

BOROUGH OF HADDON HEIGHTS

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2008

BOROUGH OF HADDON HEIGHTS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

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

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

The financial statements referred to above do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not accurately maintained by the Borough. The amount that should be recorded in the general fixed assets account group is not known.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2009 on our consideration of the Borough of Haddon Heights, in the County of Camden, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haddon Heights's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.

Respectfully submitted,


BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants


Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 16, 2009

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

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

We have audited the financial statements (regulatory basis) of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 16, 2009, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the Borough did not maintain an updated report of general fixed assets as required by New Jersey Administrative Code. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control over financial reporting. We consider the deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies in internal control over financial reporting findings no.: 2008-1, 2008-3 and 2008-4.

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 Borough's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the deficiencies described above we consider finding no. 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Haddon Heights'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 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 which are described in the accompanying Schedule of Findings and Recommendations as findings no.: 2008-1, 2008-2, 2008-3 and 2008-4.

The Borough of Haddon Heights's response to the findings identified in our report is described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of Haddon Heights's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Robert S. Marrone

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 16, 2009

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
 As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Regular Fund:			
Cash:			
Cash--Treasurer	SA-1	\$1,454,450.22	\$3,112,884.03
Cash--Change Funds	SA-2	200.00	200.00
		<u>1,454,650.22</u>	<u>3,113,084.03</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	333,889.05	344,445.76
Property Acquired for Taxes - Assessed			
Valuation	A	26,100.00	26,100.00
Revenue Accounts Receivable	SA-5	88,728.85	49,500.82
Due from Federal, State and Other Grant Fund	SA-24	36,426.54	6,259.17
Due from Trust Animal Control Fund	SB-2	13.37	3.01
Due from Trust Other Fund	SB-6	783.75	1,338.76
		<u>485,941.56</u>	<u>427,647.52</u>
Deferred Charges:			
Emergency Appropriation N.J.S.A. 40A:4-47	SA-6	19,282.00	21,896.00
Special Emergency Appropriation			
N.J.S.A. 40A:4-55	SA-7	161,520.00	215,360.00
		<u>180,802.00</u>	<u>237,256.00</u>
		<u>2,121,393.78</u>	<u>3,777,987.55</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants Receivable	SA-21	490,535.89	456,152.07
Deferred Charges:			
Overexpenditure of Grant Appropriation	A-3		2,555.00
		<u>490,535.89</u>	<u>458,707.07</u>
		<u>\$2,611,929.67</u>	<u>\$4,236,694.62</u>

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
 As of December 31, 2008 and 2007

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-8	\$279,760.49	\$388,713.37
Reserve for Encumbrances	A-3;SA-8	152,102.12	111,864.18
Tax Anticipation Notes	SA-9		1,500,000.00
Special Emergency Notes Payable	SA-10	161,520.00	269,200.00
Prepaid Taxes	SA-11	75,119.89	94,020.43
Tax Overpayments	SA-12	1,062.18	1,531.41
Due County for Added and Omitted Taxes	SA-14	10,576.67	12,150.29
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-4	2,666.75	1,073.58
Marriage License Fees	SA-16	25.00	75.00
DCA Training Fees	SA-17	780.00	21.00
Accounts Payable	SA-18	947.78	90,722.58
Due to General Capital Fund	SC-7	14,557.92	14,566.48
Reserve for Master Plan Update	SA-20	2,873.36	4,273.36
Reserve for Tax Appeals	SA-19		30,000.00
		<u>701,992.16</u>	<u>2,518,211.68</u>
Reserves for Receivables	A	485,941.56	427,647.52
Fund Balance	A-1	<u>933,460.06</u>	<u>832,128.35</u>
		<u>2,121,393.78</u>	<u>3,777,987.55</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants-- Unappropriated	SA-22	7,516.48	7,274.03
Federal, State and Other Grants-- Appropriated	SA-23	442,735.82	445,173.87
Reserve for Encumbrances	SA-23	3,857.05	
Due to Current Fund	SA-24	36,426.54	6,259.17
		<u>490,535.89</u>	<u>458,707.07</u>
		<u>\$2,611,929.67</u>	<u>\$4,236,694.62</u>

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$272,374.00	\$149,500.00
Miscellaneous Revenues Anticipated	1,648,906.70	2,120,556.46
Receipts from Delinquent Taxes	337,461.03	296,138.77
Receipts from Current Taxes	21,115,185.73	20,920,766.74
Nonbudget Revenues	71,308.17	72,940.45
Tax Overpayments Canceled		11,251.87
Accounts Payable Canceled	47,219.51	
Federal, State and Other Grants Appropriated Canceled	15,449.15	18,823.19
Federal, State and Other Grants Unappropriated Canceled		333.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	231,871.61	146,374.74
Reserves Liquidated:		
Due from Trust Other Fund	555.01	
Due from Trust Animal Control Fund		19.21
Due from General Capital Fund		772.97
Total Income	23,740,330.91	23,737,477.40
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,522,139.00	2,898,787.00
Other Expenses	2,692,011.00	2,533,578.00
Deferred Charges and Statutory Expenditures	166,948.00	168,643.60
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	11,962.61	10,490.82
Other Expenses	836,346.43	588,521.09
Capital Improvements	19,080.00	110,883.00
Municipal Debt Service	496,007.99	399,799.77
Deferred Charges and Judgments	75,736.00	104,840.00
County Taxes	4,754,850.65	5,005,931.32
Due County for Added and Omitted Taxes	10,576.67	12,150.29
Local District School Tax	11,698,768.00	11,388,114.00
Prior Year Senior Citizens Disallowed	3,875.00	1,276.92
Federal, State and Other Grants Receivable Canceled	67,428.12	18,947.03
Interfunds Created:		
Due from Trust Animal Control Fund	10.36	
Due from Federal, State and Other Grant Fund	30,167.37	6,259.17
Due from Trust Other Fund		215.84
Total Expenditures	23,385,907.20	23,248,437.85

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Excess in Revenue	\$354,423.71	\$489,039.55
Adjustments to Income before Fund Balance:		
Expenditures included above that by Statute Deferred		
Charges to Budget of Succeeding Year	<u>19,282.00</u>	<u>21,896.00</u>
Statutory Excess to Fund Balance	373,705.71	510,935.55
Fund Balance January 1	<u>832,128.35</u>	<u>470,692.80</u>
	1,205,834.06	981,628.35
Decreased by:		
Utilization as Anticipated Revenue	<u>272,374.00</u>	<u>149,500.00</u>
Fund Balance December 31	<u><u>\$933,460.06</u></u>	<u><u>\$832,128.35</u></u>

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	\$272,374.00		\$272,374.00	
Miscellaneous Revenues:				
Licenses:				
Other	2,000.00		3,116.00	\$1,116.00
Fees and Permits	50,000.00		59,862.55	9,862.55
Fines and Costs:				
Municipal Court	115,000.00		132,372.00	17,372.00
Interest and Costs on Taxes	50,000.00		77,914.62	27,914.62
Interest on Investments and Deposits	105,000.00		43,891.09	(61,108.91)
Cable TV Franchise Fee	45,921.90		44,921.90	(1,000.00)
Payments in Lieu of Taxes	30,000.00		42,193.80	12,193.80
Consolidated Municipal Property Tax Relief Aid	198,608.00		198,608.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	740,905.00		740,905.00	
Supplemental Energy Receipts Tax	32,891.00		32,891.00	
Uniform Construction Code Fees	95,000.00		84,378.00	(10,622.00)
Public and Private Revenues Offset With Appropriations:				
Clean Communities Program	822.62	\$9,380.07	10,202.69	
Recycling Tonnage Grant	2,998.28		2,998.28	
Municipal Court Alcohol Ed & Rehab		53.55	53.55	
Municipal Alliance on Alcoholism and Drug Abuse		10,574.00	10,574.00	
Click It or Ticket		4,000.00	4,000.00	
Body Armor Fund	1,588.07	1,562.39	3,150.46	
Alcohol Abuse Grant - Station House	1,044.00		1,044.00	
JIF Safety Award		1,800.00	1,800.00	
Drunk Driving Enforcement Fund	1,865.06		1,865.06	
Over the Limit Under Arrest		5,000.00	5,000.00	
Hazardous Discharge Site Remediation - Devon Ave		102,313.00	102,313.00	
Other Special Items:				
Reserve for Payment of Debt	44,851.70		44,851.70	
Subtotal Miscellaneous Revenues	1,518,495.63	134,683.01	1,648,906.70	(4,271.94)
Receipts from Delinquent Taxes	310,000.00		337,461.03	27,461.03
Subtotal General Revenues	2,100,869.63	134,683.01	2,258,741.73	23,189.09
Amount to be Raised by Taxes for Support of Municipal Budget	4,959,651.55		5,045,158.56	85,507.01
Nonbudget Revenues	7,060,521.18	134,683.01	7,303,900.29	108,696.10
			71,308.17	71,308.17
	<u>\$7,060,521.18</u>	<u>\$134,683.01</u>	<u>\$7,375,208.46</u>	<u>\$180,004.27</u>

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

Revenue from Collections		\$21,115,185.73
Allocated to:		
School and County Taxes		16,464,195.32
Balance for Support of Municipal Budget Revenues		4,650,990.41
Add:		
Appropriation: "Reserve for Uncollected Taxes"		394,168.15
Amount for Support of Municipal Budget Appropriations		\$5,045,158.56

Delinquent Taxes:		
Receipts		\$337,461.03
		\$337,461.03

Licenses -- Other:		
Borough Clerk:		
Raffle Licenses	\$120.00	
Board of Health	2,790.00	
Registrar of Vital Statistics - Marriage Licenses	206.00	
		\$3,116.00

Fees and Permits -- Other:		
Borough Clerk:		
Street Openings	\$8,043.00	
Curb and Sidewalk	835.00	
Planning Board Fees	300.00	
Zoning Board Fees	1,700.00	
Register of Vital Statistics	25,265.25	
Overnight Parking	2,122.25	
Bureau of Fire Prevention and Inspection	14,849.00	
State of New Jersey Fire Safety Rebates	4,970.55	
		58,085.05
Police Department		1,581.25
Tax Collector:		
Tax Searches		196.25
		\$59,862.55

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Tax Sale Costs	\$2,741.38
Miscellaneous Tax Revenue	1,952.99
Sale of Municipal Assets	17,121.76
Sewer Connection	300.00
OPRA Fee Requests	233.50
Recording Fees	780.00
State Administration Fee Senior Citizen and Vets	2,381.87
Old Checks Canceled	596.72
Motor Vehicle Inspection Fines	6,800.00
Tax Title Lien	275.00
Solicitors Permit	2,080.00
NSF Check Charge	375.00
Ban Premium	4,578.80
Historical District	2,100.00
Soccer Club	13,025.00
Leasing of Equipment - Ambulance #297 & #298	6,000.00
Conrail Cutting Grass	1,225.00
Miscellaneous Receipts	5,073.09
Cancelation of Trust Fund Reserves	<u>3,668.06</u>

\$71,308.17

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Other Expense						
Postage	\$12,000.00	\$14,500.00	\$12,058.50		\$2,441.50	
Office Supplies	16,000.00	16,000.00	12,632.90	\$1,740.95	1,626.15	
Celebration of Public Events	5,000.00	5,000.00	4,000.00		1,000.00	
Publication Of News Letter	5,000.00	5,000.00	3,660.42	405.00	934.58	
Municipal Clerk						
Salaries and Wages	149,133.00	159,133.00	150,158.80		8,974.20	
Other Expenses	42,038.00	42,038.00	30,055.10	4,645.04	7,337.86	
<u>Financial Administration</u>						
Salaries and Wages	84,500.00	84,500.00	82,944.94		1,555.06	
Other Expenses	18,597.00	18,597.00	16,632.18	480.06	1,484.76	
<u>Audit Services</u>						
Other Expenses	36,600.00	38,800.00	36,600.00		2,200.00	
<u>Assessment of Taxes</u>						
Salaries and Wages	45,267.00	47,752.00	47,246.32		505.68	
Other Expenses	4,835.00	20,502.00	5,761.00	12.35	14,728.65	
<u>Collection of Taxes</u>						
Salaries and Wages	19,314.00	19,314.00	18,918.33		395.67	
Other Expenses	5,520.00	5,520.00	5,249.61		270.39	
<u>Legal Services</u>						
Contractual	14,000.00	14,000.00	12,834.00		1,166.00	
Other Expenses	21,700.00	27,200.00	27,140.00	5.00	55.00	
<u>Engineering Services and Costs</u>						
Other Expenses	3,200.00	700.00	650.00		50.00	
<u>Economic Development</u>						
Other Expenses	10,000.00	3,000.00	2,500.00		500.00	
<u>Municipal Prosecutor</u>						
Salaries and Wages	5,574.00	5,574.00	4,994.88		579.12	

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS (CONT'D)</u>						
<u>GENERAL GOVERNMENT (CONT'D):</u>						
Municipal Building						
Salaries and Wages	\$25,629.00	\$25,629.00	\$24,897.60	\$731.40		
Other Expenses	11,515.00	11,515.00	8,067.57	1,389.77		
<u>LAND USE ADMINISTRATION:</u>						
Planning Board:						
Salaries and Wages	5,651.00	5,651.00	5,529.29	121.71		
Other Expenses	4,550.00	4,550.00	2,552.67	24.60	1,972.73	
Zoning Board of Adjustments:						
Salaries and Wages	16,690.00	16,690.00	14,790.83	1,899.17		
Other Expenses	2,986.00	2,986.00	2,378.17	51.16	556.67	
Insurance:						
General Liability	136,225.00	120,825.00	116,617.46	4,207.54		
Worker's Compensation	132,646.00	131,146.00	130,788.88	357.12		
Employee Group Insurance	930,228.00	930,228.00	900,347.29	26,649.63	3,231.08	
Unemployment Compensation	100.00	41,100.00	3,985.80	37,114.20		
Temporary Disability	7,500.00	7,500.00	821.30	6,678.70		
<u>PUBLIC SAFETY:</u>						
Police						
Salaries and Wages	1,357,473.00	1,320,073.00	1,305,353.08	14,719.92		
Other Expenses	48,292.00	48,292.00	34,907.82	5,181.92	8,202.26	
Fire						
Salaries and Wages	123,515.00	123,515.00	112,297.63	11,217.37		
Other Expenses	43,966.00	43,966.00	29,367.40	6,995.76	7,602.84	
Fire Hydrant Service	65,000.00	65,000.00	64,680.00	320.00		
Fire Safety Official:						
Salaries and Wages	20,033.00	20,033.00	19,594.56	438.44		
Other Expenses	425.00	425.00	235.77	189.23		

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS (CONT'D)</u>						
<u>PUBLIC SAFETY (CONT'D):</u>						
Office of Emergency Management:						
Salaries and Wages	\$1,335.00	\$1,335.00	\$970.75	\$364.25		
Other Expenses	900.00	900.00	125.00	775.00		
Volunteer Ambulance Corps.						
Contribution -- Other Expenses	7,500.00	7,500.00	7,500.00			
Other Expenses	350.00	350.00	315.50	34.50		
<u>PUBLIC WORKS:</u>						
Public Works:						
Salaries and Wages	459,988.00	505,988.00	505,897.86	90.14		
Other Expenses	288,700.00	228,206.00	218,768.48	\$8,341.47	1,096.05	
Garbage and Trash Removal						
Other Expenses	181,573.00	181,573.00	148,048.52	15,550.20	17,974.28	
Vehicle Maintenance	54,000.00	48,000.00	29,861.63	2,418.99	15,719.38	
Solid Waste Disposal	299,450.00	291,450.00	212,798.46	21,448.43	57,203.11	
<u>HEALTH AND WELFARE:</u>						
Dog Regulation						
Contractual	14,652.00	14,652.00	13,610.25	1,041.75		
<u>RECREATION AND EDUCATION:</u>						
Parks and Playgrounds						
Other Expenses	13,000.00	13,000.00	5,464.50	1,752.50	5,783.00	
Municipal Court:						
Salaries and Wages	99,445.00	99,445.00	96,061.76	3,383.24		
Other Expenses	6,375.00	6,375.00	4,039.12	2,335.88		
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>						
Construction Code Official						
Salaries and Wages	87,507.00	87,507.00	82,915.50	4,591.50		
Other Expenses	24,950.00	24,950.00	8,304.43	9,963.32	6,682.25	

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS (CONT'D)</u>						
<u>UNCLASSIFIED AND BULK PURCHASES:</u>						
Utilities:						
Gasoline	\$71,000.00	\$76,600.00	\$67,858.76	\$2,862.50	\$5,878.74	
Telephone	28,165.00	28,165.00	23,917.51	1,979.27	2,268.22	
Electric Utilities	66,300.00	66,300.00	60,285.59	2,102.11	3,912.30	
Street Lighting	75,700.00	75,700.00	72,093.04		3,606.96	
Water Utilities	9,900.00	9,900.00	9,882.76		17.24	
Total Operations Within "CAPS"	5,221,492.00	5,214,150.00	4,819,969.52	152,102.12	242,078.36	
Total Operations Including Contingent - within "CAPS"						
Detail:						
Salaries and Wages	2,501,054.00	2,522,139.00	2,472,572.13		49,566.87	
Other Expenses (Including Contingent)	2,720,438.00	2,692,011.00	2,347,397.39	152,102.12	192,511.49	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
<u>DEFERRED CHARGES</u>						
Deferred Charges:						
Overexpenditure of Federal, State, and Other Grants Appropriated	2,555.00	2,555.00	2,555.00			
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	136,922.00	128,422.00	109,443.52		18,978.48	
Consolidated Police and Firemen's Pension Fund	9,543.00	9,543.00	9,543.00			
Police and Fireman's Retirement System of NJ	26,428.00	26,428.00	26,428.00			
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	175,448.00	166,948.00	147,969.52		18,978.48	

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$5,396,940.00	\$5,381,098.00	\$4,967,939.04	\$152,102.12	\$261,056.84	
OPERATIONS EXCLUDED FROM "CAPS"						
Tax Appeal Refunds	30,000.00	30,000.00	30,000.00		5,000.00	
Maintenance of Free Public Library	266,915.00	266,915.00	266,915.00		1,136.65	
Trash Collection Services/Apartments	5,000.00	5,000.00			1.00	
Recycling Tax	7,666.00	7,666.00	6,529.35			
Public Employees Retirement System	78,752.00	78,752.00	78,751.00			
Police and Fireman's Retirement System of NJ	288,475.00	288,475.00	288,475.00			
Length of Service Award Program	12,400.00	12,400.00	9,200.00		3,200.00	
Total Other Operations Excluded from "CAPS"	689,208.00	689,208.00	679,870.35		9,337.65	
Interlocal Service Agreement - N.J.S.A. 40A: Intergovernmental Services Sewer System	16,100.00	16,100.00	6,734.00		9,366.00	
Total Interlocal Municipal Service Agreements	16,100.00	16,100.00	6,734.00		9,366.00	
Public and Private Programs Offset by Revenues:						
Alcohol Abuse Grant - Station House	1,044.00	1,044.00	1,044.00			
Body Armor (NJ 40A:4-87, \$1,562.39)	1,588.07	3,150.46	3,150.46			
Recycling Tonnage Grant	2,998.28	2,998.28	2,998.28			
Municipal Alliance on Alcoholism & Drug Abuse (NJ 40A:4-87, \$10,574)		10,574.00	10,574.00			
Municipal Court Alcohol Ed & Rehab (NJ 40A:4-87, \$53.55)		53.55	53.55			
Clean Communities (NJ 40A:4-87, \$9,380.07)	822.62	10,202.69	10,202.69			
JIF Safety Award (NJ 40A:4-87, \$1,800)		1,800.00	1,800.00			
Over the Limit Under Arrest (NJ 40A:4-87, \$5,000)		5,000.00	5,000.00			
Click It or Ticket (NJ 40A:4-87, \$4,000)		4,000.00	4,000.00			
Drunk Driving Enforcement Fund	1,865.06	1,865.06	1,865.06			
Hazardous Discharge-Devon Ave (NJ 40A:4-87, \$102,313)		102,313.00	102,313.00			
Total Public and Private Programs Offset by Revenues	8,318.03	143,001.04	143,001.04			

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2008

	Appropriations		Paid or Charged	Expended		Unexpended Balance
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$713,626.03	\$848,309.04	\$829,605.39	\$18,703.65		
Detail:						
Salaries and Wages	2,909.06	11,962.61	11,962.61			
Other Expenses	710,716.97	836,346.43	817,642.78	18,703.65		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	19,080.00	19,080.00	19,080.00			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	19,080.00	19,080.00	19,080.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	235,000.00	235,000.00	235,000.00			
Payment of Bond Anticipation Notes (N.J.S. 40A:4-47, \$19,282)		19,282.00	19,282.00			
Interest on Bonds	62,042.00	62,042.00	62,041.25			\$0.75
Interest on Notes	72,246.00	84,297.00	84,211.43			85.57
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	25,429.00	25,429.00	25,428.74			0.26
Interest on Tax Anticipation Notes	55,945.00	59,736.00	59,736.00			
Special Emergency Note Interest	10,309.00	10,309.00	10,308.57			0.43
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	460,971.00	496,095.00	496,007.99			87.01
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>						
Emergency Authorizations (N.J.S. 40A:4-47)	21,896.00	21,896.00	21,896.00			
Special Emergency Authorizations (N.J.S. 40A:4-55)	53,840.00	53,840.00	53,840.00			
TOTAL DEFERRED CHARGES MUNICIPAL EXCLUDED FROM "CAPS"	\$75,736.00	\$75,736.00	\$75,736.00			

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance
	Budget	Budget After Modification		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$1,269,413.03	\$1,439,220.04	\$1,420,429.38	\$18,703.65		\$87.01
SUBTOTAL GENERAL APPROPRIATIONS	6,666,353.03	6,820,318.04	\$6,388,368.42	\$152,102.12	279,760.49	\$87.01
RESERVE FOR UNCOLLECTED TAXES	394,168.15	394,168.15	394,168.15			
TOTAL GENERAL APPROPRIATIONS	\$7,060,521.18	\$7,214,486.19	\$6,782,536.57	\$152,102.12	\$279,760.49	\$87.01
Budget		\$7,060,521.18				
Emergency Authorization (N.J.S. 40A:4-47)		19,282.00				
Appropriation by NJ 40A:4-87		134,683.01				
		<u>\$7,214,486.19</u>				
Deferred Charge - Emergency Authorization (N.J.S. 40A:4-47)			\$21,896.00			
Deferred Charge - Special Emergency (N.J.S. 40A:4-55)			53,840.00			
Deferred Charge - Overexpenditure of Federal, State and Other Grants -- Appropriated			2,555.00			
Federal, State and Other Grants -- Appropriated			143,001.04			
Reserve for Tax Appeals			30,000.00			
Reserve for Uncollected Taxes			394,168.15			
Disbursed			6,137,076.38			
			<u>\$6,782,536.57</u>			

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

BOROUGH OF HADDON HEIGHTS
TRUST FUND
 Statements of Assets, Liabilities, and Reserves - Regulatory Basis
 As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	<u>\$230.37</u>	<u>\$490.11</u>
Other Funds:			
Cash	SB-1	144,799.99	145,724.11
Due from General Capital Fund	SB-1		499.50
Due from County of Camden:			
Community Development Block Grant Receivable	SB-5	<u>66,979.37</u>	<u>142,033.56</u>
		<u>211,779.36</u>	<u>288,257.17</u>
		<u>\$212,009.73</u>	<u>\$288,747.28</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to Current Fund	SB-2	\$13.37	\$3.01
Reserve for Animal Control Expenditures	SB-3	<u>217.00</u>	<u>487.10</u>
		<u>230.37</u>	<u>490.11</u>
Other Funds:			
Due to Bank	SB-1	275.00	
Due to Current Fund	SB-6	783.75	1,338.76
Due to Victims of Crime Compensation Board	SB-1	242.97	
Reserve for Community Development Block Grant	SB-7	68,175.25	146,682.49
Reserve for Miscellaneous Trust Reserves	SB-8	128,647.58	112,568.31
Reserve for Payroll Deductions Payable	SB-9	<u>13,654.81</u>	<u>27,667.61</u>
		<u>211,779.36</u>	<u>288,257.17</u>
		<u>\$212,009.73</u>	<u>\$288,747.28</u>

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

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2008 and 2007

<u>ASSETS</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash	SC-1	\$564,968.20	\$619,850.60
N.J. Transportation Trust Fund			
Grant Receivable	SC-5	7,813.00	128,468.00
Due from Current Fund	SC-7	14,557.92	14,566.48
Deferred Charges to Future Taxation:			
Funded	SC-3	1,517,497.35	1,772,771.53
Unfunded	SC-4	2,999,106.71	2,641,446.21
		<u>\$5,103,943.18</u>	<u>\$5,177,102.82</u>
General Serial Bonds	SC-12	\$1,275,000.00	\$1,510,000.00
Green Trust Loan Payable	SC-13	242,497.35	262,771.53
Bond Anticipation Notes	SC-14	2,180,000.00	1,366,157.00
Due to Trust Other Fund	SC-1		499.50
Capital Improvement Fund	SC-8	13,215.22	13,381.00
Improvement Authorizations:			
Funded	SC-9	44,497.23	90,635.20
Unfunded	SC-9	1,212,986.44	1,729,326.00
Reserve for Preliminary Costs -- Station Avenue	SC-8		678.22
Reserve for Payment of Debt	SC-6	11,723.82	44,851.70
Contracts Payable	SC-10	50,319.45	137,917.02
Reserve for Encumbrances	SC-11	64,277.19	16,000.00
Fund Balance	C-1	9,426.48	4,885.65
		<u>\$5,103,943.18</u>	<u>\$5,177,102.82</u>

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

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Fund Balance--Regulatory Basis
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$4,885.65
Increased by:	
Improvement Authorizations -- Canceled	<u>4,540.83</u>
Balance Dec. 31, 2008	<u><u>\$9,426.48</u></u>

BOROUGH OF HADDON HEIGHTS
Notes to Financial Statements
For the Year Ended December 31, 2008

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

Description of Financial Reporting Entity - The Borough of Haddon Heights was incorporated in March 1904 and is located in southwest New Jersey approximately seven miles southeast of the City of Philadelphia. The population according to the 2000 census is 7,547.

The Borough form of government is in accordance with N.J.S.A. 40A:60-1 et seq. The government consists of a Mayor and six Council Members. Executive and administrative responsibility rests with the Mayor with the Council Members having legislative responsibility. The Borough clerk assists the governing body in their duties.

Component Units - The financial statements of the component units of the Borough of Haddon Heights are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Haddon Heights Free Public Library
608 Station Drive
Haddon Heights, New Jersey 08035

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Haddon Heights contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Haddon Heights accounts for its financial transactions through the use of separate funds which are described as follows:

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

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

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

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

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

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

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

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

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

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

The cash management plan adopted by the Borough of Haddon Heights requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$1,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Haddon Heights School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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

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

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

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

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

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

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of December 31, 2008, the Borough's bank balances of \$2,160,878.29 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 46,622.03
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>1,614,256.26</u>
Total	<u><u>\$ 1,660,878.29</u></u>

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	<u>\$2.603</u>	<u>\$2.569(1)</u>	<u>\$5.020</u>	<u>\$4.574</u>	<u>\$4.322</u>
Apportionment of Tax Rate:					
Municipal	\$.602	\$.581	\$1.101	\$.975	\$.867
County	.559	.589	1.228	1.098	1.035
County Open Space Preservation Trust Fund	.020	.019	.034	.015	.013
Local School	1.422	1.380	2.657	2.486	2.407

(1) Revaluation

Note 3: **PROPERTY TAXES (CONT'D)****Assessed Valuation**

2008	\$822,692,919.00
2007 (1)	824,910,879.00
2006	401,417,410.00
2005	400,081,674.00
2004	399,551,205.00
(1) Revaluation	

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2008	\$21,462,235.03	\$21,115,185.73	98.38%
2007	21,268,538.20	20,920,766.74	98.36%
2006	20,222,834.77	19,920,916.60	98.50%
2005	18,369,246.49	18,146,813.98	98.78%
2004	17,327,048.63	17,090,109.95	98.63%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	----	\$333,889.05	\$333,889.05	1.55%
2007	----	344,445.76	344,445.76	1.61%
2006	----	300,074.56	300,074.56	1.48%
2005	----	215,313.90	215,313.90	1.17%
2004	----	213,684.61	213,684.61	1.23%

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

<u>Year</u>	<u>Number</u>
2008	None
2007	None
2006	None
2005	None
2004	None

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

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

<u>Year</u>	<u>Amount</u>
2008	\$26,100.00
2007	26,100.00
2006	26,100.00
2005	26,100.00
2004	26,100.00

Note 5: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2008	\$933,460.06	\$450,000.00	48.21%
2007	832,128.35	272,374.00	32.77%
2006	470,692.80	149,500.00	31.76%
2005	324,916.03	250,000.00	76.94%
2004	254,410.51	206,985.00	81.35%

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$37,223.66	\$14,557.92
Federal, State and Other Grant Fund		36,426.54
Trust -- Animal Control Trust Fund		13.37
Trust -- Other Funds		783.75
General Capital Fund	<u>14,557.92</u>	<u>783.75</u>
	<u>\$51,781.58</u>	<u>\$51,781.58</u>

Note 7: PENSION PLANS

The Borough of Haddon Heights contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Borough</u>
2008	\$55,595.00	\$42,844.00	\$98,439.00	\$ 19,688.00	\$ 78,751.00 (1)
2007	49,450.00	25,678.00	75,128.00	30,051.00	45,077.00 (1)
2006	47,635.00	13,103.00	60,738.00	36,443.00	24,295.00 (1)

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: **PENSION PLANS (CONT'D)**

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Borough</u>
2008	\$181,325.00	\$107,150.00	\$288,475.00	\$ -	\$ 288,475.00
2007	167,768.00	83,713.00	251,481.00	50,296.00	201,185.00 (1)
2006	145,985.00	53,543.00	199,528.00	79,811.00	119,717.00 (1)

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

Note 8: **OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits, at its cost, to certain police officers and public works employees and other employees who have completed at least twenty-five (25) years of continuous service to the Borough in accordance with their respective labor contracts and Borough policy. Under these contracts and policy the Borough is required to pay health care coverage and reimburses employees for Medicare premiums paid for the employee and their spouse until the death of the employee. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During year 2008 the Borough paid \$287,415.68 for these benefits.

Note 9: **COMPENSATED ABSENCES**

Employees of the Borough of Haddon Heights, after one year, are entitled to ten paid sick leave days each year. Sick days not used in a calendar year shall be accumulated up to seventy-five days to be taken consecutively, immediately prior to the employee's retirement. An employee must have twenty-five years of service to be eligible for retirement.

Borough employees are not entitled to accumulate vacation days; they must be used within the calendar year. Department heads, however, may accumulate five vacation days per year, which can be taken at retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2008, accrued benefits for compensated absences are valued at \$236,079.51.

Note 10: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 11: **LENGTH OF SERVICE AWARD PROGRAM**

The Borough's Length of Service Awards Program (LOSAP) was created by a Borough Ordinance adopted on September 4, 2002 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Haddon Heights approved the adoption of the LOSAP at the general election held on November 4, 2003, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2004. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Borough's financial statements.

As required by N.J.A.C. 5:30-14.49, the Borough must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 12: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$3,455,000.00	\$2,876,157.00	\$2,318,851.00
Long – Term Loans	242,497.35	262,771.53	282,646.22
Total Issued	3,697,497.35	3,138,928.53	2,601,497.22
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	819,106.71	1,275,289.21	922,740.21
Total Issued and Authorized but Not Issued	4,516,604.06	4,414,217.74	3,524,237.43
Deductions			
Reserve for Payment of Debt	11,723.82	44,851.70	---
Net Debt	<u>\$4,504,880.24</u>	<u>\$4,369,366.04</u>	<u>\$3,524,237.43</u>

Note 12: **CAPITAL DEBT (CONT'D)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .57%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$14,877,000.00	\$14,877,000.00	
General	4,516,604.06	11,723.82	\$4,504,880.24
	<u>\$19,393,604.06</u>	<u>\$14,888,723.82</u>	<u>\$4,504,880.24</u>

Net Debt \$4,504,880.24 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$785,925,513.67 equals .57%

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$27,507,392.98
Net Debt	<u>4,504,880.24</u>
Remaining Borrowing Power	<u>\$23,002,512.74</u>

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and Long Term Loans Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Long Term Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$245,000.00	\$51,579.00	\$20,681.68	\$4,747.06	\$322,007.74
2010	245,000.00	40,551.25	21,097.38	4,331.36	310,979.99
2011	95,000.00	29,176.00	21,521.44	3,907.29	149,604.73
2012	95,000.00	25,614.00	21,954.02	3,474.72	146,042.74
2013	95,000.00	22,051.25	22,395.30	3,033.44	142,479.99
2014-18	500,000.00	52,487.25	60,707.95	10,802.72	623,997.92
2019-23			67,059.34	4,451.33	71,510.67
2024			7,080.24	70.80	7,151.04

Note 13: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008	\$3,985.50	\$42,443.88	\$545.56
2007	None	None	32,411.17
2006	None	7,353.59	28,549.87

It is estimated that there are \$10,554.47 in unreimbursed payments on behalf of the Borough at December 31, 2008.

Note 14: **RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough protects itself from these losses with a combination of commercial insurance, and participation in the Camden County and Municipal Excess Joint Insurance Funds.

Commercial insurance is maintained for employee medical claims, and surety bonds required for officials as required by law. Settled claims have not exceeded this commercial coverage in any of the past three years.

The Borough is a member of the Camden County Joint Municipal Insurance Fund, a public entity risk pool currently serving 39 municipalities, all within the State of New Jersey. In conjunction with the Camden County Joint Municipal Insurance Fund, excess coverages are maintained through the Municipal Excess Liability Joint Insurance Fund, also a public entity risk pool, serving multiple joint insurance funds. Coverages are provided by the Funds for theft, public officials liability, general liability, employee benefits liability, automobile insurance and worker's compensation claims. Contributions to each Fund, including reserves for contingencies, are payable in quarterly installments and are based on assumptions determined by each Funds' actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Funds' claim, loss retention or administrative accounts to assure the payment of each Funds' obligations. The Funds publish their own financial reports for the year ended December 31, 2008, which may be obtained from:

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

Municipal Excess Liability Joint Insurance Fund
Park 80 West Plaza
Saddlebrook, New Jersey 07663

 Note 15: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>2009 Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$161,520.00	\$53,840.00
Emergency Appropriation N.J.S.A. 40A:4-47	19,282.00	19,282.00

The appropriations in the Borough's 2009 Budget are not less than that required by the statutes.

 Note 16: **LITIGATION**

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Current Cash
 Per N.J.S. 40A: 5-5 - Treasurer
 For the Year Ended December 31, 2008

	<u>Current Fund</u>	<u>Federal, State and Other Grant Fund</u>
Balance Dec. 31, 2007	\$3,112,884.03	---
Increased by Receipts:		
Taxes Receivable	\$21,175,687.92	
Prepaid Taxes	75,119.89	
Tax Overpayments	14,248.40	
Due State of New Jersey - Senior Citizens and Veterans Deductions	119,093.72	
Consolidated Municipal Property Tax Relief Aid	198,608.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	740,905.00	
Supplemental Energy Receipts Tax	32,891.00	
Interest and Costs on Taxes	77,914.62	
Interest on Investments and Deposits	43,891.09	
Payments in Lieu of Taxes	42,193.80	
Revenue Accounts Receivable	324,650.45	
Reserve for Payment of Debt -- General Capital Fund	44,851.70	
Miscellaneous Revenue Not Anticipated	71,308.17	
Due to State of N.J. - Marriage License Fees	850.00	
Due to State of N.J. - DCA Training Fees	6,633.00	
Tax Anticipation Notes	480,000.00	
Special Emergency Note	161,520.00	
Trust Other Fund	555.01	
Federal, State and Other Grants -- Appropriated - Canceled	15,449.15	
Federal, State and Other Grants -- Deferred Charge - Overexpenditure	\$2,555.00	
Federal, State and Other Grants Receivable - Canceled	67,428.12	
Federal, State and Other Grants Receivable	41,431.55	
Current Fund	30,167.37	
	<u>23,626,370.92</u>	<u>\$141,582.04</u>
Carried Forward	26,739,254.95	141,582.04

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Current Cash

Per N.J.S. 40A: 5-5 - Treasurer

For the Year Ended December 31, 2008

	<u>Current Fund</u>	<u>Federal, State and Other Grant Fund</u>
Brought Forward		\$141,582.04
Decreased by Disbursements:		
2007 Appropriation Reserves	\$267,758.16	
2008 Appropriations	6,137,076.38	
County Taxes	4,754,850.65	
Due County for Added and Omitted Taxes	12,150.29	
Local District School Tax	11,698,768.00	
Refund Tax Overpayments	13,154.77	
Accounts Payable	43,503.07	
Due to State of N.J. - Marriage License Fees	900.00	
Due to State of N.J. - DCA Training Fees	5,874.00	
Tax Anticipation Notes	1,980,000.00	
Special Emergency Notes	269,200.00	
Reserve for Master Plan Update	1,400.00	
Animal Control Fund	10.36	
General Capital Fund	8.56	
Federal and State Grant Fund	30,167.37	
Federal, State and Other Grants Receivable - Canceled	67,428.12	
Federal, State and Other Grants -- Deferred Charge - Overexpenditure	2,555.00	
Federal, State and Other Grants -- Appropriated		\$126,132.89
Federal, State and Other Grants -- Appropriated - Canceled		15,449.15
	<u>25,284,804.73</u>	<u>141,582.04</u>
Balance Dec. 31, 2008	<u>\$1,454,450.22</u>	<u>---</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2008

<u>Office</u>	<u>Amount</u>
Tax Collector	\$100.00
Municipal Court	<u>100.00</u>
	<u><u>\$200.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2008

Year	Balance Dec. 31, 2007	Levy	Added Taxes	Collections		Due from State of New Jersey	Cancellations by Tax Appeals Funded by Reserve for Tax Appeals	Overpayments Applied	Canceled	Balance Dec. 31, 2008
				2007	2008					
2006	\$5,182.83				\$116.25					\$5,066.58
2007	339,262.93		\$3,875.00	337,344.78					\$5,793.15	
2008	344,445.76	\$21,462,235.03	3,875.00	337,461.03	20,838,226.89	\$121,375.55	\$60,000.00	\$1,562.86	19,789.69	327,259.61
	\$344,445.76	\$21,462,235.03	\$3,875.00	\$94,020.43	\$21,175,687.92	\$121,375.55	\$60,000.00	\$1,562.86	\$25,582.84	\$333,889.05

Analysis of 2008 Property Tax Levy

<u>Tax Yield:</u>	
General Property Tax	\$21,414,697.80
Added Taxes (54:4-63.1 et. seq.)	47,537.23
	<u>\$21,462,235.03</u>
<u>Tax Levy:</u>	
Local School District Tax	\$11,698,768.00
County Taxes:	
County Tax	\$4,594,804.81
County Open Space	160,045.84
Due County for Added and Omitted Taxes	<u>10,576.67</u>
Total County Taxes	4,765,427.32
Local Tax for Municipal Purposes	4,959,651.55
Add: Additional Tax Levied	<u>38,388.16</u>
	<u>4,998,039.71</u>
	<u>\$21,462,235.03</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Due to State of New Jersey
 Veterans' and Senior Citizens' Deductions
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$1,073.58
Increased by:		
Received from State of New Jersey		<u>119,093.72</u>
		120,167.30
Decreased by:		
Deductions per Tax Billing:		
Senior Citizens	\$24,500.00	
Veterans	<u>97,500.00</u>	
	122,000.00	
Deductions Disallowed by Collector - 2008 Taxes	<u>624.45</u>	
	121,375.55	
Deductions Disallowed by Collector - 2007 Taxes	<u>3,875.00</u>	
		<u>117,500.55</u>
Balance Dec. 31, 2008		<u><u>\$2,666.75</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Accrued</u> <u>In 2008</u>	<u>Receipts</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Borough Clerk:				
Licenses		\$3,116.00	\$3,116.00	
Fees and Permits		58,085.05	58,085.05	
Tax Collector				
Fees and Permits		196.25	196.25	
Police Department				
Fees and Permits		1,581.25	1,581.25	
Municipal Court				
Fines and Costs	\$3,578.92	139,704.02	132,372.00	\$10,910.94
Construction Code Official				
Fees & Permits		84,378.00	84,378.00	
Cable Television Franchise Fees	45,921.90	76,817.91	44,921.90	77,817.91
	<u>\$49,500.82</u>	<u>\$363,878.48</u>	<u>\$324,650.45</u>	<u>\$88,728.85</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Deferred Charges
 For the Year Ended December 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Added in</u> <u>2008</u>	<u>Decreased by</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Emergency Authorizations (40A:4-47)	\$21,896.00	\$19,282.00	\$21,896.00	\$19,282.00

CURRENT FUND
 Statement of Deferred Charges
 N.J.S. 40A: 4-55 Special Emergency Authorizations
 For the Year Ended December 31, 2008

<u>Date</u> <u>Authorized</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Decreased by</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
4/4/2006	\$20,000.00	\$4,000.00	\$16,000.00	\$4,000.00	\$12,000.00
4/4/2006	229,200.00	45,840.00	183,360.00	45,840.00	137,520.00
4/4/2006	20,000.00	4,000.00	16,000.00	4,000.00	12,000.00
			\$215,360.00	\$53,840.00	\$161,520.00

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance Dec. 31, 2007</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Accounts Payable</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Other Expense						
Postage	\$273.16	\$28.89	\$302.05	\$28.89		\$273.16
Office Supplies	149.66	490.50	640.16	159.76	\$71.00	409.40
Celebration of Public Events	1,000.00		1,000.00	1,000.00		
Publication of Newsletter	2,248.78		2,248.78	2,235.00		13.78
Municipal Clerk						
Salaries and Wages	0.09		0.09			0.09
Other Expenses	607.50		607.50	607.29		0.21
Financial Administration						
Salaries and Wages	421.86		421.86			421.86
Other Expenses	4,909.38		4,909.38	840.03		4,069.35
Audit Services						
Other Expenses	1,700.00		1,700.00			1,700.00
Assessment of Taxes						
Salaries and Wages	3,530.93		3,530.93			3,530.93
Other Expenses	2,225.93		2,225.93	388.54		1,837.39
Collection of Taxes						
Salaries and Wages	0.17		0.17			0.17
Legal Services						
Other Expenses	1,364.97		1,364.97	600.00		764.97
Engineering Services and Costs						
Other Expenses	215.46		215.46			215.46
Economic Development						
Other Expenses	10,000.00		10,000.00			10,000.00
Municipal Prosecutor						
Salaries and Wages	247.60	200.00	447.60			447.60
Municipal Building						
Other Expenses	29.77	5.00	34.77	24.00		10.77
Planning Board:						
Salaries and Wages	1,182.18		1,182.18			1,182.18
Other Expenses	722.76		722.76	190.00		532.76
Zoning Board of Adjustments:						
Salaries and Wages	982.02		982.02			982.02
Other Expenses	108.44		108.44			108.44
Insurance:						
General Liability	6,250.11		6,250.11			6,250.11
Worker's Compensation	807.57		807.57			807.57
Employee Group Insurance	9,927.04	34,808.81	44,735.85	35,369.81		9,366.04
Unemployment Compensation	100.00		100.00			100.00
Temporary Disability	5,613.57		5,613.57			5,613.57
PUBLIC SAFETY:						
Police						
Salaries and Wages	185,966.61	8,378.61	194,345.22	94,248.63		100,096.59
Other Expenses	164.50	16,699.39	16,863.89	16,455.95		407.94
Fire						
Salaries and Wages	4,236.08	259.84	4,495.92	259.84		4,236.08
Other Expenses	5,237.94	8,111.41	13,349.35	7,197.12		6,152.23

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance Dec. 31, 2007</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Accounts Payable</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
PUBLIC SAFETY (CONT'D):						
Uniform Fire Safety Act:						
Fire Safety Official:						
Salaries and Wages	\$2.60		\$2.60			\$2.60
Other Expenses	380.00		380.00			380.00
Office of Emergency Management:						
Salaries and Wages	28.00		28.00			28.00
Other Expenses	775.00		775.00			775.00
Volunteer Ambulance Corps.						
Other Expenses	584.47	\$1,999.48	2,583.95	\$1,966.48		617.47
PUBLIC WORKS:						
Public Works:						
Salaries and Wages	25,615.12	28,454.38	30,845.61	28,532.30		2,313.31
Other Expenses	2,771.01	2,038.30	4,809.31	3,196.29		1,613.02
Garbage and Trash Removal						
Other Expenses	2,906.42		2,906.42			2,906.42
Vehicle Maintenance	395.23	3,093.32	7,584.56	6,116.81	\$876.78	590.97
Solid Waste Disposal	21,217.43	2,851.20	24,068.63	20,719.91		3,348.72
HEALTH AND WELFARE:						
Dog Regulation						
Contractual	57.50	800.00	857.50			857.50
RECREATION AND EDUCATION:						
Parks and Playgrounds						
Other Expenses	3,454.13	500.00	3,954.13			3,954.13
Municipal Court						
Salaries and Wages	2,282.13		2,282.13			2,282.13
Other Expenses	921.38	119.98	1,041.36	51.27		990.09
CODE ENFORCEMENT:						
Construction Code Official						
Salaries and Wages	25,664.72	150.00	25,814.72	21,573.50		4,241.22
Other Expenses	16,231.41	323.00	16,554.41	595.64		15,958.77
UNCLASSIFIED:						
Utilities:						
Gasoline and Diesel Fuel	8,771.84		13,811.72	6,905.86		6,905.86
Telephone	2,040.86	267.76	2,308.62	1,900.85		407.77
Electric Utilities	69.63		6,235.87	6,228.12		7.75
Street Lighting	7.31		7,929.07	7,929.07		
Water Utilities	109.35		109.35	52.89		56.46
<u>STATUTORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS":</u>						
Contribution to:						
Social Security	12,578.76	2,284.31	14,863.07	2,284.31		12,578.76
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Trash Collection Services/Apartments	3,489.59		3,489.59			3,489.59
Public Employees Retirement System	0.20		0.20			0.20
Police & Fireman's Retirement System of NJ	0.20		0.20			0.20
Length of Service Award Program	600.00		600.00			600.00
Interlocal Service Agreement - N.J.S.A. 40A:						
Intergovernmental Services Sewer System	7,535.00		7,535.00	100.00		7,435.00
TOTAL GENERAL APPROPRIATIONS	\$388,713.37	\$111,864.18	\$500,577.55	\$267,758.16	\$947.78	\$231,871.61

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Tax Anticipation Notes
 N.J.S.A. 40A: 4-64
 For the Year Ended December 31, 2008

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>
Tax Anticipation Notes of 2007 Series A	05/01/07	04/30/08	\$1,500,000.00	3.74%	\$1,500,000.00		\$1,500,000.00
Tax Anticipation Notes of 2008 Series A	07/18/08	11/15/08	480,000.00	2.43%		\$480,000.00	480,000.00
					<u>\$1,500,000.00</u>	<u>\$480,000.00</u>	<u>\$1,980,000.00</u>

CURRENT FUND
 Statement of Special Emergency Notes
 N.J.S.A. 40A: 4-55
 For the Year Ended December 31, 2008

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2008</u>
Special Emergency Notes of 2007 Series A	04/11/07	04/10/08	\$269,200.00	3.84%	\$269,200.00		\$269,200.00	
Special Emergency Notes of 2008 Series A	04/09/08	04/08/09	161,520.00	1.89%		\$161,520.00		\$161,520.00
					<u>\$269,200.00</u>	<u>\$161,520.00</u>	<u>\$269,200.00</u>	<u>\$161,520.00</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2008

Balance Dec. 31, 2007 (2008 Taxes)	\$94,020.43
Increased by:	
Collection (2009 Taxes)	<u>75,119.89</u>
	169,140.32
Decreased by:	
Application to 2008 Taxes	<u>94,020.43</u>
Balance Dec. 31, 2008 (2009 Taxes)	<u><u>\$75,119.89</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$1,531.41
Increased by:	
Receipts	
Overpayments-2008	<u>14,248.40</u>
	15,779.81
Decreased by:	
Applied to Taxes Receivable	\$1,562.86
Refunds	<u>13,154.77</u>
	<u>14,717.63</u>
Balance Dec. 31, 2008	<u><u>\$1,062.18</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2008

2008 Levy -		
County General		\$4,594,804.81
County Open Space		<u>160,045.84</u>
		\$4,754,850.65
Decreased by:		
Disbursements		<u><u>\$4,754,850.65</u></u>

Exhibit SA-14

CURRENT FUND
 Statement of Amount Due to County for Added and Omitted Taxes
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$12,150.29
Increased by:		
County Share of 2008 Levy:		
Added Taxes and Added/Omitted Taxes		<u>10,576.67</u>
		22,726.96
Decreased by:		
Disbursements		<u>12,150.29</u>
Balance Dec. 31, 2008		<u><u>\$10,576.67</u></u>

Exhibit SA-15

CURRENT FUND
 Statement of School Taxes Payable
 For the Year Ended December 31, 2008

2008 Levy		\$11,698,768.00
Decreased by:		
Disbursements		<u><u>\$11,698,768.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$75.00
Increased by:	
Receipts	<u>850.00</u>
	925.00
Decreased by:	
Disbursements	<u>900.00</u>
Balance Dec. 31, 2008	<u><u>\$25.00</u></u>

Exhibit SA-17

CURRENT FUND
Statement of Due to State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$21.00
Increased by:	
Receipts	<u>6,633.00</u>
	6,654.00
Decreased by:	
Disbursements	<u>5,874.00</u>
Balance Dec. 31, 2008	<u><u>\$780.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Accounts Payable
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$90,722.58
Increased by:		
Transfer from 2007 Appropriation Reserves		947.78
		91,670.36
Decreased by:		
Disbursements	\$43,503.07	
Canceled	47,219.51	
		90,722.58
Balance Dec. 31, 2008		\$947.78

Exhibit SA-19

CURRENT FUND
 Statement of Reserve for Tax Appeals
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$30,000.00
Increased by:		
2008 Budget Appropriation		30,000.00
		60,000.00
Decreased by:		
Applied to Taxes Receivable		\$60,000.00

Exhibit SA-20

CURRENT FUND
 Statement of Reserve for Master Plan Update
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$4,273.36
Decreased by:		
Disbursements		1,400.00
Balance Dec. 31, 2008		\$2,873.36

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Federal, State and Other Grants Receivable
 For the Year Ended December 31, 2008

Program	Balance Dec. 31, 2007	Accrued	Received	Canceled	Balance Dec. 31, 2008
Federal Grants:					
New Jersey Department of Transportation Enhancement Grant	\$250,000.00				\$250,000.00
New Jersey Department of Transportation Enhancement Grant	100,000.00				100,000.00
NJDEP Stormwater Regulation Program	2,117.00				2,117.00
Federal Occupant Protection Grant	2,000.00				2,000.00
Total Federal Grants	354,117.00				354,117.00
State Grants:					
Body Armor Fund		\$1,562.39	\$1,562.39		
Clean Communities Program		9,380.07	9,380.07		
Recycling Tonnage		5,538.04	5,538.04		
Drunk Driving Enforcement Fund	2,284.95	978.44	2,843.50		419.89
Over the Limit Under Arrest		5,000.00	5,000.00		
Alcohol Abuse Grant - Station House		2,044.00	2,044.00		
Municipal Alliance on Alcoholism and Drug Abuse	1,659.00	10,574.00	9,210.00		3,023.00
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		53.55	53.55		
Environmental Services Program	1,000.00				1,000.00
Click It or Ticket		4,000.00	4,000.00		
Pedestrian Safety	67,428.12				
Hazardous Discharge Site Remediation	14,663.00	102,313.00		\$67,428.12	116,976.00
Total State Grants	87,035.07	141,443.49	39,631.55	67,428.12	121,418.89
Other Grants:					
County of Camden Recreation Facility Enhancement Funding	15,000.00				15,000.00
JIF Safety Award		1,800.00	1,800.00		
Total Other Grants	15,000.00	1,800.00	1,800.00		15,000.00
Total All Grants	\$456,152.07	\$143,243.49	\$41,431.55	\$67,428.12	\$490,535.89

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>Grants Accrued</u>	<u>Realized as Miscellaneous Revenue in 2008 Budget</u>	<u>Balance Dec. 31, 2008</u>
State Grants:				
Body Armor Fund	\$1,588.07	\$1,562.39	\$3,150.46	
Clean Communities Program	822.62	9,380.07	10,202.69	
Recycling Tonnage	2,998.28	5,538.04	2,998.28	\$5,538.04
Alcohol Abuse Grant - Station House		2,044.00	1,044.00	1,000.00
Drunk Driving Enforcement Grant	1,865.06	978.44	1,865.06	978.44
Municipal Alliance on Alcoholism and Drug Abuse		10,574.00	10,574.00	
Alcohol Education, Rehabilitation and Enforcement Fund		53.55	53.55	
Hazardous Discharge Site Remediation - Devon Ave		102,313.00	102,313.00	
Over the Limit Under Arrest		5,000.00	5,000.00	
Click It or Ticket		4,000.00	4,000.00	
Total State Grants	7,274.03	141,443.49	141,201.04	7,516.48
Other Grants:				
JIF Safety Award		1,800.00	1,800.00	
Total Other Grants		1,800.00	1,800.00	
Total All Grants	\$7,274.03	\$143,243.49	\$143,001.04	\$7,516.48

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transferred</u> <u>from</u> <u>2008 Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Adjustments</u> <u>Encumbered</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Federal Grants:						
NJ Department of Transportation Enhancement Grant - Streetscape	\$214,240.75		\$26,109.43	\$35,759.25		\$223,890.57
NJ Department of Transportation Enhancement Grant - Scenic Enhancement #2	100,000.00		26,174.43	(35,759.25)		38,066.32
NJ Dept Storm Water Regulation Program	8,250.00		380.00			7,870.00
Federal Occupant Protection - Buckle Up South Jerse	4,000.00					4,000.00
NJDEP Stormwater Regulation Program	310.50					310.50
Historic Preservation Grant	386.23					386.23
Total Federal Grants	327,187.48		52,663.86			274,523.62
State Grants:						
Body Armor Fund	2,985.87	\$3,150.46	400.00			5,736.33
Clean Communities Grant	5,843.17	10,202.69	15,194.32			851.54
Community Planning Advocacy	727.00		70.45			656.55
Over the Limit Under Arrest		5,000.00	5,000.00			
Click It or Ticket		4,000.00				4,000.00
Drunk Driving Enforcement Grant	7,073.06	1,865.06	2,813.49			6,124.63
Municipal Alliance on Alcoholism and Drug Abuse	10,574.00	10,574.00	10,574.00			10,574.00
Alcohol Abuse Grant - Station House		1,044.00	1,044.00			
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	1,021.90	53.55	675.00			400.45
Domestic Violence	2,200.00					2,200.00
Pedestrian Safety	15,449.15				\$15,449.15	
Environmental Service	2,500.00		2,500.00			

(Continued)

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Transferred</u> <u>from</u> <u>2008 Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Adjustments</u> <u>Encumbered</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
State Grants (Cont'd):						
Hazardous Discharge Site Remediation - Devon Ave	\$11,971.23	\$102,313.00	\$992.50			\$113,291.73
PEOSHA --Immunization of Employees	3,124.20					3,124.20
Recycling Tonnage Grant	24,035.81	2,998.28	25,836.01			1,198.08
Total State Grants	87,505.39	141,201.04	65,099.77		\$15,449.15	148,157.51
Other Grants:						
County of Camden Rec Facility Enhancement Fundin	15,000.00					15,000.00
PEER Mini Grant --County of Camden	3,000.00					3,000.00
JIF Safety Award	1,000.00	1,800.00	328.95	\$671.05		1,800.00
Comcast Grant	11,481.00		8,040.31	3,186.00		254.69
Total Other Grants	30,481.00	1,800.00	8,369.26	3,857.05		20,054.69
Total All Grants	\$445,173.87	\$143,001.04	\$126,132.89	\$3,857.05	\$15,449.15	\$442,735.82

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$6,259.17
Increased by:	
Receipts	<u>30,167.37</u>
Balance Dec. 31, 2008	<u><u>\$36,426.54</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF HADDON HEIGHTS
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2008

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2007	\$490.11	\$145,724.11
Increased by Receipts:		
Animal Control Fees	\$3,462.40	
Due to State of New Jersey - Department of Health	477.60	
Current Fund	10.36	
Due to Bank		\$275.00
Victims of Crime Compensation Board		242.97
Miscellaneous Trust Reserves		516,319.36
Community Development Block Grant Receivable		106,815.94
General Capital Fund		499.50
Payroll Deductions Payable		1,481,062.06
Net Payroll		1,833,517.54
	<u>3,950.36</u>	<u>3,938,732.37</u>
	4,440.47	4,084,456.48
Decreased by Disbursements		
Expenditures under R.S. 4:19-15.11--Cash	3,732.50	
State Registration Fees	477.60	
Current Fund		555.01
Miscellaneous Trust Reserves		500,240.09
Payroll Deductions Payable		1,495,074.86
Net Payroll		1,833,517.54
Reserve for Community Development Block Grant Funds		110,268.99
	<u>4,210.10</u>	<u>3,939,656.49</u>
Balance Dec. 31, 2008	<u>\$230.37</u>	<u>\$144,799.99</u>

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$3.01
Increased by:	
Receipts	10.36
	10.36
Balance Dec. 31, 2008	\$13.37

Exhibit SB-3

ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$487.10
Increased by Receipts:	
Dog Licenses Fees	\$3,065.40
Cat License Fees	397.00
	3,462.40
	3,949.50
Decreased by Disbursements:	
Expenditures under R.S. 4:19-15.11--Cash	3,732.50
	3,732.50
Balance Dec. 31, 2008	\$217.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$1,831.40
2006	1,724.70
	1,724.70
	\$3,556.10

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey-
Department of Health
For the Year Ended December 31, 2008

Receipts		\$477.60
Decreased by:		
Disbursements		\$477.60
		\$477.60

TRUST OTHER FUND
Statement of Due from Camden County Community Development Block Grant Receivable
For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$142,033.56
Increased by:		
Grant Awards:		
Year 30		32,505.00
		174,538.56
Decreased by:		
Receipts	\$106,815.94	
Canceled	743.25	
	107,559.19	107,559.19
Balance Dec. 31, 2008		\$66,979.37
 <u>Analysis of Balance Dec. 31, 2008</u>		
Year 29		\$34,474.37
Year 30		32,505.00
		\$66,979.37

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$1,338.76
Decreased by:		
Disbursements		555.01
		555.01
Balance Dec. 31, 2008		\$783.75

TRUST OTHER FUND
 Statement of Reserve for Community Development Block Grant Funds
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$146,682.49
Increased by:		
Grant Awards:		
Year 30		32,505.00
		32,505.00
		179,187.49
Decreased by:		
Disbursements	\$110,268.99	
Canceled	743.25	
	111,012.24	
Balance Dec. 31, 2008		\$68,175.25

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2008

	Balance <u>Dec. 31, 2007</u>	Receipts	Disbursements	Balance <u>Dec. 31, 2008</u>
Reserve for Recycling	\$13,793.98	\$38,111.92	\$11,009.94	\$40,895.96
Reserve for Public Defender	3,063.72	1,200.50	2,404.22	1,860.00
Reserve for Unemployment Compensation	32,411.17	10,578.27	42,443.88	545.56
Reserve for Uniform Fire Safety Code - Penalties	5,257.78	1,175.00	3,169.01	3,263.77
Reserve for Street Opening Deposits	612.00	367.00	443.00	536.00
Reserve for Zoning Board	5,888.00	9,110.00	7,780.50	7,217.50
Reserve for Planning Board	16,320.15	15,695.85	31,366.75	649.25
Reserve for Tax Title Lien Redemptions:				
Outside Liens	849.62	411,902.85	368,239.54	44,512.93
Reserve for Citizen Donations for Police Department	7,874.98	2,565.00		10,439.98
Reserve for Borough Donations	176.06		176.06	
Reserve for POAA	2,512.06	756.00	995.99	2,272.07
Reserve for Municipal Drug Alliance Donations	10,834.24	21,057.00	19,387.57	12,503.67
Reserve for Special Law Enforcement Funds	1,883.78	18.00		1,901.78
Reserve for Historic District Review & Other	1,450.00		1,175.00	275.00
Reserve for Fire Department	4,540.89	198.84	4,462.62	277.11
Reserve for Off Duty Police	1,926.38	3,583.13	4,012.51	1,497.00
Reserve for White Memorial	20.00		20.00	
Reserve for Shade Tree Commission	1,000.00		1,000.00	
Reserve for Officer Difulio Memorial	10.00		10.00	
Reserve for Grading	2,143.50		2,143.50	
	<u>\$112,568.31</u>	<u>\$516,319.36</u>	<u>\$500,240.09</u>	<u>\$128,647.58</u>
		Canceled to Current Fund	\$3,668.06	
		Other	<u>496,572.03</u>	
			<u>\$500,240.09</u>	

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$27,667.61
Increased by:		
Employer Share of Payroll Taxes	\$118,019.86	
Haddon Heights Library Employee Pension Deductions	10,861.57	
Employee Payroll Deductions	1,349,998.94	
Miscellaneous	2,181.69	
		1,481,062.06
Decreased by:		
Disbursements		1,508,729.67
Balance Dec. 31, 2008		\$13,654.81
<u>Analysis of Balance Dec. 31, 2008</u>		
J Hancock		(\$30.00)
Mars Mutual		30.00
Aflac		376.23
PERS - Insurance		1,758.56
PERS		(1,830.81)
PFRS		14,079.23
PBA		(420.00)
NY - Insurance		(22.00)
Fire Fighters Local 3249		467.48
Afsome		(18.00)
Miscellaneous		(736.08)
Health Benefits		0.20
		\$13,654.81

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$619,850.60
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$19,080.00	
New Jersey Transportation Trust Fund Grants Receivable	120,655.00	
Current Fund	8.56	
Bond Anticipation Notes	<u>4,912,314.00</u>	
		<u>5,052,057.56</u>
		5,671,908.16
Decreased by Disbursements:		
Bond Anticipation Notes	4,079,189.00	
Trust Other Fund	499.50	
Improvement Authorizations	783,207.29	
Contracts Payable	199,192.47	
Reserve for Payment of Debt -- Anticipated as Revenue in Current Fund	<u>44,851.70</u>	
		<u>5,106,939.96</u>
Balance Dec. 31, 2008		<u><u>\$564,968.20</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2008

	Receipts			Disbursements			Transfers To	Balance (Deficit) Dec. 31, 2008
	Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous		
Fund Balance	\$4,885.65							\$9,426.48
Capital Improvement Fund	13,381.00						\$4,540.83	13,215.22
Reserve for Encumbrances	16,000.00						678.22	64,277.19
Contracts Payable	137,917.02						48,277.19	50,319.45
N.J. Transportation Grants Receivable	(128,468.00)		\$120,655.00			\$198,192.47	111,594.90	(7,813.00)
Current Fund	(14,566.48)		8.56					(14,567.92)
Trust Fund	499.50					499.50		
Reserve for Payment of Debt	44,851.70					44,851.70		
Reserve for Preliminary Costs - Station Avenue	678.22						678.22	11,723.82
Note Renewals		\$4,079,189.00			\$4,079,189.00			
Improvement Authorizations:								
Ordinance								
Number								
962/965/968	Acquisition, Construction, Repair, and Installation of Various Capital Improvements							
1107	Acquisition, Construction, Repair and Improvement of Various Capital Improvements	705.42					705.42	
1108	Installation and Upgrading of Ballfields	24,802.50					24,802.50	
1126	Acquisition, Construction, Repair and Installation of Various Capital Improvements	21,088.78					21,088.78	
1154	Acquisition, Construction, Repair and Installation of Various Capital Improvements	2,733.24					2,733.24	
1170	Upgrades to Fuel Storage Tank	12,001.87					12,001.87	
1175	Construction for Completion of Third Ave.							(9,043.50)
1177	Various Improvements							
1192;	Acquisition of Capital Equipment and Various Capital Improvements	42,613.46					41,623.46	
1200	Fire Department Equipment	11,014.99					4,093.91	815.88
1201	Various Improvements	473,465.29					274,535.47	182,502.56
1207	Various Improvements	4,087.48					4,087.48	
1212	Computer Equipment and SCBA Fit Test Machine							
1213	Thrush Circulator for Library							
1216	Acquisition of Ambulance and Equipment	(108,210.71)						(108,210.71)
1218	Upgrades to Fuel Storage Tank	3,835.29					3,835.29	
1229	Acquisition of Equipment & Various Improvements	(8,701.26)	833,125.00				74,329.00	34,519.93
1234	Various Roadway Improvements	59,846.03					4,198.05	34,944.38
1240	Acquisition of Signs for Public Works Dept	3,548.69						1,347.59
1241	Acquisition of 4x4 Vehicle for Police Dept	10,904.42					3,200.00	5,263.92
1248	Fire Department Turn Out Gear						14,158.90	65.69
1250	Restoration of Masonry Walls at the Borough Library						29,469.85	29,393.11
1257	Replacement of Municipal Building Roof						11,364.00	11,289.27
1260	Improvements to Soccer and Recreational Fields						209,856.19	209,759.95
1261	Closure of Kings Highway Pumping Station						56,652.50	56,552.69
1262	Replacement of Municipal Building Roof						10,000.00	9,929.00
1278	Various Improvements						40,927.25	(32,491.33)
1280	Sewer Utility Improvements						12,447.40	12,367.15
1282								
		\$619,850.60	\$4,912,314.00	\$120,663.56	\$783,207.29	\$4,079,189.00	\$541,261.46	\$584,968.20
		\$19,080.00	\$4,912,314.00	\$120,663.56	\$783,207.29	\$4,079,189.00	\$541,261.46	\$584,968.20

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2008

Balance Dec. 31, 2007		\$1,772,771.53
Decreased by:		
2008 Budget Appropriation to Pay:		
General Serial Bonds	\$235,000.00	
Green Trust Loan Payable	<u>20,274.18</u>	
		<u>255,274.18</u>
Balance Dec. 31, 2008		<u><u>\$1,517,497.35</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2008

Ordinance Number Amended	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Authorizations Canceled	Notes Paid by Budget Appropriation	Transfers	Balance Dec. 31, 2008	Bond Anticipation Notes	Analysis of Balance Dec. 31, 2008	
									Expenditures	Unexpended Improvement Authorizations
1108	Improvement and Upgrading of Ballfields	\$9,043.50					\$9,043.50		\$9,043.50	
1126	Acquisition, Construction, Repair and Installation of Various Capital Improvements	1,180.00		\$571.38			608.62		608.62	
1154	Acquisition, Construction, Repair and Installation of Various Capital Improvements	123,452.00			\$6,952.00		116,500.00	\$116,500.00		
1180	Reconstruction and Improvements to Garage Door at Fire Department	3,480.48					3,480.48	3,480.48		
1201	Fire Department Equipment	9,167.52			1,019.00		8,148.52	8,148.52		
1177	Various Municipal Improvements	181,995.00			10,755.00	(\$12,001.87)	159,238.13	159,238.13		
1257	Various Improvements	5,000.00			556.00		4,444.00	4,444.00		
1261	Restoration of Masonry Walls at the Borough Library Improvements to Soccer and Recreational Fields						6,651.87	6,651.87		
							5,350.00	5,350.00		
1192	Acquisition of Capital Equipment and Various Capital Improvements	170,896.00				(41,085.62)	129,810.38	129,810.38		
1213	Computer Equipment and SCBA Fit Test Machine	13,860.00				(4,067.48)	9,792.52	9,792.52		
1240	Various Roadway Improvements	60,000.00					60,000.00	60,000.00		
1250	Fire Department Turn Out Gear					14,732.56	14,732.56	14,732.56		
1257	Restoration of Masonry Walls at the Borough Library					503.54	503.54	503.54		
1261	Improvements to Soccer and Recreational Fields					4,917.00	4,917.00	4,917.00		
1262	Closure of Kings Highway Pumping Station					25,000.00	25,000.00	25,000.00		
1212	Various Improvements	798,306.00				(229,190.60)	569,115.40	569,115.40		
1257	Restoration of Masonry Walls at the Borough Library					12,487.41	12,487.41	12,487.41		
1260	Replacement of Municipal Building Roof					7,114.00	7,114.00	7,114.00		
1261	Improvements to Soccer and Recreational Fields					199,589.19	199,589.19	199,589.19		
1278	Replacement of Municipal Building Roof					10,000.00	10,000.00	10,000.00		
1218	Acquisition of Ambulance and Equipment	108,210.71					108,210.71	108,210.71		
1234	Acquisition of Equipment & Various Improvements	1,156,855.00		1,038.12		(210,900.00)	944,916.88	833,125.00		\$111,791.88
1262	Replacement of Municipal Building Roof					80,750.00	80,750.00	80,750.00		80,750.00
1262	Closure of Kings Highway Pumping Station					130,150.00	130,150.00	130,150.00		130,150.00
1280	Various Improvements		\$378,552.00				378,552.00	378,552.00	32,491.33	346,060.67
		\$2,641,446.21	\$378,552.00	\$1,609.50	\$19,282.00	---	\$2,999,106.71	\$2,180,000.00	\$150,354.16	\$668,752.55

(Continued)

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of New Jersey Transportation Trust Fund Grant Receivable
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$128,468.00
Decreased by:	
Collected	120,655.00
Balance Dec. 31, 2008	\$7,813.00

GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$44,851.70
Increased by:	
Improvement Authorizations -- Canceled	11,723.82
	56,575.52
Decreased by:	
Anticipated as Revenue in Current Fund	44,851.70
Balance Dec. 31, 2008	\$11,723.82

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$14,566.48
Decreased by:	
Receipts	8.56
Balance Dec. 31, 2008	\$14,557.92

GENERAL CAPITAL FUND
 Statement of Capital Improvement Fund
 For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$13,381.00
Increased by:	
Budget Appropriation	\$19,080.00
Preliminary Costs - Station Avenue --Canceled	678.22
	19,758.22
	33,139.22
Decreased by:	
Appropriated to Finance Improvement Authorizations	19,924.00
Balance Dec. 31, 2008	\$13,215.22

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$137,917.02
Increased by:	
Transfer from Improvement Authorizations	111,594.90
	249,511.92
Decreased by:	
Disbursed	199,192.47
Balance Dec. 31, 2008	\$50,319.45

Analysis of Balance Dec. 31, 2008

<u>Contractor</u>	<u>Ord. No.</u>	<u>Amount</u>
Winchester Roofing Corp	1126, 1154, 1192; 1200	\$3,920.25
Asphalt Paving	1212, 1234	38.20
Nat Alexander Corp.	1212	19,432.00
Nat Alexander Corp.	1234	26,929.00
		\$50,319.45

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$16,000.00
Increased by:	
Transfer from Improvement Authorizations	48,277.19
Balance Dec. 31, 2008	\$64,277.19

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2008

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement	9/15/1997	\$1,525,000.00	9/15/2009	\$160,000.00	4.90%	\$470,000.00	\$150,000.00	\$320,000.00
			9/15/2010	160,000.00	5.00%			
General Improvement	8/28/2002	1,360,000.00	2/15/09/10	85,000.00	3.75%	1,040,000.00	85,000.00	955,000.00
			2/15/11/13	95,000.00	3.75%			
			2/15/2014	95,000.00	3.85%			
			2/15/2015	100,000.00	3.95%			
			2/15/2016	100,000.00	4.05%			
			2/15/2017	100,000.00	4.15%			
2/15/2018	105,000.00	4.25%						
						<u>1,040,000.00</u>	<u>85,000.00</u>	<u>955,000.00</u>
						<u>\$1,510,000.00</u>	<u>\$235,000.00</u>	<u>\$1,275,000.00</u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of New Jersey Green Trust Loan Payable
For the Year Ended December 31, 2008

Balance Dec. 31, 2007	\$ 262,771.53
Decreased by:	
Principal Payments Paid by Budget Appropriation	20,274.18
Balance Dec. 31, 2008	\$ 242,497.35

Maturities of Loan Outstanding Dec. 31, 2008

	<u>Interest</u>	<u>Principal</u>
2009	\$4,747.06	\$20,681.68
2010	4,331.36	21,097.38
2011	3,907.29	21,521.44
2012	3,474.72	21,954.02
2013	3,033.44	22,395.30
2014	2,638.93	11,663.21
2015	2,404.49	11,897.64
2016	2,165.35	12,136.78
2017	1,921.40	12,380.73
2018	1,672.55	12,629.59
2019	1,418.70	12,883.44
2020	1,159.74	13,142.40
2021	895.58	13,406.56
2022	626.10	13,676.02
2023	351.21	13,950.92
2024	70.80	7,080.24
	\$ 34,818.72	\$ 242,497.35

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For Year Ended December 31, 2008

Ord. Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2007	Issued for Cash	Renewal	Renewal	Paid by Budget Appropriation	Balance Dec. 31, 2008
1154	Acquisition, Construction, Repair and Installation of Various Capital Improvements	\$144,452.00	02/18/04	02/12/07	02/11/08	4.25%	\$136,100.00		\$136,100.00	\$136,100.00		\$128,129.00
			02/18/04	02/08/08	08/08/08	2.10%		\$136,100.00	136,100.00			
			02/18/04	08/06/08	12/31/08	2.19%		128,129.00	128,129.00	\$7,971.00		
			02/18/04	12/17/08	06/16/09	3.25%						\$128,129.00
1177	Various Capital Improvements	181,995.00	02/16/05	02/12/07	02/11/08	4.25%	181,995.00		181,995.00	181,995.00		
			02/16/05	02/08/08	08/08/08	2.10%		181,995.00	181,995.00			
			02/16/05	08/06/08	12/31/08	2.19%		181,995.00	181,995.00	10,755.00		
			02/16/05	12/17/08	06/16/09	3.25%		171,240.00	171,240.00			171,240.00
		5,000.00	02/18/04	02/12/07	02/11/08	4.25%	5,000.00		5,000.00	5,000.00		
			02/18/04	02/08/08	08/08/08	2.10%		5,000.00	5,000.00			
			02/18/04	08/06/08	12/31/08	2.19%		5,000.00	5,000.00	556.00		
			02/18/04	12/17/08	06/16/09	3.25%		4,444.00	4,444.00			4,444.00
1192	Acquisition of Capital Equipment and Various Capital Improvements	170,896.00	02/14/06	02/12/07	02/11/08	4.25%	244,756.00		244,756.00	244,756.00		
			02/14/06	02/08/08	08/08/08	2.10%		244,756.00	244,756.00			
			02/14/06	08/06/08	12/31/08	2.19%		244,756.00	244,756.00			
			02/14/06	12/17/08	06/16/09	3.25%		244,756.00	244,756.00			244,756.00
1212	Various Improvements	798,306.00	02/12/07	02/12/07	02/11/08	4.25%	798,306.00		798,306.00	798,306.00		
			02/12/07	02/08/08	08/08/08	2.10%		798,306.00	798,306.00			
			02/12/07	08/06/08	12/31/08	2.19%		798,306.00	798,306.00			
			02/12/07	12/17/08	06/16/09	3.25%		798,306.00	798,306.00			798,306.00
1234	Acquisition of Equipment & Various Improvements	833,125.00	12/17/08	12/17/08	06/16/09	3.25%		\$833,125.00				833,125.00
								\$1,386,157.00	\$4,079,189.00	\$4,079,189.00	\$19,282.00	\$2,180,000.00

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2008

Ord. Number	Amended	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Notes Matured	Transfers	Authorizations Canceled	Notes Issued	Balance Dec. 31, 2008
1108		Improvement and Upgrading of Ball fields	\$9,043.50						\$9,043.50
1126		Acquisition, Construction, Repair and Installation of Various Capital Improvements	1,180.00				\$571.38		608.62
1218		Acquisition of Ambulance and Equipment	108,210.71						108,210.71
1234		Acquisition of Equipment & Various Improvements	1,156,855.00					\$533,125.00	111,791.88
	1260	Replacement of Municipal Building Roof				(\$210,900.00)		80,750.00	80,750.00
	1262	Closure of Kings Highway Pumping Station				130,150.00			130,150.00
1280		Various Improvements		\$378,552.00					378,552.00
		Note Renewals			\$4,079,189.00			4,079,189.00	
			\$1,275,289.21	\$378,552.00	\$4,079,189.00	---	\$1,609.50	\$4,912,314.00	\$819,106.71

BOROUGH OF HADDON HEIGHTS

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings

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

Finding No. 2008-1

Condition

The Borough did not update its fixed asset ledger for deletions of fixed assets or always have complete information to properly identify the fixed asset.

Criteria

N.J.A.C. 5:30-5-6 entitled "Accounting for Governmental Fixed Assets" requires that all local units have and maintain a fixed assets accounting and reporting system.

Effect

The Borough has not maintained a complete fixed assets accounting and reporting system and therefore the value of fixed assets could be misstated or a fixed asset could not be identified as with the entry in the fixed asset ledger.

Cause

Lack of internal controls to assure that all activity in recorded in fixed asset ledger is complete.

Recommendation

That the Borough establish and maintain a fixed assets accounting and reporting system in accordance with N.J.A.C, 5:30-5-6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-2

Condition

Our procedures revealed that the Borough did not make the 2007 contribution to the eligible participants LOSAP accounts timely.

Criteria

According to N.J.A.C. 5:30-14.12, following the 30-day period for filing an appeal, and subject to holding the payment of any members being appealed, payment shall be made by the sponsoring agency to the approved contractor for deposit into the LOSAP account in the deferred income program.

Effect

The Borough was not in compliance with a New Jersey State regulations and the delay in making the contribution may have reduced the investment and interest earnings of the participants.

Cause

The delay in payment for the Ambulance Squad was largely due to the Ambulance Squad not providing a certified list of volunteers to the Borough by January 30th. The Fire Department's delay in payment is unknown.

Recommendation

That the Borough deposit the LOSAP contribution payments in accordance with N.J.A.C. 5:30-14.12 thru N.J.A.C. 5:30-14-12.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2008-3

Condition

Individuals that were not authorized under the Borough's code to sign checks did so during the year. A resolution was passed during the year giving certain individuals the right to sign checks but the Borough's code and the Bank's authorized signature list were not in agreement with each other as to authorized signers.

Criteria

The Borough's code sections 12-7 and 12-8 the states that only authorized individuals are allowed to sign checks. Proper internal controls are required over the disbursement of Borough funds.

Effect

Expenditures were made without the proper approvals or documentation as required in the Borough's code.

Cause

There is a lack of consistency between the Borough's code, the resolution authorizing check signers and the Bank's list of authorized signers and proper controls over signing checks.

Recommendation

The Borough should make the necessary changes to the Borough's code, cash management plan and the bank accounts authorized signature list so that they all agree with one another and improve internal controls over the check signing process to assure that only authorized individuals are able to sign checks.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-4

Condition

The total amount of senior citizens and veterans deductions allowed and the amount that should have been allowed was not reconciled to the tax duplicate.

Criteria

The Borough is responsible for reconciling the tax duplicate to their tax software system to ensure accuracy of tax assessed and deductions allowed.

Effect

Deductions allowed in the amount of \$3,250.00 and deductions that should not have been allowed in the amount of \$7,000.00 did not agree to the tax duplicate. The net effect is \$3,750.00 of deductions allowed that should not have been allowed.

Cause

Although the information generated by the County with respect to the tax duplicate is usually accurate, the amounts should be compared and reconciled to the tax software. It appears this step was not completely performed.

Recommendation

That all senior citizens and veterans deductions provided in the tax duplicate be reconciled to the amounts allowed in the tax software.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

FINANCIAL STATEMENT FINDINGS

Finding No. 2007-1

Condition

Our audit procedures revealed that the Borough does not maintain a functioning encumbrance system. Borough purchases are being made prior to the issuance of an approved purchase order certifying that adequate funds are available to make the purchase.

Current Status

This condition has been resolved.

Finding No. 2007-2

Condition

There was an overexpenditure of a grant appropriation for Homeland Security totaling \$2,550.00.

Current Status

This condition has been resolved.

Finding No. 2007-3

Condition

The Borough has not updated its fixed asset ledger for additions and deletions of fixed assets.

Current Status

This condition remains unresolved for the deletion of fixed assets – see *finding no. 2008-1*.

Planned Corrective Action

The issue will be addressed with Department heads at the next Department head meeting. Department heads will be given the deletion form again and the CFO will follow up with Department heads on a quarterly basis with regard to deleted assets.

Finding No. 2007-4

Condition

Our procedures revealed that the Borough did not make the 2004, 2005 and 2006 contribution to the eligible participants LOSAP accounts timely. All payments for these years were made in 2007.

Current Status

This condition remains unresolved – see *finding no. 2008-2*.

Planned Corrective Action

Payments will be made timely in 2009. A “LOSAP Calendar” was created.

BOROUGH OF HADDON HEIGHTS
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Scott M. Alexander	Mayor	
Trish Sheilds	Councilwoman	
Donald K. Witzig	Councilman	
Gordon E. Shopp	Councilman	
Theodor Fetter	Councilman	
Rosemary Fitzgerald	Councilwoman	
Lee Wentz	Councilman	
Joan Moreland	Borough Clerk, Municipal Search Officer	
	Assistant Treasurer	(A)
Ernest J. Merlino	Treasurer, Chief Financial Officer	(A)
Andrea Penny	Tax Collector	(A)
Patricia A. Cooper	Deputy Clerk until August 2008	
	Deputy Tax Collector	(A)
	Registrar of Vital Statistics, Tax Search Officer	
Thomas G. Glock	Tax Assessor until March 2008	(A)
Thomas J. Colavecchio	Tax Assessor from March 2008	(A)
Marie Holcombe	Planning, Zoning, and Assessor's Secretary, Deputy Clerk from August 2008	(A)
John Szczerbinski	Construction Code Official	(A)
Eileen Pollock	Construction Code Secretary	(A)
Robert Zane	Municipal Judge	(A)
Catherine Lawson	Court Administrator	(A)
Michele Busarello	Deputy Court Administrator	(A)
Salvatore J. Siciliano, Esq.	Solicitor	(A)

(A) Insured for \$1,000,000 by the Camden County Municipal Joint Insurance Fund and Municipal Excess Joint Insurance Fund.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

