

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE**

**BOROUGH OF RED BANK**

**90 Monmouth Street  
Red Bank, New Jersey 07701**

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

**Presented by**

**Frank Mason  
Chief Financial Officer  
Borough of Red Bank**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**BOROUGH OF RED BANK**  
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## **INTRODUCTORY SECTION**

May 20, 2009

Honorable Mayor and Members of the Governing Body  
Borough of Red Bank  
County of Monmouth, New Jersey

The Comprehensive Annual Financial Report for the Borough of Red Bank, County of Monmouth, State of New Jersey, for the year ended December 31, 2008 is submitted herewith and includes financial statements and supplemental schedules. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Red Bank as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and auditor's comments and recommendations. The introductory section includes this transmittal letter, the Borough's organization chart and a list of principal officials. The financial section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report. The statistical section includes selected financial, economic and demographic information, generally presented on a multi-year basis. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council.

The financial statements have been audited by DAK CPA, Long Branch, New Jersey, independent certified public accountants whose opinion is expressed in the financial section. Please note that the auditors' report is unqualified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## PRESENT AND FUTURE CHALLENGES

2008 saw a decrease in our fund balance. The current tax collection rate was in line with the historical average. The challenges for the future include maintaining our excellent collection percentage, continuing to improve miscellaneous revenues and limiting the growth of expenditures in order to continue to hold the tax rate to a nominal annual increase.

The Current Fund, which finances most of the operational areas of our local government, had total income of \$46,992,850 and total expenditures of \$45,873,642. The following schedules summarize revenues and expenses for 2008 and 2007.

### Comparative Summary of Current Fund Revenues

	<u>2008</u>	<u>2007</u>	<u>Increase/(Decrease)</u>	
			<u>\$</u>	<u>%</u>
Fund Balance	\$ 1,300,000	\$ 1,300,000	\$	%
Municipal Purposes Tax	10,344,639	8,663,680	1,680,959	19.40
Delinquent Tax Receipts	962,571	728,821	233,750	32.07
Miscellaneous Anticipated Revenues	3,794,444	4,227,426	(432,982)	(10.24)
Intergovernmental Revenue	3,134,643	5,339,090	(2,204,447)	(41.29)
Other Credits to Income	561,705	396,680	165,025	41.60
Miscellaneous Revenue	<u>130,718</u>	<u>270,384</u>	<u>(139,666)</u>	<u>(51.65)</u>
	<u>\$ 20,228,720</u>	<u>\$ 20,926,081</u>	<u>\$ (697,362)</u>	<u>(3.33) %</u>

1. Real Estate Taxes - These are the taxes levied on all property owners residing in the Borough.
2. Delinquent Tax Receipts - This represents receipts from delinquent taxes and tax title liens.
3. Intergovernmental Revenue - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
4. Miscellaneous Revenues - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct user charges, except those detailed separately above.

The decrease in budgetary expenditures in 2008 over 2007 was approximately 5.35% as follows:

<u>Function</u>	<u>2008</u>	<u>2007</u>	<u>Increase/(Decrease)</u>	
			<u>\$</u>	<u>%</u>
General Government	\$ 3,031,531	\$ 2,457,480	\$ 574,051	23.36 %
Land Use Administration	181,800	198,000	(16,200)	(8.18)
Insurance	2,480,500	2,340,000	140,500	6.00
Public Safety	4,841,439	4,737,600	103,839	2.19
Public Works	1,406,526	1,381,380	25,146	1.82
Landfill/Solid Waste Disposal Costs	525,000	580,000	(55,000)	(9.48)
Health and Welfare	217,886	198,066	19,820	10.01
Parks and Recreation	454,007	445,734	8,273	1.86
Utility Expenses and Bulk Purchases	657,774	587,000	70,774	12.06
Uniform Construction Code	295,210	283,100	12,110	4.28
Contingent	1,500	2,200	(700)	(31.82)
Deferred Charges and Statutory Expenditures	472,459	723,090	(250,631)	(34.66)
State and Federal Grants	190,977	2,568,346	(2,377,369)	(92.56)
Capital Improvements	30,000	60,000	(30,000)	(50.00)
Municipal Debt Service	3,484,439	2,787,078	697,361	25.02
Reserve for Sick Pay	35,957	50,000	(14,043)	(28.09)
Reserve for Uncollected Taxes	<u>870,674</u>	<u>861,775</u>	<u>8,899</u>	<u>1.03</u>
	<u>\$ 19,177,678</u>	<u>\$ 20,260,849</u>	<u>\$ (1,083,170.72)</u>	<u>(5.35) %</u>

The decrease in the State and Federal Grants expenditures accounts for the overall expenditure decrease. Certain grants that were funded by State agencies for affordable housing at the Crossings in 2007 did not recur in 2008.

The Borough operates Water-Sewer and Parking Utilities. These budgetary subdivisions were created to allow for the segregation of the revenue and expense of these operating Enterprises of the Borough. The Utilities are under the operational control of the Mayor and Council.

The Water-Sewer Utility serves the entire Borough, which encompasses 4,500 accounts and a population of 10,000. Water-Sewer Utility revenues realized were about 3% less than anticipated. However, cancelled appropriations contributed enough revenue to offset anticipated revenue shortfalls and resulted in a increase in fund balance.

The Parking Utility operates metered municipal parking lots and owns a 450 car parking garage, which it leases to Riverview Medical Center. Revenues in 2008 exceeded expenses by \$130,715 which was almost identical to the 2007 results of operations.

Both the Parking Utility and Water-Sewer Utility remained self-liquidating for 2008.

The Mayor and Council continue to pursue areas of budgetary reduction and revenue enhancement in order to control or eliminate the need for tax increases for municipal purposes.

## **MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS**

The Borough of Red Bank encompasses 1.8 square miles. It is a fully developed mature community with a strong commercial and professional office district surrounded by single-family residential homes and several apartment complexes. It has a diverse, stable population. A downtown special improvement district has helped make our commercial district thrive in an unprecedented manner.

The Mayor and Council have undertaken an aggressive capital improvement program to improve infrastructure and municipal services. The resulting increase in debt service has been countered with increased revenues from grants and other municipal revenue sources. Local purpose tax rates have increased by an annual average of less than approximately four percent since 1992.

## **PROSPECTS FOR THE FUTURE**

Reductions in state aid and increases in mandated expenditures resulted in a moderate tax rate increase proposed for the 2009 budget as introduced. Future developments should be added to the tax rolls in 2010. These new ratables should help stabilize future municipal tax rates.

## **LOCAL ECONOMIC EVENTS**

The Borough continued to show a good financial condition for 2008 as evidenced by the following:

- Our Current Fund balance was \$1,400,703.
- Our Tax Collection percentage for 2008 was 97.38%, up slightly from the prior year.

## **CASH MANAGEMENT**

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2008, funds were invested in the New Jersey Cash Management Fund, TD/Commerce Bank and Shrewsbury State Bank sweep accounts.

## **DEBT ADMINISTRATION**

The current outstanding net debt of the Borough is \$15,250,682, which represents .678% of its average equalized value. Debt service appropriations for 2008 for the Current Fund were 18% of total Current Fund expenditures.

## RISK MANAGEMENT

The Borough was a charter member of the Monmouth Municipal Joint Insurance Fund that, along with the state wide Municipal Excess Liability Joint Insurance Fund, Municipal Excess Liability Residual Claims Fund and Environmental Joint Insurance Fund provides the most comprehensive insurance coverage available in local government anywhere in the United States. These funds provide professional risk management, legal defense, loss prevention, claims management and actuarial services and are regulated by the N.J. Department of Insurance.

The success of these funds is unprecedented and they have served as a national example of well-run, innovative self-insurance funds.

The Borough participates in the Central Jersey Health Insurance Fund for Employee health benefits. This fund is regulated by the State of New Jersey Department of Insurance.

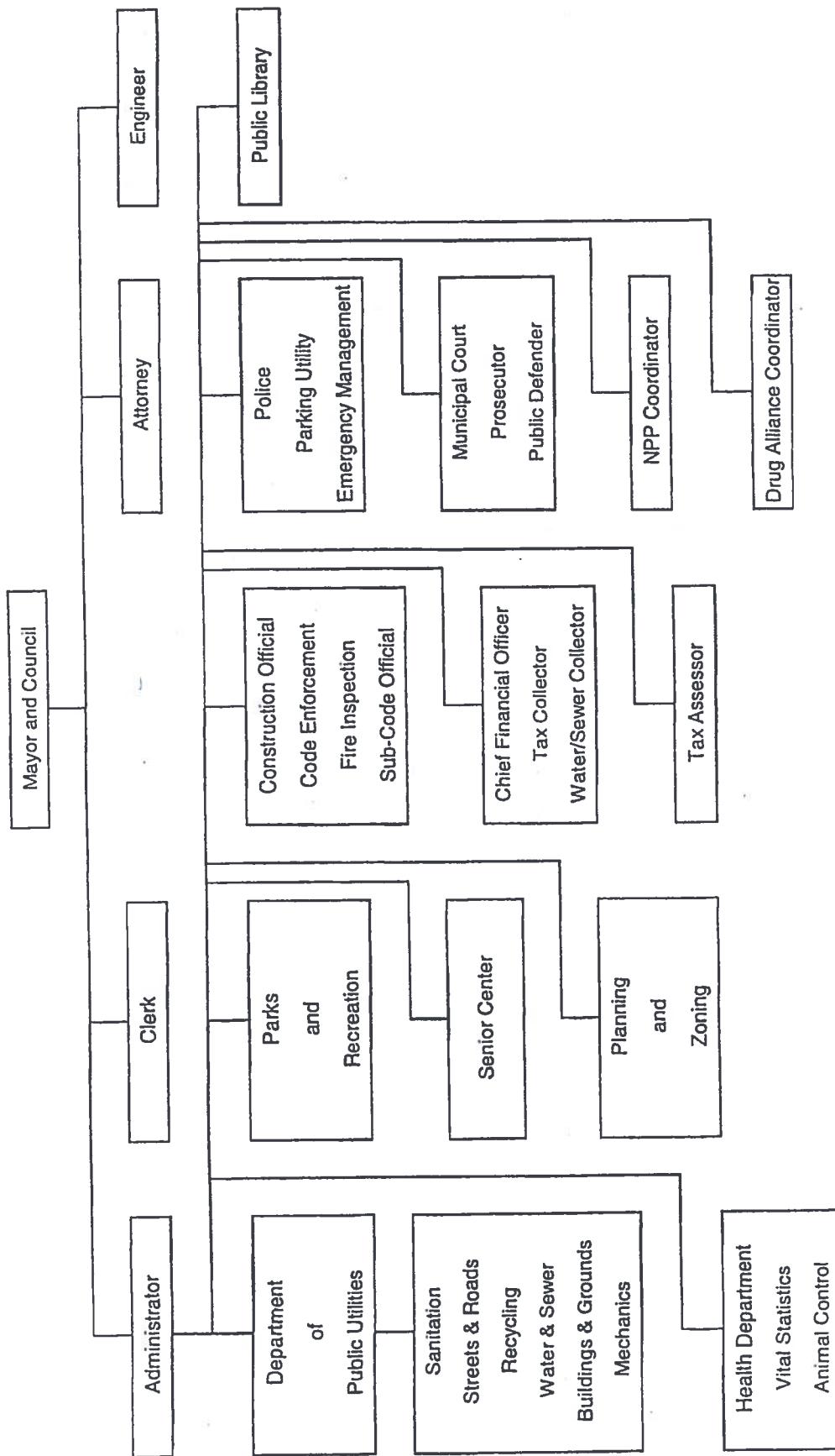
## ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Administration Department. I would also like to express my appreciation to Mr. David A. Kaplan, CPA, RMA for his help and assistance in the preparation of the Borough's Comprehensive Annual Financial Report.

Respectfully submitted,

Frank Mason  
Chief Financial Officer

BOROUGH OF RED BANK  
TABLE OF ORGANIZATION



**BOROUGH OF RED BANK**  
**ROSTER OF OFFICIALS**  
**DECEMBER 31, 2008**

**Governing Body**

Pasquale Menna, Mayor  
Sharon Lee, Council President  
Mary Grace Cangemi, Councilwoman  
James Giannell, Councilman  
Kathy Horgan, Councilwoman  
Michael Dupont, Councilman  
Arthur Murphy, Councilman

**Other Officials**

Frank Mason, Treasurer, Water-Sewer Comptroller,  
Parking Utility Collector and Chief Financial Officer  
  
Dale Connor, Tax Collector  
Mitchell Elias, Tax Assessor  
Stanley Sickels, Borough Administrator, Construction Code Official and Fire Marshall  
Carol Vivona, Borough Clerk and Assessment Search Officer  
William Himelman, Magistrate  
Kenneth E. Pringle, Attorney  
Frances Pastoriza, Municipal Court Administrator  
Jim Williams, Building Subcode Official  
Richard A. Kosenski, Engineer  
John Gurzo, Senior Center Director  
Sidney Johnson, Health Officer

**BOROUGH OF RED BANK**  
**CONSULTANTS AND ADVISORS**  
**DECEMBER 31, 2008**

**AUDIT FIRM**

David A. Kaplan, CPA, RMA  
DAK CPA  
Certified Public Accountants  
512 Marvin Drive  
Long Branch, NJ 07740

**ATTORNEY**

Kenneth E. Pringle, Esq.  
Pringle, Quinn and Anzano, P.C.  
701 Seventh Avenue  
PO Box 420  
Belmar, New Jersey 07719

**BOND COUNSEL**

Wilentz, Goldman & Spitzer  
90 Woodbridge Center Drive  
Suite 900, PO Box 10  
Woodbridge, NJ 07095-0958

**BOROUGH OF RED BANK**  
**CONSULTANTS AND ADVISORS (CONTINUED)**  
**DECEMBER 31, 2008**

**OFFICIAL DEPOSITORYES**

TD/Commerce Bank  
Water Street  
Red Bank, NJ 07701

Dean Witter Trust Company  
NJ Cash Management Fund  
Harborside Financial Center  
Plaza Two  
Jersey City, New Jersey 07311

Bank of America  
157 Broad Street  
Red Bank, New Jersey 07701

Two River Community Bank  
656 Shrewsbury Ave.  
Tinton Falls, New Jersey 07701

Valley National Bank  
74 Broad Street  
Red Bank, New Jersey 07701

## **FINANCIAL SECTION**

David A. Kaplan, CPA, RMA  
512 Marvin Drive  
Long Branch, NJ 07740

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough of Red Bank Council  
Borough of Red Bank of Red Bank  
County of Monmouth  
State of New Jersey

To the Honorable Mayor and Members of the Borough of Red Bank Council:

We have audited the accompanying financial statements – regulatory basis of the various funds and accounts of the Borough of Red Bank (the “Borough”) as of and for the year ended December 31, 2008 as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive regulatory basis of accounting other than accounting principles generally accepted in the United States of America.

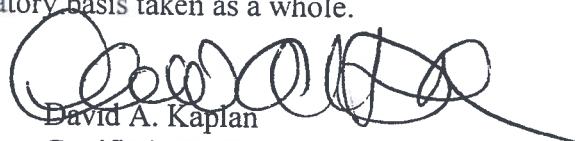
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In our opinion, because of the Borough'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 Borough as of December 31, 2008, or the results of its operations for the year then ended.

However, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and accounts of the Borough as of December 31, 2008, and the results of operations and changes in fund balance – regulatory basis of such funds for the year then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2009, on our consideration of the Borough of Red Bank's internal control over financial reporting and on 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 conducted for the purpose of forming opinions on the financial statements – regulatory basis, that collectively comprise the Borough's basic financial statements. The accompanying supplementary schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements – regulatory basis and, in our opinion, is fairly stated in all material respects in relation to the financial statements – regulatory basis taken as a whole.



David A. Kaplan  
Certified Public Accountant  
Registered Municipal Accountant #433

**DAK CPA**  
DAK CPA, Certified Public Accountants

Long Branch, New Jersey  
May 20, 2009

**BOROUGH OF RED BANK**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNT GROUPS - STATUTORY BASIS**  
**DECEMBER 31, 2008**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2007)**

	Governmental Funds			General Fixed Assets Account	General Fixed Assets Account	Totals 2008	Totals 2008 Memorandum Only
	Current	General Capital	Trust Funds				
<b>ASSETS AND OTHER DEBITS</b>							
Cash and Cash Equivalents	\$ 2,556,134.85	\$ 2,800,781.70	\$ 3,321,072.98	\$ 1,493,017.49	\$ 2,086,699.01	\$ 12,257,706.03	\$ 14,603,614.68
Intergovernmental Receivables	6,231.08	2,021,794.15				2,028,025.23	
Receivables and Other Assets:							
Delinquent Property Taxes	964,090.82			3,101.27	1,050,733.03	1,050,733.03	1,022,711.47
Consumer Accounts Receivable						3,101.27	982,066.93
Assessments Receivable						10,608.66	6,846.01
Inventory						2,667.26	21,078.00
Liens Receivable	53,514.75					56,182.01	46,781.46
Demolition Liens Receivable	8,930.09					8,930.09	8,930.09
Property Acquired for Taxes - Assessed							
Valuation	301,000.00					301,000.00	301,000.00
Other Accounts Receivable	47,405.26					53,213.72	2,207,791.13
Intertfunds Receivable	20,002.37					269,004.33	498,157.59
Capital Lease Obligations, Unfunded	175,000.00			8,200.26		2,341,900.00	3,183,000.00
Deferred Charges	2,341,900.00					15,686,408.57	17,435,199.04
Fixed Capital	15,611,448.57					22,841,462.22	22,166,462.22
Fixed Assets						28,488,920.00	28,621,259.00
Federal and State Grant Fund:							
Cash and Cash Equivalents	164,808.79					164,808.79	188,707.86
Federal and State Grants Receivable	105,807.57					105,807.57	138,486.74
Intertfunds Receivable	40,475.98					40,475.98	39,476.78
Total Assets and Other Debits	\$ 4,343,361.56	\$ 22,950,924.42	\$ 3,395,784.41	\$ 2,565,226.70	\$ 24,928,161.23	\$ 28,488,920.00	\$ 86,672,378.32
							\$ 91,471,569.00

See Notes to Financial Statements.

BOROUGH OF RED BANK  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
 ALL FUND TYPES AND ACCOUNT GROUPS - STATUTORY BASIS  
**DECEMBER 31, 2008**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2007)**

	Governmental Funds			Totals		
	Current	General Capital	Trust Funds	Operating	Utilities	Capital
						General Fixed Assets Account
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>						
Liabilities and Reserves:						
Appropriation Reserves	\$ 538,525.37	\$ 1,606,983.09	\$ 3,333,608.09	\$ 189,418.86	\$ 425,630.84	\$ 727,944.23
Other Liabilities and Reserves	652,590.98	3,861,625.50		563,102.63	2,306,565.93	6,581,915.63
Improvement Authorizations						6,431,627.90
Accrued Interest on Bonds and Notes				169,303.10		7,620,967.58
Reserve for Amortization					12,590,685.56	169,303.10
Deferred Reserve for Amortization					185,776.66	12,590,685.56
Interfunds Payable	45,506.90	6,827.02	52,652.13		29,494.26	185,776.66
Accounts Payable			5,774.87			134,480.31
Serial and Refunding Bonds						5,774.87
Loans Payable						23,139,000.00
Capital Lease Payable - Principal						25,853,000.00
Reserve for Receivables and Other Assets	1,394,943.29			9,390,000.00		1,137,020.18
Federal and State Grant Fund:						3,183,000.00
Interfund Payable	175,000.00					2,341,900.00
Reserve for Encumbrances	1,630.45					2,804,646.39
Unappropriated/Appropriated Reserves	134,461.89					
Total Liabilities and Reserves	2,942,658.88	22,926,239.47	3,392,035.09	1,985,833.54	24,928,153.25	175,000.00
Equity and Other Credits:						224,305.11
Investment in General Fixed Assets						1,630.45
Fund Balance	1,400,702.68	24,684.95	3,749.32	579,393.16	7.98	134,461.89
Total Equity and Other Credits	1,400,702.68	24,684.95	3,749.32	579,393.16	7.98	140,735.82
Total Liabilities, Reserves and Fund Balance	\$ 4,343,361.56	\$ 22,950,924.42	\$ 3,395,784.41	\$ 2,565,226.70	\$ 24,928,161.23	\$ 28,488,920.00
						\$ 86,672,378.32
						\$ 91,471,569.00

See Notes to Financial Statements.

**BOROUGH OF RED BANK**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

		Current Fund		Variance		Utility Operating Funds (1)		Variance
		Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Favorable (Unfavorable)
Revenues:								
Fund Balance Anticipated								
Water-Sewer Rents and Connection Fees	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 100,000.00	\$ 100,000.00	\$ 6,171,000.00	\$ 6,110,599.75	(60,400.25)
Parking Meter Fees	3,777,347.25	3,794,444.35	3,794,444.35	17,097.10	17,097.10	816,000.00	896,122.35	80,122.35
Miscellaneous Revenues						677,436.45	629,193.27	(48,243.18)
Utility Capital Fund Balances								
State Aid	2,943,666.00	2,943,666.00	2,943,666.00					
Federal and State Grants	190,977.13	190,977.13	190,977.13					
Receipts from Delinquent Taxes								
Amount to be Raised by Taxes for Support of Municipal Budget:								
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	10,107,291.69	10,391,229.77	10,391,229.77	283,938.08	283,938.08			
Budget Totals	19,244,282.07	19,582,888.06	19,582,888.06	338,605.99	338,605.99	7,764,436.45	7,735,915.37	(28,521.08)
Non-budget Revenues								
Other Credits to Income								
Taxes Allocated to School, County and Special Districts								
Total Revenues	\$ 19,244,282.07	\$ 46,992,849.98	\$ 46,992,849.98	\$ 27,748,567.91	\$ 27,748,567.91	\$ 7,764,436.45	\$ 8,080,495.16	\$ 316,058.71

See Notes to Financial Statements.

**BOROUGH OF RED BANK**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	Current Fund		Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual	Final Budget	Actual	
<b>Expenditures:</b>					
Current:					\$
General Government	\$ 3,031,530.67	\$ 3,031,530.67			\$
Land Use Administration	181,800.00	181,800.00			
Insurance	2,480,500.00	2,480,500.00			
Public Safety	4,841,439.18	4,841,439.18			
Public Works	1,406,526.00	1,406,526.00			
Landfill/Solid Waste Disposal Costs	525,000.00	525,000.00			
Health and Welfare	217,886.01	217,886.01			
Parks and Recreation	454,007.00	454,007.00			
Utility Expenses and Bulk Purchases	657,773.82	657,773.82			
Uniform Construction Code	295,210.00	295,210.00			
Contingent	1,500.00	1,500.00			
State and Federal Grants	190,977.13	190,977.13			
Operating					
Capital Improvements	30,000.00	30,000.00			
Debt Service	3,484,439.00	3,484,439.00			
Deferred Charges and Statutory					
Expenditures	472,458.73	472,458.73			
Surplus - General Budget					
Reserve for Sick Pay	35,956.88	35,956.88			
Judgements	66,603.84	66,603.84			
Reserve for Uncollected Taxes	870,673.81	870,673.81			
Total Budget Expenditures	<u>19,244,282.07</u>	<u>19,244,282.07</u>			<u>7,764,436.45</u>
Other Expenditures					
County, School and Special District Taxes					
Total Expenditures	\$ 19,244,282.07	\$ 45,873,642.03	\$ (26,629,359.96)	\$ 7,764,436.45	\$ 7,764,436.45

See Notes to Financial Statements.

**BOROUGH OF RED BANK**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	Current Fund		Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual	Final Budget	Actual	
Excess/(Deficit) in Revenues over Expenditures/	\$ 1,119,207.95	\$ 1,119,207.95	\$ 463,334.45	\$ 316,058.71	\$ 316,058.71
Statutory Excess to Fund Balance					
Fund Balance, January 1, 2008	<u>1,581,494.73</u>	<u>1,581,494.73</u>	<u>463,334.45</u>	<u>463,334.45</u>	<u>463,334.45</u>
Decreased By:					
Utilization as Anticipated Revenue	1,300,000.00	1,300,000.00	100,000.00	100,000.00	100,000.00
Transferred to Current Fund					
Fund Balance, December 31, 2008	<u>\$ 281,494.73</u>	<u>\$ 1,400,702.68</u>	<u>\$ 1,119,207.95</u>	<u>\$ 263,334.45</u>	<u>\$ 579,393.16</u>

(1) Includes Parking and Water-Sewer Utilities.

See Notes to Financial Statements.

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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

- A. **Reporting Entity** - This report includes the financial statements of the Borough of Red Bank (the "Borough"), within the County of Monmouth, in the State of New Jersey and reflects the activities of the Municipality, which is under the control of the Borough's Mayor and Council. The financial statements of the Local and Regional Boards of Education are reported separately since their activities are administered by separate boards. A separate audit report has been prepared for the Borough's Free Public Library.
- B. **Description of Funds** - The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough of Red Bank conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are an "Other Comprehensive Basis of Accounting" (OCBOA) which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

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

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

**General Capital Fund** - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

**Water-Sewer and Parking Utility Operating and Capital Funds** - account for the operations and acquisition of capital facilities of the municipality owned Water-Sewer and Parking Utilities. Bonds and notes payable of the utilities are recorded in the respective Utility Capital Funds.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

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

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

**General Fixed Assets Account** - The General Fixed Assets Account is used to account for fixed assets used in general government operations. In accordance with the State's Technical Accounting Directive No. 85-2, the Borough has recorded land and buildings at insurable value. Equipment and vehicles are stated at historical cost. Depreciation is not recorded. 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.

C. **Basis of Accounting** - 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 applicable to local government units. The accounting system is maintained on the modified accrual basis with certain exceptions. The more significant of these are as follows:

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

**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 Borough budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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.

Reserve for Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 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 and related fringe benefits 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 (Foreclosed Property) - is recorded in the Current Fund at the assessed valuation when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the General Fixed Assets Account at its market value.

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.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Reserve for Sale of Municipal Assets - the proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Fixed Assets

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Asset Account. 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.

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Water-Sewer and Parking Utilities are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

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

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

**Fixed Assets (Continued)**

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

**Inventories of Supplies** - Inventory values as reflected in the utility operating funds are stated at cost and are offset by a reserve account. This differs from GAAP, which does not allow the establishment of an offsetting revenue. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

**Other Post Retirement Benefits** - GAAP requires an accrual for the actuarially determined Annual Required Contribution (ARC). No such accrual is required under the OCBOA basis of accounting prescribed for New Jersey Municipalities.

**Total Columns on Combined Statements** - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

D. **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 Borough 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.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough classifies all short term securities with a maturity date of ninety (90) days or less from the date of purchase as a cash or cash equivalent.

The carrying value of the Borough's cash and cash equivalents at December 31, 2008 was \$ 12,422,514.82

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 2. **CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

B. **Investments**

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permits local governments to invest in a wide range of obligations issued by State governments and its agencies.

The Borough had no investments at year end. Accordingly, the Borough's exposure to credit risk and interest rate risk was mitigated.

Concentration of Credit Risk:

Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk. The Borough places no limit on the amount the Borough may invest with any one issuer.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

**Note 3. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS**

The Borough of Red Bank maintains two enterprise funds that provide parking and water-sewer service. Segment information for the year ended December 31, 2008 is as follows:

	<u>Parking</u>	<u>Water-Sewer</u>	<u>Total</u>
	<u>Utility</u>	<u>Utility</u>	<u>Enterprise Fund</u>
<b>Revenue and Other Income Realized:</b>			
Operating Fund Balance Appropriated	\$ 896,122.35	\$ 100,000.00	\$ 100,000.00
Parking Fees			896,122.35
Water-Sewer Rents		6,085,066.75	6,085,066.75
Water and Sewer Connection Fees		25,533.00	25,533.00
Riverview Hospital - Lease Agreement	275,459.99		275,459.99
Reserve for Payment of Bonds	50,000.00		50,000.00
Current Budget Appropriations Cancelled		253,259.40	253,259.40
Capital Fund Balance		32,436.45	32,436.45
Non-Budget Revenue	15,123.85	127,296.83	142,420.68
Other Credits to Income - Unexpended Balance of Appropriation Reserves	<u>79,037.82</u>	<u>141,158.72</u>	<u>220,196.54</u>
 Total Income	 <u>1,315,744.01</u>	 <u>6,764,751.15</u>	 <u>8,080,495.16</u>
 <b>Expenditures:</b>			
Operating	792,234.00	4,906,532.05	5,698,766.05
Debt Service	245,766.00	1,193,645.00	1,439,411.00
Deferred Charges and Statutory Expenditures	47,000.00	279,259.40	326,259.40
Surplus General Budget	100,000.00	200,000.00	300,000.00
Total Expenditures	<u>1,185,000.00</u>	<u>6,579,436.45</u>	<u>7,764,436.45</u>
 Statutory Excess to Fund Balance	 130,744.01	 185,314.70	 316,058.71
 Fund Balance, January 1	 <u>151,733.11</u>	 <u>311,601.34</u>	 <u>463,334.45</u>
	 282,477.12	 496,916.04	 779,393.16
 <b>Decreased by:</b>			
Utilized as Anticipated Revenue		100,000.00	100,000.00
Transferred to Current Fund	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>
	<u>100,000.00</u>	<u>100,000.00</u>	<u>200,000.00</u>
 Fund Balance, December 31	 <u>\$ 182,477.12</u>	 <u>\$ 396,916.04</u>	 <u>\$ 579,393.16</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 4. **TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County, Special Improvement District and Schools purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and is calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

**Comparative Schedule of Tax Rates**

	<u>2008</u>	<u>* 2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	1.594	1.541	3.428	3.223	3.076
Apportionment of Tax Rate:					
Municipal	0.445	0.384	0.836	0.792	0.749
County	0.231	0.237	0.528	0.492	0.460
County Open Space Fund	0.015	0.015	0.030	0.029	0.028
Local School	0.538	0.534	1.200	1.165	1.135
Regional High School	0.365	0.371	0.834	0.745	0.704

\* Revaluation.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 4. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2008	\$ 2,271,728,671.00
2007 (Revaluation)	2,238,531,929.00
2006	973,173,643.00
2005	965,104,265.00
2004	963,776,234.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2008	\$ 37,210,091.47	\$ 36,238,095.23	97.38%
2007	35,414,391.89	34,387,238.82	97.09%
2006	34,148,086.45 **	33,462,074.21	97.99%
2005	31,879,009.84 **	31,206,487.37	97.89%
2004	30,150,721.08 **	29,680,324.58	98.44%

\*\* Tax levy is net of cancellations due to tax appeals.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$ 53,514.75	\$ 964,090.82	\$ 1,017,605.57	2.73%
2007	45,541.00	1,022,711.47	1,068,252.47	3.02%
2006	41,077.99	681,742.14	722,820.13	2.12%
2005	33,514.78	672,522.47	706,037.25	2.21%
2004	32,673.70	466,988.29	499,661.99	2.20%

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2008	\$ 301,000.00
2007	301,000.00
2006	301,000.00
2005	157,200.00
2004	157,200.00

Note 6. WATER-SEWER CONSUMER ACCOUNTS RECEIVABLE

The Borough of Red Bank maintains a utility fund for the billing and collection of water-sewer rents.

A comparison of Water-Sewer Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Rents Charged</u>	<u>Collections</u>
2008	\$ 6,155,159.65	\$ 6,085,066.75
2007	5,694,543.65	5,537,098.99
2006	5,741,351.66	5,760,522.78
2005	5,824,607.51	5,423,652.88
2004	4,604,835.47	4,633,580.25

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

**Note 7. FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund in Succeeding Year</u>	<u>Percentage of Fund Balance Utilized in Budget</u>
<u>Current Fund</u>				
2008 *	\$ 1,400,702.68	\$ 1,155,000.00	\$	82.46%
2007	1,581,494.73	1,300,000.00		82.20%
2006	1,981,352.55	1,300,000.00		65.61%
2005	1,683,738.19	1,185,769.05		70.42%
2004	1,906,789.35	1,237,887.89		64.92%

\* As Introduced

Water-Sewer Utility Operating Fund

2008 *	\$ 396,916.04	\$ None	\$ None	None
2007	311,601.34	100,000.00	200,000.00	32.09%
2006	1,011,601.34	400,000.00	300,000.00	39.54%
2005	687,085.96	200,000.00	300,000.00	29.11%
2004	197,630.07	None	None	None

\* As Introduced

Parking Utility Operating Fund

2008 *	\$ 182,477.12	\$ None	\$ 100,000.00	
2007	151,733.11	None	100,000.00	None
2006	293,680.82	None	250,000.00	None
2005	346,730.02	None	225,000.00	None
2004	316,396.68	None	250,000.00	None

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 8. **PENSION PLANS**

**Description of Systems**

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems that have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

**Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was established January 1, 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 ten years of service credit and twenty-five years of service credit for medical benefits.

Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55<sup>th</sup> of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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 the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2007**

Note 8. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Retirement System (CPFRS) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Funding Policy

Employee contributions for PERS were five percent (5%) through July 1 and five and one-half percent (5.5%) thereafter and for PFRS were eight and one-half percent (8½%), respectively, of their base wages. Employer's contributions are actuarially determined annually by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Borough</u>	<u>Employees</u>	<u>Borough</u>	<u>Employees</u>
2006	\$ 126,839.00	\$ 277,432.87	\$ 308,549.12	\$ 476,993.63
2007	187,774.04	288,136.38	506,818.40	502,225.07
2008	244,615.20	317,622.55	768,602.00	518,768.11

All contributions were equal to the required contributions for each of the three years, respectively.

Post Employment Retirement Benefits

The Public Employees' Retirement System and the Police and Firemen's Retirement System provide certain post employment retirement benefits.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or required by the issuance of bonds.

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

Calendar Year	General Capital		Parking Capital		
	Principal	Interest	Principal	Interest	
2009	\$ 1,988,000.00	\$ 541,798.50	\$ 170,000.00	\$ 20,882.50	
2010	1,947,000.00	459,694.13	95,000.00	12,738.75	
2011	1,838,000.00	380,953.50	105,000.00	9,176.25	
2012	1,609,000.00	307,422.75	105,000.00	5,313.75	
2013	1,750,000.00	242,559.00	60,000.00	2,250.00	
2014	1,129,000.00	171,812.00			
2015	827,000.00	130,992.50			
2016	830,000.00	95,455.00			
2017	890,000.00	58,905.00			
2018	941,000.00	19,996.25			
	<b>\$ 13,749,000.00</b>	<b>\$ 2,409,588.63</b>	<b>\$ 535,000.00</b>	<b>\$ 50,361.25</b>	

Calendar Year	Water-Sewer Capital		TOTAL		Grand Totals
	Principal	Interest	Principal	Interest	
2009	\$ 595,000.00	\$ 353,780.01	\$ 2,753,000.00	\$ 916,461.01	\$ 3,669,461.01
2010	625,000.00	330,673.76	2,667,000.00	803,106.64	3,470,106.64
2011	640,000.00	306,205.01	2,583,000.00	696,334.76	3,279,334.76
2012	700,000.00	280,230.01	2,414,000.00	592,966.51	3,006,966.51
2013	750,000.00	251,681.26	2,560,000.00	496,490.26	3,056,490.26
2014	650,000.00	220,571.88	1,779,000.00	392,383.88	2,171,383.88
2015	685,000.00	192,950.00	1,512,000.00	323,942.50	1,835,942.50
2016	730,000.00	163,240.63	1,560,000.00	258,695.63	1,818,695.63
2017	735,000.00	132,281.25	1,625,000.00	191,186.25	1,816,186.25
2018	480,000.00	106,462.50	1,421,000.00	126,458.75	1,547,458.75
2019	550,000.00	84,575.00	550,000.00	84,575.00	634,575.00
2020	560,000.00	60,987.50	560,000.00	60,987.50	620,987.50
2021	575,000.00	36,868.75	575,000.00	36,868.75	611,868.75
2022	580,000.00	12,325.00	580,000.00	12,325.00	592,325.00
	<b>\$ 8,855,000.00</b>	<b>\$ 2,532,832.56</b>	<b>\$ 23,139,000.00</b>	<b>\$ 4,992,782.44</b>	<b>\$ 28,131,782.44</b>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	2008	2007	2006
<b>Issued:</b>			
General (Includes Trust Assessment)			
Bonds and Notes	\$ 13,749,000.00	\$ 15,668,000.00	\$ 15,452,250.00
Loans Payable	1,014,209.73	1,137,020.18	1,275,789.65
Water-Sewer Utility			
Bonds and Notes	8,855,000.00	9,480,000.00	8,255,000.00
Parking Utility			
Bonds and Notes	535,000.00	700,000.00	865,000.00
	<u>24,153,209.73</u>	<u>26,985,020.18</u>	<u>25,848,039.65</u>
<b>Authorized but not Issued:</b>			
General			
Bonds and Notes	848,238.86	520,238.86	554,863.86
Water-Sewer Utility			
Bonds and Notes	675,000.00	9,500.00	26,000.00
Parking Utility			
Bonds and Notes	None	None	None
	<u>1,523,238.86</u>	<u>529,738.86</u>	<u>580,863.86</u>
<b>Total Debt</b>	<b><u>25,676,448.59</u></b>	<b><u>27,514,759.04</u></b>	<b><u>26,428,903.51</u></b>
<b>Less:</b>			
Cash on Hand - Assessment	None	None	879.92
Reserves for Payment of			
Bonds and Notes:			
General Capital	185,710.52	110,805.25	731.13
Water-Sewer Utility	None	560.37	
Parking Utility	<u>96,868.64</u>	<u>146,868.64</u>	<u>131,904.52</u>
	<u>282,579.16</u>	<u>258,234.26</u>	<u>133,515.57</u>
<b>Net Bonds and Notes Issued and</b>			
<b>Authorized but not Issued</b>	<b><u>\$ 25,393,869.43</u></b>	<b><u>\$ 27,256,524.78</u></b>	<b><u>\$ 26,295,387.94</u></b>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

**Note 9. MUNICIPAL DEBT (CONTINUED)**

## Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 678%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 3,506,673.02	\$ 3,506,673.02	\$ None
Local School District	5,124,198.00	5,124,198.00	None
Water-Sewer Utility	9,530,000.00	9,530,000.00	None
Parking Utility	535,000.00	535,000.00	None
General	<u>15,611,448.59</u>	<u>360,766.75</u>	<u>15,250,681.84</u>
	<u>\$ 34,307,319.61</u>	<u>\$ 19,056,637.77</u>	<u>\$ 15,250,681.84</u>

Net debt, \$15,250,681.84 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$2,250,198,553 equals .678%. The Annual Debt Statement as originally filed has been amended.

## School Debt Deductions

School debt is deductible up to the extent of 3% for each School District of the Average Equalized Assessed Valuations of real property for the Local and Regional School Districts.

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

**Cash Receipts for Fees, Rents or Other  
Charges for the year**

### Deductions:

Operating and Maintenance Costs \$ 5,185,791.45  
Debt Service 1,193,645.00 6,379,436.45

Excess in Revenue \$ 132,055.20

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose", Parking Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the year	\$ 1,236,706.19
<b>Deductions:</b>	
Operating and Maintenance Costs	\$ 839,234.00
Debt Service	<u>245,766.00</u>
	<u>1,085,000.00</u>
Excess in Revenue	<u>\$ 151,706.19</u>

1994 General Obligation Bonds

On December 1, 1994 the Borough issued \$2,474,000.00 aggregate general obligation bonds consisting of \$1,300,000.00 General Improvement Bonds, \$204,000.00 Water-Sewer Utility Bonds and \$970,000.00 Parking Utility Bonds, all at an annual interest rate of 6.30%.

Redemption

The General Improvement Bonds and Parking Utility Bonds of this series are subject to redemption prior to their stated maturities as follows:

The General Improvement Bonds and Parking Utility Bonds of this issue maturing prior to December 1, 2005 are not subject to redemption prior to their stated maturities. The General Improvement Bonds and Parking Utility Bonds of this issue maturing on or after December 1, 2005 are subject to redemption at the option of the Borough, in whole or in part of any date, on or after December 1, 2004 upon notice as required herein, at the respective price expressed as percentages of the principal amount set forth below (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption:

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Price</u>
December 1, 2004 to November 30, 2005	102%
December 1, 2005 to November 30, 2006	101%
December 1, 2006 and thereafter	100%

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

1994 General Obligation Bonds (Continued)

Redemption (Continued)

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Notice of Redemption also shall be mailed by first class mail in a sealed envelope with postage prepaid to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough's Chief Financial Officer or duly appointed Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of such Bonds. Any failure of such Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of such Bonds prior to maturity, such Bonds shall be redeemed by the Borough in inverse order of maturity and within any maturity shall be selected by the Borough by lot.

If Notice of Redemption has been given as provided herein, such Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

No redemption occurred during 2008.

1995 General Improvement

On January 27, 1995 the Borough issued \$1,714,000.00 aggregate principal amount of General Improvement Bonds. The Bonds were issued through the Monmouth County Improvement Authority's (the "Authority") Pooled Governmental Loan Program and bear interest at the rate of interest per annum that shall be determined from time to time by the Authority.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

1995 General Improvement (Continued)

Optional Redemption

The Borough adopted a \$950,000.00 Refunding Bond Ordinance (No. 50-05) on December 22, 2005, authorizing the issuance of General Obligation Refunding Bonds through the Monmouth County Improvement Authority. The purpose for which these bonds were issued is to refund the callable 1995 General Improvement Bonds maturing from January 2007 through January 2015 totaling \$889,000.00. The transaction was completed in 2006 and the 1995 Bonds were redeemed in full.

1995 General Obligation Bonds

On November 1, 1995, the Borough issued \$3,360,000.00 aggregate General Obligation Bonds consisting of \$2,985,000.00 General Improvement Bonds and \$375,000.00 of Water-Sewer Utility Bonds. The Bonds mature annually on November 1 through 2010 in the principal amounts and interest rates as reflected on Exhibits D-7 and FWS-3 in the Supplementary Section of this report. Interest rates on remaining bonds outstanding range from 5.100% to 5.20%.

Optional Redemption

The General Improvement Bonds of this issue maturing prior to November 1, 2006 are not subject to redemption prior to their stated maturities. The General Improvement Bonds of this issue maturing on or after November 1, 2006 are subject to redemption at the option of the Borough, in whole or in part on any date, on or after November 1, 2005 upon notice as required herein, at the respective prices expressed as percentages of the principal amount set forth below (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
November 1, 2005 to October 31, 2006	102%
November 1, 2006 to October 31, 2007	101%
November 1, 2007 and thereafter	100%

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

1995 General Obligation Bonds (Continued)

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Notice of Redemption also shall be mailed by first class mail in a sealed envelope with postage prepaid to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough's Chief Financial Officer or a duly appointed Registrar.

So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of such Bonds. Any failure of such Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of such Bonds prior to maturity, such Bonds shall be redeemed by the Borough in inverse order of maturity and within any maturity shall be selected by the Borough by lot.

Optional Redemption (Continued)

If Notice of Redemption has been given as provided herein, such Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

1998 General Obligation Bonds

On October 1, 1998 the Borough issued \$3,623,000 of General Obligation Bonds consisting of \$3,273,000 General Improvement Bonds and \$350,000 Water-Sewer Utility Bonds. The Bonds mature annually on October 1 of each year in various amounts through October 1, 2011. All remaining Bonds carry an interest rate of 4.150%.

Redemption

The Bonds of this issue maturing prior to October 1, 2006 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after October 1, 2006 are subject to redemption at the option of the Borough, in whole or in part on any date, on or after October 1, 2005, upon notice as required herein, at the respective prices expressed as percentages of the principal amount set forth below (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
October 1, 2005 to September 30, 2006	101%
October 1, 2006 and thereafter	100%

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

1998 General Obligation Bonds (Continued)

Redemption of Bonds (Continued)

Notice of Redemption shall be given by mailing, by first class mail, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, in a sealed envelope with postage prepaid to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough's Chief Financial Officer or a duly appointed Registrar. So long as DTC (as hereinafter defined) (or any successor thereto) acts as securities depository for the Bonds, Notice of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of such Bonds. Any failure of such securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of such Bonds prior to maturity, such Bonds shall be redeemed by the Borough in inverse order of maturity and within any maturity shall be selected by the Borough by lot.

If Notice of Redemption has been given as provided herein, such Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

2002 General Obligation Bonds

On August 1, 2002, the Borough issued \$7,216,000 of General Obligation Bonds consisting of \$5,481,000.00 General Improvement Bonds, \$1,200,000 in Water-Sewer Utility Bonds and \$535,000 in Parking Utility Bonds. The Bonds mature annually on August 1 of each year in various amounts through August 1, 2013. Interest rates range from 3.625% to 3.75%. The Bonds are not callable prior to maturity.

2004 General Obligation Bonds

On June 15, 2004, the Borough issued \$5,826,000 General Obligation Bonds consisting of \$2,731,000 General Improvement Bonds, \$2,780,000 Water-Sewer Utility Bonds and \$315,000 Parking Utility Bonds. The Bonds mature annually on February 1 of each year in various amounts through 2017. Interest rates range from 3.5% to 4.0%. The Bonds are not callable prior to maturity.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

2007 General Obligation Bonds

On July 15, 2007, the Borough issued \$13,776,000 General Obligation Bonds consisting of \$7,391,000 General Improvement Bonds and \$6,385,000 Water-Sewer Utility Bonds. The Bonds mature annually on February 1 of each year in various amounts through 2022. Interest rates range from 4.00% to 4.25%. The Bonds are callable prior to maturity as is described below.

Redemption

The Bonds of this issue maturing prior to February 1, 2017 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after February 1, 2017 are subject to redemption at the option of the Borough, in whole or in part on any date, on or after February 1, 2016, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption shall be given by first class mail, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, in a sealed envelope with postage prepaid to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough or a duly appointed bond registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of such Bonds. Any failure of DTC to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be redeemed by the Borough in inverse order of maturity and within any maturity shall be selected by the Borough by lot.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

Bond Anticipation Notes

There were no Outstanding Bond Anticipation Notes at December 31, 2008.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

Schedule of Changes in Bonded Debt

<u>Type</u>	<u>December 31, 2007</u>	<u>Payments</u>	<u>December 31, 2008</u>
General Improvement	\$ 14,876,000.00	\$ 1,815,000.00	\$ 13,061,000.00
Water- Sewer	9,480,000.00	625,000.00	8,855,000.00
Parking	705,000.00	170,000.00	535,000.00
Refunding-General	792,000.00	104,000.00	688,000.00
	<u>\$ 25,853,000.00</u>	<u>\$ 2,714,000.00</u>	<u>\$ 23,139,000.00</u>

Assessment Debt

The Borough was not obligated for any assessment debt at December 31, 2008.

Bonds and Notes Authorized but not Issued

At December 31, 2008, the Borough of Red Bank has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 848,238.86
Water-Sewer Utility Capital Fund	675,000.00
Parking Utility Capital Fund	<u>None</u>
	<u>\$ 1,523,238.86</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

As of December 31, 2008, the Borough's long-term debt is as follows:

General Serial Bonds

\$1,300,000 1994 Bonds due in a final annual installment of \$100,000 on December 1, 2009 at an interest rate of 6.30%.	\$ 100,000.00
\$2,985,000 1995 Bonds due in annual installments of \$200,000 through 2010 at interest rates ranging from 5.10% to 5.20%.	400,000.00
\$3,273,000 1998 Bonds due in annual installments of \$300,000 to \$353,000 through October 2011 at an interest rate of 4.150%.	963,000.00
\$5,481,000 2002 Bonds due in annual installments of \$515,000 to \$696,000 through August 2013 at interest rates ranging from 3.625% to 3.75%.	2,906,000.00
\$2,731,000 2004 Bonds due in annual installments of \$270,000 to \$331,000 through February 2014 at interest rates ranging from 3.5% to 4%.	1,771,000.00
\$7,391,000 2007 Bonds due in annual installments of \$500,000 to \$941,000 through July 2018 of interest rates ranging from 4% to 4.25%.	<u>6,921,000.00</u>
	<u>\$ 13,061,000.00</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

General Refunding Serial Bonds

\$896,000 2006 General Refunding Serial Bonds due in annual installments of \$87,000 to \$103,000 through February 2015 at interest rates ranging from 3.50% to

\$ 688,000.00  
\$ 688,000.00

Parking Utility Capital Fund Serial Bonds

\$970,000.00 1994 Bonds due in a final annual installment of \$75,000 on December 1, 2009 at an interest rate of 6.30%.

\$ 75,000.00  
\$ 60,000 through August 2013 at interest rates ranging from 3.625% to 3.75%. 290,000.00  
\$ 315,000 2004 Bonds due in annual installments of \$40,000 to \$45,000 through February 2012 at interest rates ranging from 3.5% to 3.75%. 170,000.00  
\$ 535,000.00

Water-Sewer Utility Capital Fund Serial Bonds

\$1,200,000 2002 Bonds due in annual installments of \$115,000 to \$150,000 through August, 2013 at interest rates ranging from 3.625% to 3.75%.

\$ 660,000.00  
\$ 2,780,000 2004 Bonds due in annual installments ranging from \$190,000 to \$280,000 through February, 2017 at interest rates ranging from 3.5% to 4.25%. 2,100,000.00

\$6,385,000 2007 Bonds due in annual installments ranging from \$290,000 to \$580,000 through July 2022 at interest rates ranging from 4% to 4.25%

6,095,000.00  
\$ 8,855,000.00

Grand Total

\$ 23,139,000.00

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Green Trust Loan Agreements

The Borough has indebtedness related to the State of New Jersey Green Trust Loan Program. The repayment is at a 2% interest rate and is aggregated as follows:

Year	Eastside Park Acq.		Eastside Park Dev.			
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 12,131.23	\$ 305.41	\$ 9,407.15	\$ 333.26		
2010	<u>6,156.74</u>	<u>61.57</u>	<u>9,596.24</u>	<u>144.18</u>		
	<u><b>\$ 18,287.97</b></u>	<u><b>\$ 366.98</b></u>	<u><b>\$ 19,003.39</b></u>	<u><b>\$ 477.44</b></u>		
Year	Riverside Gardens Acq.		Riverside Gardens Dev. 1&2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 54,030.16	\$ 6,549.48	\$ 49,710.42	\$ 12,472.76	\$ 125,278.96	\$ 19,660.91
2010	<u>55,116.17</u>	<u>5,463.47</u>	<u>50,709.60</u>	<u>11,473.60</u>	<u>121,578.75</u>	<u>17,142.82</u>
2011	<u>56,224.00</u>	<u>4,355.64</u>	<u>51,728.88</u>	<u>10,454.32</u>	<u>107,952.88</u>	<u>14,809.96</u>
2012	<u>57,354.11</u>	<u>3,225.54</u>	<u>52,768.62</u>	<u>9,414.58</u>	<u>110,122.73</u>	<u>12,640.12</u>
2013	<u>58,506.92</u>	<u>2,072.72</u>	<u>53,829.26</u>	<u>8,353.92</u>	<u>112,336.18</u>	<u>10,426.64</u>
2014	<u>59,682.91</u>	<u>896.73</u>	<u>54,911.24</u>	<u>7,271.96</u>	<u>114,594.15</u>	<u>8,168.69</u>
2015			<u>56,014.96</u>	<u>6,168.24</u>	<u>56,014.96</u>	<u>6,168.24</u>
2016			<u>57,140.84</u>	<u>5,042.34</u>	<u>57,140.84</u>	<u>5,042.34</u>
2017			<u>58,289.36</u>	<u>3,893.80</u>	<u>58,289.36</u>	<u>3,893.80</u>
2018			<u>59,461.00</u>	<u>2,722.18</u>	<u>59,461.00</u>	<u>2,722.18</u>
2019			<u>60,656.16</u>	<u>1,527.02</u>	<u>60,656.16</u>	<u>1,527.02</u>
2020			<u>30,783.74</u>	<u>307.84</u>	<u>30,783.74</u>	<u>307.84</u>
	<u><b>\$ 340,914.27</b></u>	<u><b>\$ 22,563.58</b></u>	<u><b>\$ 636,004.08</b></u>	<u><b>\$ 79,102.56</b></u>	<u><b>\$ 1,014,209.71</b></u>	<u><b>\$ 102,510.56</b></u>

Note 10. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges are shown on the Balance Sheets of the various funds.

	Balance December 31, 2007	2008 Budget Appropriation	Balance to Succeeding Budgets
<b>Current Fund:</b>			
Special Emergency Appropriations per N.J.S.A. 40A:4-54	\$ 109,940.00	\$ 34,980.00	\$ 74,960.00

The appropriations in the 2009 budget, as amended, are as required by statute

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 11. LOCAL DISTRICT SCHOOL TAXES AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Red Bank raises its share of Local District School Taxes and Regional High School Taxes on a school year basis and has elected to defer these taxes as follows:

	Local District School Tax Balance, December 31			Regional High School Tax Balance, December 31		
			Increase/ (Decrease)			Increase/ (Decrease)
	2007	2008		2007	2008	
Balance of Tax	\$ 5,987,761.25	\$ 6,104,616.73	\$ 116,855.48	\$ 4,148,205.58	\$ 4,142,497.30	\$ (5,708.28)
Deferred Payable	<u>5,956,724.50</u>	<u>6,056,724.50</u>	<u>100,000.00</u>	<u>4,066,556.36</u>	<u>4,116,556.36</u>	<u>50,000.00</u>
Tax Payable	\$ <u>31,036.75</u>	\$ <u>47,892.23</u>	\$ <u>16,855.48</u>	\$ <u>81,649.22</u>	\$ <u>25,940.94</u>	\$ <u>(55,708.28)</u>

Note 12. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 20,002.37	\$ 45,506.90
Federal and State Grant	40,475.98	175,000.00
General Capital	175,000.00	6,827.02
Trust Other	65,801.70	39,476.78
Water-Sewer Operating		
Water-Sewer Capital	6,843.12	28,137.12
Trust Assessment		8.13
Parking Operating	1,357.14	
Parking Capital		1,357.14
Animal Control		<u>13,167.22</u>
	<u>\$ 309,480.31</u>	<u>\$ 309,480.31</u>

The Current Fund has interfunds due from various funds representing interest earned but not paid over and the excess in the Animal Control fund. Parking Capital interest is due to Parking Operating Fund.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 13. CAPITAL LEASE

The Borough is a participant in the Monmouth County Improvement Authority's Capital Equipment Pooled Lease Program. At December 31, 2008, the Borough's outstanding principal capital lease obligation to the County was \$2,341,900.00. Interest rates range from 1.16% to 6.6%. The maturity schedule for these obligations for the next five years and thereafter is as follows:

<u>Year</u>	<u>Principal Amount Due</u>
2009	\$ 507,200.00
2010	529,500.00
2011	446,300.00
2012	464,100.00
2013	125,200.00
2014-2016	<u>269,600.00</u>
	<u>\$ 2,341,900.00</u>

Note 14. DEFERRED COMPENSATION PLAN

The Borough of Red Bank offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., an the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:3-37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The plan was adopted by Resolution on October 13, 1998 and amended by Resolution on February 23, 1999, and again on November 28, 2005 by Resolution 05-201.

The administrator for the Borough of Red Bank's Deferred Compensation Plan is Valic.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

A. Property and Liability Insurance

The Borough is a member of the following:

Monmouth Municipal Joint Insurance Fund  
N.J. Municipal Excess Liability Joint Insurance Fund  
N.J. Environmental Joint Insurance Fund  
N.J. Residual Claims Joint Insurance Fund

These Joint Insurance Funds provide coverage for losses related to Auto, General Liability, Property Damage, Workers Compensation, Environmental Liability, Employee Practices Liability, Public Officials Liability, Police Liability and Employee Fidelity. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused by or related to the Borough and its employees.

B. New Jersey Unemployment Compensation Insurance

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

<u>Year Ended December 31,</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Borough Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008	\$ 749.88	\$ 30,351.53	\$ 25,000.00	\$ 31,264.28	\$ 66,182.57
2007	926.93	29,350.40	40,000.00	40,577.29	41,345.44
2006	244.30	39,981.76	None	34,695.65	11,645.40

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 16. CONTINGENT LIABILITIES

A. Compensated Absences

The Borough has a contingent liability for accrued sick time costs at December 31, 2008 of \$2,533,207. The Borough is only liable for accrued sick time when an employee retires. Police hired prior to December 30, 1992 receive payment for up to 300 days unused sick time at their current rate. Police hired after that date receive payment for one half of their unused sick days, up to a maximum of \$20,000. For administrative employees, those hired prior to January 1, 1994 receive payment for up to 260 days unused sick time at their current rate. Administrative employees hired after that date receive payment for one half of their unused sick days up to a maximum of \$15,000. Public Works employees hired prior to January 1, 1994 receive payment for up to 260 days unused sick time at their current rate. Public Works employees hired after that date receive payment for one half of their unused sick days up to a maximum of \$15,000. The Borough has no contingent liability for accrued vacation time costs at December 31, 2008.

B. Litigation

The Borough is party to various legal proceedings. These legal proceedings are not likely to have a material adverse impact on the Borough, based upon inquiry of management and direct confirmation from the Borough Attorney.

C. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2008 of \$117,632.90. Should the appeals, when finally adjudicated, exceed the amounts provided, a charge to fund balance will result.

Note 17. LOSAP

The Borough approved resolution 03-258 on December 9, 2003 which adopted a Length of Service Award Program (LOSAP) Deferred Plan. The LOSAP is available to all bonafide eligible volunteers performing qualified services for the Borough.

On November 14, 2005 Valic was appointed as the Borough's LOSAP provider. The Borough contributes annually to the LOSAP plan. Pursuant to the statutory requirements, the Borough had the LOSAP program reviewed.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

Note 18. OTHER EMPLOYEE BENEFITS

Benefit Plans

The Borough provides, pursuant to Mayor and Council action and as provided by statute, certain group health care and dental benefits for active and certain retired employees (and for eligible dependents and survivors of active and certain retired employees). Collectively, these covered individuals are referred to as "participants".

The Borough implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2008.

Actuarial Methods and Assumptions

The Borough provides the benefits described above to greater than 100 participants and accordingly the alternative measurement method was not employed. Some of the assumptions utilized in the computations are as follows:

Discount Rate	4.0% - Assuming No Prefunding
Mortality	RP 2000 Mortality Table for Males and Females
Turnover	Standard Turnover Assumptions
Healthcare Cost Trends	Annual Increase Ranging from 5% to 10%
Marital Status	Present Status maintained throughout
Amortization Period	30 years
Actuarial Method	Projected Unit Credit Cost
Amortization Method	Straight – Line Basis
Average Retirement Age	Based on PERS and PFRS Guidance

Other Postemployment Benefit Costs and Obligations

The annual non-pension postemployment benefit (OPEB) cost is actuarially determined in accordance with the parameters of the alternative measurement method, which also forms the basis for calculating the annual required contribution (ARC) for the Borough. The ARC represents that actuarially determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30-year amortization of the difference between the actuarial accrued liability and amounts previously recognized. The Borough has not recognized OPEB costs in the past.

The following are the components of the 2008 annual OPEB cost:

Normal Cost	\$ 830,700
Amortization Cost	<u>1,958,800</u>
ARC	\$ 2,789,500

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2008**

**Note 18. OTHER EMPLOYEE BENEFITS**

As of December 31, 2008, the actuarially determined liability for unfunded OPEB obligation equaled \$33,872,000.

**Funding Status**

The Borough provides funding for the annual normal cost of OPEB benefits. The Borough has not provided any funding for its unfunded accrued OPEB obligation. Funding alternatives are being reviewed.

COMBINING AND INDIVIDUAL FUND  
AND ACCOUNT STATEMENTS

**CURRENT FUND**

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	December 31,	
	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 2,556,134.85	\$ 3,188,128.73
Intergovernmental Receivable:		
Due from State of New Jersey:		
Senior Citizens' and Veterans' Deductions	6,231.08	5,553.06
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	964,090.82	1,022,711.47
Liens Receivable:		
Tax Title Liens Receivable	53,514.75	45,541.00
Demolition	8,930.09	8,930.09
Property Acquired for Taxes - Assessed Valuation	301,000.00	301,000.00
Other Accounts Receivable:		
Revenue Accounts Receivable	47,405.26	67,011.32
Interfunds Receivable	20,002.37	63,130.53
Deferred Charges:		
Special Emergency Authorization N.J.S. 40A:4-53	<u>74,960.00</u>	<u>109,940.00</u>
	<u>4,032,269.22</u>	<u>4,811,946.20</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	164,808.79	188,707.86
Federal and State Grants Receivable	105,807.57	138,486.74
Interfund Receivable	<u>40,475.98</u>	<u>39,476.78</u>
	<u>311,092.34</u>	<u>366,671.38</u>
Total Assets	<u>\$ 4,343,361.56</u>	<u>\$ 5,178,617.58</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	December 31,	
	<u>2008</u>	<u>2007</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 538,525.37	\$ 721,068.69
Prepaid Taxes	152,531.66	226,389.08
Payroll Taxes Payable	3,550.68	3,201.63
Tax Overpayments	90,152.49	107,388.74
Local School District Tax Payable	47,892.23	21,036.75
Regional High School District Tax Payable	25,940.94	81,649.22
Due County for Added Taxes	47,168.19	58,007.24
Special District Taxes Payable		85,007.50
Reserve for Encumbrances	141,291.16	91,493.88
Reserve for State Tax Appeals	117,632.90	55,045.94
Reserve for Sale of Municipal Assets	25,522.38	33,002.98
Reserve for Revaluation	908.35	908.35
Interfunds Payable	<u>45,506.90</u>	<u>237,927.06</u>
	1,236,623.25	1,722,127.06
Reserve for Receivables and Other Assets	1,394,943.29	1,508,324.41
Fund Balance	<u>1,400,702.68</u>	<u>1,581,494.73</u>
Total Current Fund	<u>4,032,269.22</u>	<u>4,811,946.20</u>
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	115,121.24	105,486.07
Unappropriated	19,340.65	35,249.75
Reserve for Encumbrances	1,630.45	1,630.45
Interfunds Payable	<u>175,000.00</u>	<u>224,305.11</u>
Total Federal and State Grant Fund	<u>311,092.34</u>	<u>366,671.38</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 4,343,361.56</u>	<u>\$ 5,178,617.58</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**MODIFIED ACCRUAL BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 1,300,000.00	\$ 1,300,000.00
Miscellaneous Revenues Anticipated	3,794,444.35	4,227,425.27
State Aid	2,943,666.00	2,770,744.00
Federal and State Grants	190,977.13	2,568,346.04
Receipts from Delinquent Taxes	962,570.81	728,820.90
Receipts from Current Taxes	10,391,229.77	8,663,680.47
Taxes Allocated to School, County and Special Districts	26,717,539.27	26,535,332.99
Non-Budget Revenues	130,718.01	270,384.31
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	349,440.09	207,765.32
Current Budget Appropriations Canceled	149,134.02	165,449.21
Interfunds Liquidated	<u>63,130.53</u>	<u>23,465.90</u>
	<u>46,992,849.98</u>	<u>47,461,414.41</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	788,084.11	767,593.01
Land Use Administration	181,800.00	198,000.00
Public Safety	4,841,439.18	4,737,600.00
Public Works	1,406,526.00	1,381,380.00
Landfill/Solid Waste Disposal Costs	525,000.00	580,000.00
Health and Welfare	217,886.01	198,065.99
Parks and Recreation	454,007.00	445,734.00
Utility Expenses and Bulk Purchases	657,773.82	587,000.00
Uniform Construction Code	295,210.00	283,100.00
Reserve for Sick Pay	35,956.88	50,000.00
Celebration of Public Events		700.00
Contingent	1,500.00	1,500.00
Insurance	2,480,500.00	2,340,000.00
Deferred Charges and Statutory Expenditures	437,478.73	540,109.96
Excluded from "CAPS":		
General Government	2,243,446.56	1,689,887.40

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**MODIFIED ACCRUAL BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
State and Federal Grants	\$ 190,977.13	\$ 2,568,346.04
Capital Improvements	30,000.00	60,000.00
Municipal Debt Service	3,484,439.00	2,787,078.37
Deferred Charges	34,980.00	182,980.00
Judgements	66,603.84	
Reserve for Uncollected Taxes	870,673.81	861,775.24
Special Improvement District Tax	624,052.00	604,015.00
County Taxes	5,599,219.11	5,629,003.73
Due to County for Added and Omitted Taxes	46,590.55	58,007.24
Local District School Taxes	12,109,274.00	11,810,563.00
Regional High School District Tax	8,234,994.16	8,196,410.76
Cancellation of Grants Receivable	572.50	
Refund of Prior Year Revenue	<u>14,657.64</u>	<u>2,422.49</u>
Total Expenditures	<u>45,873,642.03</u>	<u>46,561,272.23</u>
Excess in Revenue over Expenditures/ Statutory Excess to Fund Balance	1,119,207.95	900,142.18
Fund Balance, January 1	<u>1,581,494.73</u>	<u>1,981,352.55</u>
	2,700,702.68	2,881,494.73
Decreased by:		
Utilized as Anticipated Revenue	<u>1,300,000.00</u>	<u>1,300,000.00</u>
Fund Balance, December 31	<u>\$ 1,400,702.68</u>	<u>\$ 1,581,494.73</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	Budget As Modified	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
<b>Surplus Anticipated</b>	<b>\$ 1,300,000.00</b>		<b>\$ 1,300,000.00</b>	
<b>Miscellaneous Revenues:</b>				
Licenses:				
Alcoholic Beverages	90,000.00	93,126.00		3,126.00
Other	40,000.00	45,980.00		5,980.00
Fees and Permits:				
Other	289,000.00	289,196.50		196.50
Uniform Construction Code Official Fees	439,000.00	548,371.25		109,371.25
Fines and Costs:				
Municipal Court	818,566.00	908,569.00		89,913.00
Interest and Costs on Taxes	154,900.00	213,241.90		59,241.90
Interest on Investments and Deposits	310,000.00	125,207.64		(184,792.36)
	<b>2,140,656.00</b>	<b>2,223,692.29</b>		<b>83,036.29</b>
<b>State Aid Without Offsetting Appropriations:</b>				
Energy Receipts Tax	2,258,359.00	2,258,359.00		
Consolidated Municipal Property Tax Relief Aid	335,307.00	335,307.00		
Extraordinary Aid	350,000.00	350,000.00		
	<b>2,943,666.00</b>	<b>2,943,666.00</b>		<b>0.00</b>
<b>Special Items of Revenue Offset with Appropriations:</b>				
U.S. Older Americans Act - Senior Citizens	33,312.00	33,312.00		
Drunk Driving Enforcement Fund:				
Unappropriated - Police	2,864.69	20,800.78		20,800.78
Unappropriated - Court	14,146.91			2,864.69
Clean Communities Program	4,417.05	3,880.32		14,146.91
State of NJ - Body Armor Grant - 2007	4,092.80			8,297.37
Fireman's Fund Grant - Defibrillators	45,630.00			4,092.80
State of New Jersey - Summer Food Program	10,207.00			45,630.00
Stormwater Management Grant	4,000.00			10,207.00
NJ - Click it or Ticket				4,000.00
Recycling Tonnage Grant				17,625.58
Over the Limit - Under Arrest - 2008 Year End Crackdown				5,000.00
Over the Limit - Under Arrest - Mobilization				5,000.00
Aggressive Driving Enforcement Grant				20,000.00
	<b>118,670.45</b>	<b>72,306.68</b>		<b>190,977.13</b>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	Budget As Modified	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
<b>Special Items of Revenue with Prior Consent of the Director:</b>				
Borough of Little Silver - Interlocal Services *	\$ 234,000.00		\$ 195,328.75	\$ (38,671.25)
Franchise Tax Cable Television	60,800.00		56,779.72	\$ (4,020.28)
Uniform Fire Safety Act	107,000.00		106,758.89	\$ (241.11)
Landlord Registration Fees	17,000.00		14,760.00	\$ (2,240.00)
Utility Operating Surplus of Current Year - Water/Sewer Utility	200,000.00		200,000.00	
Utility Operating Surplus of Prior Years -Parking Utility	100,000.00		100,000.00	
Payment in Lieu of Taxes - Riverview Hospital	24,000.00		24,000.00	
R.B.C. Field Rent	55,000.00		55,000.00	
Riverview Extended Care Facility - Emergency Service Donation	40,000.00		(40,000.00)	
Payment in Lieu of Taxes - Housing Authority, River Street School, Habcore	216,344.00		223,253.26	\$ 6,909.26
Reserve for Payment of Bonds	35,000.00		35,000.00	
Rivercenter Assessment	118,697.25		118,697.65	0.40
Hotel Occupancy Tax	156,000.00		167,798.79	11,798.79
Reserve for Sale of Municipal Assets	33,000.00		33,000.00	
Police Detail - Administrative Fees	15,000.00		15,000.00	
Cancellation of Appropriation Reserves	100,000.00		100,000.00	
Shared Services - Red Bank Board of Education	10,500.00		11,025.00	525.00
Assessment Trust Fund Balance	3,350.00		3,350.00	
General Capital Fund Balance	11,000.00		11,000.00	
	<u>1,636,691.25</u>		<u>1,570,752.06</u>	<u>(\$5,939.19)</u>
<b>Sub totals</b>	<b>8,139,683.70</b>	<b>72,306.68</b>	<b>8,229,087.48</b>	<b>17,097.10</b>
<b>Receipts from Delinquent Taxes</b>	<b>925,000.00</b>		<b>962,570.81</b>	<b>37,570.81</b>
<b>Sub totals</b>	<b>9,064,683.70</b>	<b>72,306.68</b>	<b>9,191,658.29</b>	<b>54,667.91</b>
<i>Amount to be Raised by Taxation for Support of Municipal Budget:</i>				
Local Tax for Municipal Purposes			<u>10,344,639.22</u>	<u>237,347.53</u>
<b>Budget Totals</b>	<b>19,171,975.39</b>	<b>72,306.68</b>	<b>19,536,297.51</b>	<b>292,015.44</b>
<b>Non-Budget Revenue</b>	<b>\$ 19,171,975.39</b>	<b>\$ 72,306.68</b>	<b>\$ 19,667,015.52</b>	<b>\$ 422,733.45</b>

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2008

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>GENERAL GOVERNMENT</b>						
General Administration:						
Salaries and Wages	\$ 84,275.00	\$ 84,275.00	\$ 84,275.00	\$ 1,795.65	\$ 684.28	\$
Other Expenses	19,500.00	13,500.00	11,020.07	1,795.65	684.28	
Municipal Clerk:						
Salaries and Wages	82,710.00	83,710.00	83,639.23		70.77	
Other Expenses	36,500.00	35,500.00	24,611.01	1,039.06	9,849.93	
Financial Administration:						
Salaries and Wages	63,180.00	63,180.00	59,719.86		3,460.14	
Other Expenses	6,500.00	6,500.00	4,511.25	99.00	1,889.75	
Audit Services:						
Other Expenses						
Mayor and Borough Council:						
Salaries and Wages	25,000.00	25,000.00	25,000.00			
Tax Assessment Administration:						
Salaries and Wages	53,560.00	53,560.00	53,556.96		3.04	
Other Expenses	9,000.00	9,000.00	6,326.50		2,673.50	
Revenue Administration:						
Salaries and Wages	46,480.00	44,480.00	44,136.26		343.74	
Other Expenses	4,500.00	4,500.00	569.88		3,930.12	
Legal Services and Costs:						
Other Expenses						
Engineering Services:						
Other Expenses						
Codification of Ordinances:						
Other Expenses						
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	25,000.00	25,000.00	4,845.00		20,155.00	
Other Expenses						
Zoning Board of Adjustment:						
Salaries and Wages						
Other Expenses						
Insurance:						
Liability Insurance						
Worker Compensation Insurance						
Employee Group Insurance						
Unemployment Insurance						

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>PUBLIC SAFETY</b>						
Fire Department:						
Other Expenses	\$ 150,000.00	\$ 150,000.00	\$ 141,610.42	\$ 5,760.34	\$ 2,629.24	\$
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	74,070.00	74,070.00	74,070.00	97.00	963.57	
Other Expenses	12,000.00	12,000.00	10,066.43			
Police Department:						
Salaries and Wages	4,161,700.00	4,136,483.18	4,111,783.75	24,709.43		
Other Expenses	225,700.00	225,700.00	213,600.24	9,614.20	2,485.56	
Aid to Volunteer Ambulance Companies	28,250.00	28,250.00	23,587.89	2,034.12	2,627.99	
Office of Emergency Management:						
Other Expenses	4,000.00	4,000.00	900.00	700.00	2,400.00	
Municipal Court:						
Salaries and Wages	186,800.00	186,600.00	180,850.72	5,719.28		
Other Expenses	24,326.00	24,326.00	22,169.70	1,377.00	779.30	
<b>PUBLIC WORKS FUNCTIONS</b>						
Streets and Road Maintenance:						
Salaries and Wages	152,034.00	152,034.00	150,517.76	1,516.24		
Other Expenses	79,000.00	79,000.00	56,042.79	16,009.59	6,947.62	
Solid Waste Collection:						
Salaries and Wages	507,570.00	507,570.00	483,035.16	24,534.84		
Other Expenses	80,000.00	80,000.00	68,166.71	6,920.52	4,912.77	
Public Buildings and Grounds:						
Salaries and Wages	296,282.00	296,282.00	282,118.20	4,163.80		
Other Expenses	202,000.00	215,000.00	172,646.96	21,215.10	21,137.94	
Code Enforcement:						
Salaries and Wages	76,640.00	76,640.00	76,639.83	0.17		
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>						
Landfill:						
Other Expenses	525,000.00	525,000.00	471,961.55	53,038.45		
<b>HEALTH AND WELFARE</b>						
Board of Health - Local Health Agency:						
Salaries and Wages						
Visiting Nurse Assoc	35,000.00	35,000.00	31,920.00	3,080.00		
Monmouth County Organization of Social Services -						
Contract (R.S. 40:13)						
Relocation Assistance	1,500.00	1,500.00	120,781.01	120,781.01	1,500.00	
Monmouth County Regional Health Commission	115,000.00	33,000.00	33,000.00	31,409.31	1,590.69	
Animal Control Services						
Shade Tree Committee	27,500.00	27,605.00	6,574.98	21,030.02		

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>PARKS AND RECREATION FUNCTIONS</b>						
Recreation Services and Programs:						
Salaries and Wages	\$ 191,073.00	\$ 192,173.00	\$ 192,089.39	\$ 2,133.79	\$ 83.61	\$
Other Expenses	90,834.00	89,734.00	70,791.52		16,888.69	
Senior Citizens Center:						
Salaries and Wages	145,800.00	146,600.00	144,988.60		1,601.40	
Other Expenses	25,500.00	25,500.00	25,385.41		134.59	
UTILITY EXPENSES AND BULK PURCHASES						
Street Lighting	95,000.00	103,236.82	103,236.82		42,387.04	
Electricity	260,000.00	260,000.00	217,612.96		20,981.22	
Telephone	100,000.00	100,000.00	79,717.34		11,821.00	
Natural Gas	45,000.00	45,000.00	33,179.00		32,903.44	
Gasoline	149,537.00	149,537.00	116,653.56			
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
Offset by Dedicated Revenues (N.J.A.C. 5:234-17)	268,610.00	268,610.00	268,609.99		0.01	
Salaries and Wages	26,600.00	26,600.00	1,240.00		25,380.00	
Other Expenses						
OTHER RESERVES						
Reserve for Sick Pay	40,000.00	35,956.88	32,141.25		3,815.63	
Technology Committee:						
Other Expenses	40,000.00	40,000.00	16,788.40		21,604.60	
Municipal Prosecutor:						
Other Expenses	23,005.00	25,725.00			25,725.00	
Municipal Public Defender:						
Salaries and Wages	7,630.00	8,880.00	8,880.00			
CONTINGENT						
Total Operations within "CAPS"	\$ 11,889,483.00	\$ 11,884,183.00	\$ 11,336,342.83	\$ 96,894.92	\$ 450,945.25	\$
1,500.00		1,500.00			1,500.00	
Total Operations including Contingent - within "CAPS"	\$ 11,890,983.00	\$ 11,885,683.00	\$ 11,336,342.83	\$ 96,894.92	\$ 452,445.25	\$
Detail:						
Salaries and Wages	6,486,774.00	6,444,617.18	6,377,891.71		66,725.47	
Other Expenses (including Contingent)	5,424,208.00	5,441,095.82	4,958,451.12		385,719.78	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
<b>MUNICIPAL WITHIN "CAPS":</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	50,616.00	50,616.00	50,615.20		0.80	
Social Security System (O.A.S.I.)	360,000.00	360,000.00	335,239.55		24,760.45	
Consolidated Police and Firemen's Pension Fund	26,562.73	26,562.73	26,562.73			
Defined Contribution Retirement Program	300.00	300.00	150.49		149.51	
Total Deferred Charges and Statutory Expenditures	\$ 437,478.73	\$ 437,478.73	\$ 412,567.97	\$	\$ 24,910.76	\$
Municipal within "CAPS"						
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 12,328,461.73	\$ 12,323,161.73	\$ 11,748,910.80	\$ 96,894.92	\$ 477,356.01	\$
<b>OPERATIONS - EXCLUDED FROM "CAPS":</b>						
Other Operations - Excluded from "CAPS":						
Police and Firemen's Retirement System of New Jersey	768,602.00	768,602.00	768,602.00			
Public Employees Retirement System LOSAP	194,000.00	194,000.00	194,000.00			
Municipal Stormwater Management:	63,250.00	63,250.00	63,250.00			
Salaries and Wages	112,860.00	112,860.00	112,659.93		0.07	
Other Expenses	20,000.00	20,000.00	10,310.25		6,680.00	3,009.75
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	612,196.00	612,196.00	576,935.60		14,184.45	21,075.95
Interlocal Services:						
911 System - County of Monmouth	13,738.56	13,738.56	13,738.56			
Recycling Tax PL 2007 c. 311	21,000.00	21,000.00	17,076.34		3,923.66	
Reserve for Tax Appeals	\$ 87,000.00	\$ 87,000.00	\$ 87,000.00			
Total Other Operations - Excluded from "CAPS"	\$ 1,892,646.56	\$ 1,892,646.56	\$ 1,843,772.68	\$ 20,864.45	\$ 28,009.43	\$

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>Uniform Constitution Code Appropriations Offset by Increased Fee Revenues</b>						
Inspection of Building - Uniform Construction Code						
Salaries and Wages	\$ 65,000.00	\$ 70,300.00	\$ 70,300.00	\$ 4,670.95	\$ 23,476.15	\$ 21,852.90
Other Expenses	\$ 50,000.00	\$ 50,000.00				
	\$ 115,000.00	\$ 120,300.00				
Interlocal Municipal Service Agreements:						
Board of Education						
Other Expenses	10,500.00	10,500.00	2,107.00		8,393.00	
Inspection of Building - Uniform Construction Code:						
Salaries and Wages	183,500.00	183,500.00	183,489.99	0.01		
Other Expenses	\$ 36,500.00	\$ 36,500.00	\$ 33,560.46	\$ 55.64	\$ 2,853.90	
	\$ 230,500.00	\$ 230,500.00	\$ 219,197.45	\$ 55.64	\$ 11,246.91	\$
<b>OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)</b>						
Public and Private Programs Offset by Revenues:						
U.S. Older American Act Grant:						
Senior Citizens Center:						
Salaries and Wages	28,525.00	28,525.00	28,525.00			
Other Expenses	4,787.00	4,787.00	4,787.00			
Fireman's Fund Grant - Delinquenters	4,092.80	4,092.80	4,092.80			
NJ - Drunk Driving Enforcement Fund - Court	2,884.69	2,884.69	2,884.69			
NJ - Drunk Driving Enforcement Fund - Police						
State of NJ - Body Armor Grant	4,417.05	8,297.37	8,297.37			
NJ - Recycling Tonnage Grant		17,625.58	17,625.58			
New Jersey Clean Communities Grant	14,146.91	14,146.91	14,146.91			
NJ - Over The Limit Under Arrest Grant Crackdown		5,000.00	5,000.00			
NJ - Over The Limit Under Arrest Grant Mobilization		5,000.00	5,000.00			
NJ - Aggressive Driving Enforcement		20,000.00	20,000.00			
US Department of Agriculture - Summer Food	45,630.00	45,630.00	45,630.00			
NJ - Click It or Ticket	4,000.00	4,000.00	4,000.00			
State of New Jersey - Municipal Storm Water Mgmt.	10,207.00	10,207.00	10,207.00			
Total Public and Private Programs Offset by Revenues	\$ 118,670.45	\$ 190,977.13	\$ 190,977.13			
	\$ 2,356,817.01	\$ 2,434,423.69	\$ 2,328,918.21	\$ 44,386.24	\$ 61,109.24	\$
Total Operations - Excluded from "CAPS"						
Detail:						
Salaries and Wages	389,885.00	395,185.00	395,184.92	0.08		
Other Expenses	1,966,932.01	2,039,238.69	1,933,733.29	44,386.24	61,109.16	

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2008

	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Total Capital Improvements Excluded from "CAPS"	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Interest on Bond Principal	1,819,000.00	1,819,000.00	1,819,000.00	632,492.86		2,446,14
Interest on Bonds	634,939.00	634,939.00				
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	145,000.00	145,000.00	144,939.88			
Capital Equipment Lease:						
Interest	144,400.00	144,400.00	106,598.36			
Principal	641,100.00	641,100.00	532,213.76			
Payment of Bond Principal on Public Library Debt	100,000.00	100,000.00	100,000.00			
Total Municipal Debt Service - Excluded from "CAPS"	\$ 3,484,439.00	\$ 3,484,439.00	\$ 3,336,244.86	\$ 60.12	\$ 149,134.02	
<b>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>						
Deferred Charges:						
Emergency						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 34,980.00	\$ 34,980.00	\$ 34,980.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 34,980.00	\$ 34,980.00	\$ 34,980.00			
<b>JUDGEMENTS</b>						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 5,972,839.85	\$ 6,050,446.53	\$ 5,795,746.91	\$ 44,396.24	\$ 61,169.36	\$ 149,134.02
Total General Appropriations - Excluded from "CAPS"	\$ 5,972,839.85	\$ 6,050,446.53	\$ 5,795,746.91	\$ 44,396.24	\$ 61,169.36	\$ 149,134.02
Subtotal General Appropriations	\$ 18,301,301.58	\$ 18,373,608.26	\$ 17,544,657.71	\$ 141,291.16	\$ 53,525.37	\$ 149,134.02
<b>RESERVE FOR UNCOLLECTED TAXES</b>						
Total General Appropriations	\$ 19,171,975.39	\$ 19,244,282.07	\$ 18,415,331.52	\$ 141,291.16	\$ 53,525.37	\$ 149,134.02
Detail:						
Original Budget	\$ 19,171,975.39					
Added by N.J.S.A. 40A:4-87		\$ 72,306.68				
	\$ 19,244,282.07					

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance December 31, 2007	Tax Levy	Added Taxes	Collections		State Share Senior Citizens' and Veterans Deductions Allowed	Remitted and Cancelled	Transferred To Tax Title Liens	Balance December 31, 2008
				2007	2008				
2006	\$ 20.81			\$ 962,570.81	\$ 962,570.81		\$ 20.81		\$ 68.33
2007	1,022,690.66						60,051.52		
	1,022,711.47			962,570.81	962,570.81		60,072.33		68.33
2008		36,882,239.87	557,154.37	226,389.08	35,922,528.13	89,178.02	229,302.77	7,973.75	964,022.49
	\$ 1,022,711.47	\$ 36,882,239.87	\$ 557,154.37	\$ 226,389.08	\$ 36,885,098.94	\$ 89,178.02	\$ 289,375.10	\$ 7,973.75	\$ 964,090.82

**ANALYSIS OF 2008 PROPERTY TAX LEVY**

Tax Yield:	\$ 36,211,355.02
General Purpose Tax	\$ 624,294.30
Special Improvement District Tax	46,590.55
Added Taxes	
	\$ 36,882,239.87

**TAX LEVY**

Local District School Tax	\$ 12,209,274.00
Regional High School District Tax	8,284,994.16
Special Improvement District Tax	624,294.30
County Taxes:	
County Tax	5,249,160.66
Open Space Tax	350,058.45
Amount Due County for Added Taxes	46,590.55
	26,764,372.12

Local Tax for Municipal Purpose  
Add: Additional Tax Levied

10,107,291.69	10,117,867.75
10,576.06	\$ 36,882,239.87

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF TAX TITLE LIENS RECEIVABLE**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 45,541.00
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>7,973.75</u>
<u>BALANCE, DECEMBER 31, 2008</u>	\$ <u>53,514.75</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	<u>Balance December 31, 2007</u>	<u>Reserve for Encumbrances</u>	<u>Cancelled by Resolution</u>	<u>Transfers</u>	<u>Balance After Transfers/ Cancellation</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Appropriation Reserves</u>							
<b>Salaries and Wages - Within "CAPS":</b>							
General Administration	\$ 21,242.59	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 1,242.59	\$ 1,242.59	
General Clerk	9,262.44				9,262.44		
Financial Administration	13,359.95				13,359.95		
Mayor and Borough Council	571.04				571.04		
Tax Assessment Administration	53.33				53.33		
Revenue Administration	15,383.81				15,383.81		
Planning Board	16,731.22				16,731.22		
Zoning Board of Adjustment	8,075.82				8,075.82		
Uniform Fire Safety Act (P.L. 1983, Ch 383)	124.60				124.60		
Police Department	48,931.73				48,931.73		
Street and Roads	654.21				654.21		
Solid Waste Collection	9,026.61				9,026.61		
Recreation Services and Programs	1,064.07				1,064.07		
Senior Citizens Center	1,130.81				1,130.81		
Code Enforcement	12,177.09				12,177.09		
Municipal Court	9,410.77				9,410.77		
Municipal Public Defender	72.88				72.88		
Inspection of Buildings:							
Uniform Construction Code	2,576.44				2,576.44		
<b>Total Salaries and Wages</b>	<b>\$ 169,839.41</b>	<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>\$ (40,221.49)</b>	<b>\$ 79,617.92</b>	<b>\$ 2,373.00</b>	<b>\$ 203.44</b>
<u>Other Expenses - Within "CAPS":</u>							
General Administration	2,226.04	1,270.70			3,496.74	1,007.99	2,488.75
General Clerk	18,979.01	412.06			19,391.07	1,627.31	17,763.76
Municipal Clerk	1,588.16	110.00			1,688.16	191.00	1,507.16
Financial Administration	5,725.00				5,725.00	4,000.00	1,725.00
Audit Services					462.80		462.80
Tax Assessment Administration					333.56		333.56
Revenue Administration					20,877.24	16,203.50	4,673.74
Legal Services and Costs	15,877.24	5,000.00			12,001.28	11,729.71	271.57
Engineering Services	11,203.28	798.00			25,000.00		25,000.00
Codefication of Ordinances	25,000.00				3,925.99	2,120.00	1,805.99
Planning Board	925.99				7,958.17	2,392.00	5,566.17
Zoning Board of Adjustment	7,958.17				287.00		287.00
Liability Insurance	287.00				7,954.10	1,775.20	6,218.90
Employee General Group Insurance	7,954.10				4,000.00		4,000.00
Unemployment Insurance	4,000.00				7,629.68	4,386.14	3,243.54
Fire Department	1,391.93						

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	Balance December 31, 2007	Reserve for Encumbrances	Cancelled by Resolution	Transfers	Balance After Transfers/ Cancellation	Paid or Charged	Balance Lapsed
<u>Appropriation Reserves</u>							
Other Expenses - Continued:							
Uniform Fire Safety Act (P.L. 1983, Ch. 383)	\$ 319.42	\$ 1,798.70	\$	\$ 6,000.00	\$ 2,118.12	\$ 1,798.70	\$ 319.42
Police Department	1,317.22	13,637.58			20,954.80	12,505.55	8,449.25
Aid to Volunteer Ambulance Companies	31.56	557.85			589.41	432.26	157.15
Office of Emergency Management	1,312.10	600.00			2,112.10	800.00	1,312.10
Municipal Court	2,966.39	819.90			3,786.29	619.90	3,166.39
Streets and Road Maintenance	5,461.11	12,153.15			17,614.26	14,149.77	3,464.49
Solid Waste Collection	13.35	9,633.15			13,673.11	2,742.95	10,930.16
Public Buildings and Grounds	1,602.79	6,843.53			13,446.32	5,347.04	8,099.28
Landfill	104,797.47				54,797.47	43,073.30	11,724.17
Visiting Nurse Association - Contract	35,000.00				35,000.00		
Relocation Assistance	1,500.00				1,500.00		
Animal Control Services		589.00			589.00		589.00
Monmouth County Shade Tree Commission	1.13				1.13		1.13
Recreation Services and Programs	1,563.32	4,884.09			7,512.08	7,036.93	475.15
Senior Citizens Center	208.35	631.00			1,970.16	1,567.73	402.43
Uniform Construction Code - Appropriations Offset By Dedicated Revenues (N.J.A.C. 5:23-4.17)	16,140.49	2,538.51			18,679.00	3,413.51	15,265.49
Technology Committee	16,333.32	11,492.50			27,825.52	11,402.38	16,423.14
Street Lighting	14,299.72				22,299.72	22,220.24	79.48
Electricity	6,974.10				9,074.10	8,985.95	88.15
Telephone	5,407.12				2,000.00	7,407.12	6,556.35
Natural Gas	11,346.17				1,900.00	13,246.17	150.71
Gasoline					6,000.00	4,518.43	1,481.57
Statutory Expenditures							
Contribution to Social Security System (O.A.S.I.)	35,894.53				35,894.53		
Consolidated Police and Firemen's Pension Fund	0.84				0.84	0.84	
Contingent Reserves	1,500.00				1,500.00	1,500.00	
Other Common Operating Functions					605.64		605.64
Celebration of Public Events	605.64						
Operations - Excluded from "CAPS"							
Other Operations - Excluded from "CAPS"							
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	86,217.55	8,117.17			94,334.72	15,591.79	78,742.93
Municipal Stormwater Management:							
Other Expense	34,426.15				34,426.15	2,862.95	31,563.20
Interlocal Services:							
911 System-County of Monmouth	60.30				60.30		60.30
Interlocal Municipal Service Agreements:							
Inspection of Building - Uniform Construction Code:	61,592.31	1,242.90			62,835.21	1,569.59	61,265.62
Other Expenses	184.25	1,926.34			2,110.59	25.85	2,084.74
LOSAP	200.00				200.00		200.00
Total Other Expenses	551,229.26	91,493.88			632,944.65	260,749.48	372,195.17
Grand Total	\$ 721,068.69	\$ 91,493.88			\$ 712,562.57	\$ 263,224.48	\$ 449,440.09
						Detail: Anticipated as Rev Lapsed to Operations	
							\$ 100,000.00
							\$ 349,440.09
							\$ 449,440.09

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF DEFERRED CHARGES

		Total	2005 Revaluation <u>(40A:4-53)</u>	Special Emergency Authorization <u>(40A:4-53)</u>
<u>BALANCE, DECEMBER 31, 2007</u>	\$ 109,940.00	\$ 89,940.00	\$ 20,000.00	
<u>DECREASED BY</u>				
Raised in 2008 Budget	<u>34,980.00</u>	<u>29,980.00</u>	<u>5,000.00</u>	
<u>BALANCE, DECEMBER 31, 2008</u>	\$ <u>74,960.00</u>	\$ <u>59,960.00</u>	\$ <u>15,000.00</u>	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF SCHOOL TAX PAYABLE**

	Regional High School	Local School District
<u>BALANCE, DECEMBER 31, 2007</u>	\$ 4,148,205.58	\$ 5,977,761.25
Detail:		
Deferred Payable	<u>\$ 4,066,556.36</u> <u>81,649.22</u>	<u>\$ 5,956,724.50</u> <u>21,036.75</u>
<u>INCREASED BY</u>		
Levy - School Year 7/1/2008 - 6/30/2009	<u>8,284,994.16</u>	<u>12,209,274.00</u>
	12,433,199.74	18,187,035.25
<u>DECREASED BY</u>		
Cash Disbursed	<u>8,290,702.44</u>	<u>12,082,418.52</u>
<u>BALANCE, DECEMBER 31, 2008</u>	<u>\$ 4,142,497.30</u>	<u>\$ 6,104,616.73</u>
Detail:		
Deferred Payable	<u>\$ 4,116,556.36</u> <u>25,940.94</u>	<u>\$ 6,056,724.50</u> <u>47,892.23</u>
	<u>\$ 4,142,497.30</u>	<u>\$ 6,104,616.73</u>
<u>2008 LIABILITY FOR SCHOOL TAX</u>		
2008 School Taxes Paid	\$ 8,290,702.44	\$ 12,082,418.52
Add: School Taxes Payable, December 31, 2008	<u>25,940.94</u>	<u>47,892.23</u>
	8,316,643.38	12,130,310.75
Less: School Taxes Payable, December 31, 2007	<u>81,649.22</u>	<u>21,036.75</u>
Amount Charged to 2008 Operations	<u>\$ 8,234,994.16</u>	<u>\$ 12,109,274.00</u>

**BOROUGH OF RED BANK**  
**FEDERAL AND STATE GRANT FUND**  
**STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Grant</u>	2008			Balance		
	Balance December 31, 2007	Budget Revenue Realized	Received	Unappropriated Reserve Applied	Cancelled	December 31, 2008
U.S. Older Americans Act:						
2005	\$ 26,491.00	\$ 24,499.00		\$ 24,499.00	\$	\$ 25,491.00
2007						
2008						
State of New Jersey - Clean Communities Program 2007		33,312.00				
State of New Jersey - Click it or Ticket						
State of New Jersey - Bicycle Safety Grant 07						
State of New Jersey - Municipal Stormwater Management Grant 2006	901.90					
State of New Jersey - Municipal Stormwater Management Grant 2008						
State of New Jersey: Over the Limit, Under Arrest	4,000.00			4,000.00		
State of New Jersey: Over the Limit Under Arrest - 2008 Year End Crackdown	5,000.00					
State of New Jersey: Drunk Driving Enforcement Fund: Municipal Court Police						
State of New Jersey: Over the Limit Under Arrest - 2008 Year End Crackdown	2,864.69	20,800.78		2,864.69	20,800.78	
				5,000.00	5,000.00	

**BOROUGH OF RED BANK**  
**FEDERAL AND STATE GRANT FUND**  
**STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Grant</u>	<u>2008</u>		<u>Unappropriated Reserve Applied</u>		<u>Cancelled</u>		<u>Balance December 31, 2008</u>
	<u>Balance December 31, 2007</u>	<u>Budget Revenue Realized</u>	<u>Received</u>	<u> </u>	<u> </u>	<u> </u>	
State of New Jersey: Over the Limit Under Arrest - 2008 Mobilization	\$ 0.00	\$ 5,000.00	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
State of New Jersey: Aggressive Driving Enforcement Grant	20,000.00		20,000.00				
State of New Jersey: Recycling Tonnage Grant	17,625.58		17,625.58				
State of New Jersey: Body Armour Grant - 2007	8,297.37		3,880.32		4,417.05		
State of New Jersey Department Of Agriculture: Summer Food Program	45,630.00		11,280.43 1,293.87 18,667.01		11,280.43 1,293.87 18,667.01		34,349.57
State of New Jersey - Fireman's Fund Defibrillators	4,092.80		4,092.80				
State of New Jersey Department Of Community Affairs: Smart Growth Planning Grant	31,283.96						31,283.96
State of New Jersey - Cool Cities Grant 07	24,308.00		24,267.50				40.50
State of New Jersey: Pedestrian Safety Education Grant - 07	4,490.00						4,490.00
Total Grants	\$ 138,486.74	\$ 190,977.13	\$ 161,722.11	\$ 25,217.83	\$ 36,716.36	\$ 105,807.57	

**BOROUGH OF RED BANK**  
**SCHEDULE OF RESERVE FOR FEDERAL AND STATE**  
**GRANTS APPROPRIATED**

	U.S. Older Americans Act:	Transferred from 2008 Budget Appropriations			Cancelled	Expended	Balance December 31, 2008
		Grant	Balance December 31, 2007	Budget			
	2008	\$ 122.21	\$ 33,312.00	\$ 33,312.00	\$	\$ 24,201.73	\$ 9,110.27
	2007	9,049.15				122.21	
	2006					9,049.15	
	State of NJ - Over Limit Under Arrest	850.00					
						850.00	
	State of NJ - Clean Communities Program:						
	2007	12,207.05				12,207.05	
	2008			14,146.91		12,207.50	1,939.41
	State of NJ - Bicycle Safety Grant	901.90					
	NJ DEP - Environmental Serv. - Matching Portion	2,278.00					
	State of NJ - Recycling Tonage Grant	7,995.59				17,625.58	
	State of NJ - Aggressive Driving Crackdown					20,000.00	
	State of NJ - Firemen's Fund - Defibrillator	4,092.80					
	State of NJ - Smart Growth Planning	30,711.46					
	State of NJ - You Drink, You Drive, You Lose	10,000.00					10,000.00
	State of NJ - Cool Cities 2007	40.50					

**BOROUGH OF RED BANK**  
**SCHEDULE OF RESERVE FOR FEDERAL AND STATE**  
**GRANTS APPROPRIATED**

	Transferred from 2008 Budget Appropriations			Balance December 31, 2008	
	<u>Grant</u>	<u>Budget</u>	<u>Appropriation By 40A-4-87</u>	<u>Cancelled</u>	<u>Expended</u>
<b>State of NJ - Drunk Driving Enforcement Fund:</b>					
Police	\$ 7,651.19	\$ 2,864.69	\$ 20,800.78	\$	\$ 16,135.20
Court	11,157.10				2,649.96
					12,316.77
					11,371.83
<b>State of NJ - Over the Limit:</b>					
Year End Crackdown - 2008			5,000.00		2,150.00
Mobilization - 2008			5,000.00		5,000.00
					2,860.00
<b>State of NJ - Pedestrian Safety Grant 2007</b>					
	4,490.00				4,490.00
<b>State of NJ - Stormwater Management Grant - 2008</b>					
	10,207.00				10,207.00
<b>State of NJ - Click it or Ticket</b>					
	5,000.00	4,000.00			4,000.00
					5,000.00
<b>State of NJ - Department of Agriculture:</b>					
2007 Summer Food Program	2,861.37	45,630.00			2,861.37
2008 Summer Food Program					25,329.13
					20,300.87
<b>State of NJ - Body Armor Grant</b>					
	170.55	4,417.05	3,880.32		4,342.00
					4,125.92
<b>Totals</b>	<b>\$ 105,486.07</b>	<b>\$ 118,670.45</b>	<b>\$ 72,306.68</b>	<b>\$ 36,143.86</b>	<b>\$ 145,198.10</b>
					<b>\$ 115,121.24</b>

**BOROUGH OF RED BANK**  
**STATEMENT OF RESERVE FOR STATE GRANTS- UNAPPROPRIATED**  
**CURRENT FUND**

	Balance December 31, 2007	Realized as Revenue Budget	Received	Balance December 31, 2008
<u>State:</u> Drunk Driving Enforcement Fund:				
Police	\$ 20,800.78	\$ 20,800.78	\$ 9,308.73	\$ 9,308.73
Municipal Court	3,625.55			3,625.55
 State of NJ - Body Armor Grant	4,417.05	4,417.05		1,227.62
 State on NJ - Clean Communities Grant	1,227.62			
 Department of Agriculture - Summer Food Program	627.01			627.01
 State of NJ - Recycling Tonnage Grant	4,551.74			4,551.74
 Totals	\$ 35,249.75	\$ 25,217.83	\$ 9,308.73	\$ 19,340.65

**TRUST FUNDS**

**BOROUGH OF RED BANK**  
**TRUST FUNDS**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -**  
**STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	Assessment		Animal Control		Other	2008	2007	Totals
	2008	2007	2008	2007				
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 3,757.45	\$ 3,354.58	\$ 18,371.22	\$ 6,168.55	\$ 3,298,944.31	\$ 2,820,638.52	\$ 3,321,072.98	\$ 2,830,161.65
Assessments Receivable	3,101.27	6,846.01					3,101.27	6,846.01
Accounts Receivable					5,352.00	5,808.46	5,808.46	
Intergovernmental Receivable						65,801.70		5,352.00
Interfunds Receivable						39,396.54	65,801.70	39,396.54
<b>Total Assets</b>	<b>\$ 6,858.72</b>	<b>\$ 10,200.59</b>	<b>\$ 18,371.22</b>	<b>\$ 11,520.55</b>	<b>\$ 3,370,554.47</b>	<b>\$ 2,860,035.06</b>	<b>\$ 3,395,784.41</b>	<b>\$ 2,881,756.20</b>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>								
Liabilities and Reserves:								
Accounts Payable	\$ 3,101.27	\$ 6,846.01	\$ 5,204.00	\$ 4,997.45	\$ 2.40	\$ 5,774.87	\$ 87,554.05	\$ 5,774.87
Various Reserves	8.13		13,167.22	6,520.70		3,325,302.82	2,733,004.23	3,333,608.09
Interfunds Payable						39,476.78	39,476.78	52,652.13
<b>Total Other Liabilities and Reserves</b>	<b>3,109.40</b>	<b>6,846.01</b>	<b>18,371.22</b>	<b>11,520.55</b>	<b>3,370,554.47</b>	<b>2,860,035.06</b>	<b>3,392,035.09</b>	<b>2,878,401.62</b>
Equity and Other Credits:								
Fund Balance	<b>3,749.32</b>	<b>3,354.58</b>						
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$ 6,858.72</b>	<b>\$ 10,200.59</b>	<b>\$ 18,371.22</b>	<b>\$ 11,520.55</b>	<b>\$ 3,370,554.47</b>	<b>\$ 2,860,035.06</b>	<b>\$ 3,395,784.41</b>	<b>\$ 2,881,756.20</b>

**BOROUGH OF RED BANK**  
**ANIMAL CONTROL TRUST FUND**  
**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

BALANCE, DECEMBER 31, 2007 \$ 4,997.45

INCREASED BY

Dog License Fees Collected	\$ 2,574.25
Cat License Fees Collected	1,267.25
Animal Control Contracts	20,460.00
Miscellaneous Receipts	<u>1,353.00</u>
	<u>25,654.50</u>
	30,651.95

DECREASED BY

Expenditures Under R.S. 4:19-15.11	13,133.33
Excess Due to Current Fund	<u>12,314.62</u>
	<u>25,447.95</u>

BALANCE, DECEMBER 31, 2008 \$ 5,204.00

LICENSES AND PENALTY FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2007	\$ 2,699.55
2006	<u>2,504.45</u>
	<u>\$ 5,204.00</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF RED BANK  
TRUST FUND  
STATEMENT OF VARIOUS RESERVES

	Balance December 31, <u>2007</u>	Receipts	Expenditures	Adjustment	Balance December 31, <u>2008</u>
Bid Deposits	\$ 601.10	\$ 41.12	472,434.76	472,434.79	\$ 601.10
TTL Redemption			2,643.01	2,409.00	41.09
Law Enforcement Trust	17,967.69		27,338.75	22,566.50	18,201.70
Vehicle Impound Costs	29,992.03		430,800.00	247,800.00	34,764.28
Tax Sale Premiums	380,655.70	33,853.91	71,421.91	18,281.53	563,655.70
Recycling			9,212.00	6,058.82	86,994.29
Uniform Fire Safety Act Penalty Monies	26,179.22		94,634.02	100,085.43	29,332.40
Recreation	54,693.24		27,815.24	7,504.00	49,241.83
Parking Offenses Adjudication Act			1,330.00	1,550.00	33,138.99
Shade Tree			1,74	1,440.00	1,440.00
Neighborhood Preservation Program				1.74	1.74
Eisner Foundation:					
Charitable Scientific	362,249.94		15,711.91		346,538.03
Riverside Gardens Maintenance	8,464.62		8,464.62		8,464.62
Police - Forfeited Property	3,882.69		233.21		4,115.90
Police - Extra Duty Pay	47,058.34		183,002.72	230,061.06	30,000.00
Inspection Fees Escrow	76,345.75		111,951.05	53,562.28	134,734.52
Performance and Maintenance Escrow	442,140.97		181,049.58	142,726.70	480,463.85
Review Escrow	252,872.80		161,795.27	206,475.24	208,192.83
Dedicated Fire Penalty	1,718.96		2,000.00	692.42	7,726.54
Unemployment Trust	41,345.44		56,101.41	31,264.28	66,182.57
Police Donations	2,556.44			624.27	1,932.17
Manalapan RCA Agreement	834,773.54		589,830.55	395,088.14	1,029,528.37
Public Defender Fees	3,808.32		3,392.50	6,120.00	1,080.82
Council on Affordable Housing - Dev. Fees	57,100.93		91,188.83	28,048.01	120,241.75
Wayfinding Signs	17,054.50		12,945.50		30,000.00
Four Connections Fiberoptics	8,500.00				8,500.00
100th Anniversary Celebration			56,128.27	52,110.54	4,017.73
K-Hov Traffic Improvements			9,170.00		9,170.00
K-Hov Parking Improvements			17,000.00		17,000.00
	<u>\$ 2,733,004.23</u>	<u>\$ 2,593,327.34</u>	<u>\$ 2,035,741.17</u>	<u>\$ 34,712.42</u>	<u>\$ 3,325,302.82</u>

**BOROUGH OF RED BANK**  
**TRUST OTHER FUND**  
**STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT**  
**COMPENSATION INSURANCE**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 41,345.44
<u>INCREASED BY</u>	
Payroll Deductions	\$ 30,351.53
Borough Contribution	25,000.00
Interest Earned on Investments and Deposits	<u>749.88</u>
	<u>56,101.41</u>
	97,446.85
<u>DECREASED BY</u>	
Unemployment Compensation Claims	<u>31,264.28</u>
<u>BALANCE, DECEMBER 31, 2008</u>	<u>\$ 66,182.57</u>

**BOROUGH OF RED BANK**  
**TRUST FUND**  
**ANALYSIS OF TRUST ASSESSMENT CASH AND CASH EQUIVALENTS**

	Balance December 31, <u>2007</u>	Receipts	Disbursed	Transfers	Balance December 31, <u>2008</u>
Due (from)/to Current Fund Fund Balance	\$ 3,354.58	\$ 74.40	\$ 3,416.27	\$ 3,350.00 394.74	\$ 8.13 3,749.32
Assessment Serial Bonds and Notes: Ordinance #98-5		3,744.74		(3,744.74)	
	<u>\$ 3,354.58</u>	<u>\$ 3,819.14</u>	<u>\$ 3,416.27</u>	<u>\$</u>	<u>\$ 3,757.45</u>

Bracket balance denotes deficit.

BOROUGH OF RED BANK  
TRUST FUND  
STATEMENT OF ASSESSMENTS RECEIVABLE

Ordinance Number	Improvement Description	Annual Installments	Balance December 31, 2007	Collected	Balance December 31, 2008	Detail	
						Pledged	Unpledged
5-98	Sidewalks	10	\$ 6,846.01	\$ 3,744.74	\$ 3,101.27	\$ _____	\$ 3,101.27

**GENERAL CAPITAL FUND**

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - MODIFIED ACCRUAL BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	December 31,	
	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ <u>2,800,781.70</u>	\$ <u>3,952,086.24</u>
Intergovernmental Receivable:		
Monmouth County Open Space	<u>250,000.00</u>	<u>250,000.00</u>
New Jersey Department of Transportation	<u>370,000.00</u>	<u>248,774.75</u>
New Jersey Department of Environmental Protection	<u>1,401,794.15</u>	<u>1,631,100.00</u>
	<u>2,021,794.15</u>	<u>2,129,874.75</u>
Interfunds Receivable:		
Due from Federal and State Grant Fund	<u>175,000.00</u>	<u>175,000.00</u>
Capital Lease Obligations - Unfunded	<u>2,341,900.00</u>	<u>3,183,000.00</u>
Deferred Charges to Future Taxation:		
Funded	<u>14,763,209.71</u>	<u>16,805,020.18</u>
Unfunded	<u>848,238.86</u>	<u>520,238.86</u>
	<u>15,611,448.57</u>	<u>17,325,259.04</u>
Total Assets	<u>\$ 22,950,924.42</u>	<u>\$ 26,765,220.03</u>
<b><u>LIABILITIES, RESERVES AND</u></b>		
<b><u>FUND BALANCE</u></b>		
Serial Bonds	<u>\$ 13,061,000.00</u>	<u>\$ 14,876,000.00</u>
Refunding Serial Bonds	<u>688,000.00</u>	<u>792,000.00</u>
Green Trust Loan Payable	<u>1,014,209.71</u>	<u>1,137,020.18</u>
Capital Lease Payable - Principal	<u>2,341,900.00</u>	<u>3,183,000.00</u>

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - MODIFIED ACCRUAL BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	December 31,	
	2008	2007
<b>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</b>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 41,038.76	\$ 25,925.00
Due to Current Fund	6,827.02	7,304.72
Reserve for Encumbrances	992,025.03	380,398.44
Reserve for:		
Payment of Bonds	360,766.75	110,800.25
Down Payment on Improvements	2,061.64	2,061.64
Grants Receivable - DOT	170,000.00	248,774.75
Grants Receivable - DEP	175,694.15	405,000.00
Future Boat Ramp Improvements	206,090.91	210,000.00
Wayfinding Project		15,057.25
Marine Park Improvements	5,000.00	5,000.00
Preliminary Costs - Shrewsbury Avenue		2.01
Middletown R.C.A.		56,273.69
	<hr/> <u>1,959,504.26</u>	<hr/> <u>1,466,597.75</u>
Improvement Authorizations:		
Funded	3,371,460.80	5,114,621.41
Unfunded	<u>490,164.70</u>	<u>162,164.70</u>
	<hr/> <u>3,861,625.50</u>	<hr/> <u>5,276,786.11</u>
Fund Balance	<hr/> <u>24,684.95</u>	<hr/> <u>33,815.99</u>
Total Liabilities, Reserves and Fund Balance	<hr/> <u>\$ 22,950,924.42</u>	<hr/> <u>\$ 26,765,220.03</u>

There were Bonds and Notes Authorized But Not Issued of \$848,238.86 at December 31, 2008.

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 33,815.99
<u>INCREASED BY</u>	
Cancellation of Middletown RCA Reserve	<u>1,868.96</u>
	35,684.95
<u>DECREASED BY</u>	
Transferred to Current Fund - Anticipated Revenue	<u>11,000.00</u>
<u>BALANCE, DECEMBER 31, 2008</u>	\$ <u>24,684.95</u>

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, 2007	Receipts Other	Disbursements			Transfer To	Balance December 31, 2008
			Improvement Authorizations	Other	From		
Fund Balance	\$ 33,815.99	\$ 30,000.00	\$ 89,485.58	\$ 11,000.00	\$ 2,113.76	\$ 22,815.99	
Capital Improvement Fund	25,925.00	43,007.88		17,000.00	46,000.00	41,038.76	6,827.02
Due to Current Fund	7,304.72					(175,000.00)	(175,000.00)
Due from Federal and State Grant Fund	(175,000.00)					(250,000.00)	(250,000.00)
Due from Monmouth County Open Spaces Ord 23-04	(250,000.00)					(1,226,100.00)	(1,226,100.00)
Due from NJDEP - Ord. 39-05	(1,226,100.00)					(200,000.00)	(200,000.00)
Due from NJ DOT - Ord 17-08	210,000.00		3,908.09	200,000.00		206,090.91	
Reserve for Future Boat Ramp Improvements	360,398.44		216,323.57	164,074.87	992,025.03	992,025.03	
Reserve for Encumbrances	110,800.25	78,774.75	35,000.00	206,191.75		360,766.75	
Reserve for Payment of Bonds	15,057.25		12,945.50	2,111.75			
Reserve for Wayfinding Study	56,273.69	245.89	54,650.62	2.01		1,868.96	
Reserve for Middletown R.C.A.		2.01					
Reserves for Preliminary Costs - Shrewsbury Ave.							
Reserves for Marine Park Improvements	5,000.00					5,000.00	
Reserves for Down Payments on Improvements	2,061.64					2,061.64	
Ordinance Number			Improvement Authorizations				
9-98041-99/ 25-00		11,079.40		10,651.35		428.05	
18-99		77,335.88				77,335.88	
2-01		(32,738.86)				(32,738.86)	
6-02		5,718.21		524.30		1,608.95	6,802.86
4-03/ 36-03		51.48				51.48	
1-04		107,764.41		70,123.51		83,548.95	31,362.69

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, 2007	Receipts Other	Disbursements	Transfer From	Transfer To	Balance December 31, 2008
			Improvement Authorizations	Other		
23-04/ 31-06	47,492.24		46,891.36			2,739.30
29-04	28,376.34					
31-05	(325,335.30)					(325,335.30)
37-05	26,130.07					22,122.34
39-05	2,473,510.76		90,710.81	11,097.00		2,371,702.95
49-05	259,882.64		24,906.00	102,500.00		132,476.64
08-06	339,194.41		670.25			338,524.16
32-06	152,607.57		14,416.25			142,760.32
21-07	1,585,477.00		593,674.80	866,478.53	71,608.67	196,933.34
17-08	Phase II Road Improvements to Spring Street		73,450.07			217,000.00
						143,549.93
	\$ 3,952,086.24	\$ 152,028.52	\$ 926,018.70	\$ 377,314.36	\$ 1,627,405.41	\$ 2,800,781.70

Bracketed amount denotes deficit.

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED**

Ordinance Number	Improvement Description	Analysis of Balance December 31, 2008			
		Balance December 31, 2007	2008 Authorizations	Balance December 31, 2008	Unfunded Improvement Authorization
2-01	Various 2001 Road Improvements	\$ 32,738.86	\$ 32,738.86	\$ 32,738.86	\$ 32,738.86
31-05	Acquisition of Waterfront Park	450,000.00	450,000.00	325,335.30	124,664.70
49-05	Various 2005 Road Improvements	37,500.00	37,500.00	37,500.00	37,500.00
17-08	Phase II Road Improvements to Spring Street		328,000.00	328,000.00	328,000.00
		\$ 520,238.86	\$ 328,000.00	\$ 848,238.86	\$ 358,074.16
					\$ 490,164.70

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Ordinance Amount	2008 Authorizations				Improvement Authorization Canceled	Balance December 31, 2008 Funded	Balance December 31, 2008 Unfunded
				Deferred Charges to Future Taxation, Unfunded	Capital Improvement Fund	Grants	Paid or Charged			
9-9841.99	Exterior Renovations to Building at 51 Monmouth Street	07/11/00	\$ 810,000.00	\$ 11,079.40	\$	\$	\$	\$ 10,651.35	\$ 428.05	\$
18-99	Wayfinding Pathway	6/8/99	150,000.00	77,335.88					77,335.88	
6-02	Acquisition of a Pumper Fire Truck	03/12/02	575,000.00	5,718.21				524.30	1,508.95	6,802.86
4-03/ 36-03	Various 2003 Road Improvements	03/17/03	890,000.00							51.48
1-04	Renovations and Improvements to Red Bank Library	02/10/04	1,775,000.00	107,764.41				159,950.67	83,548.95	31,362.68
23-04/ 31-06	Renovations and Improvements to Ocean Basin Park	08/22/04	575,000.00	47,492.24				46,891.36	2,739.30	3,340.18
29-04	Various 2004 Road Improvements	08/24/04	750,000.00	28,376.34						28,376.34
31-05	Acquisition of Waterfront Park	07/11/05	550,000.00	124,664.70						124,664.70
37-05	Purchase of a Pumper Fire Truck	08/26/05	525,000.00	26,130.07						22,122.34
39-05	Various Improvements and Renovations to Marine Park	10/10/05	2,826,100.00	2,473,510.78						2,317,702.85
49-05	Various 2005 Road Improvements	11/07/05	1,250,000.00	259,882.64	37,500.00					4,007.73
08-06	Various 2006 Road Improvements	03/13/06	1,210,000.00	339,194.41						132,476.84
32-06	Conversion of Municipal Land to Waterfront Park	08/12/06	230,000.00	152,607.57						142,750.32
21-07	Various 2007 Road Improvements	2007	1,860,000.00	1,585,478.80						196,333.34
17-08	Phase II Road Improvements to Spring Street	08/11/08	545,000.00							143,549.53
										328,000.00
										\$ 3,371,460.80
										\$ 490,164.70

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES

There were no Bond Anticipation Notes outstanding during 2008.

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
STATEMENT OF SERIAL BONDS

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF REFUNDING SERIAL BONDS**

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF INTERGOVERNMENTAL RECEIVABLES**

	<u>NJ Department of Transportation</u>	<u>New Jersey Department of Environmental Protection</u>	<u>Monmouth County Open Space</u>
	Various 2008 Road Improvements <u>Ord. #17-08</u>	Various 2007 Road Improvements <u>Ord. #07-21</u>	Various Improv. 2006 Road Improvements <u>Ord. # 8-06</u>
<u>Total</u>	<u>200,000.00</u>	<u>170,000.00</u>	<u>Marine Park Ord. #39-05</u>
<u>BALANCE, DECEMBER 31, 2007</u>	<u>\$ 2,129,874.75</u>	<u>\$ 78,774.75</u>	<u>\$ 1,226,100.00</u>
<u>INCREASED BY</u>			
<u>Grants Awarded</u>	<u>200,000.00</u>	<u>170,000.00</u>	<u>Waterfront Park Ord. # 31-05</u>
<u>DECREASED BY</u>			
<u>Receipts</u>	<u>78,774.75</u>	<u>78,774.75</u>	<u>405,000.00</u>
<u>Canceled</u>	<u>229,305.85</u>	<u>\$ 170,000.00</u>	<u>250,000.00</u>
<u>BALANCE, DECEMBER 31, 2008</u>	<u>\$ 2,021,794.15</u>	<u>\$ 170,000.00</u>	<u>\$ 175,694.15</u>
<u>Detail:</u>			
<u>Unreserved</u>	<u>\$ 1,676,100.00</u>	<u>\$ 200,000.00</u>	<u>\$ 1,226,100.00</u>
<u>Reserved</u>	<u>345,694.15</u>	<u>170,000.00</u>	<u>175,694.15</u>
<u>\$ 2,021,794.15</u>	<u>\$ 200,000.00</u>	<u>\$ 170,000.00</u>	<u>\$ 175,694.15</u>

BOROUGH OF RED BANK  
GENERAL CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2007</u>	<u>2008 Authorizations</u>	<u>Balance December 31, 2008</u>
2-01	Various 2001 Road Improvements	\$ 32,738.86	\$ 32,738.86	\$ 32,738.86
31-05	Acquisition of Real Property for Waterfront Park	450,000.00		450,000.00
49-05	Various 2005 Road Improvements	37,500.00		37,500.00
17-08	Phase II Road Improvements to Spring Street		328,000.00	328,000.00
		\$ 520,238.86	\$ 328,000.00	\$ 848,238.86

**UTILITY OPERATING FUNDS - COMBINED STATEMENTS**

**BOROUGH OF RED BANK**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - PARKING AND WATER-SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	Parking Utility		Water-Sewer Utility		Totals	
	2008	2007	2008	2007	2008	(Memorandum Only)
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 754,874.48	\$ 583,328.04	\$ 738,143.01	\$ 710,545.82	\$ 1,493,017.49	\$ 1,293,873.86
Consumer Accounts Receivable			1,050,733.03	982,066.93	1,050,733.03	982,066.93
Water-Sewer Utility Liens Receivable			2,667.26	1,240.46	2,667.26	1,240.46
Interfunds Receivable	1,357.14	36,565.12	6,843.12	184,065.40	8,200.26	220,630.52
Inventory		7,923.50	10,608.66	13,154.50	10,608.66	21,078.00
<b>Total Assets</b>	<b>\$ 756,231.62</b>	<b>\$ 627,816.66</b>	<b>\$ 1,808,995.08</b>	<b>\$ 1,891,073.11</b>	<b>\$ 2,565,226.70</b>	<b>\$ 2,518,889.77</b>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>						
Liabilities:						
Appropriation Reserves	\$ 62,521.97	\$ 94,449.94	\$ 126,896.89	\$ 334,319.36	\$ 189,418.86	\$ 428,769.30
Other Liabilities and Reserves:						
Reserve for Encumbrances	2,793.96	4,000.02	55,038.24	61,255.28	57,832.20	65,255.30
Reserve for Parking Fee Variance	501,020.00	351,520.00	7,402.50		501,020.00	351,520.00
Due to Paying Agent						7,402.50
Customer Overpayments			4,250.43	4,678.60	4,250.43	4,678.60
	503,813.96	362,922.52	59,288.67	65,933.88	563,102.63	428,856.40
Accrued Interest on Bonds and Notes	7,418.57	10,787.59	161,884.53	182,756.64	169,303.10	193,544.23
Reserve for Receivables and Inventory			7,923.50	1,064,008.95	986,461.89	1,064,008.95
Fund Balance	182,477.12	151,733.11	396,916.04	311,601.34	579,393.16	463,334.45
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$ 756,231.62</b>	<b>\$ 627,816.66</b>	<b>\$ 1,808,995.08</b>	<b>\$ 1,891,073.11</b>	<b>\$ 2,565,226.70</b>	<b>\$ 2,518,889.77</b>

**PARKING UTILITY OPERATING FUND**

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - STATUTORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:		
Parking Fees	\$ 896,122.35	\$ 928,670.82
Riverview Hospital - Lease Agreement	275,459.99	240,746.98
Reserve for Payment of Bonds	50,000.00	
2007 Appropriation Reserves Cancelled	44,000.00	
Non-Budget Revenue	15,123.85	13,850.15
Other Credits to Income - Unexpended Balance of Appropriation Reserves	<u>35,037.82</u>	<u>33,045.59</u>
 Total Income	 <u>1,315,744.01</u>	 <u>1,216,313.54</u>
Expenditures:		
Operating	792,234.00	791,480.00
Debt Service	245,766.00	247,118.75
Deferred Charges and Statutory Expenditures	47,000.00	47,000.00
Surplus Transferred to Current Fund	<u>100,000.00</u>	
 Total Expenditures	 <u>1,185,000.00</u>	 <u>1,085,598.75</u>
Statutory Excess to Fund Balance	130,744.01	130,714.79
 Fund Balance, January 1	 <u>151,733.11</u>	 <u>271,018.32</u>
Decreased by:		
Transferred to Current Fund	<u>100,000.00</u>	<u>250,000.00</u>
 Fund Balance, December 31	 <u>\$ 182,477.12</u>	 <u>\$ 151,733.11</u>

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Parking Fees	\$ 816,000.00	\$ 896,122.35	\$ 80,122.35
Payment from Riverview Hospital - Lease	275,000.00	275,459.99	459.99
Cancellation of 2007 Appropriation Reserves	44,000.00	44,000.00	
Reserve for Payment of Bonds	<u>50,000.00</u>	<u>50,000.00</u>	
	1,185,000.00	1,265,582.34	80,582.34
Non-Budget Revenue		<u>15,123.85</u>	<u>15,123.85</u>
	<u>\$ 1,185,000.00</u>	<u>\$ 1,280,706.19</u>	<u>\$ 95,706.19</u>

BOROUGH OF RED BANK  
PARKING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2008

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries and Wages	\$ 335,253.00	\$ 335,253.00	\$ 333,881.08	\$ 2,793.96	\$ 1,371.92
Other Expenses	406,981.00	406,981.00	345,531.07		58,655.97
Reserve for Sick Leave	50,000.00	50,000.00	50,000.00		
Total Operating	<u>792,234.00</u>	<u>792,234.00</u>	<u>729,412.15</u>	<u>2,793.96</u>	<u>60,027.89</u>
<u>DEBT SERVICE</u>					
Payment of Bond Principal	170,000.00	170,000.00	170,000.00		
Notes and Capital Notes	25,766.00	25,766.00	25,766.00		
Interest on Bonds					
Interest on Notes					
Capital Lease					
Total Debt Service	<u>245,766.00</u>	<u>245,766.00</u>	<u>245,766.00</u>	<u></u>	<u></u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,000.00	20,000.00	20,000.00		
Social Security System (O.A.S.I.)	27,000.00	27,000.00	24,505.92		<u>2,494.08</u>
Total Deferred Charges and Statutory Expenditures	<u>47,000.00</u>	<u>47,000.00</u>	<u>44,505.92</u>	<u></u>	<u>2,494.08</u>
Surplus (General Budget)	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u></u>	<u></u>
Total Parking Utility Appropriations	<u>\$ 1,185,000.00</u>	<u>\$ 1,185,000.00</u>	<u>\$ 1,119,684.07</u>	<u>\$ 2,793.96</u>	<u>\$ 62,521.97</u>

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES**

BALANCE, DECEMBER 31, 2007 \$ 10,787.59

INCREASED BY

2008 Budget Appropriations:

Interest on Bonds

25,766.00

36,553.59

DECREASED BY

Cash Disbursed

29,135.02BALANCE, DECEMBER 31, 2008\$ 7,418.57ANALYSIS OF ACCRUAL

	<u>Date of Issue</u>	<u>Accrual Period</u>	<u>Interest Rate</u>	<u>Amount Outstanding December 31, 2008</u>	<u>Accrual</u>
<u>Serial Bonds</u>					
Serial Bonds - 1994	12/1/1994	1 Month	6.30%	\$ 75,000.00	\$ 393.75
Serial Bonds - 2002	8/1/2002	5 Months	Var.	290,000.00	4,430.21
Serial Bonds - 2004	6/15/2004	5 Months	Var.	<u>170,000.00</u>	<u>2,593.75</u>
				\$ <u>535,000.00</u>	\$ 7,417.71
Add: Excess to be Used in Succeeding Years Budget					0.86
					\$ <u>7,418.57</u>

**WATER-SEWER UTILITY OPERATING FUND**

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - STATUTORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 100,000.00	\$ 400,000.00
Collection of Water-Sewer Rents	5,478,066.75	5,537,098.99
Additional Rents - Rate Increase	607,000.00	
Water and Sewer Connection Fees	25,533.00	27,776.60
Water-Sewer Utility Capital Fund Balance		
Appropriated	32,436.45	
Miscellaneous	127,296.83	206,279.72
Cancellation of 2007 Appropriation Reserves	100,000.00	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	41,158.72	34,551.33
Current Appropriations Cancelled	<u>253,259.40</u>	<u>183,259.40</u>
 Total Income	 <u>6,764,751.15</u>	 <u>6,388,966.04</u>
Expenditures:		
Operating	4,906,532.05	5,082,104.62
Debt Service	1,193,645.00	898,554.38
Deferred Charges and Statutory Expenditures	279,259.40	122,307.04
Surplus - General Budget	<u>200,000.00</u>	<u>286,000.00</u>
 Total Expenditures	 <u>6,579,436.45</u>	 <u>6,388,966.04</u>
Excess in Revenues/		
Statutory Excess to Fund Balance	185,314.70	
 Fund Balance, January 1	 <u>311,601.34</u>	 <u>1,011,601.34</u>
 Decreased by:		
Utilized as Anticipated Revenue	100,000.00	400,000.00
Transferred to Current Fund	<u>300,000.00</u>	
 Fund Balance, December 31	 <u>396,916.04</u>	 <u>311,601.34</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	\$ 100,000.00	\$ 100,000.00	\$
Rents and Other Charges	5,537,000.00	5,478,066.75	(58,933.25)
Water and Sewer Connection Fees	27,000.00	25,533.00	(1,467.00)
Additional Rents - Rate Increase	607,000.00	607,000.00	
Water-Sewer Utility Capital Fund			
Balance Appropriated	32,436.45	32,436.45	
Miscellaneous	176,000.00	127,296.83	(48,703.17)
Cancellation of 2007 Appropriation			
Reserves	<u>100,000.00</u>	<u>100,000.00</u>	<u></u>
	<u>\$ 6,579,436.45</u>	<u>\$ 6,470,333.03</u>	<u>\$ (109,103.42)</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>						
Salaries and Wages	\$ 759,960.00	\$ 759,960.00	\$ 758,999.58	\$ 51,336.08	\$ 960.42	\$ 70,000.00
Other Expenses	1,466,572.05	1,445,895.05	1,272,035.46		52,523.51	
Regional Sewer Authority Charges	1,830,000.00	1,850,677.00	1,850,677.00			
Manasquan River Water Purchases	650,000.00	650,000.00	576,587.14		73,412.86	
Reserve for Accumulated Sick Leave	200,000.00	200,000.00	199,999.90		0.10	
<b>Total Operating</b>	<b>4,906,532.05</b>	<b>4,906,532.05</b>	<b>4,658,299.08</b>	<b>51,336.08</b>	<b>126,896.89</b>	<b>70,000.00</b>
<b>DEBT SERVICE</b>						
Payment of Bond Principal	625,000.00	625,000.00	625,000.00			
Interest on Bonds	368,645.00	368,645.00	368,645.00			
Interest on Notes						
Capital Lease Payment	200,000.00	200,000.00	200,000.00			
<b>Total Debt Service</b>	<b>1,193,645.00</b>	<b>1,193,645.00</b>	<b>1,193,645.00</b>			
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	40,000.00	40,000.00	40,000.00			
Social Security System (O.A.S.I.)	56,000.00	56,000.00	56,000.00			
Deferred Charges:						
Deficit in Operations of Prior Year	183,259.40	183,259.40				183,259.40
Total Deferred Charges and Statutory Expenditures	279,259.40	279,259.40	96,000.00			183,259.40
<b>SURPLUS (GENERAL BUDGET)</b>	<b>200,000.00</b>	<b>200,000.00</b>	<b>200,000.00</b>			
Total Water-Sewer Utility Appropriations	\$ 6,579,436.45	\$ 6,579,436.45	\$ 6,147,944.08	\$ 51,336.08	\$ 126,896.89	\$ 253,259.40

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 982,066.93
<u>INCREASED BY</u>	
Rents Charged in 2008	<u>6,155,159.65</u>
	7,137,226.58
<u>DECREASED BY</u>	
Collections - Net	\$ 6,085,066.75
Transfer to Lien	<u>1,426.80</u>
	<u>6,086,493.55</u>
<u>BALANCE, DECEMBER 31, 2008</u>	\$ <u>1,050,733.03</u>

**STATEMENT OF WATER-SEWER UTILITY LIENS RECEIVABLE**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 1,240.46
<u>INCREASED BY</u>	
Transferred from Consumer Accounts Receivable	<u>1,426.80</u>
<u>BALANCE, DECEMBER 31, 2008</u>	\$ <u>2,667.26</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	Balance			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	December 31, 2007			
Operating:						
Other Expenses	\$ 163,581.46	\$ 61,255.28	\$ 224,836.74	\$ 190,120.33	\$ 34,716.41	
Manasquan River Water Purchases	<u>\$ 170,737.90</u>		<u>\$ 170,737.90</u>	<u>\$ 64,295.59</u>		<u>\$ 106,442.31</u>
	<u>\$ 334,319.36</u>	<u>\$ 61,255.28</u>	<u>\$ 395,574.64</u>	<u>\$ 254,415.92</u>	<u>\$ 141,158.72</u>	
Detail:						
Anticipated as 2008 Revenue Item						\$ 100,000.00
Lapsed to Operations						<u>41,158.72</u>
						\$ <u>141,158.72</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES**

BALANCE, DECEMBER 31, 2007 \$ 182,756.64

INCREASED BY

Budget Appropriations:	
Interest on Bonds	<u>368,645.00</u>
	551,401.64

DECREASED BY

Cash Disbursed	<u>389,517.11</u>
----------------	-------------------

BALANCE, DECEMBER 31, 2008 \$ 161,884.53

ANALYSIS OF ACCRUAL

	Date of Issue	Accrual Period	Interest Rate	Amount Outstanding December 31, 2008	Accrual
<u>Serial Bonds</u>					
2002 Series	8/1/2002	5 Months	Var.	\$ 660,000.00	\$ 10,090.63
2004 Series	6/15/2004	5 Months	Var.	2,100,000.00	34,382.81
2007 Series	7/15/2007	5.5 Months	Var.	<u>6,095,000.00</u>	<u>106,736.98</u>
				\$ 8,855,000.00	151,210.42
Add: Excess to be Utilized in Future Budgets					<u>10,674.11</u>
					\$ <u>161,884.53</u>

**UTILITY CAPITAL FUNDS - COMBINED STATEMENTS**

**BOROUGH OF RED BANK**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - PARKING AND WATER-SEWER UTILITY CAPITAL FUNDS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**

	Parking Utility		Water-Sewer Utility		Totals 2007
	2008	2007	2008	2007	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 151,277.97	\$ 213,316.45	\$ 1,935,421.04	\$ 3,126,047.75	\$ 2,086,699.01
Fixed Capital	3,549,558.93	3,549,558.93	9,065,403.29	9,236,560.00	12,614,962.22
Fixed Capital Authorized and Uncompleted	315,000.00	315,000.00	9,911,560.00	10,226,500.00	9,561,500.00
3,864,558.93	3,864,558.93	18,976,903.29	18,301,903.29	22,841,462.22	22,166,462.22
Total Assets	\$ 4,015,836.90	\$ 4,077,875.38	\$ 20,912,324.33	\$ 21,427,951.04	\$ 24,928,161.23
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Serial Bonds	\$ 535,000.00	\$ 705,000.00	\$ 8,855,000.00	\$ 9,480,000.00	\$ 9,390,000.00
Improvement Authorizations:					
Funded	49,644.21	63,035.83	1,609,946.87	2,281,141.64	1,659,591.08
Unfunded			646,974.85		646,974.85
49,644.21	63,035.83	2,256,921.72	2,281,141.64		2,306,565.93
Capital Improvement Fund					
Reserve for Payment of Bonds	3,400.00	3,400.00	1,500.00	1,500.00	4,900.00
Reserve for Encumbrances	96,868.64	146,868.64	323,862.20	560.37	96,868.64
Interfunds Payable	1,357.14		28,137.12	788,309.29	323,862.20
101,625.78	150,268.64	353,499.32	22,190.00	29,494.26	22,100.00
Reserves for Amortization					
3,329,558.93	3,159,558.93	9,261,126.63	8,606,126.63	455,125.10	962,738.30
Deferred Reserve for Amortization					
Fund Balance	7.98	7.98		32,436.45	7.98
Total Liabilities, Reserves and Fund Balance	\$ 4,015,836.90	\$ 4,077,875.38	\$ 20,912,324.33	\$ 21,427,951.04	\$ 24,928,161.23
					\$ 25,505,826.42

There were Bonds and Notes Authorized But Not Issued at December 31, 2008 in the Parking Utility Capital Fund in the amount of \$ None and in the Water-Sewer Utility Capital Funds of \$675,000.00

**PARKING UTILITY CAPITAL FUND**

**BOROUGH OF RED BANK**  
**PARKING UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2007	Receipts <u>Other</u>	Disbursements	<u>To</u>	<u>Transfer</u> <u>From</u>	Balance December 31, 2008
Fund Balance	\$ 7.98	\$ 1,357.14	\$ 50,000.00	\$ 50,000.00	\$ 7.98	\$ 7.98
Due to Parking Utility Operating Fund	3,400.00					1,357.14
Capital Improvement Fund	146,868.64					3,400.00
Reserve for Payment of Bonds				50,000.00		96,868.64
<b>Improvement Authorizations:</b>						
<u>Ordinance Number</u>		<u>Description</u>				
02-04		Acquisition and Installation of Parking Meters and the Resurfacing of Parking Lots	<u>63,039.83</u>	<u>13,395.62</u>	<u>49,644.21</u>	
	<u>\$ 213,316.45</u>	<u>\$ 1,357.14</u>	<u>\$ 63,395.62</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 151,277.97</u>

BOROUGH OF RED BANK  
PARKING UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2007 and 2008</u>
02-04	Acquisition and Installation of Parking Meters and the Resurfacing of Parking Lots	2/10/2004	\$ 315,000.00	\$ <u>315,000.00</u> \$ <u><u>315,000.00</u></u>

There was no change during the year.

BOROUGH OF RED BANK  
PARKING UTILITY CAPITAL FUND  
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2008		Interest Rate	Balance December 31, 2007	Decreased	Balance December 31, 2008
			Date	Amount				
Parking Utility Bonds	12/1/1994	\$ 970,000.00	2009	\$ 75,000.00	6.30%	\$ 155,000.00	\$ 80,000.00	\$ 75,000.00
Parking Utility Bonds	8/1/2002	535,000.00	2009-10	55,000.00	3.625%	340,000.00	50,000.00	290,000.00
Parking Utility Bonds			2011-13	60,000.00	3.625% 3.750%			
Parking Utility Bonds	6/15/2004	315,000.00	2009	40,000.00	3.500%	210,000.00	40,000.00	170,000.00
Parking Utility Bonds			2010	40,000.00	3.625%			
			2011-12	45,000.00	3.750%			
						\$ 705,000.00	\$ 170,000.00	\$ 535,000.00

**BOROUGH OF RED BANK**  
**PARKING UTILITY CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31,		Paid or Charged	Balance December 31, 2008 Funded
				2007 Funded	2008 Funded		
02-04	Meter Installation Project	2/10/2004	\$ 315,000.00	\$ 63,039.83	\$ 13,395.62	\$ 49,644.21	
				\$ <u>63,039.83</u>	\$ <u>13,395.62</u>	\$ <u>49,644.21</u>	

**BOROUGH OF RED BANK**  
**PARKING UTILITY CAPITAL FUND**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

There were no bonds and notes authorized but not issued.

**WATER-SEWER UTILITY CAPITAL FUND**

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2007	Other Receipts	Disbursements			Transfer From	Balance December 31, 2008
			Improvement Authorizations	Other	To		
Fund Balance	\$ 32,436.45	\$ 806.00	\$ 36,607.04	\$ 63,566.74	\$ 32,996.82	\$ 32,436.45	\$ 6,843.12
Due (from) to Water-Sewer Utility Operating Fund		1,500.00					1,500.00
Capital Improvement Fund		788,309.29		633,810.60	169,366.57	3.06	323,862.20
Reserve for Encumbrances		560.37			560.37		
Reserve for Payment of Bonds							
Due to Trust Other Fund		21,294.00					
Improvement Authorizations:							
Ordinance Number		Description					
26-02		Various 2002 Improvements to the Water-Sewer Facility		38,326.09	5,859.50		32,466.59
15-03		Acquisition and Installation of Replacement Water Meters and Improvements to Water Facilities				483,588.85	483,588.85
35-04/ 23-05		Reconstruction of the Sewer Main Along Maple Ave.		546,150.80			546,150.80
48-05		Replacement of Sanitary Sewer Lines		39,706.66	3,792.75		35,913.91
9-06		Repair and Replacement of Sewer Lines and Hydrant Installation		72,298.80	27,995.00		44,303.80
10-06		Various Facility Improvements		389,874.83	11,699.94		375,969.39
22-07		Water Mains, Fire Hydrant Valves and Sewer Pump Stations		370,160.61	161,272.43	3.06	41,730.17
23-07		Various 2007 Capital Improvements		341,035.00	291,211.64		49,823.36
24-08		Various 2008 Capital Improvements			28,025.15		(28,025.15)
						\$ 202,366.45	\$ 1,935,421.04

Bracketed amount denotes deficit.

BOROUGH OF RED BANK  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2007</u>	<u>2008 Authorization</u>	<u>Balance December 31, 2008</u>
26-02	Various 2002 Improvements to the Water-Sewer Facility	11/26/2002	\$ 1,150,000.00	\$ 1,150,000.00	\$	\$ 1,150,000.00
5-03/ 37-03	Various 2003 Water System and Sanitary Sewer Repairs	2/25/2003 9/23/2003	410,000.00	410,000.00		410,000.00
15-03	Acquisition and Installation of Replacement Water Meters and Improvements to Water Facilities	5/27/2003	1,330,000.00	1,316,500.00		1,316,500.00
35-04/ 23-05	Reconstruction of the Sewer Main along Maple Ave.	9/28/2004, 5/23/2005	1,000,000.00 945,000.00	1,945,000.00		1,945,000.00
48-05	Replacement of Sanitary Sewer Lines	1/17/2005	200,000.00	200,000.00		200,000.00
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	250,000.00		250,000.00
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	2,425,000.00		2,425,000.00
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	5/29/2007	1,140,000.00	1,140,000.00		1,140,000.00
23-07	Various 2007 Capital Improvements	5/29/2007	400,000.00	400,000.00		400,000.00
24-08	Various 2008 Capital Improvements	9/22/2008	675,000.00		675,000.00	675,000.00
				\$ 9,236,500.00	\$ 675,000.00	\$ 9,911,500.00

BOROUGH OF RED BANK  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2008		Interest Rate	Balance December 31, 2007	Decreased	Balance December 31, 2008
			Date	Amount				
Water-Sewer Bonds	10/1/1998	\$ 350,000.00			4.150%	\$ 45,000.00	\$ 45,000.00	\$
			2009	\$ 115,000.00	3.625%			
			2010	125,000.00	3.625%			
			2011	130,000.00	3.625%			
			2012	140,000.00	3.700%			
			2013	150,000.00	3.750%			
						765,000.00	105,000.00	660,000.00
Water-Sewer Bonds	8/1/2002	1,200,000.00						
			2009	\$ 190,000.00	3.500%			
			2010	200,000.00	3.625%			
			2011	210,000.00	3.750%			
			2012	220,000.00	3.750%			
			2013	230,000.00	4.000%			
			2014	245,000.00	4.000%			
			2015	250,000.00	4.100%			
			2016	275,000.00	4.125%			
			2017	280,000.00	4.250%			
						2,285,000.00	185,000.00	2,100,000.00
Water-Sewer Bonds	6/15/2004	2,780,000.00						
			2009	\$ 290,000.00	4.000%			
			2010	300,000.00	4.125%			
			2011	300,000.00	4.125%			
			2012	340,000.00	4.125%			
			2013	370,000.00	4.125%			
			2014	405,000.00	4.125%			
			2015	435,000.00	4.250%			
			2016	455,000.00	4.250%			
			2017	455,000.00	4.250%			
			2018	480,000.00	4.250%			
			2019	550,000.00	4.250%			
			2020	560,000.00	4.250%			
			2021	575,000.00	4.250%			
			2022	580,000.00	4.250%			
						6,385,000.00	290,000.00	6,095,000.00
Water-Sewer Bonds	7/15/2007	6,385,000.00						
			2009	\$ 290,000.00	4.000%			
			2010	300,000.00	4.125%			
			2011	300,000.00	4.125%			
			2012	340,000.00	4.125%			
			2013	370,000.00	4.125%			
			2014	405,000.00	4.125%			
			2015	435,000.00	4.250%			
			2016	455,000.00	4.250%			
			2017	455,000.00	4.250%			
			2018	480,000.00	4.250%			
			2019	550,000.00	4.250%			
			2020	560,000.00	4.250%			
			2021	575,000.00	4.250%			
			2022	580,000.00	4.250%			
						\$ 9,480,000.00	\$ 625,000.00	\$ 8,855,000.00

BOROUGH OF RED BANK  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES

There were no bond anticipation notes issued, paid or outstanding during the year.

BOROUGH OF RED BANK  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31,		2008 Authorizations	Paid or Charged	Prior Year Encumbrances Payable Canceled	Balance December 31,	
				2007 Funded	2007 Unfunded				2008 Funded	2008 Unfunded
26-02	Various 2002 Improvements to the Water-Sewer Facility	11/26/2002	\$ 1,150,000.00	\$ 38,326.09	\$	\$	\$ 5,859.50	\$	\$ 32,466.59	\$
15-03	Acquisition and Installation of Replacement Water Meters and	5/27/2003	1,330,000.00	483,588.85						483,588.85
35-04/23-05/18-08	Reconstruction of the Sewer Main Along Maple Ave.	9/28/2004, 5/23/2005, 8/11/2008	1,000,000.00 945,000.00	546,150.80						546,150.80
48-05	Replacement of Sanitary Sewer Lines	11/7/2005	200,000.00	39,706.66			3,792.75			35,913.91
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	72,298.80			27,995.00			44,303.80
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	389,874.83			13,905.44			375,969.39
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	2007	1,140,000.00	370,160.61			328,433.50	3.06		41,730.17
23-07	Various 2007 Capital Improvements	2007	400,000.00	341,035.00			291,211.64			49,823.36
24-08	Various 2008 Capital Improvements	9/22/2008	675,000.00			\$ 675,000.00				
			\$ 2,281,141.64			\$ 675,000.00				
						\$ 689,222.98				
							\$ 3.06			
										646,974.85
										\$ 646,974.85

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**RESERVE FOR PAYMENT OF BONDS**

<u>BALANCE, DECEMBER 31, 2007</u>	\$ 560.37
<u>DECREASED BY</u>	
Anticipated Revenue - 2008 Water-Sewer	
Utility Operating Fund	<u>560.37</u>

BOROUGH OF RED BANK  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2007</u>	<u>2008 Authorizations</u>	<u>Cancelled</u>	<u>Balance December 31, 2008</u>
5-03/ 37-03	Various 2003 Water System and Sanitary Sewer Repairs	\$ 9,500.00	\$ 675,000.00	\$ 9,500.00	\$ 675,000.00
24-08	Various 2008 Water/Sewer Improvements	\$ 9,500.00	\$ 675,000.00	\$ 9,500.00	\$ 675,000.00

**GENERAL FIXED ASSETS ACCOUNT**

**BOROUGH OF RED BANK**  
**GENERAL FIXED ASSETS ACCOUNT**  
**COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS**

	Balance December 31, <u>2008</u>	Balance December 31, <u>2007</u>
<b>General Fixed Assets:</b>		
Land and Buildings	\$ 17,351,957.00	\$ 16,981,005.00
Contents	2,551,301.00	2,526,221.00
Vehicles and Equipment	<u>8,585,662.00</u>	<u>9,114,033.00</u>
	<u>\$ 28,488,920.00</u>	<u>\$ 28,621,259.00</u>
 <b>Investment in General Fixed Assets</b>	 <u>\$ 28,488,920.00</u>	 <u>\$ 28,621,259.00</u>

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

The Honorable Mayor and Members  
of the Borough of Red Bank Council  
Borough of Red Bank  
County of Monmouth  
State of New Jersey

To the Honorable Mayor and Members of the Borough of Red Bank Council:

We have audited the financial statements – regulatory basis of the Borough of Red Bank (the “Borough”) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

As described in Note 1, the Borough of Red Bank 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 the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive regulatory basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the 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 Borough’s financial statements that is more than inconsequential will not be prevented or detected by the Borough’s internal control.

**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 (CONTINUED)**

Internal Control Over Financial Reporting –(Continued)

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Red Bank '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 matters that we reported to management of the Borough in the "General Comments and Recommendations" section of this report.

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



David A. Kaplan  
Certified Public Accountant  
Registered Municipal Accountant #433

DAK CPA

Long Branch, New Jersey  
May 20, 2009

DAK CPA Certified Public Accountants

**STATISTICAL SECTION**

**BOROUGH OF RED BANK**  
**CURRENT FUND EXPENDITURES BY FUNCTION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)**

Function	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government	\$ 2,262,928.67	\$ 2,457,486.41	\$ 2,432,221.89	\$ 2,361,841.25	\$ 1,726,271.00	\$ 1,637,855.00	\$ 1,414,941.00	\$ 1,357,576.00	\$ 1,265,041.00	\$ 1,718,182.00
Land Use Administration	181,800.00	198,000.00	179,700.00	148,000.00	148,400.00	122,500.00	143,100.00	120,300.00	125,455.00	91,780.00
Insurance	2,480,500.00	2,340,000.00	2,175,000.00	1,785,000.00	1,620,000.00	1,330,000.00	1,140,400.00	1,056,500.00	871,350.00	945,000.00
Public Safety	4,841,439.18	4,737,600.00	4,248,400.00	4,084,100.00	3,881,035.00	3,854,806.00	3,667,015.00	3,494,090.00	3,300,078.00	3,339,706.00
Public Works	1,406,526.00	1,381,380.00	1,255,000.00	1,183,677.10	1,183,605.00	1,160,000.00	1,270,000.00	1,105,020.00	1,038,500.00	1,391,900.00
Landfill/Solid Waste Disposal Costs	525,000.00	580,000.00	588,000.00	528,000.00	470,000.00	610,000.00	608,100.00	633,200.00	642,000.00	606,000.00
Streets and Roads										
Sanitation										
Health and Welfare	217,886.01	198,065.99	134,500.00	118,450.00	122,537.00	122,190.00	182,028.00	162,968.00	223,444.00	245,943.00
Recreation and Education	454,007.00	445,734.00	399,500.00	375,100.00	342,250.00	332,350.00	356,050.00	326,085.00	287,650.00	274,835.00
Utility Expenses and Bulk Purchases	657,773.82	587,000.00	545,000.00	520,900.00	487,500.00	474,200.00	461,500.00	419,300.00	402,000.00	332,650.00
Uniform Construction Code	295,210.00	283,100.00	345,150.00	330,650.00	364,810.00	363,000.00	362,000.00	345,500.00	388,400.00	1,500.00
Contingent and Celebration	1,500.00	2,200.00	2,200.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	
Deferred Charges and Statutory Expenditures										
State and Federal Grants	1,241,060.73	723,089.96	843,456.08	823,499.41	950,278.69	706,611.24	643,849.13	714,740.30	936,880.00	888,475.00
Judgements	190,977.13	2,568,346.04	106,464.97	216,317.59	710,175.50	364,922.56	449,964.79	563,587.86	439,573.97	315,746.51
Capital Improvements	66,603.84									
Debt Service	3,484,439.00	2,781,078.37	2,771,891.56	2,454,331.87	2,451,842.91	2,243,452.00	1,934,011.00	1,956,899.90	2,177,389.00	2,051,128.00
Reserve for Sick Pay	35,956.88	50,000.00	100,000.00	130,000.00	696,669.92	707,587.40	720,857.47	813,696.60	925,661.71	1,050,815.34
Reserve for Uncollected Taxes	870,673.81	861,775.24	50,000.00							1,020,111.01
	<u>\$ 19,244,282.07</u>	<u>\$ 20,260,850.01</u>	<u>\$ 16,308,484.50</u>	<u>\$ 15,929,287.14</u>	<u>\$ 15,267,792.50</u>	<u>\$ 14,144,244.27</u>	<u>\$ 13,508,155.52</u>	<u>\$ 13,218,083.77</u>	<u>\$ 13,174,921.31</u>	<u>\$ 13,390,106.52</u>

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND EXPENDITURES BY FUNCTION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)**

Function	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Operating Capital Improvements	\$ 792,234.00	\$ 791,480.00	\$ 723,500.00	\$ 638,300.00	\$ 475,000.00	\$ 395,000.00	\$ 318,500.00	\$ 212,140.00	\$ 162,176.00	\$ 195,000.00
Debt Service	245,766.00	247,118.75	243,459.18	236,272.12	193,784.00	240,452.00	236,175.00	293,100.00	271,980.00	259,341.07
Deferred Charges and Statutory Expenditures	47,000.00	47,000.00	29,586.25	28,727.84	60,600.00	15,600.00	7,000.00	6,350.00	4,700.00	6,266.00
Surplus Transferred to Current Fund	<u>100,000.00</u>	<u>1,085,598.75</u>	<u>996,545.43</u>	<u>\$ 903,299.96</u>	<u>\$ 729,384.00</u>	<u>\$ 651,052.00</u>	<u>\$ 561,675.00</u>	<u>\$ 519,090.00</u>	<u>\$ 438,856.00</u>	<u>\$ 460,607.07</u>
	<u><u>\$ 1,185,000.00</u></u>	<u><u>\$ 1,085,598.75</u></u>	<u><u>\$ 996,545.43</u></u>	<u><u>\$ 903,299.96</u></u>	<u><u>\$ 729,384.00</u></u>	<u><u>\$ 651,052.00</u></u>	<u><u>\$ 561,675.00</u></u>	<u><u>\$ 519,090.00</u></u>	<u><u>\$ 438,856.00</u></u>	<u><u>\$ 460,607.07</u></u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating										
Capital Improvements	\$ 4,906,532.05	\$ 5,082,104.62	\$ 4,523,807.89	\$ 4,051,882.00	\$ 4,070,246.00	\$ 4,284,696.00	\$ 4,301,785.00	\$ 4,013,000.00	\$ 3,664,000.00	\$ 3,772,000.00
Debt Service	1,133,645.00	898,554.38	726,064.25	55,000.00	60,000.00	80,597.04	10,000.00	42,000.00	11,000.00	25,500.00
Deferred Charges and Statutory										
Expenditures	279,259.40	122,307.04	145,984.36	546,840.01	492,428.25	172,082.38	64,020.00	60,120.00	61,020.00	360,884.37
Surplus General Budget	<u>200,000.00</u>	<u>286,000.00</u>								360,164.64
	<u>\$ 6,579,436.45</u>	<u>\$ 6,388,966.04</u>	<u>\$ 5,393,856.50</u>	<u>\$ 5,247,090.62</u>	<u>\$ 4,977,719.25</u>	<u>\$ 4,863,751.42</u>	<u>\$ 4,629,456.00</u>	<u>\$ 4,306,982.00</u>	<u>\$ 4,126,874.37</u>	<u>\$ 4,216,184.64</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND REVENUES BY SOURCE**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)**

Source	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Fund Balance Anticipated	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,185,769.05	\$ 1,237,887.89	\$ 1,040,000.00	\$ 588,777.21	\$ 757,688.00	\$ 824,725.00	\$ 799,880.00	\$ 1,200,000.00
Taxes (1)	10,344,639.22	8,663,680.47	7,760,128.96	7,900,988.20	7,552,516.73	7,208,499.04	6,593,617.13	6,533,054.13	6,593,123.36	6,170,720.20
Delinquent Taxes	962,570.81	728,820.90	678,059.56	604,858.25	632,738.36	741,909.67	605,567.10	674,534.09	955,869.78	805,091.12
Miscellaneous Revenues	3,794,444.35	4,227,425.27	4,148,567.70	3,380,932.84	3,136,652.28	2,706,634.51	2,351,495.86	1,995,892.74	2,073,218.11	2,008,172.56
State Aid	2,943,666.00	2,770,744.00	2,843,480.00	2,818,510.00	2,713,834.66	2,645,580.00	2,596,715.00	2,692,593.00	2,555,095.90	424,005.01
Federal and State Grants/Interlocal	190,977.13	2,568,346.04	106,464.97	216,317.59	524,588.50	343,958.56	441,826.79	733,355.86	575,544.23	
Non-budget Revenues and Other Items	692,422.65	667,064.74	464,533.37	315,547.12	141,337.59	188,299.10	296,275.26	451,181.42	194,643.68	430,589.10
	<u>\$ 20,228,720.16</u>	<u>\$ 20,926,081.42</u>	<u>\$ 17,187,003.61</u>	<u>\$ 16,475,041.89</u>	<u>\$ 15,846,343.47</u>	<u>\$ 14,491,912.75</u>	<u>\$ 13,692,050.14</u>	<u>\$ 13,809,458.24</u>	<u>\$ 14,084,872.16</u>	<u>\$ 13,573,673.89</u>

(1) Excludes tax allocated to county, school and special improvement district.

BOROUGH OF RED BANK  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>Borough</u>	<u>County</u>	<u>Open Space Fund</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2008	\$ 0.445	\$ 0.231	\$ 0.015	\$ 0.538	\$ 0.365	\$ 1.594	97.38%	2.73%
2007 *	0.384	0.237	0.015	0.534	0.371	1.541	97.09%	3.02%
2006	0.836	0.528	0.030	1.200	0.834	3.428	97.99%	2.12%
2005	0.792	0.492	0.029	1.165	0.745	3.223	97.89%	2.21%
2004	0.749	0.460	0.028	1.135	0.704	3.076	98.43%	1.66%
2003	0.734	0.462	0.030	1.102	0.646	2.974	97.89%	2.20%
2002	0.690	0.437	0.019	0.964	0.587	2.697	97.33%	2.84%
2001	0.671	0.391	0.018	0.918	0.520	2.518	97.19%	2.80%
2000	0.940	0.514	0.026	1.267	0.736	3.483	96.84%	3.10%
1999	0.909	0.491	0.026	1.232	0.754	3.412	95.37%	4.46%

Source: Tax Collector.  
 \* Revaluation

**BOROUGH OF RED BANK**  
**MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS**  
**FOR THE LAST TEN (10) FISCAL YEARS**

<u>Year Ended December 31.</u>	<u>Total Tax Levy *</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2008	\$ 37,210,091.47	\$ 36,238,095.23	97.38%
2007	35,414,391.89	34,387,238.22	97.09%
2006	34,148,086.45	33,462,074.21	97.99%
2005	31,879,009.84	31,206,487.37	97.89%
2004	30,150,721.08	29,680,324.58	98.43%
2003	29,002,082.53	28,389,025.01	97.88%
2002	26,242,985.17	25,542,961.19	97.33%
2001	24,640,379.99	23,948,795.54	97.19%
2000	23,379,014.52	22,641,997.72	96.84%
1999	23,018,989.77	21,953,434.72	95.37%

\* Net of cancellations.

**BOROUGH OF RED BANK**  
**DELINQUENT TAXES AND TAX TITLE LIENS**  
**FOR THE LAST TEN (10) FISCAL YEARS**

<u>Year Ended December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$ 53,514.75	\$ 964,090.82	\$ 1,017,605.57	2.73%
2007	45,541.00	1,022,711.47	1,068,252.47	3.02%
2006	41,077.99	681,742.14	722,820.13	2.12%
2005	33,514.28	672,522.47	706,036.75	2.21%
2004	32,673.70	466,988.29	499,661.99	1.66%
2003	29,265.49	608,726.07	637,991.56	2.20%
2002	59,622.89	692,190.81	751,813.70	2.86%
2001	59,114.41	631,800.79	690,915.20	2.80%
2000	66,938.53	657,077.30	724,015.83	3.10%
1999	85,959.93	941,003.41	1,026,963.34	4.46%

**BOROUGH OF RED BANK**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**FOR THE LAST TEN (10) FISCAL YEARS**

<u>Year Ended December 31,</u>		<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2008	\$	2,271,728,671	\$ 2,361,292,466	96.49%
2007	*	2,238,531,929	2,274,699,653	98.41%
2006		968,840,300	2,141,083,536	45.25%
2005		959,795,000	1,902,844,964	50.44%
2004		957,334,500	1,563,761,026	61.22%
2003		949,655,100	1,299,473,317	73.08%
2002		953,190,300	1,175,762,057	81.07%
2001		952,064,700	1,027,592,768	92.65%
2000		649,152,911	864,845,338	75.06%
1999		641,278,011	764,336,128	83.90%

\* Revaluation

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

**BOROUGH OF RED BANK**  
**SCHEDULE OF TEN LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>Assessed Value - 2007</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
#1	\$ 37,500,000	1.65%
#2	24,496,100	1.08%
#3	23,522,000	1.04%
#4	21,520,000	0.95%
#5	20,438,900	0.90%
#7	19,111,500	0.84%
#8	17,985,900	0.79%
#9	14,575,876	0.64%
#10	12,853,600	0.57%
#12	<u>10,508,700</u>	<u>0.46%</u>
	<u>\$ 234,072,476</u>	<u>10.30%</u>

Source: Red Bank Tax Assessor

**BOROUGH OF RED BANK**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

Average Equalized Valuation	\$ <u>2,250,198,553.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 78,756,949.36
Net Debt	<u>15,250,681.84</u>
Remaining Borrowing Power	\$ <u>63,506,267.52</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Red Bank	\$ <u>34,307,319.61</u>	\$ <u>19,056,637.77</u>	\$ 15,250,681.84
Overlapping Debt Apportioned to the Municipality: County of Monmouth (1) (1.828000%)			<u>7,602,438.89</u>
			\$ <u>22,853,120.73</u>

Source: (1) County of Monmouth Director of Finance.

**BOROUGH OF RED BANK**  
**RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND**  
**LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA**  
**FOR THE LAST TEN (10) FISCAL YEARS**

<u>Year Ended December 31.</u>	<u>Borough Population (1)</u>	<u>Equalized Valuation (2)</u>	<u>Net Debt (3)</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Net Debt Per Capita</u>
2008	11,844	\$ 2,278,630,200.00	\$ 15,250,681.84	0.67%	\$ 1,287.63
2007	11,844	2,264,471,395.00	17,214,453.79	0.76%	1,453.43
2006	11,844	2,141,083,536.00	17,281,292.46	0.81%	1,459.08
2005	11,844	1,588,693,102.00	18,392,921.21	1.16%	1,552.93
2004	11,844	1,346,332,133.00	17,790,505.11	1.32%	1,502.07
2003	11,844	1,167,609,381.00	17,348,327.19	1.49%	1,464.74
2002	11,844	1,183,988,382.00	17,790,505.11	1.43%	1,502.07
2001	11,844	1,035,669,137.00	14,405,498.24	1.39%	1,216.27
2000	10,988	870,981,313.00	15,026,480.74	1.73%	1,367.54
1999	10,858	775,903,555.00	16,224,604.46	2.09%	1,494.25

(1) U.S. Bureau of the Census Population Division

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement or amendments thereto - includes Self-Liquidating Net Debt, if applicable.

**BOROUGH OF RED BANK**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (1)**  
**FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (2)**  
**FOR THE LAST TEN (10) FISCAL YEARS**

<u>Year Ended December 31.</u>	<u>Bond and Note Principal</u>	<u>Interest on Bonds and Notes</u>	<u>Green Trust Loans</u>	<u>Capital Equipment Lease</u>	<u>Municipal Debt Service</u>	<u>Total Current Fund Governmental Fund Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2008	\$ 1,919,000.00	\$ 632,492.86	\$ 144,939.88	\$ 638,812.12	\$ 3,335,244.86	\$ 18,494,035.72	18.03%
2007	1,444,000.00	638,584.23	162,623.98	376,420.95	2,621,629.16	19,282,838.23	13.60%
2006	1,400,000.00	477,521.60	163,594.83	717,603.70	2,758,720.13	15,536,461.33	17.76%
2005	1,365,000.00	495,958.31	163,595.04	569,205.02	2,593,758.37	15,599,561.55	16.63%
2004	1,065,000.00	488,241.50	163,594.85	740,374.27	2,457,210.62	15,267,792.50	16.09%
2003	1,010,000.00	526,129.00	163,595.15	543,503.81	2,243,227.96	14,144,644.27	15.86%
2002	668,650.00	413,039.84	163,594.84	655,408.08	1,900,692.76	13,508,155.52	14.07%
2001	628,650.00	568,481.08	163,594.86	566,748.94	1,927,474.88	13,218,083.77	14.58%
2000	889,650.00	634,458.07	108,512.00	538,049.91	2,170,669.98	13,174,921.31	16.48%
1999	1,089,650.00	492,185.34	101,411.76	346,000.00	2,029,247.10	13,390,106.52	15.15%

(1) Actual Paid or Charged Amounts.

(2) Excludes Parking Utility, Water-Sewer Utility and Special Assessment Debt.

**BOROUGH OF RED BANK**  
**CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45**  
**PARKING UTILITY OPERATING FUND**

Cash Receipts from Fees, Rents or Other Charges	\$ 1,236,706.19
Deductions:	
Operating and Maintenance Cost	\$ 839,234.00
Debt Service	<u>245,766.00</u>
Total Deductions	<u>1,085,000.00</u>
Excess in Revenue	\$ <u>151,706.19</u>

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

Cash Receipts from Fees, Rents or Other Charges	\$ 6,511,491.75
Deductions:	
Operating and Maintenance Cost	\$ 5,185,791.45
Debt Service	<u>1,193,645.00</u>
Total Deductions	<u>6,379,436.45</u>
Excess in Revenue	\$ <u>132,055.30</u>

**BOROUGH OF RED BANK**  
**DEMOGRAPHIC STATISTICS**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**UNAUDITED**

<u>Year Ended December 31.</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>
2008	<u>6.5%</u>	\$ <u>N/A</u>
2007	3.7%	55,463.00
2006	4.1%	54,004.00
2005	4.0%	48,506.00
2004	4.4%	45,784.00
2003	5.4%	43,160.00
2002	5.3%	42,979.00
2001	4.3%	43,531.00
2000	3.8%	42,636.00
1999	4.7%	38,651.00

N/A = Not Available

Source : NJ Department of Labor and Workforce Development Website.

**BOROUGH OF RED BANK**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2008**

Date of Incorporation	March 10, 1908
Form of Government	Borough
Area	1.8 square miles
Employees:	
Police	42
Public Works	38
Volunteer Firemen and    Volunteer First Aid Squad	150
Other	<u>105</u>
Total Employees	<u>335</u>

Source: Borough Records.

**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS**  
**DECEMBER 31, 2008**

**Contracts And Agreements Required To Be Advertised for N.J.S. 40A:11-4**

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000.00.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Summer Food Lunch Service Program	Parks Maintenance
Office Furniture	Water Main System Improvements
For Library	Water and Sewer Connections and
Fire Police Truck and Equipment	Mains Force Account
Sewer Cleaning and TV Inspection	River Street Pump Station Replacement
Garfield Place Pump Station Elimination	2007-2008 Road Program
Supply and Delivery of Water Purification	
Chemicals	Spring Street Resurfacing - Phase II
Replacement of the Tower Hill Booster	
Pump	Bodman Place Communiton

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

Our examination of expenditures revealed that no payments were made in excess of \$21,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2008**

**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 and assessments on or before the date when they would become delinquent.

The Governing Body, in January 2008, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended, the Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date, and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period of quarterly tax payments made by cash, check or money order.

Water-Sewer Utility delinquencies are charged interest at the rate of one and one-half percent per month pursuant to New Jersey Statutes.

It appears, from an examination of the Tax Collector and Water-Sewer Utility Collector's records, that interest was collected in accordance with the foregoing resolutions and statutes.

**Delinquent Taxes, Tax Title Liens and Delinquent Water-Sewer Rents and Liens**

The detail of all unpaid taxes for 2008 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2008 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

The tax sale was held on October 15, 2008 and the sale was complete.

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

**Finding:**

**Condition:** Our 2007 examination revealed the Borough purchased a tax sale certificate at its October, 2000 tax sale which was comprised of various outstanding municipal charges, including an unpaid property demolition charge. The property has been sold, however the Borough did not receive payment for its outstanding lien. Corrective action cited in the Borough's corrective action plan did not result in the resolution of this condition this year.

**Criteria:** NJSA 54:5 et seq., govern the municipal tax sale laws.

**Recommendation:** It is again recommended the Borough initiate proceedings to either collect or foreclose on tax sale certificate 2524000.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2008**

**Delinquent Taxes, Tax Title Liens and Delinquent Water-Sewer Rents and Liens**  
**(Continued)**

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2008	7
2007	7
2006	7

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis. Certain liens have been in existence for greater than two years.

The detail of all unpaid Water-Sewer rents for 2008 and prior years and Water-Sewer liens is being properly carried in the Water-Sewer Collector's records. An abstract taken from these records as at December 31, 2008, covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

**Finding:**

**Condition:** Our examination revealed that all tax and water-sewer utility payments received are posted into the computer system as being paid by check.

**Criteria:** Sound internal controls mandate that the nature of funds deposited by the tax office be differentiated between cash payments and those made by check, wire, or money order.

**Recommendation:** It is recommended that tax and water-sewer payments be entered into the computer system as either cash, check, or money order.

**OTHER COMMENTS**  
**DECEMBER 31, 2008**

**Cash Balances**

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2008 and as of March 31, 2009 in connection with the supplemental reconciliations.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the records or to such schedules of receipts and disbursements provided for audit.

The change funds and petty cash funds were counted.

**Revenues**

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

**Finding:**

**Condition:** Our examination of the Recreation Department's records revealed their cash receipts ledger was not maintained timely. Furthermore, we noted many instances where cash receipts were presented for deposit for which no source document was provided.

**Criteria:** Sound internal controls and Borough policy mandates each department which collects fees maintain a cash receipts subsidiary ledger which details the date, payee, amount and type of payment received.

**Recommendation:** It is recommended that the Recreation Department maintain a cash receipts journal timely.

**Expenditures**

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

**OTHER COMMENTS (CONTINUED)**  
**DECEMBER 31, 2008**

**Payroll**

An examination was made of the employees' compensation records for the year 2008 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked.

**Finding:**

**Condition:** Our examination revealed that certain Borough employees are provided vehicles which are used by these employees to commute to and from work.

**Criteria:** Internal Revenue Service regulations require employers who provide vehicles to employees which use these vehicles for commuting purposes to report as a taxable fringe benefit the value of the commuting use of the vehicle, prescribed by the Internal Revenue Service at \$3.00 per day. Certain employees who receive this benefit are exempt from this income reporting, such as police officers and fire related emergency vehicles.

**Recommendation:** None, in as much as the taxable fringe benefit has been added to the taxable wages of those employees required to report same.

**Miscellaneous Comments**

The confirmations sent to the Local and Regional Boards of Education verified the correct school taxes payable at December 31, 2008.

**Finding:**

**Condition:** Our examination of the Borough's General Capital Fund revealed the following ordinance has a cash deficit at year end which is greater than five years old:

<b><u>General Capital</u></b>	
Ordinance 2-01	\$32,738.86

**Recommendation:** None, in as much as the Borough has funded this item in its 2009 budget.

**OTHER COMMENTS (CONTINUED)**  
**DECEMBER 31, 2008**

Miscellaneous Comments (continued)

**Finding:**

**Condition:** Our examination revealed that charges to the Trust Other Fund Reserve for Off-Duty Police Services were made for "Borough" mandated services for which no funds were deposited or required to be deposited into this Reserve.

**Criteria:** Off-duty police officers routinely provide services during construction projects or other special events for outside contractors. When the Borough requires off-duty police services on one of its road improvement projects, the cost of this service must be borne by either the bond ordinance funding the improvement or by a budget appropriation. Charges to the Trust Reserve can only be made for services provided to outside contractors which have placed adequate funds in the Reserve for this purpose.

**Recommendation:** None, in as much as the Borough has corrected their procedures so that charges to the Trust Other Fund Reserve for Off-Duty Police Services are limited to amounts deposited by outside contractors for these services.

**Finding:**

**Condition:** Our examination again revealed that the official minutes of the Borough are incomplete. Resolutions and Ordinances that were approved by the Mayor and Council were available for audit.

**Criteria:** Statutes require all governments to maintain a permanent bound minute book that is maintained on a current basis.

**Recommendation:** It is again recommended that the official minutes of the Borough be approved on a timely basis.

All of the foregoing comments and recommendations were discussed at an audit exit conference held at the Borough Hall with the appropriate Borough Officials.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

Status of Prior Year's Recommendations

The prior year's corrective action plan approved by the Mayor and Borough Council was successful in correcting all of the areas addressed in the prior year's recommendations, except for prior year's audit recommendation 2007-1 which is repeated in the recommendations which follow as recommendation 2008-1 and 2007-4 which is repeated as recommendation 2008-4.

**RECOMMENDATIONS**  
**DECEMBER 31, 2008**

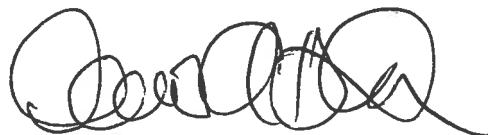
It is recommended:

- 2008-1 That the Borough initiate proceedings to either collect or foreclose on tax sale certificate 2524000.
- 2008-2 That tax and water-sewer payments be entered into the computer system as either cash, check, or money order.
- 2008-3 That the Recreation Department maintain a cash receipts journal timely.
- 2008-4 That the official minutes of the Borough be approved on a timely basis.

The issues noted in my audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,



David A. Kaplan  
Certified Public Accountant  
Registered Municipal Accountant #433

For The Firm  
DAK CPA Certified Public Accountants

