

TOWN OF GUTTENBERG

**Financial Statements With
Supplementary Information**

June 30, 2008

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Town of Guttenberg in the County of Hudson, as of and for the years ended June 30, 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 and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2008. These financial statements are the responsibility of the Town of Guttenberg's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting 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 Town of Guttenberg's policy to prepare its financial statements on the basis of accounting 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 Town of Guttenberg, New Jersey as of June 30, 2008 and 2007 or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Town of Guttenberg, New Jersey as of June 30, 2008 and 2007, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2008, on a modified accrual basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2009 on our consideration of the Town of Guttenberg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

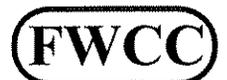


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Registered Municipal Accountant
No. CRO0413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 9, 2009



TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

Years Ended June 30, 2008 and 2007

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Current Fund:			
Cash	A-4	\$ 2,830,078	2,491,192
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-7	19,277	16,433
		2,849,355	2,507,625
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	641,822	504,184
Revenue accounts receivable	A-6	29,086	46,925
Interfunds Receivable:			
Community Development Trust Fund	A-17	154,500	154,500
Animal License Trust Fund	A-17	2,452	1,723
Due From Payroll Account	A-17	22,830	
Due from Other Trust Fund	A-17		9,031
Due from Federal and State Grant Fund	A-17	572,659	412,970
		1,423,349	1,129,333
Deferred charges:			
Overexpenditure of Appropriations	A-3	45,795	
Emergency Authorization	A-3	17,000	
Special Emergency - N.J.S. 40A:4-53	A-19	10,000	20,000
		72,795	20,000
		4,345,499	3,656,958
State and Federal Grant Fund:			
Cash	A-4	173,729	4,545
Grants receivable	A-20	766,436	838,080
Overexpenditures of Grants	A-21	49,012	
		989,177	842,625
		\$ 5,334,676	4,499,583

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

Years Ended June 30, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-11	\$ 614,098	405,207
Encumbrances payable	A-12	214,464	153,133
Tax overpayments	A-13	56,543	25,082
Prepaid taxes	A-14	9,182	36,824
Reserve for Amount Due to the Hudson County			
Treasurer - Court Fines and Costs	A-15	6,764	6,764
Reserve for tax title lien redemption	A-16	7,008	7,008
Interfunds Payable:			
Other Trust Fund	A-17	30,256	
General Capital Fund	A-17	407,102	102
Reserve for:			
Accounts Payable	A-18	45,000	
Dedicated Fire Penalties	A-18	16,945	16,945
Library	A-18	4,476	4,476
		<u>1,411,838</u>	<u>655,541</u>
Reserve for receivables and other assets	A	1,423,349	1,129,333
Fund balance	A-1	<u>1,510,312</u>	<u>1,872,084</u>
		<u>4,345,499</u>	<u>3,656,958</u>
State and Federal Grant Fund:			
Due to Current Fund	A	572,659	412,970
Due to General Capital Fund	C	24,280	
Encumbrances Payable	A-21		355
Appropriated reserves	A-21	376,614	410,961
Unappropriated reserves	A-22	15,624	18,339
		<u>989,177</u>	<u>842,625</u>
		<u>\$ 5,334,676</u>	<u>4,499,583</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,200,000	850,000
Miscellaneous revenue anticipated	3,093,778	3,078,429
Receipts from delinquent taxes	504,184	610,986
Receipts from current taxes	21,961,591	20,929,193
Nonbudget revenues	55,480	111,742
Other credits to income:		
Unexpended balance of appropriation reserves	428,550	190,703
Canceled appropriated reserves for grants		135,657
Interfunds	32,662	497,141
Cancel other reserves		17,213
	<u>27,276,245</u>	<u>26,421,064</u>
Total revenue		
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	3,905,006	3,714,800
Other expenses	8,016,122	7,191,664
Deferred charges and statutory expenditures	209,700	213,280
Capital improvements	50,000	
Municipal debt service	670,607	956,168
Type I School debt service		10,700
County taxes	4,599,951	4,009,334
Due county for added taxes	17,892	10,762
Local district school taxes	8,777,411	8,459,106
Interfunds	228,293	154,499
Grant Receivables cancelled		106,040
Refunds	25,830	87,208
	<u>26,500,812</u>	<u>24,913,561</u>
Total expenditures		
Excess in Revenue	775,433	1,507,503
Adjustments to income before fund balance- expenditures which are by statute deferred charges to budget of succeeding year	<u>62,795</u>	
Statutory excess to fund balance	838,228	1,507,503
Fund balance - July 1,	1,872,084	1,214,581
Decreased by utilization as anticipated revenue	<u>1,200,000</u>	<u>850,000</u>
Fund balance - June 30,	<u>\$ 1,510,312</u>	<u>1,872,084</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year ended June 30, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 1,200,000	1,200,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	40,000	24,186	(15,814)
Other	110,000	98,727	(11,273)
Fees and permits:			
Construction	125,000	153,598	28,598
Other	20,000	57,634	37,634
Fines and costs municipal court	550,000	636,945	86,945
Parking meters	186,125	265,888	79,763
Interest and costs on taxes	120,000	137,523	17,523
Interest on investments and deposits	160,505	113,598	(46,907)
Consolidated Municipal Property Tax Relief Aid	661,985	661,985	
Legislative Initiative Municipal Block Grant	42,375	42,375	
Energy Receipts Tax	274,752	274,752	
Supplemental Energy Receipts Tax	11,735	11,735	
Extraordinary Aid	80,000	80,000	
Municipal Homeland Security Assistance	70,000	70,000	
Municipal Property Tax Assistance	19,040	19,040	
Body Armor Grant	2,350	2,350	
Homeland Security Grant	15,000	15,000	
Clean Communities Program	8,527	8,527	
Body Armor Grant	4,267	4,267	
Highway Safety Grant	1,945	1,945	
UEZ	23,440	23,440	
Alcohol Education Rehabilitation Grant	884	884	
Recycling Tonnage Grant	11,243	11,243	
UEZ	12,273	12,273	
NJ DOT Trust Fund - Palisade Avenue	280,000	280,000	
Uniform Fire Safety Act	13,000	10,355	(2,645)
PILOT Housing Authority	47,000	54,675	7,675
Cablevision	20,000	20,833	833
Total miscellaneous revenues	<u>2,911,446</u>	<u>3,093,778</u>	<u>182,332</u>
Receipts from delinquent taxes	<u>504,000</u>	<u>504,184</u>	<u>184</u>
Amount to be raised by taxes for support of municipal budget	<u>9,223,243</u>	<u>9,616,338</u>	<u>393,095</u>
Budget total	<u>\$ 13,838,689</u>	<u>14,414,300</u>	<u>575,611</u>
Nonbudget revenue		<u>55,480</u>	
		<u>\$ 14,469,780</u>	

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year ended June 30, 2008

Analysis of Realized Revenue

Allocation of current tax collections:	
Revenue from collections	\$ <u>21,961,592</u>
Allocated to:	
Local district school tax	8,777,411
County taxes	<u>4,617,843</u>
	<u>13,395,254</u>
Balance for support of municipal budget appropriations	8,566,338
Reserve for uncollected taxes	<u>1,050,000</u>
	\$ <u>9,616,338</u>
Receipts from:	
Delinquent tax collections	\$ <u>504,184</u>

Analysis of Miscellaneous Revenue Not Anticipated

Visitor Parking	\$ 2,559
Refunds	219
Workers Compensation	1,053
Copies	1,572
COBRA	2,323
Court Reporter	215
Housing Inspections	2,213
Summer Recreation	1,250
DMV	4,330
Restitution	3,224
Other	<u>36,522</u>
	\$ <u>55,480</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	\$ 126,000	126,000	124,255	1,745		
Other expenses	145,000	145,000	109,205	35,795		
Elections:						
Salaries and wages	1,500	1,500	250	1,250		
Other expenses	10,000	10,000	8,627	1,373		
Financial administration:						
Salaries and wages	85,000	88,700	88,045	655		
Other expenses	130,000	200,294	200,294			
Assessment of taxes:						
Salaries and wages	37,000	37,000	26,851	10,149		
Other expenses:	19,000	19,000	15,419	3,581		
Municipal Court:						
Salaries and wages	135,000	135,000	119,044	15,956		
Other Expenses	20,000	20,000	18,713	1,287		
Collection of taxes:						
Salaries and wages	70,000	77,733	77,733			
Other expenses	13,000	13,000	5,622	7,378		
Legal services and costs:						
Salaries and wages	74,000	74,000	67,585	6,415		
Other expenses	120,000	50,000	49,082	918		
Public building and grounds:						
Salaries and wages	20,000	20,000	20,000			
Other expenses	200,000	200,000	193,112	6,888		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and wages	20,000	20,000	16,997	3,003		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Other expenses	5,000	5,000	803	4,197		
Engineering						
Other Expenses	150,000	120,000	126,531			6,531
Community Action Program:						
Other expenses	10,000	10,000	10,000			
Insurance:						
Insurance-Other	378,000	378,000	349,583	28,417		
Group Insurance for Employees	1,506,976	1,584,883	1,584,883			
Unemployment Insurance	18,000	18,000	15,000	3,000		
PUBLIC SAFETY:						
Police:						
Salaries and wages	2,471,000	2,471,000	2,457,642	13,358		
Other expenses	111,500	111,500	56,964	54,536		
911 - Other Expenses	23,000	23,000		23,000		
Emergency management services:						
Other expenses	500	500	280	220		
Weehawken Volunteer Ambulance:						
Other expenses	32,000	32,000	7,800	24,200		
Fire Official/Inspector:						
Salaries and wages	70,000	70,000	60,828	9,172		
Other expenses	15,000	15,000	6,391	8,609		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Streets and Roads:						
Street Cleaning:						
Salaries and wages	445,000	445,000	426,849	18,151		
Other expenses	140,000	140,000	139,832	168		
Recycling:						
Other expenses	100,000	100,000	96,087	3,913		
Solid Waste & Garbage Removal:						
Other expenses	726,904	638,092	598,099	39,993		
Health and Welfare:						
Public Health Services:						
Other expenses	19,000	19,000	1,554	17,446		
Recreation and Education:						
Recreation:						
Salaries and wages	92,000	93,621	93,621			
Other expenses	65,000	65,000	59,830	5,170		
Celebration of public event, anniversary or holiday - other expenses	30,000	36,359	36,359			
Senior Citizens Nutrition Program:						
Salaries and wages	10,000	17,452	17,452			
Other expenses	34,000	34,000	29,950	4,050		
Senior Citizens Transportation:						
Salaries and wages	53,000	53,000	53,000			
Other expenses	13,000	13,000	12,474	526		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	Overexpended
Urban Enterprise Zone:						
Salaries and wages	12,000	12,000	11,798	202		
Other expenses	2,000	2,855	2,855			
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Uniform construction code official:						
Salaries and wages	140,000	140,000	118,826	21,174		
Other expenses	8,000	8,000	6,673	1,327		
License inspector:						
Salaries and wages	23,000	23,000	21,084	1,916		
Other expenses	3,000	3,000	506	2,494		
UNCLASSIFIED:						
Utilities:						
Electricity	73,000	73,000	72,232	768		
Street lighting	120,000	120,000	74,278	45,722		
Telephone	94,000	96,215	96,155	60		
Water	6,000	6,000	5,165	835		
Fire hydrant service	40,000	40,000	10,625	29,375		
Sewerage	5,000	9,700	9,700			
Gasoline	60,000	61,185	61,185			
Postage - all departments	31,000	33,774	33,753	21		
Technology	15,000	17,017	17,017			
Total Operations within "CAPS"	8,376,380	8,376,380	7,924,498	458,413		6,531

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Contingent	10,000	10,000		10,000		
Total Operations Including Contingent-within "CAPS"	8,386,380	8,386,380	7,924,498	468,413		6,531
Detail:						
Salaries & Wages	3,884,500	3,905,006	3,801,860	103,146		
Other Expenses (Including Contingent)	4,501,880	4,481,374	4,122,638	365,267		6,531
	8,386,380	8,386,380	7,924,498	468,413		6,531
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"						
DEFERRED CHARGES						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	190,000	190,000	160,218	29,782		
Consolidated Police and Firemen's Pension Fund	9,700	9,700	9,665	35		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	199,700	199,700	169,883	29,817		
Total General Appropriations for Municipal Purposes within "CAPS"	8,586,080	8,586,080	8,094,381	498,230		6,531
Operations-Excluded from "CAPS" Insurance						
Police and Fireman's Retirement System	402,000	402,000	407,094			5,094

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	Overexpended
					Canceled	
Public Employees Retirement System	95,000	95,000	92,545	2,455		
Stormwater Management	40,000	40,000	9,450	30,550		
Health Insurance CAP Exception	48,024	48,024	47,883	141		
Library Service-North Bergen:						
Other expenses	144,000	144,000	178,170			34,170
North Hudson Regional Communication:						
Other expenses	75,000	75,000	1,321	73,679		
North Hudson Regional Fire & Rescue:						
Other expenses	2,325,000	2,325,000	2,315,957	9,043		
Public and Private Programs Offset by Revenues						
NJ-DOT-Palisade Ave	280,000	280,000	280,000			
Recycling Tonnage Grant	11,243	11,243	11,243			
State Homeland Security Program	15,000	15,000	15,000			
Highway Safety grant	1,945	1,945	1,945			
Clean Communities Grant	8,527	8,527	8,527			
Body Armor Grant	2,350	2,350	2,350			
Body Armor Grant	4,267	4,267	4,267			
Urban Enterprise Zone-Purchase of Cars	12,273	12,273	12,273			
Urban Enterprise Zone-Town Fund	23,440	23,440	23,440			
Alcohol Education Rehabilitation grant	884	884	884			
Total Operations-Excluded from "CAPS"	3,488,953	3,488,953	3,412,349	115,868		39,264
Detail:						
Salaries and Wages	3,488,953	3,488,953	3,412,349	115,868		39,264
Other Expenses	3,488,953	3,488,953	3,412,349	115,868		39,264

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Capital Improvements - Excluded from CAPS						
Capital Improvement Fund	50,000	50,000	50,000			
Total Capital Improvements - Excluded from CAPS	50,000	50,000	50,000			
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	370,000	370,000	370,000			
Payment of Bond Anticipation notes (17,000 Emergency)	230,092	230,092	230,092			
Interest on Bonds	17,718	17,718	17,669		49	
Interest on Notes						
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	35,846	35,846	35,846			
Total Municipal Debt Service-Excluded from "CAPS"	653,656	670,656	670,607		49	
Deferred Charges- Municipal Excluded from "CAPS"						
Special Emergency Authorizations 5 years	10,000	10,000	10,000			
Total Deferred Charges-Municipal-Excluded from "CAPS"	10,000	10,000	10,000			

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended June 30, 2008

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,202,609	4,219,609	4,142,956	115,868	49	39,264
Subtotal General Appropriations	12,788,689	12,805,689	12,237,337	614,098	49	45,795
Reserve for Uncollected Taxes	1,050,000	1,050,000	1,050,000			
Total General Appropriations	\$ 13,838,689	13,855,689	13,287,337	614,098	49	45,795

Adopted Budget 13,809,066
 Added by N.J.S.A. 40A:4-87 29,623
\$ 13,838,689

Adopted Budget 13,838,689
 Emergency Authorization 17,000
\$ 13,855,689

Analysis of Paid or Charged

Deferred Charges	10,000
Due to General Capital Fund	17,000
Due to Federal and State Grant Fund	32,476
Reserve for Uncollected Taxes	1,050,000
Federal and State Grant Fund	359,929
Reserve for Encumbrances	214,464
Cash	11,603,468
	<u>\$ 13,287,337</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Comparative Balance Sheet-Regulatory Basis
Trust Funds
Year Ended June 30, 2008 and 2007

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Animal License Fund:			
Cash	B-1	\$ <u>7,200</u>	<u>6,741</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	2,171	6,741
Due from Payroll Agency	B-8	<u>13,638</u>	<u>7,106</u>
		<u>15,809</u>	<u>13,847</u>
Community Development Block Grant Trust Fund:			
Cash	B-1	71,502	4,500
Grants receivable	B-4	<u>131,168</u>	<u>300,808</u>
		<u>202,670</u>	<u>305,308</u>
Other Trust Funds:			
Cash	B-1	419,265	411,837
Due from Municipal Court	B-7	847	847
Interfund Receivables:			
Due from Current Fund	B-8	30,256	
Due from Unemployment Trust	B-8	<u>1,783</u>	<u>1,783</u>
		<u>452,151</u>	<u>414,467</u>
		<u>\$ 677,830</u>	<u>740,363</u>

TOWN OF GUTTENBERG
Comparative Balance Sheet-Regulatory Basis

Trust Funds

Year Ended June 30, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	3,451	3,642
Due to State of New Jersey	B-3	1,297	1,376
Due to Current Fund	B-8	<u>2,452</u>	<u>1,723</u>
		<u>7,200</u>	<u>6,741</u>
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-10	783	407
Due to Other Trust Fund	B-8	1,783	1,783
Reserve for Expenditures	B-10	<u>13,243</u>	<u>11,657</u>
		<u>15,809</u>	<u>13,847</u>
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	48,170	150,808
Due to Current Fund	B-8	<u>154,500</u>	<u>154,500</u>
		<u>202,670</u>	<u>305,308</u>
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	527	1,075
Due to State-Construction Fees	B-6	254	254
Due to Current Fund	B-8		9,031
Reserve for:			
Other Trust Deposits	B-9	<u>451,370</u>	<u>404,107</u>
		<u>452,151</u>	<u>414,467</u>
		<u>\$ 677,830</u>	<u>740,363</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

Years ended June 30, 2008 and 2007

<u>Assets</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Cash:			
Checking	C-1,C-2	\$ 583,291	12,673
Grants Receivable	C-10	155,000	
Deferred charges to future taxation:			
Funded	C-3	4,400,561	4,797,826
Unfunded	C-4	1,666,000	1,017,500
Due from Federal and State Grant Fund	A	24,280	
Due from Current Fund	C-6	407,102	102
		<u>\$ 7,236,234</u>	<u>5,828,101</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial bonds	C-7	3,992,000	4,362,000
School serial bonds payable	C-11		
Green Acres Loans Payable	C-12	408,561	435,826
Bond Anticipation notes	C-13	980,500	475,000
Capital Improvement Fund	C-8	62,284	31,784
Reserve for Payment of Debt, Ord. 23-2002	C-9	21,751	21,751
Unappropriated Open Space Grant	C-11	540,000	
Encumbrances Payable	C-5	1,592	1,592
Improvement authorizations:			
Funded	C-10	217,898	43,398
Unfunded	C-10	1,011,648	456,750
		<u>\$ 7,236,234</u>	<u>5,828,101</u>

There were bonds and notes authorized but not issued at June 30, 2007 and 2008 of \$685,500 and \$542,500 respectively. See exhibit C-14.

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Comparative Balance Sheets-Regulatory Basis
Payroll Account
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash	\$ <u>144,499</u>	<u>100,020</u>
	\$ <u><u>144,499</u></u>	<u><u>100,020</u></u>
<u>Liabilities</u>		
Due to Unemployment Trust Fund	\$ 13,638	7,106
Due to Current Fund	22,830	
Withholdings Payable	<u>108,031</u>	<u>92,914</u>
	\$ <u><u>144,499</u></u>	<u><u>100,020</u></u>

See accompanying notes to the financial statements.

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Land	\$ 1,060,646	1,060,646
Buildings	2,088,185	2,088,185
Vehicles and equipment	<u>1,269,027</u>	<u>1,269,027</u>
	<u>\$ 4,417,858</u>	<u>4,417,858</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Town of Guttenberg have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Town accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Town of Guttenberg (the "Town") operates under a Mayor/Council form of government. The Town's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Town do not include the Volunteer Fire Department or Housing Authority, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Town uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Town functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Town has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Town as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Town as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Town of Guttenberg. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Town. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Town's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Town's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Town is not required to adopt budgets for the following funds:

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2008, the Mayor and Council approved several budget transfers and approved additional revenues and appropriations of \$29,623 in accordance with N.J.S.A. 40A:4-87, and an emergency authorization of \$17,000 for principal on bond anticipation notes.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Town establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Town may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, cont.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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

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

No depreciation has been provided for in the financial statements.

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

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Town presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

D. Recent Accounting Pronouncements

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions." This statement will become effective for entities on a phased in basis beginning with fiscal years beginning after December 15, 2006. The effective date for this entity is the fiscal year beginning July 1, 2008. This statement will require governmental entities to report the future costs of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The Town does not expect the adoption of the GASB statement to have a material effect on the Town's financial position or results of operations.

NOTE 2. PENSION PLANS

Description of Systems:

Substantially all of the Town's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 2. PENSION PLANS, (continued)

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2006, 20 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 108 (P.L. 2003), effective July 1, 2003, provided that local employer PFRS normal and accrued liability contributions will be 20% of the amount certified by the PFRS for payments due in State fiscal year 2004 and thereafter a percentage of the amount certified by the System as the State Treasurer will determine, but not more than 40% in fiscal year 2005, not more than 60% in fiscal year 2006, and not more than 80% in fiscal year 2007. According to the Appropriation Act of 2003, the State as well is paying pension obligations through a five-year phase-in.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and PFRS, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 2. PENSION PLANS, (continued)

The Town's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
June 30, 2008	\$92,545	\$407,094
June 30, 2007	38,269	250,177
June 30, 2006	18,566	162,956

NOTE 3. LONG-TERM DEBT

Long-term debt as of June 30, 2008 consisted of the following:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$4,362,000	—	\$370,000	\$3,992,000	\$405,000
Total Bonds Payable	<u>4,362,000</u>	<u>0</u>	<u>370,000</u>	<u>3,992,000</u>	<u>405,000</u>
Other Liabilities:					
Green Acres Loan Obligation Debt	435,826	—	27,265	408,561	27,813
Total Other Liabilities	<u>435,826</u>	<u>0</u>	<u>27,265</u>	<u>408,561</u>	<u>27,813</u>
	<u>\$4,797,826</u>	<u>\$0</u>	<u>\$397,265</u>	<u>\$4,400,561</u>	<u>\$432,813</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>June 30,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Issued-general-bonds and notes	\$5,381,061	\$5,272,826	\$5,954,554
Authorized but not issued-general-bonds and notes	<u>685,500</u>	<u>542,500</u>	<u>44,280</u>
	6,066,561	5,815,326	5,998,834
Less funds on hand to pay debt	<u>686,751</u>	<u>21,751</u>	<u>0</u>
Net bonds and notes issued and authorized but not issued	<u>\$5,379,810</u>	<u>\$5,793,575</u>	<u>\$5,998,834</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .52%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General debt	\$6,066,561	\$686,751	\$5,379,810
School debt	<u>1,859,000</u>	<u>1,859,000</u>	<u>0</u>
	<u>\$7,925,561</u>	<u>\$2,545,751</u>	<u>\$5,379,810</u>

Net debt of \$5,379,810 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,026,795,295 equals .52%.

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

3 ½% of equalized valuation basis (municipal)	\$35,937,835
Net Debt	<u>5,379,810</u>
Remaining borrowing power	<u>\$30,558,025</u>

The Town's long-term debt consisted of the following at June 30, 2008.

Paid by Current Fund:

General obligation bonds - 3.60%-4.00% general obligation bonds issued February 1, 2003, due through February 1, 2016	\$1,497,000
General serial bonds - 6.85% general serial bonds issued April 1, 1991, due through April 1, 2016	1,830,000
Pension Refunding Bonds - Term Bond - 5.83% issued April 1, 1991, sinking fund redemptions due through April 1, 2017	<u>665,000</u>
	<u>\$3,992,000</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 3. LONG-TERM DEBT, (continued)

Aggregate General Capital Fund debt service requirements on general serial bonds are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$615,931	\$405,000	\$210,931
2010	614,582	425,000	189,582
2011	607,280	440,000	167,280
2012	614,211	470,000	144,211
2013	624,808	505,000	119,808
2014-2017	<u>1,949,881</u>	<u>1,747,000</u>	<u>202,881</u>
	<u>\$5,026,693</u>	<u>\$3,992,000</u>	<u>\$1,034,693</u>

General capital serial bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Town.

At June 30, 2008, the Town had authorized but not issued debt as follows:

General Capital Fund	<u>\$685,500</u>
----------------------	------------------

NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$35,846	\$27,813	\$8,033
2010	35,846	28,373	7,473
2011	35,846	28,942	6,904
2012	35,846	29,525	6,321
2013	35,846	30,118	5,728
2014-2018	179,230	159,917	19,313
2019-2021	<u>107,538</u>	<u>103,873</u>	<u>3,665</u>
	<u>\$465,998</u>	<u>\$408,561</u>	<u>\$57,437</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 5. BOND ANTICIPATION NOTES

The Town issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the tenth anniversary of the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On June 30, 2008, the Town had \$980,500 outstanding General Capital Fund bond anticipation notes due on March 24, 2009 at an interest rate of 2.13%. It is the Town's intention to roll the note over for another 1-year period.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Commerce Bank, N.A.	\$475,000	\$	\$475,000	\$0
JP Morgan/Chase		<u>980,500</u>		<u>980,500</u>
	<u>\$475,000</u>	<u>\$980,500</u>	<u>\$475,000</u>	<u>\$980,500</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance June 30, 2008</u>	<u>2009 Budget Appropriation</u>	<u>Balance succeeding year's budget</u>
Emergency Authorization	\$17,000	\$17,000	\$
Overexpenditure of Appropriation	45,795	45,795	
Special Emergency-Preparation of Master Plan	<u>10,000</u>	<u>10,000</u>	_____
	72,795	72,795	
Federal and State Grant Fund:			
Overexpenditure of Grants	<u>49,012</u>	<u>49,012</u>	_____
	<u>\$121,807</u>	<u>\$121,807</u>	<u>\$</u> _____

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 7. FUND BALANCE APPROPRIATED

There was \$1,000,000 of fund balance appropriated as anticipated revenue in the 2008-2009 Current Fund budget.

NOTE 8. ACCRUED SICK AND VACATION BENEFITS

The Town has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. At this time the Town has no estimated current cost of such unpaid compensation.

NOTE 9. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of June 30, 2008, \$-0- of the Town's bank balance of \$4,716,090 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the municipality or bonds or other obligations of the local unit or units within which the municipality is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 9. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer.

NOTE 10. FIXED ASSETS

The following is a summary of charges in the general fixed assets account group as of June 30, 2008.

	Balance June 30, 2007	<u>Additions</u>	<u>Retirements</u>	Balance June 30, 2008
Land	\$1,060,646	-0-	-0-	\$1,060,646
Building	2,088,185		-0-	2,088,185
Equipment	<u>1,269,027</u>	<u>-0-</u>	<u>-0-</u>	<u>1,269,027</u>
	<u>\$4,417,858</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,417,858</u>

A fixed asset inventory was not available for June 30, 2008.

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at June 30, 2008 consist of the following:

- \$24,280 Due to the General Capital Fund from the Federal and State Grant Fund for expenses.
- 22,830 Due to the Current Fund from the Payroll Agency Account for an advance.
- 1,783 Due to the Other Trust Fund from the Unemployment Trust Fund for expenses paid in error.
- 13,638 Due to the Unemployment Compensation Trust from Payroll Agency Fund for employee deductions.
- 154,500 Due to the Current Fund from the Community Development Trust Fund to reimburse expenditures paid.
- 407,102 Due to the General Capital Fund from the Current Fund for grant monies received and an emergency appropriation to pay principal on notes due less interfunds advanced.
- 2,452 Due to the Current Fund from the Animal Trust Fund for statutory excess.
- 30,256 Due to the Other Trust Fund from the Current Fund for tax sale premiums received less escrow interest earned.
- 572,659 Due to the Current Fund from the Federal and State Grant Fund for grant revenue collected less expenditures made.

\$1,205,220

It is anticipated that all interfunds will be liquidated during the fiscal year.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 12. POST RETIREMENT BENEFITS

The Town currently provides lifetime medical benefits to employees who retire on a paid pension under the following conditions:

- ▶ After twenty-five years of continuous service with the Town, or
- ▶ After fifteen years of continuous service with the Town at age sixty-two or older; or
- ▶ On an accidental disability pension with not less than five years of continuous service with the Town in the case of firemen and policemen, or ten years in the case of employees in the Public Employees Retirement System

Coverage is also provided for family members per the employees union contracts and paid by the Town for the life of the retiree.

For Police and Fire personnel, upon the death of the retiree, the surviving spouse and dependent children under the age of twenty-three may elect to continue the coverage at the surviving spouse's own cost. This coverage ceases when any of the following occurs:

- ▶ Spouse dies.
- ▶ Spouse remarries.

For Police and Fire personnel, prescription drug benefits are provided and paid by the Town under the same circumstances except upon retiree's death, coverage would be provided for the surviving spouse only, and would be discontinued upon:

- ▶ Surviving spouse's remarriage.
- ▶ Surviving spouse obtaining coverage from another spouse.

NOTE 13. CONTINGENT LIABILITIES

A. Compensated Absences

The Town is permitting Police Department employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date. At this time, the Town has no estimated current costs of such unpaid compensation.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 13. CONTINGENT LIABILITIES, (continued)

B. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During SFY 2008, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

C. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 14. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of \$341,000. The estimated proceeds of all property conveyed, real and personal, was approximately \$1,000,000.

The Town was required to contribute \$1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. For FY 2008, the town budgeted \$2,325,000 and contributed \$2,315,957.

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Balance</u> <u>June 30, 2007</u>
Prepaid Taxes	<u>\$9,182</u>	<u>\$36,824</u>
Cash Liability for Taxes Collected in Advance	<u>\$9,182</u>	<u>\$36,824</u>

TOWN OF GUTTENBERG
Notes to Financial Statements
Years Ended June 30, 2008 and 2007
(continued)

NOTE 17. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the 2008 fiscal year, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIIIF"). The NJIIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIIF and should it be determined that payments received by the NJIIF are deficient, additional assessments may be levied.

The NJIIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The NJIIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax rate	5.622	5.394	5.117
Apportionment of tax rate:			
Local school	2.164	2.114	1.979
County	1.079	1.083	1.012
Municipal	2.379	2.197	2.124
Local school required by Local municipal budget			0.002

Assessed valuation:

2008	\$	405,345,833
2007		407,727,414
2006		405,683,675

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2008	\$ 22,400,826	21,961,592	98.04%
2007	21,458,012	20,929,193	97.54%
2006	19,868,041	19,220,480	96.74%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2008		641,822	641,822	2.87%
2007		504,184	504,184	2.35%
2006		620,469	620,469	3.12%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2008 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2008	\$ None
2007	None
2006	None

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2008	\$	1,510,312	1,000,000
	2007		1,872,083	1,200,000
	2006		1,214,581	850,000
	2005		1,547,115	950,000
	2004		1,752,503	950,000

TOWN OF GUTTENBERG

Supplementary Data

Official 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 bond</u>	<u>Name of corporate surety</u>
James Hannon	Mayor		
Adela Martinez	Councilman		
Donna Florio	Councilman		
Gerald Drasheff	Councilman		
Efrain Velez	Councilman		
Frank Criscione	Councilman		
Patrick DeBlasio - 7/1/07 - 9/30/07	Chief Financial Officer	\$ *	(A)
Margaret Barkala - 10/1/07 - 3/31/08	Chief Financial Officer	*	(A)
Vincent Buono - from 4/1/08	Chief Financial Officer	*	(A)
Nicolas Goldsack	Tax Collector/Treasurer	*	(A)
Linda Martin - 7/1/07 to 4/1/08	Town Clerk	*	(A)
Alberto Cabrera - from 4/1/08	Town Clerk	*	(A)
James Terhune	Tax Assessor		
Ann Setliff	Deputy Tax Collector	*	(A)
Frank Leanza	Magistrate	*	(A)
Cherron Gil - 7/1/07 - 10/10/07	Court Administrator	*	(A)
Valerie Vazquez - 7/1/07 - 9/19/07	Violations Clerk	*	(A)
Nancy Lara - 7/1/07 - 9/19/07	Violations Clerk	*	(A)
Alida Buczynski - from 9/19/07	Violations Clerk	*	(A)
Marisa Perry - from 9/19/07	Violations Clerk	*	(A)

* - Surety bonds were not available for review at time of audit

(A) United States Fire Insurance Company

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at June 30, 2007	Cash Received	Expenditures	Deferred Revenue/ (Accounts Receivable) at June 30, 2008	(MEMO) Cumulative Expenditures
State and Federal Grant Fund: Department of Agriculture	Summer Food Program Summer Food Program	10.559 10.559	2005-06 2004-05	\$ 14,575 26,512	(1,067) (167)	12,765 167	11,041	657	12,108 26,335
					(1,234)	12,932	11,041	657	*
Federal Emergency Management Agency	Spring Storm Damage Reimbursement		2007-08	20,904		20,904	20,904		20,904
	Total State and Federal Grant Fund				(1,234)	33,836	31,945	657	*
Community Development Block Grant Trust Fund: Department of Housing and Urban Development (passed through County of Hudson):	3-03F1-07 Veteran's Park 3-03F1-06 Boulevard East Streetscape 3-03F1-07 Veteran's Park	14.219 14.219 14.219	2005-06 2005-06 2007-08	90,000 125,000 150,000		10,840 150,000	10,840 93,838		90,000 150,000
	Total Trust Funds				(150,000)	160,840	104,678		*
				\$	(151,234)	194,676	136,623	657	*

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards

Year ended June 30, 2008

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2007	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2008	(MEMO) Cumulative Expenditures
State and Federal Grant Fund: Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund - Tree	763-020-2830-000	2006-07	\$ 9,625	7,375		13		7,362	13
	Urban Enterprise Zone Assistance Fund - Tree	763-020-2830-000	2007-08	23,440						
	Urban Enterprise Zone Assistance Fund - Tree	763-020-2830-000	2007-08	12,273						
	Urban Enterprise Zone Assistance Fund - JFK Boulevard, Cars, Administration	763-020-2830-000	2005-06	71,968	4,629	2,712			7,341	50,128
				12,004	2,712	13		14,703		
Department of Community Affairs	Handicapped Recreation Opportunities	100-022-8050-035	2004-05	6,000	(2,122)	3,237			1,115	6,000
	Handicapped Recreation Opportunities	100-022-8050-035	2002-03	5,000	(2,430)	2,430				5,000
	Livable Communities		PP	25,500	(2,650)		450		(3,100)	3,100
	Homeland Security - Police Radios		2007-08	15,000			13,211		(13,211)	13,211
	Safe Kids Program		2001-02	10,000	(10,000)				(10,000)	10,000
					(17,202)	5,667	13,661		(25,196)	
Department of Environmental Protection	State Recycling Tonnage Grant	4900-752-042-4900-001	2007-08	1,378		1,378			1,378	
	State Recycling Grant		2006-07	11,243	11,243				11,243	
	State Recycling Grant		2005-06	2,252	2,252				2,252	
	Clean Communities Program	4900-765-178910-60	2007-08	8,527		9,845	5,150		4,695	5,150
	Clean Communities Program	4900-765-178910-60	2005-06	7,530	6,890				6,890	
	Clean Communities Program	4900-765-178910-60	2004-05	7,352	2,661		(355)		3,016	4,336
					23,046	11,223	4,795		29,474	
					2,174				2,174	
					2,093				2,093	
					2,350		2,350		2,350	
Department of Law and Public Safety	Body Armor Grant	718-006-1020-001	2006-07	2,174						
	Body Armor Grant	718-006-1020-001	2005-06	2,093						
	Body Armor Grant	718-006-1020-001	2007-08	2,350		2,350				
	Highway Safety		2006-07	1,945	1,945				1,945	
	Obey the Signs	1160-100-066-1160-142	2007-08	3,659		3,659			3,659	
	Click it or Ticket	1160-100-066-1160-113	2007-08	3,124		3,124			3,124	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2007-08	3,478		3,478			3,478	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2005-06	18,941	18,941				18,941	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2001-02	254	254				254	
	Domestic Violence	100-006-1020-246-FY04	2003-04	12,866	12,866	12,611			50,884	
				38,273						

(continued next page)

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards

Year ended June 30, 2008

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2007	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at June 30, 2008	(MEMO) Cumulative Expenditures
(continued)										
County of Hudson	Municipal Alliance Grant Fund	100-082-2000-044	2006-07	18,039	(14,694)	8,673	8,673		(14,694)	18,039
	Municipal Alliance Grant Fund	100-082-2000-044	2005-06	18,773	(4,542)	4,542	10,600	1,697	(8,903)	18,773
					(19,236)	13,215	19,273	1,697	(23,597)	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2007-08	1,552		1,552			1,552	
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2005-06	884	884				884	
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2004-05	681	681				681	
	Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2002-03	1,358	874				874	438
					2,439	1,552			3,991	
New Jersey Department of Transportation	Municipal Aid (FY08) - Imps. to 71st (Section 3)	08-480-078-6320-AJ3-6010	2008-09	200,000						
	Municipal Aid (FY07) Imps. to Palisades Avenue and Adams Street	6320-480-601385-61	2007-08	280,000			264,250		(264,250)	264,250
	Municipal Aid (FY06) - Imps. to Ferry, Broadway, Hudson	6320-480-601385-61	2006-07	300,000	(20,631)		56,892		(77,523)	297,150
	Municipal Aid (FY05) - Imps. to Broadway (Sec. 2), 69th (Sec. 3), and Bergenline Avenue (Sec. 2)	6320-480-601385-61	2005-06	300,000	4,338				4,338	298,531
	Center of Place - 2006	6320-480-601385-61	2005-06	170,000	(170,000)	170,000				170,000
	Broadway Streetscape - 2006	6320-480-601385-61	2005-06	250,000	(250,000)	198,946			(51,054)	250,000
	Safe Streets to Schools - 2005	6320-480-601385-61	2004-05	100,000	(2,011)				(2,011)	82,882
	DOT Beautification - 2005	6320-480-601385-61	2004-05	250,000	36,263				36,263	213,737
	Safe Streets - 2004	6320-480-601385-61	2003-04	110,000	(34,543)				(60,591)	110,000
	69th & 70th Street	6320-480-601385-61	2003-04	300,000	(2,608)		52,459	26,411	(2,608)	300,000
	DOT Broadway	6320-480-601385-61	2002-03	122,000	(402,759)	368,946			(381,003)	110,068
						373,601		26,411		
Department of Transportation	Trust Fund Authority Act	8100-133-5837-M016	2002-03	122,000	(2,676)				(2,676)	122,000
	Trust Fund Authority Act	8100-133-5837-M016	2000-01	151,000	(41,435)				(41,435)	137,354
					(44,111)				(44,111)	
	Total State and Federal Grant Fund			\$ (407,546)		415,926	411,343	28,108	(374,855)	

Note: See accompanying notes to schedules of expenditures of state and federal awards.

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year ended June 30, 2008

	Regular Fund	Federal and State Grant Fund
Balance - June 30, 2007	\$ 2,491,192	4,545
Increased by receipts:		
Revenue accounts receivable	2,722,005	
Miscellaneous revenues not anticipated	55,480	
Taxes receivable	22,400,826	
Prepaid Taxes	9,182	
Tax Title Lien Redemptions	232,950	
Senior citizens and veterans deductions	25,281	
Interfunds	580,828	
Tax Overpayments	78,569	
Grants receivable		410,884
Unappropriated reserves		6,132
	<u>26,105,121</u>	<u>417,016</u>
	<u>28,596,313</u>	<u>421,561</u>
Decreased by disbursements:		
2008 budget appropriations	11,603,468	
2007 appropriation reserves	84,790	
Tax overpayment refunds	47,108	
Local district school tax	8,777,411	
County taxes	4,599,951	
Added/omitted county taxes	17,892	
Interfunds	376,835	32,475
Prior Year Encumbrances Paid		355
Tax Title Lien Redemptions	232,950	
Prior Year Refunds	25,830	
Appropriated Reserves		215,002
	<u>25,766,235</u>	<u>247,832</u>
Balance, June 30, 2008	\$ <u><u>2,830,078</u></u>	<u><u>173,729</u></u>

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year ended June 30, 2008

Year	Balance, June 30, 2007	2008 Levy	Added 2008 Levy	2007	Collected 2008	Senior & Veteran's Deductions	Canceled	Balance, June 30, 2008
2007	\$ 504,184				504,184			
					504,184			
2008		22,590,391	89,195	36,824	21,896,642	28,125	76,173	641,822
		<u>22,590,391</u>	<u>89,195</u>	<u>36,824</u>	<u>22,400,826</u>	<u>28,125</u>	<u>76,173</u>	<u>641,822</u>

REAP - Cash Receipts	376,286
Cash Receipts	<u>22,024,540</u>
	\$ <u>22,400,826</u>

Analysis of 2008 Tax Levy

Tax yield:	
General property tax	\$ 22,590,391
Added tax (R.S. 54:4-63.1 et seq.)	<u>89,195</u>
	\$ <u>22,679,586</u>

Tax levy:	
Local district school tax (abstract)	\$ 8,777,411
County tax (abstract)	4,599,951
Added taxes (R.S. 54:4-63.1 et seq.)	17,892
Local tax for municipal purpose (abstract)	9,223,243
Additional tax levies	<u>61,089</u>
	\$ <u>22,679,586</u>

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year ended June 30, 2008

	Balance, June 30, <u>2007</u>	Accrued in <u>2008</u>	<u>Collected</u>	Balance, June 30, <u>2008</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	24,186	24,186	
Other		98,727	98,727	
Fees and permits		57,634	57,634	
Construction Code Official-fees and permits		153,598	153,598	
Municipal Court fines and costs	46,925	619,106	636,945	29,086
Parking meters		265,888	265,888	
Interest and cost on taxes		137,523	137,523	
Interest on investments		113,598	113,598	
Consolidated Municipal Property Tax Relief		661,985	661,985	
Legislative Initiative Municipal Block Grant		42,375	42,375	
Energy Receipts Tax		274,752	274,752	
Supplemental Energy Receipts Tax		11,735	11,735	
Extraordinary Aid		80,000	80,000	
Municipal Homeland Security Assistance		70,000	70,000	
Municipal Property Tax Assistance		19,040	19,040	
Uniform Fire Safety Act		10,355	10,355	
PILOT Housing Authority		54,675	54,675	
Cablevision		20,833	20,833	
	<u>\$ 46,925</u>	<u>2,716,010</u>	<u>2,733,849</u>	<u>29,086</u>
		Cash	2,722,005	
		Interest on Investments	11,844	
		\$	<u>2,733,849</u>	

TOWN OF GUTTENBERG

**Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007		\$	16,433
Increased by:			
Senior citizens' and veterans' deductions per tax billings	\$	27,750	
Veterans Deductions Allowed		<u>375</u>	
			<u>28,125</u>
			44,558
Decreased by:			
Cash received			<u>25,281</u>
Balance - June 30, 2008		\$	<u><u>19,277</u></u>

Schedule of Local District School Tax Payable

Current Fund

Year ended June 30, 2008

Increased by:			
2008 Levy	\$	<u>8,777,411</u>	
Decreased by:			
Cash Disbursed	\$	<u><u>8,777,411</u></u>	

TOWN OF GUTTENBERG
Schedule of County Taxes Payable
Current Fund
Year ended June 30, 2008

Increased by:	
County Tax Levy	\$ <u>4,599,951</u>
Decreased by:	
Cash Disbursed	\$ <u><u>4,599,951</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended June 30, 2008

Increased by:	
2008 Added Levy	\$ <u>17,892</u>
Decreased by:	
Cash Disbursed	\$ <u><u>17,892</u></u>

TOWN OF GUTTENBERG

Schedule of 2007 Appropriation Reserves

Current Fund

Year ended June 30, 2008

<u>Description</u>	<u>Balance June 30, 2007</u>	<u>Balance after Encumbrances and Transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Salaries and Wages Within "CAPS"				
Administrative and Executive	\$ 6,562	6,562		6,562
Financial Administration	6,505	6,505	(5,000)	11,505
Assessment of taxes	1,600	1,600		1,600
Collection of Taxes	1,187	1,187		1,187
Municipal Court	1,366	1,366		1,366
Legal services	1,978	1,978		1,978
Public Building and Grounds	5,484	5,484		5,484
Planning Board	2,050	2,050		2,050
Recreation	91	91		91
Police Department	46,612	46,612	1,955	44,657
Fire Inspector	4,985	4,985		4,985
Street Cleaning	8,638	8,638		8,638
Senior Citizens Nutrition Program	3,621	3,621		3,621
Senior Citizens Transportation	491	491		491
UEZ Zone	723	723		723
Construction Code	829	829		829
License Inspector	3,463	3,463		3,463
Total Salaries and Wages Within "CAPS"	<u>96,185</u>	<u>96,185</u>	<u>(3,045)</u>	<u>99,230</u>
Other Expenses Within "CAPS"				
Administrative and Executive	15,001	15,076	14,927	149
Elections	3,950	3,950		3,950
Financial Administration	3,628	3,628	1,927	1,701
Assessment of taxes	332	332		332
Collection of Taxes	34	3,544		3,544
Municipal Court	8,329	9,133	703	8,430
Legal Services	28,305	35,675	21,868	13,807
Public Building and Grounds	803	1,518	1,065	453
Planning Board	1,141	1,241	99	1,142
Engineering	26,358	26,358	1,858	24,500
Insurance - Other	21,100	21,100		21,100
Group Insurance - Other	8,346	12,785	12,785	
911 - Other Expenses	23,000	23,000		23,000
Police Department	14,612	32,432	7,220	25,212
Emergency Management Services	500	500		500
Weehawken Volunteer Ambulance	2,785	10,285		10,285
Fire Inspector	741	1,033	315	718
Street Cleaning	6,279	18,709	10,061	8,648
Recycling	4,616	4,616	92	4,524
Solid Waste	28,782	73,782	45,000	28,782
Public Health Services	1,779	1,779		1,779
Recreation	569	8,784	5,150	3,634
Celebration of Public Events	642	642	220	422
Senior Citizens Nutrition Program	984	984	(2,876)	3,860
Senior Citizens Transportation	411	411		411

TOWN OF GUTTENBERG

Schedule of 2007 Appropriation Reserves

Current Fund

Year ended June 30, 2008

<u>Description</u>	<u>Balance June 30, 2007</u>	<u>Balance after Encumbrances and Transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
UEZ Zone	454	519		519
Construction Code Official	8,125	8,443	317	8,126
License Inspector	176	176		176
Electricity	1,801	6,801		6,801
Street lighting	12,559	22,559		22,559
Telephone	7,398	12,398	1,058	11,340
Water	3,887	3,887	3,401	486
Sewage	4,010	4,010		4,010
Fire Hydrant Service	29	29		29
Gasoline	2,958	7,958	6,176	1,782
Postage	2,845	2,845		2,845
Technology	603	603	603	
Contingent	6,905	7,635	731	6,904
Total Other Expenses Within "CAPS"	<u>254,777</u>	<u>389,160</u>	<u>132,700</u>	<u>256,460</u>
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,732	1,732		1,732
Consolidated Police and Fireman's Pension Fund	924	924	122	802
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	<u>2,656</u>	<u>2,656</u>	<u>122</u>	<u>2,534</u>
Other Expenses Excluded From "CAPS"				
Public Employees' Retirement System	1,731	1,731	13	1,718
Police and fireman's pension fund	1,629	1,629		1,629
Library Service-North Bergen	3,606	3,606		3,606
Stormwater Management	44,010	44,010		44,010
North Hudson Regional Fire & Rescue	613	19,363		19,363
Total Other Expenses Within "CAPS"	<u>51,589</u>	<u>70,339</u>	<u>13</u>	<u>70,326</u>
Total General Appropriations	<u>\$ 405,207</u>	<u>558,340</u>	<u>129,790</u>	<u>428,550</u>
Appropriation Reserves		405,207		
Encumbrances		<u>153,133</u>		
		<u>\$ 558,340</u>		
			Cash 84,790	
			Transferred to Accounts Payable 45,000	
			<u>\$ 129,790</u>	

TOWN OF GUTTENBERG
Schedule of Reserve for Encumbrances

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	153,133
Increased by:		
2007-2008 encumbrances		214,464
		367,597
Decreased by:		
Transferred to appropriation reserves		153,133
Balance - June 30, 2008	\$	214,464

Schedule of Tax Overpayments

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	25,082
Increased by:		
Cash Receipts		78,569
		103,651
Decreased by:		
Cash disbursements		47,108
Balance - June 30, 2008	\$	56,543

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	36,824
Increased by:		
2009 prepaid taxes collected		<u>9,182</u>
		46,006
Decreased by:		
Taxes realized as revenue		<u>36,824</u>
Balance - June 30, 2008	\$	<u><u>9,182</u></u>

**Schedule of Amount Due to the Hudson County Treasurer -
Court Fines and Costs**

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	<u>6,764</u>
Balance - June 30, 2008	\$	<u><u>6,764</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for
Tax Title Lien Redemption**

Current Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	7,008
Increased by:		
Lien redemptions		<u>232,950</u>
		239,958
Decreased by:		
Cash Disbursements		<u>232,950</u>
Balance - June 30, 2008	\$	<u><u>7,008</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year ended June 30, 2008

	Balance June 30, <u>2007</u>	<u>Increased</u>	<u>Decreased</u>	Balance June 30, <u>2008</u>
Federal and State Grant Fund:	412,970	204,006	44,317	572,659
Trust Funds:				
Animal License Fund	\$ 1,723	915	186	2,452
CDBG Trust Fund	154,500			154,500
Other Trust Fund	9,031	2,813	42,100	(30,256)
Due from Payroll Agency Account		22,830		22,830
General Capital Fund	<u>(102)</u>	<u>557,000</u>	<u>150,000</u>	<u>(407,102)</u>
	<u>\$ 578,122</u>	<u>787,564</u>	<u>236,603</u>	<u>315,083</u>
		Cash Receipts \$ 540,000	40,828	
		Budget Appropriation 17,000		
		Cash Disbursements 226,836	150,000	
Due to Federal and State Grant Fund -				
Reimburse for expenses paid			32,475	
Prior years' premiums received			13,300	
Interest Earned		2,813		
Statutory Excess		<u>915</u>		
		<u>\$ 787,564</u>	<u>236,603</u>	

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year ended June 30, 2008

	<u>Accounts Payable</u>	<u>Dedicated Fire Penalties</u>	<u>Library</u>
Balance - June 30, 2007	\$	16,945	4,476
Increased by:			
Transferred Reserves	<u>45,000</u>	<u> </u>	<u> </u>
Balance - June 30, 2008	\$ <u>45,000</u>	<u>16,945</u>	<u>4,476</u>
<u>Analysis of Balance</u>			
Purchase Order No. 15131	\$ <u>45,000</u>		

TOWN OF GUTTENBERG

Schedule of Deferred Charges -
N.J.S. 40A:4-55 Special Emergency

Current Fund

Year ended June 30, 2008

	1/5 of Net Amount <u>Authorized</u>	Balance, June 30, <u>2007</u>	<u>Decreased</u>	Balance, June 30, <u>2008</u>
Preparation of Master Plan	\$ 50,000	20,000	10,000	10,000
	<u>50,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

TOWN OF GUTTENBERG

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended June 30, 2008

<u>Purpose</u>	Balance, June 30, <u>2007</u>	2008 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, June 30, <u>2008</u>
NJ Department of Transportation Trust Fund:				
(FY07) - Palisades Avenue & Adams St.	\$	280,000		280,000
(FY06) - Ferry, Broadway, Hudson	80,373			80,373
2006 - Center of Place/Broadway Streetscape	420,000		368,946	51,054
NJ DOT Trust Fund - 2005	100,000			100,000
NJ DOT Trust Fund - 2003	2,676			2,676
NJ DOT Trust Fund - 2001	55,081			55,081
Summer Food Program - 2005	167		167	
Summer Food Program - 2006	14,575		12,765	1,810
Clean Communities	640			640
Clean Communities		8,527	8,527	
Recreation Grant	4,552		4,552	
Urban Enterprise Zone - Tree Beautification	2,250			2,250
Urban Enterprise Zone - FY2008 - Administrative		23,440		23,440
Urban Enterprise Zone - UEZ (Cars)	9,152			9,152
Urban Enterprise Zone - 2006	8,059		2,712	5,347
Urban Enterprise Zone - 2008 - Police Vehicle		12,273		12,273
Safe Kids Program	10,000			10,000
Municipal Alliance	36,812		13,215	23,597
NJ DOT-2004-Safe Streets	60,591			60,591
NJ DOT-2004-69th & 70th Street	2,608			2,608
Body Armor Grant		2,350	2,350	
Body Armor Grant		4,267	4,267	
Homeland Security grant - Police Radios		15,000		15,000
Highway Safety Grant		1,945	1,945	
Alcohol Education Rehabilitation grant		884	884	
Recycling Tonnage Grant		11,243	11,243	
Livable Communities	25,500			25,500
Stop Violence Against Women	4,044			4,044
Stop Violence Against Women	1,000			1,000
	<u>\$ 838,080</u>	<u>359,929</u>	<u>431,573</u>	<u>766,436</u>
		Cash receipts \$	410,884	
		Unappropriated Reserves	<u>20,689</u>	
			<u>\$ 431,573</u>	

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year ended June 30, 2008

Purpose	Balance, June 30, 2007	Budget appropriations	Expended	Overexpended	Balance, June 30, 2008
NJ DOT-2005	\$ 134,252				134,252
NJ DOT-2001	13,646				13,646
NJ DOT-Broadway	36,433				36,433
Alcohol Education and Rehabilitation Fund	874				874
Drunk Driving Enforcement Fund	254				254
Clean Communities	2,661		(355)		3,016
Clean Communities		8,527	5,150		3,377
Body Armor		2,350			2,350
Body Armor		4,267			4,267
Alcohol Education and Rehabilitation Fund		884			884
Homeland Security Grant - Police Radios		15,000	13,211		1,789
NJ DOT-2004-Safe Streets to Schools	26,048		52,459	26,411	
Urban Enterprise Zone		23,440			23,440
Urban Enterprise Zone - Police Vehicle		12,273			12,273
Livable Communities	22,850		450		22,400
Stop Violence Against Women	16,910				16,910
Highway Safety Grant		1,945			1,945
Alcohol Education and Rehabilitation Fund	681				681
Recycling Tonnage Grant		11,243			11,243
Clean Communities	7,530				7,530
Municipal Alliance	17,576		19,273	1,697	
Recycling Grant	2,252				2,252
Summer Food Program	13,508		11,041		2,467
Urban Enterprise Zone	7,152				7,152
Drunk Driving Enforcement Fund	18,941				18,941
FEMA Reimbursement - Spring Storm			20,904	20,904	
NJ DOT 2006-69th Street	4,338				4,338
NJ DOT 2007- Imps. to Palisades Ave./Adams St.		280,000	264,250		15,750
Urban Enterprise Zone - 2006	14,688				14,688
Domestic Violence Grant	1,000				1,000
Urban Enterprise Zone - 2007-Tree Beautification	9,625		13		9,612
NJ DOT-2006 - Imps. to Broadway/Hudson/Ferry	59,742		56,892		2,850
	\$ 410,961	359,929	443,288	49,012	376,614
			Cash	215,002	
			Due to Current Fund	204,006	
			Due to General Capital fund	24,280	
			\$	443,288	

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended June 30, 2008

<u>Purpose</u>	Balance, June 30, <u>2007</u>	<u>Received</u>	Appropriated in 2008 <u>Budget</u>	Balance, June 30, <u>2008</u>
Alcohol Education Rehabilitation Fund	\$ 884	1,552	884	1,552
Body Armor Replacement Fund	4,267	2,350	6,617	
Highway Safety	1,945		1,945	
Clean Communities		1,318		1,318
ADA Handicapped Grant		1,115		1,115
Obey the Signs		3,659		3,659
Recycling Tonnage Grants		1,378		1,378
Drunk Driving Enforcement Funds		3,478		3,478
Click it or Ticket		3,124		3,124
State Recycling	<u>11,243</u>		<u>11,243</u>	
	<u>\$ 18,339</u>	<u>17,974</u>	<u>20,689</u>	<u>15,624</u>
		Cash 6,132		
		Due from Current Fund <u>11,842</u>		
		<u>17,974</u>		

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year ended June 30, 2008

	Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - June 30, 2007	\$ 6,741	6,741	4,500	411,837
Increased by:				
Due to/from Current Fund	143			2,813
Dog License Fees	1,259			
State Fees	469			1,377
Budget Appropriations		15,000		
Grant Receipts			160,840	
Miscellaneous Reserves				101,429
	<u>1,871</u>	<u>15,000</u>	<u>160,840</u>	<u>105,619</u>
	<u>8,612</u>	<u>21,741</u>	<u>165,340</u>	<u>517,456</u>
Decreased by:				
Unemployment Insurance claims		19,570		
Community Development			93,838	
Due to/from Current Fund	186			
State Fees	548			1,925
Dog License Expenditures	678			
Miscellaneous Reserves				96,266
	<u>1,412</u>	<u>19,570</u>	<u>93,838</u>	<u>98,191</u>
Balance - June 30, 2008	\$ <u>7,200</u>	<u>2,171</u>	<u>71,502</u>	<u>419,265</u>

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year ended June 30, 2008

Balance - June 30, 2007		\$	3,642
Increased by:			
Due From Current Fund	\$	143	
Dog license fees		<u>1,259</u>	
			<u>1,402</u>
			5,044
Decreased by:			
Expenditures		678	
Statutory excess due Current Fund		<u>915</u>	
			<u>1,593</u>
Balance - June 30, 2008		\$	<u><u>3,451</u></u>

Dog License Fees Collected

2007	1,625
2006	<u>1,826</u>

\$ 3,451

TOWN OF GUTTENBERG

**Schedule of Due to State of New Jersey-
Animal License Fees**

Animal License Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	1,376
Increased by:		
2007-08 fees collected		<u>469</u>
		1,845
Decreased by:		
Paid to State Treasurer		<u>548</u>
Balance - June 30, 2008	\$	<u><u>1,297</u></u>

**Schedule of Community Development Block
Grants Receivable**

Community Development Block Grant Trust Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$	300,808
Decreased by:		
Paid directly to applicants	\$	8,800
Grant receipts		<u>160,840</u>
		<u>169,640</u>
Balance - June 30, 2008	\$	<u><u>131,168</u></u>

Analysis of Balance

Commerical Revitalization	6,168
Boulevard East Streetscape, Phase 3	<u>125,000</u>
	\$ <u><u>131,168</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for Community
Development Block Grants Expenditures**

Community Development Block Grant Trust Fund

Year ended June 30, 2008

Balance - June 30, 2007		\$	150,808
Decreased by:			
Paid directly to applicants	\$	8,800	
Cash Disbursements		<u>93,838</u>	
			<u>102,638</u>
Balance - June 30, 2008		\$	<u><u>48,170</u></u>

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year ended June 30, 2008

Balance - June 30, 2007	\$	1,329
Increased by:		
Cash Receipts		<u>1,377</u>
		2,706
Decreased by:		
Cash Disbursements		<u>1,925</u>
Balance - June 30, 2008	\$	<u><u>781</u></u>

Analysis of Balance

Marriage License Fees - PY Unallocated	300
Marriage License Fees - First Qtr. 2006	25
Marriage License Fees - Second Qtr. 2006	75
Marriage License Fees - First Qtr. 2007	(200)
Marriage License Fees - Second Qtr. 2008	327
DCA Fees	<u>254</u>
	<u><u>\$ 781</u></u>

TOWN OF GUTTENBERG

Schedule of Due from Municipal Court

Other Trust Fund

Year ended June 30, 2008

Balance - June 30, 2007	\$ <u>847</u>
Balance - June 30, 2008	\$ <u><u>847</u></u>
November 2005 Fees	\$ <u><u>847</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year ended June 30, 2008

	Balance Due from/(to) June 30, <u>2007</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) June 30, <u>2008</u>
Animal License Fund:				
Current Fund	\$ (1,723)	915	186	(2,452)
Community Development Block Grant Fund:				
Current Fund	(154,500)			(154,500)
Unemployment Trust Fund:				
Other Trust Fund	(1,783)			(1,783)
Payroll Agency	7,106		6,532	13,638
Other Trust Fund:				
Unemployment Trust Fund	1,783			1,783
Current Fund	<u>(9,031)</u>	<u>2,813</u>	<u>42,100</u>	<u>30,256</u>
	<u>\$ (158,148)</u>	<u>3,728</u>	<u>48,818</u>	<u>(113,058)</u>

Cash Receipts	\$ 2,813	
Deposited in Current Fund		42,286
Payroll Deductions deposited in Payroll Agency		6,532
Statutory Excess	<u>915</u>	
	<u>\$ 3,728</u>	<u>48,818</u>

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended June 30, 2008

	Balance, June 30, <u>2007</u>	<u>Increased</u>	<u>Decreased</u>	Balance, June 30, <u>2008</u>
Reserve for:				
Planning Board Escrow	\$ 2,654			2,654
Fireman's Training	18,773			18,773
P.O.A.A.	35,394	7,964	2,085	41,273
Law Enforcement Trust		6,733	6,236	497
Recreation Trust	1,506	5,926		7,432
Street Opening Deposits	1,500			1,500
Performance Bond - Bulls Ferry	85,000			85,000
Uniform Fire Code	2,797	1,565		4,362
Builders Escrow Deposits	141,037	17,395	31,461	126,971
Police Special Detail	82,927	57,613	55,344	85,196
Public Defender	20,519	4,233	840	23,912
Tax Sale Premiums	12,000	42,100	300	53,800
	<u>\$ 404,107</u>	<u>143,529</u>	<u>96,266</u>	<u>451,370</u>
		Cash Receipts 101,429		
		Cash Disbursements 96,266		
		Due from Current Fund 42,100		
		<u>\$ 143,529</u>	<u>96,266</u>	

TOWN OF GUTTENBERG

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year ended June 30, 2008

Balance - June 30, 2007		\$	11,657
Increased by:			
Budget Appropriation	\$	15,000	
Payroll deductions due from Agency		<u>6,532</u>	
			<u>21,532</u>
			33,189
Decreased by:			
Payment of Insurance claims		19,163	
Insurance claims payable		<u>783</u>	
			<u>19,946</u>
Balance - June 30, 2008		\$	<u><u>13,243</u></u>

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year ended June 30, 2008

Balance - June 30, 2007		\$ <u>12,673</u>
Increased by receipts:		
Bond Anticipation Note	\$ 980,500	
Capital Improvement Fund	50,000	
Interfund - Current Fund	<u>150,000</u>	
		<u>1,180,500</u>
		1,193,173
Decreased by disbursements:		
Due From Federal and State Grant Fund	\$ 24,280	
Bond Anticipation Note	475,000	
Improvement Authorizations	<u>110,602</u>	
		<u>609,882</u>
Balance - June 30, 2008		\$ <u><u>583,291</u></u>

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

June 30, 2008

Capital Improvement Fund	\$ 62,284
Encumbrances Payable	1,592
Due From Federal and State Grant Fund	(24,280)
Grant Receivable	(155,000)
Unappropriated Open Space Grant	540,000
Due from Current Fund	(407,102)
Reserve for Payment of Debt, Ord. 23-2002	21,751

Improvement description

Jul. 12, 1993	Various improvements-sewer system	50
967	Acquisition of Recreation Vans	9,089
8-2001	Various Improvements	87
34-2001	Acquisition of Parking Meters	7,038
23-2002	Various Capital Improvements	7,841
01-2005	Pension Refunding	19,293
02-2005	Various Capital Improvements	29,758
18-2006	Various Capital Improvements	296,390
5-2008	Various Capital Improvements	19,500
6-2008	Improvements to Waterfront Park	155,000
		<hr/>
		\$ 583,291
		<hr/> <hr/>

TOWN OF GUTTENBERG

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year ended June 30, 2008

Balance - June 30, 2007		\$	4,797,826
Decreased by:			
Budget appropriations:			
Green Acres Loan	\$	27,265	
Municipal Bonds		<u>370,000</u>	
			<u>397,265</u>
Balance - June 30, 2008		\$	<u><u>4,400,561</u></u>

TOWN OF GUTTENBERG

Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Year ended June 30, 2008

Ordinance number	Improvement description	Balance, June 30, 2007	2008 Authorizations	Decreased by:	Balance, June 30, 2008	Analysis of Balance - June 30, 2008	
						Funded by Bond Anticipation Notes	Unexpended improvement authorization
01-2005	Pension refunding	\$ 20,000			20,000		20,000
02-2005	Various Capital Improvements	475,000		17,000	458,000	458,000	
18-2006	Various Capital Improvements	522,500			522,500	522,500	
5-2008	Various Capital Improvements		370,500		370,500		370,500
6-2008	Improvements to Waterfront Park		295,000		295,000		295,000
		\$ 1,017,500	665,500	17,000	1,666,000	980,500	685,500
	Budget Appropriation			17,000			
	Improvement Authorizations - Unfunded \$						1,011,648
	Less: Unexpended note proceeds:						
	Ord. 2-2005						29,758
	Ord. 18-2006						296,390
							\$ 685,500

TOWN OF GUTTENBERG
Schedule of Encumbrances Payable
General Capital Fund
Year ended June 30, 2008

Balance - June 30, 2007	\$	<u>1,592</u>
Balance - June 30, 2008	\$	<u><u>1,592</u></u>

Schedule of Due from Current Fund
General Capital Fund
Year ended June 30, 2008

Balance - June 30, 2007	\$	102
Increased by:		
Open Space Grant Deposited in Current Fund	\$	540,000
Budget Appropriation		<u>17,000</u>
		<u>557,000</u>
		557,102
Decreased by:		
Cash Receipts		<u>150,000</u>
Balance - June 30, 2008	\$	<u><u>407,102</u></u>

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year ended June 30, 2008

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, June 30, 2007	Decreased	Balance, June 30, 2008
			Date	Amount				
General bonds	Apr. 1, 1991	3,437,000	April 1, 2009-12	175,000	6.85%	\$ 1,647,000	150,000	1,497,000
			April 1, 2013-15	200,000				
			April 1, 2016	197,000				
General Obligation Bonds	Feb. 1, 2003	2,230,000	Feb. 1, 2009	190,000	3.70%	2,015,000	185,000	1,830,000
			Feb. 1, 2010	200,000				
			Feb. 1, 2011	210,000				
			Feb. 1, 2012	230,000				
			Feb. 1, 2013	235,000				
			Feb. 1, 2014	240,000				
			Feb. 1, 2015	245,000				
Feb. 1, 2016	280,000							
Pension Refunding Bonds	Apr. 1, 2005	755,000	April 1, 2009	40,000	5.83%	700,000	35,000	665,000
			April 1, 2010	50,000				
			April 1, 2011	55,000				
			April 1, 2012	65,000				
			April 1, 2013	70,000				
			April 1, 2014	80,000				
			April 1, 2015	90,000				
April 1, 2016	100,000							
April 1, 2017	115,000							
						\$ 4,362,000	370,000	3,992,000

Exhibit C-8

TOWN OF GUTTENBERG
Schedule of Capital Improvement Fund
General Capital Fund
Year ended June 30, 2008

Balance - June 30, 2007	\$	31,784
Increased by:		
Budget Appropriation		<u>50,000</u>
		81,784
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>19,500</u>
Balance - June 30, 2008	\$	<u><u>62,284</u></u>

Exhibit C-9

Schedule of Reserve for Payment of Debt - Ord. 23-2002
General Capital Fund
Year ended June 30, 2008

Balance - June 30, 2007	\$	<u>21,751</u>
Balance - June 30, 2008	\$	<u><u>21,751</u></u>

TOWN OF GUTTENBERG

**Schedule of Unappropriated Grant
Hudson County Open Space - Purchase of 300-302 68th St.**

General Capital Fund

Year ended June 30, 2008

Increased by:	
Received in Current Fund	\$ <u>540,000</u>
 Balance - June 30, 2008	 \$ <u><u>540,000</u></u>

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year ended June 30, 2008

Purpose	Date of issue	Original issue	Maturities of Loans		Interest rate	Balance, June 30, 2007	Decreased	Balance, June 30, 2008
			Date	Amount				
Ball Field Project No. 0903-94-052	3/11/2005	475,200	7/11/2008	13,837	2.00%	435,826	27,265	408,561
			1/11/2009	13,976				
			7/11/2009	14,116				
			1/11/2010	14,257				
			7/11/2010	14,399				
			1/11/2011	14,543				
			7/11/2011	14,689				
			1/11/2012	14,836				
			7/11/2012	14,984				
			1/11/2013	15,134				
			7/11/2013	15,285				
			1/11/2014	15,438				
			7/11/2014	15,592				
			1/11/2015	15,748				
			7/11/2015	15,906				
			1/11/2016	16,065				
			7/11/2016	16,226				
		1/11/2017	16,388					
		7/11/2017	16,552					
		1/11/2018	16,717					
		7/11/2018	16,884					
		1/11/2019	17,053					
		7/11/2019	17,224					
		1/11/2020	17,396					
		7/11/2020	17,570					
		1/11/2021	17,746					
						\$ 435,826	27,265	408,561

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended June 30, 2008

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of original issue</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, June 30, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2008</u>
2-2005	Various Capital Improvements	Apr. 7, 2005	475,000	April 4, 2009	2.13%	\$ 475,000	458,000	475,000	458,000
18-2006	Various Capital Improvements	Mar. 24, 2008	522,500	April 4, 2009	2.13%		522,500		522,500
						\$ 475,000	980,500	475,000	980,500

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended June 30, 2008

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, June 30, 2007</u>	<u>Authorized</u>	<u>Issued</u>	<u>Balance, June 30, 2008</u>
01-2005	Pension Refunding	20,000			20,000
18-2006	Various Capital Improvements	522,500		522,500	
5-2008	Various Capital Improvements		370,500		370,500
6-2008	Improvements to Waterfront Park		295,000		295,000
		<u>\$ 542,500</u>	<u>665,500</u>	<u>522,500</u>	<u>685,500</u>
			Note Issued \$	<u>522,500</u>	

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED JUNE 30, 2008

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

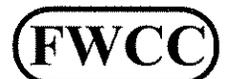
Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended June 30, 2008, and have issued our report thereon dated January 9, 2009. Our report disclosed that, as described in note 1 to the financial statements-regulatory basis, the Town of Guttenberg prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Guttenberg'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-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Town of Guttenberg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



A material weakness is a significant deficiency, or 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 entity's internal control.

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

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Guttenberg in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.


Steven D. Wielkötz, C.P.A.
Registered Municipal Accountant
No. CROO413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 9, 2009



TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements Requiring Advertisement for Bid

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 on July 1, 2005, the bid threshold was increased to \$21,000 or \$29,000 if there is a certified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

- Resurfacing of various streets
- 83-69th Street Building Demolition
- Boulevard East Streetscape
- UEZ Vehicle Purchase

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 7, 2008 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the Town of Guttenberg.

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 25, 2008 and was complete.

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

The following comparison is made of the number of tax title liens receivable on June 30, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2008	0
2007	0
2006	0

TOWN OF GUTTENBERG

OTHER COMMENTS

FINANCE/TREASURER

- 1.* Goods and services are being ordered prior to encumbrance.
- 2.* Quotes were not obtained for some purchases above the quote threshold.
- 3.* Not all employee W-4 forms were available for review.
- 4.* Some vouchers were not available for review at time of audit.
5. The Town does not validate tax stubs.
6. Documentation to support open purchase orders at 6/30/08 was not available for review.
7. The Town's general obligation bond liability was not fully paid when due.
8. The Town does not keep a fixed asset report detailing additions and deletions.
9. The Town does not keep a compensated absences report detailing accruals and pay-outs.
10. Expenditures were made against funds received from FEMA without being appropriated in the budget.
11. There was an instance in which an expenditure was charged to the incorrect budget account.
12. Non-reimbursable engineering fees and other ineligible costs were improperly charged to NJ Department of Transportation grant awards. Reallocation of these expenses to the Current Budget resulted in an over-expenditure in engineering – other expenses.
13. The Net payroll account was not reconciled at 6/30/08.
14. The Net payroll account has a reconciled balance in excess of that required to cover outstanding payroll due.
15. Stale checks are being carried as part of the Net payroll reconciliation.
16. The Payroll Agency Account has a reconciled balance in excess of that required to cover outstanding payroll deductions and taxes due.
17. Federal and State Statement of Deposits and Filings for the 2nd quarter of 2008 was unavailable for review.
18. Transfers were made between “outside the CAP” appropriations contrary to State Statute. The reversal of these transfers resulted in appropriation over-expenditures.
19. Escrow disbursements are not all being made in a timely manner.
20. Escrow disbursements are not all being posted to the correct client accutrak account.
21. A Dedication by Rider has not been submitted and approved for the Law Enforcement Trust Fund.

TOWN OF GUTTENBERG

OTHER COMMENTS, (continued)

MUNICIPAL COURT

- 1.* The analysis of open bail per the ATS/ACS reports is not in agreement with the reconciled cash balance in the bail account at June 30, 2008.
- 2.* Both the fines and bail accounts are not being reconciled.
- 3.* Disbursement checks for the fines and bail accounts only have one signature.
- 4.* Stale-dated checks are being carried as part of the reconciliation of the fines accounts.
- 5.* Deposits are not made in a timely manner for both bail and fines accounts.
- 6.* There were instances in which monies collected in the fines account were not turned over to the proper agencies on or before the 15th of the subsequent month.
7. There were instances in which monies collected were not deposited into the proper Municipal Court account.
8. A review of the Court's ATS/ACS Monthly Management Report revealed the following:
 - a.) There are 131 tickets eligible for FTA over 14 days.
 - b.) There are 118 tickets eligible for dismissal.
 - c.) There are 175 tickets assigned over 180 days.
9. Not all monthly cashbooks for the Bail Account were available for review.
10. Deposits were made to the bank that did not agree to the daily batch journals.

DEPARTMENTS

Building Department:

- 1.* Payments made for DCA fees are not being processed through the accounts payable department and thus are not approved prior to payment.
- 2.* Fees collected are not being deposited in a timely manner.
- 3.* Reconciliations are not being performed for the Building Department's bank account.

Animal License Clerk:

- 4.* Dog license reports are not being filed accurately on a quarterly basis as agreed upon with the State of New Jersey.
- 5.* The Dog clerk does not turn over funds collected in a timely manner.

Clerk:

6. Surety Bonds for Public Officials were not available for review.
7. Financial disclosure forms were not available for review.
8. Fees collected are not being turned over to the Treasurer in a timely manner.

TOWN OF GUTTENBERG

RECOMMENDATIONS

FINANCE/TREASURER

- 1.* That all goods and services be encumbered prior to purchase.
- 2.* That quotes be obtained for all purchases above the state mandated threshold.
- 3.* All employee W-4 forms should be made available for audit review.
- 4.* That all vouchers be made available for review at time of audit.
5. That the Town validate its' tax stubs.
6. Documentation to support open encumbrances at year end be made available for review at time of audit.
7. That the Town's general obligation bond liability be paid in full when due.
8. A fixed asset report detailing additions and deletions be created and maintained.
9. A compensated absences report detailing accruals and pay-outs be calculated on a yearly basis.
10. All grant revenues be appropriated in the budget prior to expenses being incurred.
11. All expenditures be reviewed carefully to ensure the appropriate budget accounts are charged.
12. All expenditures charged to grant awards should be reviewed for propriety of charge prior to payment.
13. The Net payroll account be properly reconciled at 6/30/08.
14. The excess reconciled cash balance in the Net payroll account should be investigated for disposition.
15. That all stale-dated checks in the net payroll account be cancelled by Council Resolution and removed as reconciling items.
16. The excess reconciled cash balance in the Payroll Agency account should be investigated for disposition.
17. Staff personnel maintain all payroll records and make them available for review at the time of audit.
18. That transfers between appropriations be made in accordance to State Statute.
19. All escrow disbursements be made in a timely manner.
20. All escrow disbursements be reviewed to ensure proper posting to client accu-trak accounts.
21. The Mayor and Council authorize a Dedication by Rider and submit the resolution to the State for approval.

TOWN OF GUTTENBERG

RECOMMENDATIONS, (continued)

MUNICIPAL COURT

- 1.* The open bail on account per ATS/ACS must be reconciled to the bail account cash on a monthly basis.
- 2.* That bank reconciliations be performed for both accounts on a monthly basis.
- 3.* It is recommended that all disbursement checks have at least two signatures.
- 4.* That all stale-dated checks be cancelled by Council Resolution and removed as reconciling items
- 5.* That all monies collected in both accounts be deposited within 48 hours.
- 6.* That all monies collected be turned over to the proper agencies on or before 15th of the subsequent month.
7. That all receipts collected be deposited into the proper bank accounts.
8. The Court review the Monthly Management reports and take steps to reduce the number of tickets eligible for FTA over 14 days, eligible for dismissal and assigned over 180 days.
9. That all monthly cashbooks for the Bail account be made available for review at the time of audit.
10. That all deposits made to the bank be in agreement with the daily batch journal.

DEPARTMENTS

Building Department:

- 1.* A voucher system be utilized by the Building Department for all disbursements.
- 2.* All cash be recorded and deposited within 48 hours of receipt.
- 3.* A bank reconciliation be performed on a monthly basis.

Animal License Clerk:

- 4.* Dog license reports should be filed with the State of New Jersey on a monthly or quarterly basis.
- 5.* All fees collected by the Dog Clerk be turned over to the Treasurer in a timely manner.

Clerk:

6. All Surety Bonds for Public Officials be made available for review.
7. All Financial Disclosure forms be made available for review.
8. Fees collected be remitted to the Treasure on a monthly basis.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an “*”.

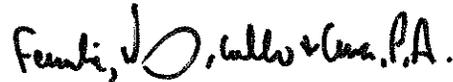
Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

January 9, 2009