$4,000.00		$4,000.00		
Domestic Violence Training	1.00		1.00					1.00
Domestic Violence Training	4,625.47		4,625.47					4,625.47
Domestic Violence Training					2,000.00			2,000.00
COPS Secure Our Schools Grant					45,861.00			45,861.00
COPS in Shops					2,000.00	1,775.00		225.00
Safe Holiday Grant					10,000.00	5,050.00		4,950.00
Drunk Driving Enforcement Fund	$411.36		$411.36					411.36
Drunk Driving Enforcement Fund	12,338.65		12,338.65			12,303.49		35.16
Enhancement 9-1-1 Grant	403.00	$23,040.00	23,443.00			23,443.00		
Enhancement 9-1-1 Grant				35,749.00		35,324.25	$375.60	49.15
Child Passenger Safety Education	1,208.11		1,208.11					1,208.11
Street Program - Safe Schools	14,903.10		14,903.10			13,479.89	1,418.26	4.95
Byrne Narcotics Task Force	6,000.00		6,000.00					6,000.00
Byrne Narcotics Task Force	12,000.00		12,000.00			12,000.00		
Byrne Narcotics Task Force					12,000.00			12,000.00
Homeland Security Grant	1,723.00		1,723.00					1,723.00
Prop Tax Relief - Police & Emerg Response		40,842.00	40,842.00			40,842.00		
Highway Safety (Safe Corridors)				$73,000.00		71,371.43		1,628.57
Parks Recreation & Community Service								
County - Arts & Humanities	1,150.00		1,150.00					1,150.00
History Grant - Cultural & Heritage	1,073.85		1,073.85					1,073.85
County - Heritage Day	3,600.00	3,400.00	7,000.00			1,190.00		5,810.00
County History Grant - Cultural & Heritage	1,824.98		1,824.98					1,824.98
County - Arts & Humanities	2,100.00	150.00	2,250.00				150.00	2,100.00
County - Arts & Humanities (Martin Luther King Day)	1,100.00		1,100.00					1,100.00
Clean Communities CY 2002 Program	129.00		129.00			129.00		
Clean Communities CY 2004 Program	33.81		33.81			33.81		
Clean Communities CY 2005 Program	5,536.02		5,536.02			5,536.02		
Clean Communities CY 2006 Program	32,861.14		32,861.14			18,657.86	5,267.37	8,935.91
Clean Communities CY 2007 Program					33,781.64			33,781.64

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

	June 30, 2006	June 30, 2006 Encumbrances	Modified Balance June 30, 2006	Budget Adopted	Budget NJSA 40A:4-87	Cash	Encumbrances	June 30, 2007
Parks Recreation & Community Service (Cont'd)								
Municipal Alliance	$268.00	$1,000.00	$1,268.00				$1,000.00	$268.00
Municipal Alliance	693.23		693.23					693.23
Municipal Alliance	16,468.75		16,468.75			$15,662.50		806.25
Municipal Alliance					$42,602.50	17,137.50		25,465.00
County Open Space - Sabella Park	1,000,000.00		1,000,000.00					1,000,000.00
County Open Space & Recreation Pedestrian/Bicycle				$100,000.00			100,000.00	
Open Space Recreation & Farmland Grant	500,000.00		500,000.00			466,686.86	33,313.14	
Open Space Recreation & Farmland Grant					1,500,000.00		1,499,933.20	66.80
Cablevision Grant		60,000.00	60,000.00			46,816.88		13,183.12
Green Commnity Challenge Grant					4,500.00			4,500.00
Public Works:								
Recycling Tonnage Grant	2,391.56		2,391.56					2,391.56
Recycling Tonnage Grant		29,013.49	29,013.49			29,013.49		
Recycling Tonnage Grant					19,574.78			19,574.78
Recycling Enhancement Grant					6,824.00	6,822.50		1.50
Stormwater Regulation Management	5,579.00		5,579.00					5,579.00
Stormwater Regulation Management	20,619.00		20,619.00					20,619.00
Alternative Fuel Vehicle Rebate Program					8,000.00			8,000.00
Library								
Local Library Aid - Computers	14,100.00		14,100.00			$12,604.70		1,495.30
Municipal Court								
Alcohol Education and Enforcement Fund	11.38	250.00	261.38			11.38	$250.00	
Alcohol Education and Enforcement Fund	464.33	500.00	964.33			738.62		225.71
Total	$1,904,693.17	$880,394.16	$2,785,087.33	$223,249.00	$2,030,475.07	$1,313,802.70	$2,291,783.01	$1,433,225.69
Ref.	A	A				A-4	A	A

	Ref	
Adopted Budget		$223,249.00
Amended (NJSA 40A:4-87)		2,030,475.07
Total	A-3, A-17	$2,253,724.07

Exhibit C-3

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Notes Outstanding	Other	Cash Balance
87-06	Black Horse Land and Wood Avenue		$ (172,250.00)				$ (172,250.00)
88-16	Fire Fighting Equipment		(158,000.00)				(158,000.00)
97-24	Drainage System - Washington Place			$ 4,502.52			4,502.52
99-13	Underground Storage Tanks			6,875.37			6,875.37
00-27	Acquisition of Lands		(6,200,000.00)	4,640,039.12	$ 2,200,000.00		640,039.12
02-24	Fire Communications System, Park/Playground Improvements & Playground Equipment			473,876.63			473,876.63
02-38	Various Capital Improvements		(45,000.00)	994,469.99			949,469.99
03-12	Refunding of Certain Unfunded Pension Liability			14,094.33			14,094.33
03-13	Refunding of the Outstanding FYABs			3,050.00			3,050.00
03-30	Various Capital Improvements		(2,478,000.00)	62,105.86	2,000,000.00		(415,894.14)
04-05	High School/Vets Park Soil Remediation		(11,000,000.00)	5,234,769.93	10,000,000.00		4,234,769.93
04-28	Various Capital Improvements		(2,460,000.00)	294,115.32	1,600,000.00		(565,884.68)
04-27	UCC Scanning/Indexing System		(180,000.00)	125,268.97			(54,731.03)
04-26	Otken Farm Improvements		(8,695,000.00)		8,095,000.00		(600,000.00)
05-15	Various Capital Improvements		(2,793,000.00)	181,326.54	2,706,000.00		94,326.54
05-26	Refunding Bonds			1,602.00			1,602.00
06-07	Various Capital Improvements		(399,000.00)	11,198.25	399,000.00		11,198.25
06-15	Various Capital Improvements		(5,890,000.00)	3,260,190.66			(2,629,809.34)
06-19	Library Improvements		(190,000.00)	5,083.00			(184,917.00)
06-40	Refunding Bonds			18,841.62			18,841.62
07-01	Various Capital Improvements		(1,710,000.00)	1,799,283.76			89,283.76
Reserve for Encumbrances		C-7		3,405,909.41			3,405,909.41
Due from Current Fund		C-13				$ (90,000.00)	(90,000.00)
Capital Improvement Fund		C-12				342.00	342.00
Fund Balance		C-1				142,200.05	142,200.05
Reserve to Retire Debt:							
	Retire Debt	C-14				45,000.00	45,000.00
	High School/Vets Park Soil Remediation	C-14				313,593.60	313,593.60
Total			$ (42,370,250.00)	$ 20,536,603.28	$ 27,000,000.00	$ 411,135.65	$ 5,577,488.93
		Ref.	C,C-6	C,C-7	C,C-9		C,C-2

Exhibit C-4

GENERAL CAPITAL
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Ordinance	Grant Program	Balance June 30, 2006	Cash Receipts	Balance June 30, 2007
00-28	Ridgewood Avenue.....	$ 56,250.00	$ 56,250.00	$ -
	Total.....	$ 56,250.00	$ 56,250.00	$ -
	Ref.	C	C-2	C

Exhibit C-6

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2006	Authorizations	Cash Receipts	Bonds Issued	Cancelled	Balance June 30, 2007	Notes Outstanding	Expended	Unexpended Balance of Impt Auth.
87-06	Black Horse Lane & Wood Ave.	$ 344,500.00		$ (172,250.00)			$ 172,250.00		$ 172,250.00	
88-16	Fire Fighting Equipment	158,000.00					158,000.00		158,000.00	
00-27	Acquisition of Lands	6,200,000.00					6,200,000.00	$ 2,200,000.00		$ 4,000,000.00
02-38	Various Capital Improvements	3,450,500.00			$ (3,405,500.00)		45,000.00			45,000.00
03-30	Various Capital Improvements	3,277,500.00			(799,500.00)		2,478,000.00	2,000,000.00	415,894.14	62,105.86
04-05	High School/Vets Park - Soil Remediation	11,000,000.00					11,000,000.00	10,000,000.00		1,000,000.00
04-28	Various Capital Improvements	2,460,000.00					2,460,000.00	1,600,000.00	565,884.68	294,115.32
04-27	UCC Scanning/Indexing System	240,000.00		(60,000.00)			180,000.00		54,731.03	125,268.97
04-26	Otken Farm Improvements	8,695,000.00					8,695,000.00	8,095,000.00	600,000.00	
05-15	Various Capital Improvements	2,793,000.00					2,793,000.00	2,706,000.00		87,000.00
06-07	Various Capital Improvements	399,000.00					399,000.00	399,000.00		
06-15	Various Capital Improvements		$ 5,890,000.00				5,890,000.00		2,629,809.34	3,260,190.66
06-19	Library Improvements		190,000.00				190,000.00		184,917.00	5,083.00
06-40	Refunding Bonds		8,100,000.00		(6,550,000.00)	$ (1,550,000.00)				
07-01	Various Capital Improvements		1,710,000.00				1,710,000.00			1,710,000.00
	Total	$ 39,017,500.00	$ 15,890,000.00	$ (232,250.00)	$ (10,755,000.00)	$ (1,550,000.00)	$ 42,370,250.00	$ 27,000,000.00	$ 4,781,486.19	$ 10,588,763.81
	Ref.	C	C-7	C-2	C-8,C-9		C			

Current Fund Appropriation:

Deferred Charges	$ (172,250.00)
Other	(60,000.00)
Total Cash Receipts	$ (232,250.00)

Unexpended Balances of Unfunded Impt Auth.	$ 12,337,678.69
Less: Unexpended Proceeds of Bond Anticipation Notes	1,748,914.88
	$ 10,588,763.81

Exhibit C-7

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2006 Funded	June 30, 2006 Unfunded	Encumbrances June 30, 2006	Authorizations	Cancelled	Cash Payments	Encumbrances June 30, 2007	June 30, 2007 Funded	June 30, 2007 Unfunded
97-24	Drainage System - Washington Place	$ 4,502.52							$ 4,502.52	
99-13 99-29	Removal and Replacement of Underground Storage Tanks	186,884.75					$ (180,009.38)		6,875.37	
00-03	Development of Road Replacement & Maintenance Program	700.00					(700.00)			
00-27	Acquisition of Land		$ 4,734,872.95				(46,590.13)	$ (48,243.70)		$ 4,640,039.12
00-28	Improvement of Various Streets	1,690.00		$ 103,101.58			(1,690.00)	$ (103,101.58)		
01-19	Various Capital Improvements	458,503.12		52,280.00			(428,246.86)	(82,536.26)		
02-24	Fire Communications System, Improvements to Parks/Playgrounds & Playground Equipment	473,876.63		52,513.27			(5,590.00)	(46,923.27)	473,876.63	
02-38	Various Capital Improvements		1,011,496.54	266,609.09			(161,128.30)	(122,507.34)	949,469.99	45,000.00
03-12	Refunding Pension Liability	14,094.33							14,094.33	
03-13	Refunding of the Outstanding FYABs	3,050.00							3,050.00	
03-30	Various Capital Improvements		336,888.43	299,068.88			(471,063.76)	(102,787.69)		62,105.86
04-05	High School / Vets Park Soil Remediation		5,374,929.86	190,598.49			(183,874.11)	(146,884.31)		5,234,769.93
04-28	Various Capital Improvements		483,993.71	522,874.58			(648,679.16)	(64,073.81)		294,115.32

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2006 Funded	June 30, 2006 Unfunded	Encumbrances June 30, 2006	Authorizations	Cancelled	Cash Payments	Encumbrances June 30, 2007	June 30, 2007 Funded	June 30, 2007 Unfunded
04-27	UCC Scanning/Indexing System	$ -	$ 8.72	$ 359,900.00			$ (209,756.08)	$ (24,883.67)		$ 125,268.97
04-26	Otken Farm Improvements		1,384.33	3,724,041.54			(3,294,533.00)	(430,892.87)		
05-15	Various Capital Improvements		357,127.99	2,100,628.46			(2,179,738.98)	(96,690.93)		181,326.54
06-07	Various Capital Improvements		32,874.16	383,125.84			(404,801.75)			11,198.25
05-26	Refunding Bonds		4,102.00				(2,500.00)		$ 1,602.00	
06-15	Various Capital Improvements				$ 6,200,000.00		(944,862.89)	(1,994,946.45)		3,260,190.66
06-19	Library Improvements				200,000.00		(53,479.47)	(141,437.53)		5,083.00
06-40	Refunding Bonds				8,100,000.00	$ (1,550,000.00)	(6,531,158.38)		18,841.62	
07-01	Various Streets & Roads				1,800,000.00		(716.24)		89,283.76	1,710,000.00
	Total	$ 1,143,301.35	$ 12,337,678.69	$ 8,054,741.73	$ 16,300,000.00	$ (1,550,000.00)	$ (15,749,118.49)	$ (3,405,909.41)	$ 1,561,596.22	$ 15,569,097.65
	Ref.	C	C	C		C-6	C-2	C	C	C

	Ref.	
Capital Improvement Fund	C-12	$ 320,000.00
Due Current Fund	C-13	90,000.00
Deferred Chgs Unfunded	C-6	15,890,000.00
Total		$ 16,300,000.00

Exhibit C-8

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/2007 Date	Amount	Rate	June 30, 2006	Bonds Issued	Budget Appropriation	June 30, 2007
General Obligation Bonds.....	11/1/91	$4,300,000	11/01/07	300,000	6.100%	$ 600,000.00		$ (300,000.00)	$ 300,000.00
Refunding Bonds.....	12/1/97	12,975,000	05/15/08	1,150,000	4.500%	8,705,000.00		(7,555,000.00)	1,150,000.00
Refunding Bonds.....	11/15/98	9,995,000	07/01/07	1,505,000	4.100%				
			07/01/08	1,560,000	4.150%				
			07/01/09	1,630,000	4.250%				
			07/01/10	1,695,000	4.400%	7,835,000.00		(1,445,000.00)	6,390,000.00
General Obligation Bonds.....	4/1/00	4,685,000	04/01/08	300,000	5.250%				
			04/01/09	400,000	5.250%	975,000.00		(275,000.00)	700,000.00
General Obligation Bonds.....	1/1/02	3,794,000	01/01/08-11	225,000	4.650%				
			01/01/12-14	450,000	4.650%				
			01/01/15	419,000	4.650%	2,894,000.00		(225,000.00)	2,669,000.00
General Obligation Bonds.....	12/15/03	6,000,000	8/15/07-09	300,000	3.250%				
			08/15/10	400,000	3.375%				
			08/15/11	400,000	3.500%				
			8/15/12-13	500,000	3.500%				
			08/15/14	600,000	3.500%				
			08/15/15	600,000	3.600%				
			08/15/16	600,000	3.700%				
			08/15/17	600,000	4.000%	5,400,000.00		(300,000.00)	5,100,000.00
General Obligation Bonds.....	11/17/04	3,000,000	8/15/07-08	300,000	3.250%				
			8/15/09-13	300,000	3.500%				
			08/15/14	300,000	3.625%				
			08/15/15	300,000	3.700%	2,850,000.00		(150,000.00)	2,700,000.00

Exhibit C-8

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/2007 Date	Amount	Rate	June 30, 2006	Bonds Issued	Budget Appropriation	June 30, 2007
General Obligation Bonds.....	11/1/91	$4,300,000	11/01/07	300,000	6.100%	$ 600,000.00		$ (300,000.00)	$ 300,000.00
Refunding Bonds.....	12/1/97	12,975,000	05/15/08	1,150,000	4.500%	8,705,000.00		(7,555,000.00)	1,150,000.00
Refunding Bonds.....	11/15/98	9,995,000	07/01/07	1,505,000	4.100%				
			07/01/08	1,560,000	4.150%				
			07/01/09	1,630,000	4.250%				
			07/01/10	1,695,000	4.400%	7,835,000.00		(1,445,000.00)	6,390,000.00
General Obligation Bonds.....	4/1/00	4,685,000	04/01/08	300,000	5.250%				
			04/01/09	400,000	5.250%	975,000.00		(275,000.00)	700,000.00
General Obligation Bonds.....	1/1/02	3,794,000	01/01/08-11	225,000	4.650%				
			01/01/12-14	450,000	4.650%				
			01/01/15	419,000	4.650%	2,894,000.00		(225,000.00)	2,669,000.00
General Obligation Bonds.....	12/15/03	6,000,000	8/15/07-09	300,000	3.250%				
			08/15/10	400,000	3.375%				
			08/15/11	400,000	3.500%				
			8/15/12-13	500,000	3.500%				
			08/15/14	600,000	3.500%				
			08/15/15	600,000	3.600%				
			08/15/16	600,000	3.700%				
			08/15/17	600,000	4.000%	5,400,000.00		(300,000.00)	5,100,000.00
General Obligation Bonds.....	11/17/04	3,000,000	8/15/07-08	300,000	3.250%				
			8/15/09-13	300,000	3.500%				
			08/15/14	300,000	3.625%				
			08/15/15	300,000	3.700%	2,850,000.00		(150,000.00)	2,700,000.00

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/2007 Date	Amount	Rate	June 30, 2006	Bonds Issued	Budget Appropriation	June 30, 2007
Refunding Bonds (ERI).....	5/15/03	2,075,000	08/15/07	135,000	3.000%				
			08/15/08	235,000	3.600%				
			08/15/09	260,000	3.800%				
			08/15/10	290,000	4.200%				
			08/15/11	310,000	4.400%				
			08/15/12	200,000	4.650%				
			08/15/13	200,000	4.750%				
			08/15/14	105,000	4.850%	$ 1,850,000.00		$ (115,000.00)	$ 1,735,000.00
Open Space Bonds.....	12/15/03	4,500,000	08/15/07	125,000	3.250%				
			8/15/08-09	150,000	3.250%				
			08/15/10	175,000	3.375%				
			08/15/11	175,000	3.500%				
			8/15/12-14	200,000	3.500%				
			08/15/15	200,000	3.600%				
			08/15/16	200,000	3.700%				
			8/15/17-20	200,000	4.000%				
			08/15/21	200,000	4.125%				
			08/15/22	200,000	4.200%				
			08/15/23	200,000	4.250%				
			08/15/24	200,000	4.375%				
			08/15/25	200,000	4.400%				
			8/15/26-28	200,000	4.500%	4,300,000.00		(125,000.00)	4,175,000.00
Refunding Bonds.....	4/1/06	5,075,000	04/01/08	350,000	3.500%				
			04/01/09	365,000	3.500%				
			04/01/10	780,000	3.400%				
			04/01/11	780,000	4.000%				
			04/01/12	790,000	3.750%				
			04/01/13	815,000	4.000%				
			04/01/14	405,000	4.250%				
			04/01/15	385,000	4.250%	5,015,000.00		(345,000.00)	4,670,000.00

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/2007 Date	Amount	Rate	June 30, 2006	Bonds Issued	Budget Appropriation	June 30, 2007
General Obligation Bonds.....	11/1/06	4,205,000	11/01/07-11	170,000	3.875%				
			11/01/12	295,000	3.875%				
			11/01/13	340,000	3.875%				
			11/01/14-21	340,000	4.000%		$ 4,205,000.00		$ 4,205,000.00
Refunding Bonds.....	5/15/07	6,550,000	05/15/09	1,205,000	4.250%				
			05/15/10	1,240,000	4.000%				
			05/15/11	1,280,000	5.000%				
			05/15/12	1,335,000	4.000%				
			05/15/13	1,365,000	5.000%		6,550,000.00	$ (125,000.00)	6,425,000.00
Total.....						$ 40,424,000.00	$ 10,755,000.00	$ (10,960,000.00)	$ 40,219,000.00
					Ref.	C	C-6	C-5	C

Paid by Budget Appropriation	C-5	$ (4,500,000.00)
Serial Bonds Refunded	C-5	(6,460,000.00)
		$ (10,960,000.00)

Exhibit C-9

GENERAL CAPITAL
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2007 Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2006	New Financing	Notes not Re-issued	Notes Outstanding June 30, 2007
02-38	Various Capital Improvements.....	4.00%	11/15/05	11/14/06	$ 3,410,000.00		$ (3,410,000.00)	
03-30	Various Capital Improvements.....	4.00%	11/14/06	11/9/07	2,700,000.00		(700,000.00)	$ 2,000,000.00
00-27	Land Acquisition.....	4.00%	11/14/06	11/9/07	2,400,000.00		(200,000.00)	2,200,000.00
04-05	High School / Vets Park Soil Remediation...	4.50%	8/21/06	8/20/07	10,000,000.00			10,000,000.00
04-26	Otken Farm Improvements.....	4.00%	11/14/06	11/9/07	1,890,000.00	$ 6,205,000.00		8,095,000.00
04-28	Various Capital Improvements.....	4.00%	11/14/06	11/9/07	1,600,000.00			1,600,000.00
05-15	Various Capital Improvements.....	4.00%	11/14/06	11/9/07		2,706,000.00		2,706,000.00
06-07	Various Capital Improvements.....	4.00%	11/14/06	11/9/07		399,000.00		399,000.00
	Total.....				$ 22,000,000.00	$ 9,310,000.00	$ (4,310,000.00)	$ 27,000,000.00
				Ref.	C, C-2			C, C-2

Exhibit C-10

GENERAL CAPITAL FUND
SCHEDULE OF EDA LOAN PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities 06/30/2007 Date	Amount	Rate	June 30, 2006	Budget Appropriation	June 30, 2007
Underground Storage Tanks.....	4/1/01	$ 454,556.00	4/1/08	45,455.60	0.00%	$ 227,278.00	$ (45,455.60)	$ 181,822.40
			4/1/09	45,455.60	0.00%			
			4/1/10	45,455.60	0.00%			
			4/1/11	45,455.60	0.00%			
Total.....						$ 227,278.00	$ (45,455.60)	$ 181,822.40
					Ref.	C	C-5	C

Exhibit C-11

GENERAL CAPITAL

SCHEDULE OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE

Purpose	Original Issue	Outstanding Maturities 06/30/2007 Date	Admin.	Trustee	Principal	Interest	Rate	June 30, 2006	Budget Appropriation	June 30, 2007
1992 Series...	$887,087.00	10/1/07	14.16	772.12	8,493.00	259.00	6.100%	$ 17,758.00	$ (9,265.00)	$ 8,493.00
1993 Series...	1,190,000.00	9/1/07	27.00	2,746.00	8,239.00	406.00	4.900%			
		3/1/08				204.00				
		9/1/08	14.00	2,746.00	8,239.00	204.00	4.950%	24,717.00	(8,239.00)	16,478.00
1994 Series...	517,000.00	7/1/07				195.00				
		1/1/08	750.00	1,500.00	2,999.00	195.00	6.500%			
		7/1/08				97.00				
		1/1/09	750.00	1,500.00	2,999.00	97.00	6.500%	8,997.00	(2,999.00)	5,998.00
1995 Series...	863,000.00	7/1/07				545.00				
		1/1/08	48.00	561.00	6,731.00	545.00	5.300%			
		7/1/08				367.00				
		1/1/09	48.00	561.00	6,731.00	367.00	5.400%			
		7/1/09				185.00				
		1/1/10	48.00	612.00	6,731.00	185.00	5.500%	26,924.00	(6,731.00)	20,193.00

Exhibit C-11

GENERAL CAPITAL

SCHEDULE OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE

Purpose	Original Issue	Date	Outstanding Maturities 06/30/2007 Admin.	Trustee	Principal	Interest	Rate	June 30, 2006	Budget Appropriation	June 30, 2007
1996 Series...	500,000.00							$ 150,000.00	$ (150,000.00)	$ -
1997 Series...	500,000.00	9/1/07	122.00	36.00		87.00				
		3/1/08			3,664.00	87.00	4.750%	7,328.00	(3,664.00)	3,664.00
2000 Series...	829,177.00	12/1/07				2,317.01				
		6/1/08	689.12	345.99	32,523.14	2,317.01	4.700%			
		12/1/08				1,552.72				
		6/1/09	689.12	345.99	32,523.14	1,552.72	4.750%			
		12/1/09				780.30				
		6/1/10			32,177.15	780.30	4.850%	129,746.57	(32,523.14)	97,223.43
Total			$ 3,199.40	$ 11,726.10	$ 152,049.43	$13,325.06		$ 365,470.57	$ (213,421.14)	$ 152,049.43
								C	C-5	C

Budget Reconciliation

Principal Payments	$ (213,421.14)
Interest on Obligations	(14,215.36)
MCIA Administration Fees	(1,679.72)
Trustee Fees	(5,973.11)
Total Budget Charges	$ (235,289.33)

Exhibit C-12

GENERAL CAPITAL
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance June 30, 2006	C	$ 342.00
Increased by Receipts:		
Current Fund:		
Capital Improvement Fund Appropriation	C-2	320,000.00
Appropriated to Fund Improvement Authorizations	C-7	(320,000.00)
Balance June 30, 2007	C	$ 342.00

Exhibit C-13

GENERAL CAPITAL
DUE FROM CURRENT FUND

	Ref.	
Balance June 30, 2006	C	$ 44,529.14
Increased by:		
Emergency Down Payment Ord #07-01	C-7	90,000.00
Decreased by:		
Cash Receipt	C-2	44,529.14
Balance June 30, 2007	C	$ 90,000.00

Exhibit - C-14

SCHEDULE OF VARIOUS RESERVES

	Ordinance Number	Balance June 30, 2006	Increases	Balance June 30, 2007
Reserve for:				
Cash or Appropriated Reserves:				
High School/Vets Park Soil Remediation		$ 94,429.14	$ 219,164.46	$ 313,593.60
BAN Payment		45,000.00		45,000.00
		$ 139,429.14	$ 219,164.46	$ 358,593.60
Ref.		C	C-2	C

Exhibit C-15

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	June 30, 2007
87-06	Black Horse Lane and Wood Avenue	$ 172,250.00
88-16	Fire Fighting Equipment	158,000.00
00-27	Acquisition of Lands	4,000,000.00
02-38	Various Capital Improvements	45,000.00
03-30	Various Capital Improvements	478,000.00
04-05	High School / Vets Park Soil Remediation	1,000,000.00
04-28	Various Capital Improvements	860,000.00
04-27	UCC Scanning/Indexing System	180,000.00
04-26	Otken Farm Improvements	600,000.00
05-15	Various Capital Improvements	87,000.00
06-15	Various Capital Improvements	5,890,000.00
06-19	Library Improvements	190,000.00
07-01	Various Capital Improvements	1,710,000.00
	Total	$ 15,370,250.00
	Ref.	C

WATER UTILITY FUND

Exhibit D-5

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH

	Ref.	Operating	Capital
Cash Balance June 30, 2006	D	$ 1,067,933.81	$ 4,713.86
Increased by Cash Receipts			
Due Water Capital/Operating	D	610,000.00	100,000.00
Revenues Collected	D-3	6,122,657.09	
Bonds Issued	D-11		2,000,000.00
Bond Anticipation Notes	D-12		500,000.00
Developer Contribution	D-16		97,200.00
Total Cash Receipts		6,732,657.09	2,697,200.00
Decreased by Disbursements			
Due Water Capital/Operating	D	(100,000.00)	(610,000.00)
Accounts Payable	D-9	(30,564.00)	
Appropriation Reserves	D-9	(457,018.34)	
Budget Appropriations	D-4	(4,585,523.11)	
Bond Anticipation Notes	D-12		(1,000,000.00)
Reserve for Filters	D-16		(60,669.24)
Contracts Payable	D-17		(89,015.59)
Improvement Authorizations	D-10		(940,052.21)
Total Cash Disbursements		(5,173,105.45)	(2,699,737.04)
Cash Balance June 30, 2007	D	$ 2,627,485.45	$ 2,176.82

Exhibit D-6

WATER CAPITAL UTILITY FUND
ANALYSIS OF CASH BALANCE

	Deferred Charges	Improvement Authorizations	Other	Balance June 30, 2007
Fund Balance			$ 81,228.21	$ 81,228.21
Capital Improvement Fund			89,067.59	89,067.59
Due from Developer			(130,000.00)	(130,000.00)
Contracts Payable			18,465.41	18,465.41
Due Water Operating Fund			100,000.00	100,000.00
Reserve for Water System Improvements			67,430.76	67,430.76
Improvement Authorizations				
03-31 Water Distribution System		$ 144,576.99		144,576.99
05-16 Water Distribution System	($1,500,000.00)	1,628,963.69		128,963.69
06-16 Water Distribution System	(1,500,000.00)	466,552.15		(1,033,447.85)
Encumbrances		535,892.02		535,892.02
Total	$ (3,000,000.00)	$ 2,775,984.85	$ 226,191.97	$ 2,176.82 D

Exhibit D-7

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance - June 30, 2006	D	$ 30,065,994.03
Balance - June 30, 2007	D	$ 30,065,994.03

Exhibit D-8

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord.	Improvement Description	Balance June 30, 2006	SFY 2007 Authorization	Balance June 30, 2007
03-31	Water Distribution System	$ 222,695.56		$ 222,695.56
05-16	Improvements to Water Distribution System	2,000,000.00		2,000,000.00
06-16	Improvements to Water Distribution System		$ 1,500,000.00	1,500,000.00
		$ 2,222,695.56	$ 1,500,000.00	$ 3,722,695.56
	Ref.	D	D-10	D

Exhibit D-9

WATER UTILITY OPERATING FUND
SCHEDULE OF SFY 2006 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2006	June 30, 2006 Encumbrances	Paid or Charged	Lapsed
Operating - Other Expenses	65,856.01	$ 475,665.95	$ (474,631.34)	$66,890.62
MCIA Lease Payments		5,174.50	(5,174.50)	
Total Water Utility Operating	$ 65,856.01	$ 480,840.45	$ (479,805.84)	$ 66,890.62
Ref.	D	D		D-1

	Ref.	
Cash Disbursements	D-5	$ (457,018.34)
June 30, 2007 Accounts Payable	D-9	(22,787.50)
Total Paid or Charged		$ (479,805.84)

Accounts Payable Analysis

Balance June 30, 2006	D	$ 95,147.34
Increased by:		
Transfer from Appropriation Reserves	D-9	22,787.50
Decreased by:		
Cash Disbursement	D-5	(30,564.00)
Balance June 30, 2007	D	$ 87,370.84

Exhibit D-10

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2006 Unfunded	Encumbrances June 30, 2006	SFY 2007 Authorizations	Paid or Charged	Encumbrances June 30, 2007	June 30, 2007 Funded	June 30, 2007 Unfunded
03-31	$ 2,000,000.00	Improvements to Water Distribution System.....	$ 47,028.57	$ 175,666.99		$ (53,118.57)	$ (25,000.00)	$ 144,576.99	
05-16	2,000,000.00	Improvements to Water Distribution System.....	1,621,897.96	371,443.54		(364,215.29)	(162.52)		$ 1,628,963.69
06-16	1,500,000.00	Improvements to Water Distribution System.....			$ 1,500,000.00	(522,718.35)	(510,729.50)		466,552.15
	$ 5,500,000.00	Total.....	$ 1,668,926.53	$ 547,110.53	$ 1,500,000.00	$ (940,052.21)	$ (535,892.02)	$ 144,576.99	$ 2,095,515.84
		Ref.	D	D	D-8	D-5	D	D	D

Exhibit D-11

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.... June 30, 2007 Date	Principal	Rate	.....INTEREST EXPENSE..... Interest Cash Payments	....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
Ordinance 96-21...	04/01/99	$2,020,000	04/01/08	$ 90,000.00	4.800%	$ 66,410.00	$ (16,603.00)	$ 15,523.00	$ 65,330.00
			04/01/09	100,000.00	4.800%	62,090.00	(15,523.00)	14,323.00	60,890.00
			04/01/10	100,000.00	4.800%	57,290.00	(14,323.00)	13,123.00	56,090.00
			04/01/11	100,000.00	4.800%	52,490.00	(13,123.00)	11,923.00	51,290.00
			04/01/12	100,000.00	4.800%	47,690.00	(11,923.00)	10,723.00	46,490.00
			04/01/13	110,000.00	4.800%	42,890.00	(10,723.00)	9,403.00	41,570.00
			04/01/14	115,000.00	4.800%	37,610.00	(9,403.00)	8,023.00	36,230.00
			04/01/15	125,000.00	4.800%	32,090.00	(8,023.00)	6,523.00	30,590.00
			04/01/16	125,000.00	4.800%	26,090.00	(6,523.00)	5,023.00	24,590.00
			04/01/17	125,000.00	4.900%	20,090.00	(5,023.00)	3,491.00	18,558.00
			04/01/18	135,000.00	4.900%	13,965.00	(3,491.00)	1,838.00	12,312.00
			04/01/19	150,000.00	4.900%	7,350.00	(1,838.00)		5,512.00

Exhibit D-11

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.... June 30, 2007 Date	Principal	Rate	.....INTEREST EXPENSE..... Interest Cash Payments	....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
Ordinance 03-31...	11/01/06	$2,000,000	11/01/07	$ 65,000.00	3.875%	$ 78,115.63	$ (13,678.00)	$ 12,809.33	$ 77,246.96
			11/01/08	65,000.00	3.875%	75,596.88	(12,809.33)	12,389.67	75,177.22
			11/01/09	65,000.00	3.875%	73,078.13	(12,389.67)	11,969.67	72,658.13
			11/01/10	65,000.00	3.875%	70,559.38	(11,969.67)	11,550.00	70,139.71
			11/01/11	65,000.00	3.875%	68,040.63	(11,550.00)	11,130.00	67,620.63
			11/01/12	85,000.00	3.875%	65,134.38	(11,130.00)	10,581.25	64,585.63
			11/01/13	90,000.00	3.875%	61,743.75	(10,581.25)	10,000.00	61,162.50
			11/01/14	95,000.00	4.000%	58,100.00	(10,000.00)	9,366.67	57,466.67
			11/01/15	95,000.00	4.000%	54,300.00	(9,366.67)	8,733.33	53,666.66
			11/01/16	100,000.00	4.000%	50,400.00	(8,733.33)	8,066.67	49,733.34
			11/01/17	105,000.00	4.000%	46,300.00	(8,066.67)	7,366.67	45,600.00
			11/01/18	110,000.00	4.000%	42,000.00	(7,366.67)	6,633.33	41,266.66
			11/01/19	115,000.00	4.000%	37,500.00	(6,633.33)	5,866.67	36,733.34
			11/01/20	115,000.00	4.000%	32,900.00	(5,866.67)	5,100.00	32,133.33
			11/01/21	120,000.00	4.000%	28,200.00	(5,100.00)	4,300.00	27,400.00
			11/01/22	125,000.00	4.000%	23,300.00	(4,300.00)	3,466.67	22,466.67
			11/01/23	130,000.00	4.000%	18,200.00	(3,466.67)	2,600.00	17,333.33
			11/01/24	130,000.00	4.000%	13,000.00	(2,600.00)	1,733.33	12,133.33
			11/01/25	130,000.00	4.000%	7,800.00	(1,733.33)	866.67	6,933.34
			11/01/26	130,000.00	4.000%	2,600.00	(866.67)		1,733.33

Exhibit D-11

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.... Date	June 30, 2007 Principal	Rate	.....INTEREST EXPENSE..... Interest Cash Payments	....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
			Ref.						
June 30, 2006 Balance.....			D	$ 1,465,000.00					
Bonds Issued.....			D-5	2,000,000.00					
Principal Payments.....			D-4,D-14	(90,000.00)					
June 30, 2007 Balance.....			D	$ 3,375,000.00					

Exhibit D-12

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2007 Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2006	New Financing	Notes not Re-issued	Notes Outstanding June 30, 2007
03-31	Improvements to Water Distribution System.....	4.00%	11/15/05	11/14/06	$1,000,000.00		$ (1,000,000.00)	
05-16	Improvements to Water Distribution System.....	4.00%	11/9/06	11/9/07		$ 500,000.00		$ 500,000.00
	Total.....				$1,000,000.00	$ 500,000.00	$ (1,000,000.00)	$ 500,000.00
				Ref.	D	D-5	D-5	D

Exhibit D-13

WATER CAPITAL
SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
WATER/SEWER-LEASE PAYMENT AMORTIZATION
ORIGINAL ISSUE $17,402,500 DATED OCTOBER 1, 2003

	OUTSTANDING MATURITIES June 30, 2007			.....INTEREST EXPENSE.....			
Date	Mgt/Trustee	Principal	Rate	Interest Annual Cash Payments	.....Accrued Interest..... Beginning	Ending	FY Budget Appropriation Interest
FY 2008	$ 20,899.05	$ 685,000.00	4.50%	$ 670,460.00	$ (171,468.13)	$ 163,761.88	$ 662,753.75
FY 2009	20,892.41	710,000.00	3.00%	644,397.50	(163,761.88)	158,436.88	639,072.50
FY 2010	20,885.77	732,500.00	3.00%	622,760.00	(158,436.88)	152,943.13	617,266.25
FY 2011	20,878.24	755,000.00	3.20%	599,692.50	(152,943.13)	146,903.13	593,652.50
FY 2012	20,866.43	780,000.00	3.38%	574,450.00	(146,903.13)	140,321.88	567,868.75
FY 2013	20,845.72	812,500.00	5.00%	540,975.00	(140,321.88)	130,165.63	530,818.75
FY 2014	20,815.25	855,000.00	5.00%	499,287.50	(130,165.63)	119,478.13	488,600.00
FY 2015	20,775.40	900,000.00	5.00%	455,412.50	(119,478.13)	108,228.13	444,162.50
FY 2016	20,727.84	945,000.00	5.00%	409,287.50	(108,228.13)	96,415.63	397,475.00
FY 2017	20,670.50	987,500.00	4.00%	365,912.50	(96,415.63)	86,540.63	356,037.50
FY 2018	20,601.31	1,035,000.00	5.00%	320,287.50	(86,540.63)	73,603.13	307,350.00
FY 2019	20,519.48	1,087,500.00	5.00%	267,225.00	(73,603.13)	60,009.38	253,631.25
FY 2020	20,422.97	1,142,500.00	5.00%	211,475.00	(60,009.38)	45,728.13	197,193.75
FY 2021	20,901.00	1,202,500.00	5.00%	152,850.00	(45,728.13)	30,696.88	137,818.75
FY 2022	20,187.82	1,262,500.00	4.75%	92,803.13	(30,696.88)	15,704.69	77,810.94
FY 2023	8,980.19	1,322,500.00	4.75%	31,409.38	(15,704.69)		15,704.69
Total.....	$ 319,869.34			$ 6,458,685.00			

	Ref.	
$ 15,870,000.00	D	Balance - June 30, 2006
(655,000.00)	D-4, D-14	Principal Payments
$ 15,215,000.00	D	Balance - June 30, 2007

Exhibit D-14

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance June 30, 2006	D		$ 10,953,689.59
Principal Payments			
Serial Bonds	D-4,D-11	$ 90,000.00	
Lease Obligation	D-4,D-13	655,000.00	
Total Principal Payments			745,000.00
Balance June 30, 2007	D		$ 11,698,689.59

Exhibit D-15

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance June 30, 2006	D	$ 89,067.59
Balance June 30, 2007	D	$ 89,067.59

Exhibit D-16

WATER UTILITY CAPITAL FUND
RESERVE FOR WATER SYSTEM IMPROVEMENTS

	Ref.	
Balance June 30, 2006	D	$ 30,900.00
Increased by:		
Developer Contribution	D-5	97,200.00
Decreased by:		
Cash Disbursements	D-5	(60,669.24)
Balance June 30, 2007	D	$ 67,430.76

Exhibit D-17

WATER UTILITY CAPITAL FUND
CONTRACTS PAYABLE

	Ref.	
Balance June 30, 2006	D	$ 107,481.00
Decreased by:		
Cash Disbursements	D-5	(89,015.59)
Balance June 30, 2007	D	$ 18,465.41

Exhibit D-18

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

Ord.	Description	June 30, 2006	SFY 2007 Authorizations	SFY 2007 Funding	June 30, 2007
03-31	Improvements to Water Distribution System.....	$1,000,000.00		$1,000,000.00	
05-16	Improvements to Water Distribution System.....	2,000,000.00		500,000.00	$ 1,500,000.00
06-16	Improvements to Water Distribution System.....		$1,500,000.00		1,500,000.00
	Total Bonds & Notes Authorized but not Issued.....	$ 3,000,000.00	$ 1,500,000.00	$ 1,500,000.00	$ 3,000,000.00
	Ref.				D

SEWER UTILITY FUND

Exhibit E-5

SEWER UTILITY OPERATING & CAPITAL FUNDS
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2006	E	$ 687,584.45	$ 737,170.98
Increased by Cash Receipts			
Anticipated Revenue	E-3	5,288,562.47	
Interfund	E-5	1,000.00	
Receivables	E-7		968,252.00
Total Cash Receipts		5,289,562.47	968,252.00
Decreased by Disbursements			
Appropriation Reserves	E-10	(110,663.45)	
Budget Appropriations	E-4	(5,062,442.45)	
Bond Anticipation Notes	E-12		(1,000,000.00)
Interfund	E-5		(1,000.00)
Improvement Authorizations	E-15		(680,093.42)
Total Cash Disbursements		(5,173,105.90)	(1,681,093.42)
Cash Balance June 30, 2007	E	$ 804,041.02	$ 24,329.56

Exhibit E-6

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCES

Ord.		Deferred Charges	Ordinance Balance	Other	Cash Balance
	Fund Balance			$ 30,272.00	$ 30,272.00
	Capital Improvement Fund			28,900.00	28,900.00
	Improvement Authorizations				
95-19	North/South Brunswick Joint Outlet Sewer Project	$ (2,380,000.00)	$ 2,497,706.00		117,706.00
97-25	Replacement of Schmidt Lane & West Lawrence St Sanitary Sewer Pumping Station	(2,593,312.00)	2,526,794.08		(66,517.92)
05-17	Improvements to Sanitary Sewerage System	(1,000,000.00)	678,614.61		(321,385.39)
06-18	Improvements to Sanitary Sewerage System		39,447.53		39,447.53
	Reserve for Encumbrances		184,219.34		184,219.34
	Reserve for Env. Trust Loan Payments			11,688.00	11,688.00
	Balance June 30, 2007	$ (5,973,312.00)	$ 5,926,781.56	$ 70,860.00	$ 24,329.56
	Ref.				E, E-5

Exhibit E-7

SCHEDULE OF VARIOUS GRANTS, LOANS AND OTHER RECEIVABLES

	Balance June 30, 2006	Decreases	Balance June 30, 2007
Receivables:			
Sewer Capital:			
State of NJ Infrastucture - Loan	$ 484,126.00	$ 484,126.00	$ -
State of NJ Infrastucture - Trust	484,126.00	484,126.00	-
Total Sewer Capital	$ 968,252.00	$ 968,252.00	$ -
Ref.	E	E-5	E

Exhibit E-8

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance - June 30, 2006 and 2007	E	$13,795,637.00

Exhibit E-9

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord. Date	Description	June 30, 2006	SFY 2007 Authorizations	June 30, 2007
95-19	North/South Brunswick Joint Outlet Sewer Project	$ 2,500,000.00		$ 2,500,000.00
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station	4,840,000.00		4,840,000.00
05-17	Improvements to Sanitary Sewerage System	1,000,000.00		1,000,000.00
06-18	Improvements to Sanitary Sewerage System		$ 250,000.00	250,000.00
	Total Fixed Capital Authorized but not Completed	$ 8,340,000.00	$ 250,000.00	$ 8,590,000.00
		E	E-15	E

Exhibit E-10

SEWER UTILITY OPERATING FUND
SCHEDULE OF FY 2006 APPROPRIATION RESERVES

	June 30, 2006	Encumbrances Reclassified	Paid or Charged	Balance Lapsed
Operating Expenses	29,006.41	$ 90,978.75	$ (119,163.45)	821.71
Total Sewer Utility Operating	$ 29,006.41	$ 90,978.75	$ (119,163.45)	$ 821.71
Ref.	E	E	E-5	E-1

	Ref.	
Cash Disbursements	E-5	$ (110,663.45)
June 30, 2007 Accounts Payable	E-10	(8,500.00)
Total Paid or Charged		$ (119,163.45)

Accounts Payable Analysis

Balance June 30, 2006	E	$ 22,392.75
Increased by:		
Transfer from Appropriation Reserve	E-10	8,500.00
Balance June 30, 2007	E	$ 30,892.75

Exhibit E-11

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES June 30, 2007 Date	Principal	Rate	INTEREST EXPENSE Interest Annual Cash Payments	Accrued Interest Beginning	Accrued Interest Ending	FY Budget Appropriation Interest
Ordinance 97-25	12/15/03	$1,095,000	08/15/07	$ 50,000.00	3.25%	$ 33,093.75	$ (4,238.28)	$ 4,035.16	$ 32,890.63
			08/15/08	50,000.00	3.25%	31,468.75	(4,035.16)	3,832.03	31,265.62
			08/15/09	50,000.00	3.25%	29,843.75	(3,832.03)	3,628.91	29,640.63
			08/15/10	75,000.00	3.38%	27,765.63	(3,628.91)	3,312.50	27,449.22
			08/15/11	75,000.00	3.50%	25,187.50	(3,312.50)	2,984.38	24,859.38
			08/15/12	75,000.00	3.50%	22,562.50	(2,984.38)	2,656.25	22,234.37
			08/15/13	75,000.00	3.50%	19,937.50	(2,656.25)	2,328.13	19,609.38
			08/15/14	95,000.00	3.50%	16,962.50	(2,328.13)	1,912.50	16,546.87
			08/15/15	100,000.00	3.60%	13,500.00	(1,912.50)	1,462.50	13,050.00
			08/15/16	100,000.00	3.70%	9,850.00	(1,462.50)	1,000.00	9,387.50
			08/15/17	100,000.00	4.00%	6,000.00	(1,000.00)	500.00	5,500.00
			08/15/18	100,000.00	4.00%	2,000.00	(500.00)		1,500.00

	Ref.	
June 30, 2006 Balance.....	E	$ 995,000.00
Principal Payments.....	E-4,E-18	(50,000.00)
June 30, 2007 Balance.....	E	$ 945,000.00

Exhibit E-12

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2007 Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2006	Notes Redeemed	Notes Outstanding June 30, 2007
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	4.00%	11/16/05	11/15/06	$1,000,000	($1,000,000)	$ -
	Total.....				$1,000,000	($1,000,000)	$ -
				Ref.	E	E-5	E

Exhibit D-18

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

Ord.	Description	June 30, 2006	SFY 2007 Authorizations	SFY 2007 Funding	June 30, 2007
03-31	Improvements to Water Distribution System.....	$1,000,000.00		$1,000,000.00	
05-16	Improvements to Water Distribution System.....	2,000,000.00		500,000.00	$ 1,500,000.00
06-16	Improvements to Water Distribution System.....		$1,500,000.00		1,500,000.00
	Total Bonds & Notes Authorized but not Issued.....	$ 3,000,000.00	$ 1,500,000.00	$ 1,500,000.00	$ 3,000,000.00
	Ref.				D

Exhibit E-7

SCHEDULE OF VARIOUS GRANTS, LOANS AND OTHER RECEIVABLES

	Balance June 30, 2006	Decreases	Balance June 30, 2007
Receivables:			
Sewer Capital:			
State of NJ Infrastucture - Loan	$ 484,126.00	$ 484,126.00	$ -
State of NJ Infrastucture - Trust	484,126.00	484,126.00	-
Total Sewer Capital	$ 968,252.00	$ 968,252.00	$ -
Ref.	E	E-5	E

Exhibit E-12

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2007 Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2006	Notes Redeemed	Notes Outstanding June 30, 2007
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	4.00%	11/16/05	11/15/06	$1,000,000	($1,000,000)	$ -
	Total.....				$1,000,000	($1,000,000)	$ -
				Ref.	E	E-5	E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
WATER/SEWER-LEASE PAYMENT AMORTIZATION
ORIGINAL ISSUE $17,402,500 DATED OCTOBER 1, 2003

	OUTSTANDING MATURITIES June 30, 2007			……INTEREST EXPENSE……			
Date	Mgt/Trustee	Principal	Rate	Interest Annual Cash Payments	……Accrued Interest…… Beginning	Ending	FY Budget Appropriation Interest
FY 2008	$ 20,899.05	$ 685,000.00	4.50%	$ 670,460.00	$ (171,468.13)	$ 163,761.88	$ 662,753.75
FY 2009	20,892.41	710,000.00	3.00%	644,397.50	(163,761.88)	158,436.88	639,072.50
FY 2010	20,885.77	732,500.00	3.00%	622,760.00	(158,436.88)	152,943.13	617,266.25
FY 2011	20,878.24	755,000.00	3.20%	599,692.50	(152,943.13)	146,903.13	593,652.50
FY 2012	20,866.43	780,000.00	3.38%	574,450.00	(146,903.13)	140,321.88	567,868.75
FY 2013	20,845.72	812,500.00	5.00%	540,975.00	(140,321.88)	130,165.63	530,818.75
FY 2014	20,815.25	855,000.00	5.00%	499,287.50	(130,165.63)	119,478.13	488,600.00
FY 2015	20,775.40	900,000.00	5.00%	455,412.50	(119,478.13)	108,228.13	444,162.50
FY 2016	20,727.84	945,000.00	5.00%	409,287.50	(108,228.13)	96,415.63	397,475.00
FY 2017	20,670.50	987,500.00	4.00%	365,912.50	(96,415.63)	86,540.63	356,037.50
FY 2018	20,601.31	1,035,000.00	5.00%	320,287.50	(86,540.63)	73,603.13	307,350.00
FY 2019	20,519.48	1,087,500.00	5.00%	267,225.00	(73,603.13)	60,009.38	253,631.25
FY 2020	20,422.97	1,142,500.00	5.00%	211,475.00	(60,009.38)	45,728.13	197,193.75
FY 2021	20,901.00	1,202,500.00	5.00%	152,850.00	(45,728.13)	30,696.88	137,818.75
FY 2022	20,187.82	1,262,500.00	4.75%	92,803.13	(30,696.88)	15,704.69	77,810.94
FY 2023	8,980.19	1,322,500.00	4.75%	31,409.38	(15,704.69)		15,704.69
Total…….	$ 319,869.34			$ 6,458,685.00			

	Ref.	
$ 15,870,000.00	E	Balance - June 30, 2006
(655,000.00)	E-4,E-18	Principal Payments
$ 15,215,000.00	E	Balance - June 30, 2007

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	OUTSTANDING MATURITIES June 30, 2007 Date	Principal	Rate	INTEREST EXPENSE Interest Annual Cash Payments	Accrued Interest Beginning	Accrued Interest Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 97-25	11/4/04	$570,000	08/01/07	$ 20,000.00	4.00%	$ 25,418.76	$ (10,757.82)	$ 10,424.48	$ 25,085.42
			08/01/08	20,000.00	5.00%	24,518.76	(10,424.48)	10,007.82	24,102.10
			08/01/09	20,000.00	5.00%	23,518.76	(10,007.82)	9,591.15	23,102.09
			08/01/10	25,000.00	5.00%	22,393.76	(9,591.15)	9,070.32	21,872.93
			08/01/11	25,000.00	5.00%	21,143.76	(9,070.32)	8,549.48	20,622.92
			08/01/12	25,000.00	5.00%	19,893.76	(8,549.48)	8,028.65	19,372.93
			08/01/13	25,000.00	5.00%	18,643.76	(8,028.65)	7,507.82	18,122.93
			08/01/14	30,000.00	4.00%	17,418.76	(7,507.82)	7,007.82	16,918.76
			08/01/15	30,000.00	4.00%	16,218.76	(7,007.82)	6,507.82	15,718.76
			08/01/16	30,000.00	4.00%	15,018.76	(6,507.82)	6,007.82	14,518.76
			08/01/17	30,000.00	5.00%	13,668.76	(6,007.82)	5,382.82	13,043.76
			08/01/18	35,000.00	5.00%	12,043.76	(5,382.82)	4,653.65	11,314.59
			08/01/19	35,000.00	5.00%	10,293.76	(4,653.65)	3,924.48	9,564.59
			08/01/20	35,000.00	5.00%	8,543.76	(3,924.48)	3,195.32	7,814.60
			08/01/21	40,000.00	5.00%	6,668.76	(3,195.32)	2,361.98	5,835.42
			08/01/22	40,000.00	5.00%	4,668.76	(2,361.98)	1,528.65	3,835.43
			08/01/23	40,000.00	4.25%	2,818.76	(1,528.65)	820.32	2,110.43
			08/01/24	45,000.00	4.38%	984.38	(820.32)		164.06

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Fund Loan Ordinance 97-25	11/4/04	$ 581,688	YEAR	SEMI-ANNUAL PRINCIPAL 1-Feb	1-Aug
			2007		$ 21,388.77
			2008	$ 8,130.21	21,128.79
			2009	7,805.24	20,803.83
			2010	7,480.28	23,728.51
			2011	7,074.07	23,322.31
			2012	6,667.87	22,916.10
			2013	6,261.66	22,509.89
			2014	5,855.46	25,353.34
			2015	5,465.50	24,963.38
			2016	5,075.54	24,573.42
			2017	4,685.58	24,183.46
			2018	4,198.14	26,945.66
			2019	3,629.45	26,376.97
			2020	3,060.76	25,808.29
			2021	2,492.07	28,489.24
			2022	1,842.14	27,839.32
			2023	1,192.21	27,189.58
			2024	639.77	29,886.59

	Ref.	
June 30, 2006 Balance.....	E	$ 1,128,937.33
Principal Payments.....	E-4,E-18	(49,891.32)
June 30, 2007 Balance.....	E	$ 1,079,046.01

Exhibit E-15

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord	Original	Description	June 30, 2006 Funded	June 30, 2006 Unfunded	Encumbrances 6/30/06	SFY 2007 Authorizations	Paid or Charged	Encumbrances 6/30/07	June 30, 2007 Funded	June 30, 2007 Unfunded
95-19	$ 2,500,000	North/South Brunswick joint outlet sewer project.....	$ 117,706.00	$ 2,380,000.00					$ 117,706.00	$ 2,380,000.00
97-25	4,840,000	Replacement of Schmidt Lane & West Lawrence Street sanitary sewer pumping station.....	6,409.09	2,593,312.00	$ 259,447.89		$ (304,709.44)	$ (27,665.46)	6,409.09	2,520,384.99
05-17	1,000,000	Improvements to Sanitary Sewerage System.....		708,514.61	$291,485.39		($299,782.01)	(21,603.38)		678,614.61
06-18	250,000	Improvements to Sanitary Sewerage System.....				$ 250,000.00	(75,601.97)	(134,950.50)	39,447.53	
	$ 8,590,000	Total.....	$ 124,115.09	$ 5,681,826.61	$ 550,933.28	$ 250,000.00	$ (680,093.42)	$ (184,219.34)	$ 163,562.62	$ 5,578,999.60
		Ref.	E	E	E	E-9	E-5	E	E	E

Exhibit - E-16

SCHEDULE OF VARIOUS RESERVES - SEWER UTILITY

	Balance June 30, 2006	Balance June 30, 2007
Sewer Capital:		
Reserve for:		
Environmental Trust Loan Premiums	$ 11,688.00	$ 11,688.00
Total Sewer Capital	$ 11,688.00	$ 11,688.00
Ref.	E	E

Exhibit - E-17

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance - June 30, 2006	E	$ 278,900.00
Decreased By:		
Appropriated to Finance Improvement Authorization	E-18	250,000.00
Balance - June 30,2007	E	$ 28,900.00

Exhibit E-18

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES,
RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION

	Ref.	Deferred Charge MCIA Lease	Amortization	Deferred Amortization
Balance June 30, 2006	E	$ 6,419,201.00	$ (4,467,588.67)	$ (120,000.00)
Capital Outlay Expenditures.....	E-17			(250,000.00)
Principal Payments on Lease Obligation.....	E-4,E-11. E-13,E-14	(655,000.00)	(99,891.32)	
Balance June 30, 2007	E	$ 5,764,201.00	$ (4,567,479.99)	$ (370,000.00)

Exhibit E-19

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

Ord.	Description	June 30, 2006	Notes Redeemed	June 30, 2007
95-19	North/South Brunswick Joint Outlet Sewer Project.....	$2,380,000.00		$2,380,000.00
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	1,593,312.00	$1,000,000.00	2,593,312.00
05-17	Improvements to Sanitary Sewerage System.....	1,000,000.00		1,000,000.00
	Total Bonds & Notes Authorized but not Issued.....	$4,973,312.00	$1,000,000.00	$5,973,312.00
	Ref.			E

SUPPLEMENTARY DATA

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY TOTALS JUNE 30,2007	MEMORANDUM ONLY TOTALS JUNE 30,2006
Cash and Investments	$ 26,094,210.51	$ 14,691,290.86	$ 5,577,488.93	$ 828,370.58	$ 2,629,662.27	$	$ 49,821,023.15	$ 38,623,324.36
Accounts Receivable:								
State & Federal Grants Receivable	1,303,851.45						1,303,851.45	1,962,730.43
Due from State of New Jersey	185,000.01						185,000.01	193,764.17
Loan Receivable								968,252.00
Taxes, Assessments, Liens & Utility Charges		113,805.00			700.00		114,505.00	114,505.00
Interfund Loans			90,000.00		100,000.00		190,000.00	748,529.14
Other Accounts Receivable		1,398,607.11			130,000.00		1,528,607.11	5,150,986.41
Property Taxes Receivable	258,416.07						258,416.07	156,479.96
Property Acquired for Taxes at Assessed Valuation	161,970.58						161,970.58	161,970.58
Due from Attorney - Tax Overpayment								
Inventory								
Fixed Assets - General						58,367,899.00	58,367,899.00	58,367,899.00
Fixed Capital - Utility				13,795,637.00	30,065,994.03		43,861,631.03	43,861,631.03
Fixed Capital - Authorized and Uncompleted - Utility				8,590,000.00	3,722,695.56		12,312,695.56	10,562,695.56
Deferred Charges to Revenue of Succeeding Years	210,000.00						210,000.00	165,000.00
Deferred Charges								
MCIA Lease Purchase Obligation				5,764,201.00			5,764,201.00	6,419,201.00
Deferred Charges to Future Taxation: General Capital Fund			82,923,121.83				82,923,121.83	80,034,248.57
	$ 28,213,448.62	$ 16,203,702.97	$ 88,590,610.76	$ 28,978,208.58	$ 36,649,051.86	$ 58,367,899.00	$ 257,002,921.79	$ 247,491,217.21

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY TOTALS JUNE 30,2007	MEMORANDUM ONLY TOTALS JUNE 30,2006
Bonds and Notes Payable	$	$	$ 67,219,000.00	$ 945,000.00	$ 3,875,000.00	$	$ 72,039,000.00	$ 66,884,000.00
Lease Payable			152,049.43	15,215,000.00	15,215,000.00		30,582,049.43	32,105,470.57
Loans Payable			181,822.40	1,079,046.01			1,260,868.41	1,356,215.33
Taxes Payable	6,296,152.60						6,296,152.60	6,018,754.44
Prepaid Taxes, Assessments, Utility Charges and Licenses	99,342.42						99,342.42	102,169.29
Tax, Assessment, Lien, License and Utility Charge Overpayments	80,053.82	113,805.00			700.00		194,558.82	185,665.73
Appropriation Reserves	1,643,825.14			60,223.86	70,615.63		1,774,664.63	1,699,239.73
Reserve for Encumbrances/ Accounts Payable	5,179,299.05		3,405,909.41	530,225.02	1,469,246.42		10,584,679.90	14,237,180.22
Other Liabilities	11,102.00	25,901.39			18,465.41		55,468.80	147,648.03
Due County for Added Taxes								
Amts. Pledged to Specific Purposes	386,226.45	15,820,728.56	342.00	28,900.00	156,498.35		16,392,695.36	13,630,997.81
Escrow Funds		243,268.02					243,268.02	1,575,922.60
Improvement Authorizations			17,130,693.87	5,742,562.22	2,240,092.83		25,113,348.92	20,955,848.27
Interfund Loans	90,000.00				100,000.00		190,000.00	748,529.14
Investments in General Fixed Assets						58,367,899.00	58,367,899.00	58,367,899.00
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				4,937,479.99	11,698,689.59		16,636,169.58	15,541,278.26
Reserve for Certain Assets Acquired or Receivables & Inventories	420,386.65		358,593.60	11,688.00			790,668.25	469,567.68
Fund Balance	14,007,060.49		142,200.05	428,083.48	1,804,743.63		16,382,087.65	13,464,831.11
	$ 28,213,448.62	$ 16,203,702.97	$ 88,590,610.76	$ 28,978,208.58	$ 36,649,051.86	$ 58,367,899.00	$ 257,002,921.79	$ 247,491,217.21

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

Revenue and Other Income Realized	SFY 2007 Amount	%	SFY 2006 Amount	%
Surplus Anticipated	$5,950,000.00	4.54	$4,909,000.00	4.08
Miscellaneous Revenues Anticipated	14,968,700.00	11.43	14,783,725.16	12.29
Receipts from Current Taxes	108,429,710.34	82.80	97,301,960.50	80.88
Other Miscellaneous Revenue	1,608,476.66	1.23	3,316,794.52	2.76
Total Income	130,956,887.00	100.00	120,311,480.18	100.00
Expenditures				
Budget Appropriations	43,016,462.24	34.92	39,216,718.47	35.63
Tax Collections				
County Taxes	13,217,570.51	10.73	11,393,810.71	10.35
Local School District Taxes	66,205,598.50	53.75	58,729,116.00	53.35
Other Miscellaneous Expenditures	738,607.78	0.60	740,759.00	0.67
Total Expenditures	123,178,239.03	100.00	110,080,404.18	100.00
Excess in Revenue	7,778,647.97		10,231,076.00	
Fund Balance - Beginning	12,088,412.52		6,766,336.52	
	19,867,060.49		16,997,412.52	
Utilized as Anticipated Revenue	(5,950,000.00)		(4,909,000.00)	
Charges Deferred to Future Years' Budgets	90,000.00			
Fund Balance - Ending	$14,007,060.49		$12,088,412.52	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - WATER UTILITY OPERATING FUND

Revenue and Other Income Realized	SFY 2007 Amount	SFY 2007 %	SFY 2006 Amount	SFY 2006 %
Surplus Anticipated	$35,000.00	0.56	$125,000.00	1.94
Water Rents	5,257,799.49	84.47	5,390,988.42	83.84
Developer Contribution	160,320.00	2.58	159,400.00	2.48
Miscellaneous Revenues	591,140.60	9.50	605,591.85	9.42
Connection Fees	113,397.00	1.82	63,965.00	0.99
Unexpended Balance of Appropriation Reserve	66,890.62	1.07	5,268.61	0.08
Fund Balance			80,000.00	1.24
Total Income	6,224,547.71	100.00	6,430,213.88	100.00
Expenditures				
Budget Appropriations	5,280,602.42	100.00	5,847,274.17	100.00
Total Expenditures	5,280,602.42	100.00	5,847,274.17	100.00
Excess in Revenue	943,945.29		582,939.71	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(35,000.00)		(125,000.00)	
Current Fund				
Fund Balance - Beginning	814,570.13		356,630.42	
Fund Balance - Ending	$1,723,515.42		$814,570.13	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - SEWER UTILITY OPERATING FUND

Revenue and Other Income Realized	SFY 2007 Amount	SFY 2007 %	SFY 2006 Amount	SFY 2006 %
Surplus Anticipated	$360,000.00	6.37		
Sewer Rents	5,238,737.47	92.73	$5,327,672.63	96.42
Sewer Capital Surplus			20,000.00	0.36
Connection Fees	49,825.00	0.88	132,750.00	2.40
Prior Year's Accounts Payable Canceled			27,041.82	0.49
Unexpended Balance of Appropriation Reserve	821.71	0.01	17,942.36	0.32
Total Income	5,649,384.18	100.00	5,525,406.81	100.00
Expenditures				
Budget Appropriations	5,218,743.13	99.79	5,262,357.40	100.00
Other	10,757.82	0.21		
Total Expenditures	5,229,500.95	100.00	5,262,357.40	100.00
Excess in Revenue	419,883.23		263,049.41	
Decreased by Surplus Anticipated	(360,000.00)			
Fund Balance - Beginning	337,928.25		74,878.84	
Fund Balance - Ending	$397,811.48		$337,928.25	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	2007	2006	2005
Tax Rate:	$4.232	$4.070	$3.740
Apportionment of Tax Rate:			
Municipal:	$0.914	$0.864	$0.820
Municipal Open Space:	$0.030	$0.030	$0.030
County:	$0.494	$0.460	$0.425
County Open Space:	$0.058	$0.053	$0.045
Local School:	$2.736	$2.663	$2.420
Assessed Valuation:			
2007	$2,510,462,561.00		
2006		$2,476,869,889.00	
2005			$2,462,025,809.00

*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2007 to be $241,500.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

Year	Tax Levy	Cash Collections	Percentage of Collection
SFY 2007	$108,572,798.75	$108,429,710.34	99.87%
SFY 2006	$97,491,959.21	$97,301,960.50	99.81%
SFY 2005	$91,391,229.18	$91,204,107.93	99.80%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
SFY 2007	$169,160.97	$89,255.10	$258,416.07	0.24%
SFY 2006	$156,479.96		$156,479.96	0.16%
SFY 2005	$257,633.87	$102,485.52	$360,119.39	0.39%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, was as follows:

Year	Amount
SFY 2007	$161,971.00
SFY 2006	161,971.00
SFY 2005	161,971.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	Year Ended		Balance		Utilized in Budget of Succeeding Year
Current Fund	SFY 2007	$	14,007,060.49	$	6,700,000.00
	SFY 2006		12,088,412.52		5,950,000.00
	SFY 2005		6,766,336.52		4,909,000.00
	SFY 2004		6,089,264.27		4,400,000.00
	SFY 2003		4,792,120.02		3,200,000.00
Water Utility Operating Fund	SFY 2007	$	1,723,515.42	$	
	SFY 2006		814,570.13		35,000.00
	SFY 2005		356,630.42		125,000.00
	SFY 2004		401,630.42		45,000.00
	SFY 2003		141,152.28		
Sewer Utility Operating Fund	SFY 2007	$	397,811.48	$	
	SFY 2006		337,928.25		360,000.00
	SFY 2005		74,878.84		
	SFY 2004		74,878.84		
	SFY 2003		282,178.93		280,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at June 30, 2007:

NAME		TITLE	AMOUNT OF BOND
Francis Womack	-	Mayor	
Robert Davis	-	Council President	
Robert Corbin	-	Council Vice President	
Ralph Andrews	-	Councilperson	
Rhonda Lyles	-	Councilperson	
Cathy Nicola	-	Councilperson	
Carlo Socio	-	Councilperson	
Robert Lombard	-	Business Administrator	
Justine Progebin	-	Assistant Business Administrator	
Ronald Amorino	-	Chief Financial Officer	$500,000.00
Laurie Hammerstrom	-	Tax Collector	$500,000.00
Fran Cipot	-	Tax Search Officer	
Ann Murphy	-	Purchasing Agent	
Lisa Russo	-	Township Clerk	
Diane Walker	-	Tax Assessor	
Sheral Rossmann	-	Court Administrator	$252,250.00
Mary Casey	-	Municipal Court Judge	$50,000.00
E. Ronald Wright	-	Municipal Court Judge	$50,000.00
Ron Gordon, Esq.	-	Township Attorney	
Lisa Russo	-	Registrar of Vital Statistics	
Louann Benson	-	Director of Parks and Recreation/ Community Services	
Tom Vigna	-	Director of Community Development	
Glenn Sandor	-	Director of Public Works	
Tom Paun	-	Construction Official	
Kenneth McCormick	-	Director of Public Safety	

There is a blanket bond for all employees for $25,000 covering theft, disappearance and destruction; $500,000 covering employee dishonesty; and $500,000 covering forgery and alteration.

Comments related to surety bond coverages are located in the General Comment section of the report.

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FISCAL YEAR ENDED JUNE 30, 2007

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of North Brunswick, County of Middlesex, New Jersey, for the fiscal year ended June 30, 2007, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of North Brunswick, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

Control Deficiencies:

Segregation of Duties

Conditions exist whereby the same person may collect, record and deposit cash receipts in the following offices – Tax Office, Recreation, Police, Community Development, Fire, Building Regulations and Clerk.

This condition is the result of multiple tasks performed by the same individual and the staffing levels of the respective offices.

Transaction Posting

The computerized data processing system allows for the back posting of transactions for those individuals with security rights in the system. The ability to back post transactions can limit the effectiveness of the data processing system.

Transaction Review – Finance Department

Review of transactional data and the agreeing of subsidiary ledger information to account controls are not always performed on a timely basis. Timely review of financial information is an important component of internal controls.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (cont'd.)

Control Deficiencies: (cont'd.)

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance. 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 an entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles or other applicable accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

The control deficiencies reported above are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, these control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

OTHER MATTERS

Contracts and Agreements Required
to be Advertised Per N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $29,000 except by contract or agreement."

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract of agreement might result in violation of the statute, Township Counsel's opinion shall be sought before a commitment is made.

A review of the Township's purchasing procedures indicates bids were requested by public advertising for the following items tested, as disclosed in the official minutes:

Materials, Supplies and Equipment:

Replacement of the Municipal Telecommunication System; Automated Side Loading Refuse Collection Truck; Data Management Software for DPW; Passenger Adult Mini-Bus with Two (2) Wheelchair Positions for Senior Transportation; Recreation Tracking System Software for the Dept of Parks, Recreation & Community Services; Tandem Dump Truck Chassis & Cab; Tandem Dump Body & Plow; Senior Kitchen Equipment & Labor; Replacement Parts for Automated

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Contracts and Agreements Required
to be Advertised Per N.J.S.A. 40A:11-4 (Cont'd.)

Materials, Supplies and Equipment (cont'd):

Refuse Truck Body; Cable Studio Upgrade Project for the Dept of Parks, Recreation & Community Services; Office Furniture for the North Brunswick Community Park Maintenance Facility; One (1) Automated Side Loader

Service Rentals, Construction and Repairs:

HVAC Installation; Construction of a Maintenance Facility; Construction of Two (2) Concession Stands at North Brunswick Community Park; Soft Starter & Control System Upgrades for the Princess Drive Pump Station; Landscaping Services at the Municipal Building, Senior Center, Senior Housing & 911 Monument Area; 2007 Road Improvement Program; Maintenance & Repair of Township Sewer Lift Stations; Pipeline Television Inspection Unit; Sewer Jet Services; Snow Removal Rental Equipment; Municipal Building Underground Pipeline Repairs

State Contracts:

Integrated Pest Management Program for Various Township Sports Fields; Two (2) Ford F250 Pickups; One (1) Ford F350 Mason Dump Truck with Plow; One (1) Ford F250 Utility Truck with Plow; Expansion to the Current Zetron 4000 Console as Part of the Public Safety Radio Infrastructure Upgrade; Replacement of Current Public Safety Radio Infrastructure; Three (3) Ford Escape Hybrids; One (1) 206 Dodge Caravan Cargo Van; One (1) 2007 Dodge Charger; One (1) 2007 Dodge Durango; One (1) Ford F250 Pickup; One (1) Chevrolet Suburban; Six (6) Unmarked Police Vehicles; Five (5) Marked Police Vehicles; Two (2) Vehicles for DPR&CS

In as much as the system of records did not provide for an accumulation of payments or commitments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursement and commitment records were reviewed on a test basis, however, to determine whether any apparent violations existed.

Examination of expenditures revealed no individual payments, contracts or agreements in excess of $29,000, as applicable, "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertising. However, the Township should consider reviewing its policies with respect to the utilization of debit cards with certain vendors for compliance with bid and quote thresholds.

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

Interpretations as to compliance with N.J.S.A. 40A:11-4 would be in the province of the municipal solicitor.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Collection of Interest on Delinquent Taxes, Assessments and Water and Sewer Charges

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

The governing body, on January 1, 2007, adopted the following resolution authorizing interest to be charged on delinquent taxes:

> WHEREAS, R.S. 54:4-67 has been amended to permit the governing body to fix the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same is payable;
>
> NOW, THEREFORE, BE IT RESOLVED that the Township Council does hereby fix the rate of interest at eight percent (8%) per annum on the first One Thousand Five Hundred Dollars ($1,500) and at eighteen percent (18%) per annum on any amount in excess of One thousand Five Hundred Dollars ($1,500) from the date when any tax installment shall be payable and delinquent until the said installment together with interest is paid provided, however, that if any installments shall be paid within ten (10) days after the date payable, in that event there shall be no interest charged.

"In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a tax payer with a delinquency in excess of $10,000 who fails to pay the delinquency prior to the end of the calendar year of 6 percent to the amount of delinquency".

The audit of the Collector's records on a test basis indicated one difference between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged, for those items tested.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 26, 2007. Properties that were in bankruptcy proceedings were excluded from the sale.

The following comparison is made of the number of tax title liens receivable for the last three years:

Year	Number of Liens
SFY 2007	31
SFY 2006	89
SFY 2005	77

Interfund Balances

Interfund Balances appear in the balance sheets of the Borough's financial statements of the year ended June 30, 2007.

These interfunds, in most cases, resulted from fiscal year 2007 operations and should be cleared by cash transfer where feasible.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Investments

During SFY 2007, the Township's funds were invested primarily in interest bearing and sweep accounts.

The Township has adopted a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that "each local unit shall adopt a cash management plan and shall deposit its fund pursuant to that plan".

Purchase Order and Encumbrance System

The Township utilized a purchase order system for its expenditures in connection with its budgetary accounting encumbrance system during the year under review. Transactions are approved based on availability of funds. The processing of confirming orders was noted.

Payment of Claims

Payments of claims were examined on a test basis for the year reviewed. Minor exceptions were noted for missing authorization signatures.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at June 30, 2007. A review of surety bond coverage as of June 30, 2007, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account included review that deposits were properly recorded and spread by receipt category and disbursements were made to the appropriate agencies on a timely basis. There were three (3) exceptions for turnover exceeding the 15th day of the following month for disbursements to the Township. The bank reconciliations for both the general and bail accounts are performed in a timely manner. Cash bail on account is not in agreement with cash per bank reconciliation. The Court Administrator has been working to reconcile cash bail on account with bank balance. We suggest an outstanding bail analysis be prepared on a monthly basis and reconciled to the cash balance in the bank and that the Court continue to implement corrective actions for compliance with the Administrative Office of the Courts required procedures.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Internal Control Documentation

The Township has initiated the process of documenting its internal controls. This course of action will serve the purpose of meeting certain requirements as set forth by the Statement on Auditing Standards 112. We suggest the Township continue this process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance.

Condition of Records - Other Officials Collecting Fees

Our review of the records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A:5-15, and the fees charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department timely. It is suggested that the Township continue to review its financial accounting and reporting policies and procedures as well as internal control procedures to ensure that all of its control objectives are met.

Water Utility Fund/ Sewer Utility Fund

The results of operation for the Water Utility Operating Fund and the Sewer Utility Operating Fund are set forth in Exhibit "D-1" and Exhibit "E-1", respectively, of this report. Realized revenues amounted to $6,224,547.71 for Water and $5,649,384.18 for Sewer. Expenditures amounted to $5,280,602.42 for Water and $5,227,349.38 for Sewer. This resulted in excess revenues of $943,945.29 for Water and $422,034.80 for Sewer. The calculation of "Self-Liquidating Purpose" water utility operations per N.J.S.A. 40A:2-45 resulted in a statutory excess for debt statement purposes of $842,054.67 which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2007. The calculation of "Self-Liquidating Purpose" sewer utility operations per N.J.S.A. 40A:2-45 resulted in a statutory excess for debt statement purposes of $59,061.52 which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2007.

Condition of Records - Collector of Revenues

The records maintained by the Collector of Revenues were reviewed. Computerized cash receipt records were agreed to daily controls and in total monthly with no exceptions noted for items tested. No exceptions were noted in the review of computerized real estate tax billings and billing adjustments for real estate taxes, for items tested.

Condition of Records - Finance Office

The financial records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund. Adjustments were required to be posted and recorded within the general ledger accounting and reporting system in order to utilize the ledger as the basis of financial statement – statutory basis preparation and presentation. The control accounts were generally in proof with supporting detail.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Condition of Records - Finance Office (Cont'd)

The Township was unable to produce an accurate listing of outstanding purchase orders to support the accounts payable balances in the general ledger. It was also noted that the amounts transferred to accounts payable at year-end required an adjustment in the Water Utility and Sewer Utility Funds. It is suggested that accounts payable balances be reconciled on a timely basis with outstanding purchase orders as well as be reviewed for validity and cancelled where appropriate.

It was noted during the audit that appropriation reserve transfers recorded in minutes and approved by resolution did not agree with transfers posted to the financial statement accounting system. As a result, funds were transferred and reserved at the end of the year, whereby if the approved transfer had been posted, the accounting records would have indicated insufficient funds available, preventing the resultant overcommitment of funds.

Contained within the schedules of the Township's various utility funds are accounts for fixed capital. The detail of fixed capital is not maintained within the report schedule. Alternatively, the Township should maintain a subsidiary listing for these fixed capital accounts. Also contained within the various utility funds are accounts for accrued interest. It was noted that included within these accounts are adjustments through operations for accrued interest. The required annual amounts for accrued interest should be appropriated through the various utility budgets.

It is recommended that transfers made agree with transfers approved by Resolution.

It is recommended that a detail subsidiary listing for fixed capital accounts be maintained.

Capital Projects

There are numerous unfunded capital improvement authorizations that have deficit cash balances in excess of five years old.

As part of the Corrective Action Plan for the FY 2006 Audit, it was noted that the Township would permanently finance unfunded improvement authorizations by raising the money in succeeding years' budgets. It was noted that $172,250 was raised in the FY 2007 budget and $86,125 was raised in the FY 2008 budget.

It is recommended that the Township continue to permanently finance unfunded improvement authorizations in the FY 2009 budget in the amount of $244,125.

Administration and Accounting of State & Federal Grants

During SFY 2007, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant program.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Administration and Accounting of State & Federal Grants (Cont'd)

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements. It was noted that currently the Township has limited control procedures in place for the certifying of payroll registers for compliance with the Davis-Bacon Act regarding verification of wage and pay rates for construction projects. The Township should continue to review their control procedures for the verification of wage and pay rates for funded construction projects to strengthen their controls for compliance with the Davis-Bacon Act. In addition, we suggest the Township review all of the applicable grant requirements in conjunction with the Township's system of internal controls in order to ensure the Township's internal controls are functioning at the requisite levels to meet with the various compliance requirements.

We suggest the Township review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants. In addition, the grants receivable schedule indicates a number of prior years' accounts receivable balances still outstanding. We suggest the Township review and monitor grants receivable balances in order to ensure the timely collection of outstanding grant receivables.

It was also noted that the Schedules of Federal and State Financial Assistance were not complete in all respects. In addition, as with other local entities, due to weaknesses in the grant notification process followed by certain agencies that pass-through federal and state assistance to the Township, the Township often does not receive accurate and timely information with respect to grant funding sources, along with the relevant CFDA and account number information from its grantor agencies, which can inhibit the preparation of these financial assistance schedules.

It is recommended that the Schedules of Federal and State Financial Assistance be complete in all respects, including the proper classification of expenditures, for the single audit.

Other Compliance Matters:

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives", as codified in the New Jersey Administration Code, as follows:

N.J.A.C. 5:30 - 5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of North Brunswick is in compliance with this directive.

N.J.A.C. 5:30 – 5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assigns values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township performed a physical inventory during fiscal year 2001, however the system has not been maintained on a current basis.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

It is recommended the Township continue to establish and revise procedures to allow for perpetual maintenance of the Governmental Fixed Asset Accounting System for compliance with N.J.A.C. 5:30 – 5.6.

N.J.A.C. 5:30 - 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted for those items tested.

The Township prepared and filed a corrective action plan for the SFY 2006, pursuant to Local Finance Notice No. 92-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

RECOMMENDATIONS

We recommend the following:

That transfers made agree with transfers approved by Resolution.

That a detail subsidiary listing for fixed capital accounts be maintained.

That the Township continue to permanently finance unfunded improvement authorizations in the FY 2009 budget in the amount of $244,125.

That the Schedules of Federal and State Financial Assistance be complete in all respects, including the proper classification of expenditures, for purposes of single audit.

The Township continue to establish and revise procedures to allow for perpetual maintenance of the Governmental Fixed Asset Accounting System for compliance with N.J.A.C. 5:30 – 5.6.

* * * * * * * * * *

ACKNOWLEDGMENT

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

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

Very truly yours,

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