

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

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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 | 130,718 | 270,384 | (139,666) | (51.65) |
| | <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.

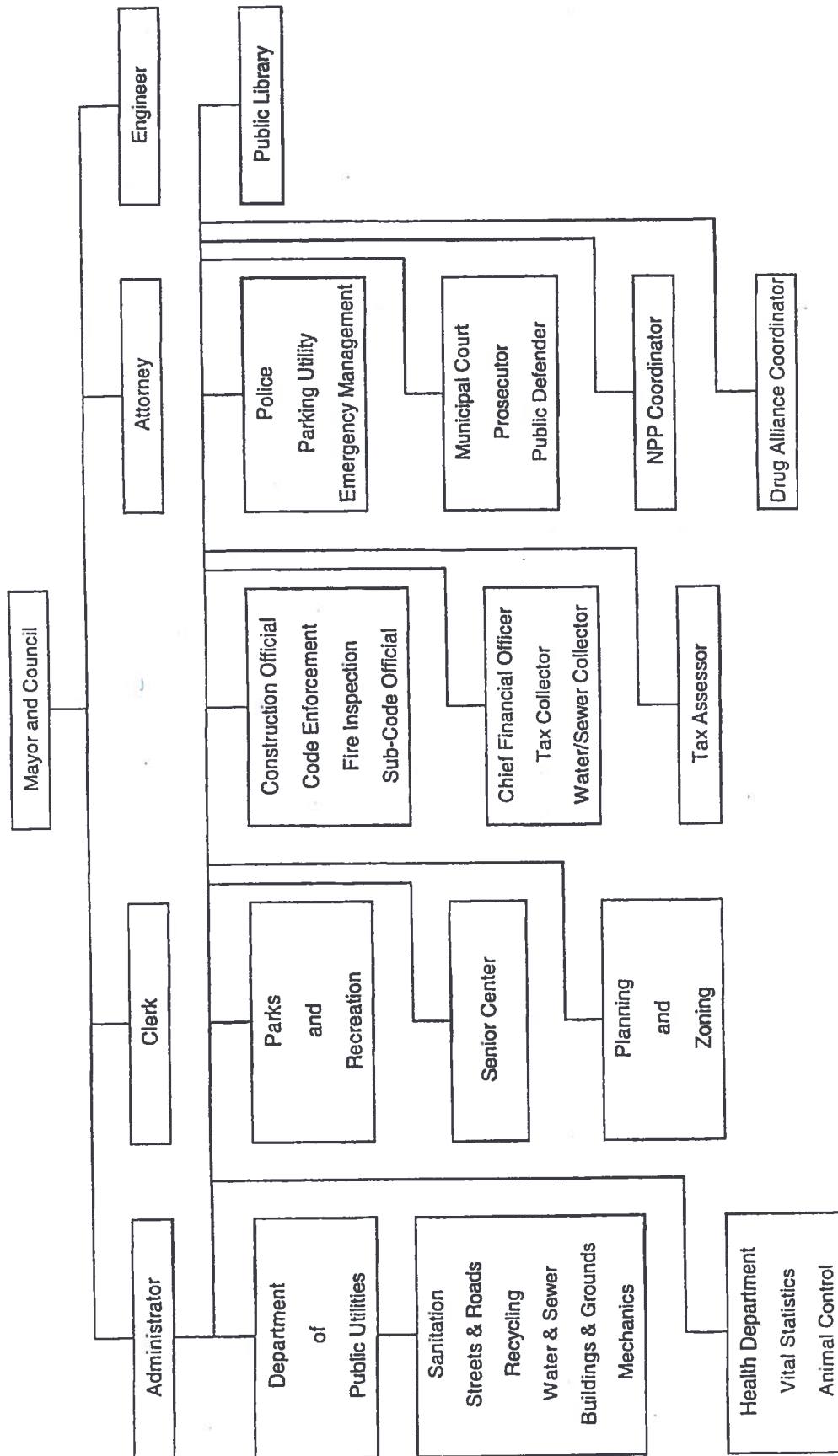
ACKNOWLEDGMENTS

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 DEPOSITORIES

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

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.

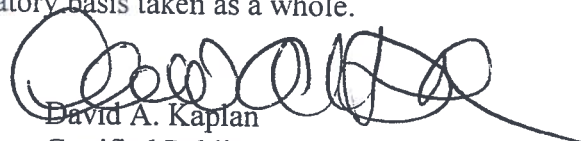
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 | | | Trust Funds | Utilities | | General Fixed Assets Account | Totals | |
|--|--------------------|------------------|-----------------|-----------------|------------------|------------------|------------------------------|------------------|------|
| | Current | General Capital | | | Operating | Capital | | 2008 | 2007 |
| ASSETS AND OTHER DEBITS | | | | | | | | | |
| 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 | \$ 14,603,614.66 | |
| Intergovernmental Receivables | 6,231.08 | 2,021,794.15 | | | | | 2,028,025.23 | | |
| Receivables and Other Assets: | | | | | | | | | |
| Delinquent Property Taxes | 964,090.82 | | | | | | 964,090.82 | 1,022,711.47 | |
| Consumer Accounts Receivable | | | | | | | 1,050,733.03 | 982,066.93 | |
| Assessments Receivable | | | 3,101.27 | 1,050,733.03 | | | 3,101.27 | 6,846.01 | |
| Inventory | | | | | | | 10,608.66 | 21,078.00 | |
| Liens Receivable | 53,514.75 | | | 10,608.66 | | | 56,182.01 | 46,781.46 | |
| Demolition Liens Receivable | 8,930.09 | | | 2,667.26 | | | 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 | | 5,808.46 | | | | 53,213.72 | 2,207,791.13 | |
| Interfunds Receivable | 20,002.37 | 175,000.00 | 65,801.70 | 8,200.26 | | | 269,004.33 | 498,157.59 | |
| Capital Lease Obligations, Unfunded | | 2,341,900.00 | | | | | 2,341,900.00 | 3,183,000.00 | |
| Deferred Charges | 74,960.00 | 15,611,448.57 | | | | | 15,686,408.57 | 17,435,199.04 | |
| Fixed Capital | | | | | 22,841,462.22 | | 22,841,462.22 | 22,166,462.22 | |
| Fixed Assets | | | | | | 28,488,920.00 | 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 | |
| Interfunds 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 | | | Trust Funds | Utilities | | General Fixed Assets Account | Totals | |
|---|--------------------|------------------|-----------------|-------------|-----------------|------------------|------------------------------|------------------|------|
| | Current | General Capital | | | Operating | Capital | | 2008 | 2007 |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | | | | |
| 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 | \$ 1,149,837.99 | |
| Other Liabilities and Reserves | 652,590.98 | 3,861,525.50 | | | 563,102.63 | 2,306,565.93 | 6,581,915.63 | 6,431,627.90 | |
| Improvement Authorizations | | | | | 169,303.10 | | 6,168,191.43 | 7,620,967.58 | |
| Accrued Interest on Bonds and Notes | | | | | | 12,590,685.56 | 169,303.10 | 193,544.23 | |
| Reserve for Amortization | | | | | | 185,776.66 | 12,590,685.56 | 11,765,685.56 | |
| Deferred Reserve for Amortization | | | | | | 29,494.26 | 185,776.66 | 215,776.66 | |
| Interfunds Payable | 45,506.90 | 6,827.02 | 52,652.13 | | | | 134,480.31 | 306,024.54 | |
| Accounts Payable | | | 5,774.87 | | | | 5,774.87 | | |
| Serial and Refunding Bonds | | 13,749,000.00 | | | | 9,390,000.00 | 23,139,000.00 | 25,853,000.00 | |
| Loans Payable | | 1,014,209.71 | | | | | 1,014,209.71 | 1,137,020.18 | |
| Capital Lease Payable - Principal | | 2,341,900.00 | | | | | 2,341,900.00 | 3,183,000.00 | |
| Reserve for Receivables and Other Assets | 1,394,943.29 | 345,694.15 | | | 1,064,008.95 | | 2,804,646.39 | 2,512,709.80 | |
| Federal and State Grant Fund: | | | | | | | | | |
| Interfund Payable | 175,000.00 | | | | | | 175,000.00 | 224,305.11 | |
| Reserve for Encumbrances | 1,630.45 | | | | | | 1,630.45 | 1,630.45 | |
| Unappropriated/Appropriated Reserves | 134,461.89 | | | | | | 134,461.89 | 140,735.82 | |
| Total Liabilities and Reserves | 2,942,658.88 | 22,926,239.47 | 3,392,035.09 | | 1,985,833.54 | 24,928,153.25 | 56,174,920.23 | 60,735,865.82 | |
| Equity and Other Credits: | | | | | | | | | |
| Investment in General Fixed Assets | | | | | | | | | |
| Fund Balance | 1,400,702.68 | 24,684.95 | 3,749.32 | | 579,393.16 | 7.98 | 28,488,920.00 | 28,621,259.00 | |
| Total Equity and Other Credits | 1,400,702.68 | 24,684.95 | 3,749.32 | | 579,393.16 | 7.98 | 28,488,920.00 | 2,114,444.18 | |
| 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 | \$ 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 Favorable (Unfavorable) | Utility Operating Funds (1) | | |
|---|------------------|------------------|--|-----------------------------|-----------------|--|
| | Final Budget | Actual | | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Fund Balance Anticipated | \$ 1,300,000.00 | \$ 1,300,000.00 | \$ | \$ 100,000.00 | \$ 100,000.00 | \$ |
| Water-Sewer Rents and Connection Fees | | | | 6,171,000.00 | 6,110,599.75 | (60,400.25) |
| Parking Meter Fees | | | | 816,000.00 | 896,122.35 | 80,122.35 |
| Miscellaneous Revenues | 3,777,347.25 | 3,794,444.35 | 17,097.10 | 677,436.45 | 629,193.27 | (48,243.18) |
| Utility Capital Fund Balances | | | | | | |
| State Aid | 2,943,666.00 | 2,943,666.00 | | | | |
| Federal and State Grants | 190,977.13 | 190,977.13 | | | | |
| | 8,211,990.38 | 8,229,087.48 | 17,097.10 | 7,764,436.45 | 7,735,915.37 | (28,521.08) |
| Receipts from Delinquent Taxes | | | | | | |
| Amount to be Raised by Taxes for Support of Municipal Budget: | 925,000.00 | 962,570.81 | 37,570.81 | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 10,107,291.69 | 10,391,229.77 | 283,938.08 | | | |
| | 19,244,282.07 | 19,582,888.06 | 338,605.99 | 7,764,436.45 | 7,735,915.37 | (28,521.08) |
| Budget Totals | | | | | | |
| Non-budget Revenues | | | | | | |
| Other Credits to Income | | 130,718.01 | 130,718.01 | | 309,541.97 | 309,541.97 |
| Taxes Allocated to School, County and Special Districts | | 561,704.64 | 561,704.64 | | 35,037.82 | 35,037.82 |
| | | 26,717,539.27 | 26,717,539.27 | | | |
| Total Revenues | \$ 19,244,282.07 | \$ 46,992,849.98 | \$ 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) | | |
|---|------------------|------------------|--|-----------------------------|-----------------|--|
| | Final Budget | Actual | Variance Favorable (Unfavorable) | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Expenditures: | | | | | | |
| 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 | | | | 5,698,766.05 | 5,698,766.05 | |
| Capital Improvements | 30,000.00 | 30,000.00 | | | | |
| Debt Service | 3,484,439.00 | 3,484,439.00 | | 1,439,411.00 | 1,439,411.00 | |
| Deferred Charges and Statutory | | | | | | |
| Expenditures | 472,458.73 | 472,458.73 | | | | |
| Surplus - General Budget | | | | 326,259.40 | 326,259.40 | |
| Reserve for Sick Pay | 35,956.88 | 35,956.88 | | 300,000.00 | 300,000.00 | |
| Judgements | 66,603.84 | 66,603.84 | | | | |
| Reserve for Uncollected Taxes | 870,673.81 | 870,673.81 | | | | |
| Total Budget Expenditures | 19,244,282.07 | 19,244,282.07 | | 7,764,436.45 | 7,764,436.45 | |
| Other Expenditures | | | | | | |
| County, School and Special District Taxes | | 15,230.14 | (15,230.14) | | | |
| | | 26,614,129.82 | (26,614,129.82) | | | |
| 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) | | |
|---|-----------------|-----------------|--|-----------------------------|---------------|--|
| | Final Budget | Actual | Variance Favorable (Unfavorable) | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Excess/(Deficit) in Revenues over Expenditures/ Statutory Excess to Fund Balance | \$ | \$ 1,119,207.95 | \$ 1,119,207.95 | \$ | \$ 316,058.71 | \$ 316,058.71 |
| Fund Balance, January 1, 2008 | 1,581,494.73 | 1,581,494.73 | | 463,334.45 | 463,334.45 | |
| | 1,581,494.73 | 2,700,702.68 | 1,119,207.95 | 463,334.45 | 779,393.16 | 316,058.71 |
| Decreased By: | | | | | | |
| Utilization as Anticipated Revenue | 1,300,000.00 | 1,300,000.00 | | 100,000.00 | 100,000.00 | |
| Transferred to Current Fund | | | | 100,000.00 | 100,000.00 | |
| | 1,300,000.00 | 1,300,000.00 | | 200,000.00 | 200,000.00 | |
| Fund Balance, December 31, 2008 | \$ 281,494.73 | \$ 1,400,702.68 | \$ 1,119,207.95 | \$ 263,334.45 | \$ 579,393.16 | \$ 316,058.71 |

(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 31st 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 Utility</u> | <u>Water- Sewer Utility</u> | <u>Total Enterprise Fund</u> |
|---|----------------------------|-------------------------------------|--------------------------------------|
| Revenue and Other Income Realized: | | | |
| Operating Fund Balance Appropriated | \$ | \$ 100,000.00 | \$ 100,000.00 |
| Parking Fees | 896,122.35 | | 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> |
| Expenditures: | | | |
| 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 |
| Decreased by: | | | |
| 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>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> |
|-------------|--------------------------------|--|---|--|
|-------------|--------------------------------|--|---|--|

Current Fund

| | | | | |
|--------|-----------------|-----------------|--|--------|
| 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 $1/55^{\text{th}}$ 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 | | |
| | <u>\$ 13,749,000.00</u> | <u>\$ 2,409,588.63</u> | <u>\$ 535,000.00</u> | <u>\$ 50,361.25</u> |

| 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 |
| | <u>\$ 8,855,000.00</u> | <u>\$ 2,532,832.56</u> | <u>\$ 23,139,000.00</u> | <u>\$ 4,992,782.44</u> | <u>\$ 28,131,782.44</u> |

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)

| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| 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> |
| Authorized but not Issued: | | | |
| 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> |
| Total Debt | <u>25,676,448.59</u> | <u>27,514,759.04</u> | <u>26,428,903.51</u> |
| Less: | | | |
| 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 | 96,868.64 | 146,868.64 | 131,904.52 |
| | <u>282,579.16</u> | <u>258,234.26</u> | <u>133,515.57</u> |
| Net Bonds and Notes Issued and Authorized but not Issued | <u>\$ 25,393,869.43</u> | <u>\$ 27,256,524.78</u> | <u>\$ 26,295,387.94</u> |

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.J.S. 40A:2-45

| | | |
|---|---------------------|----------------------|
| Cash Receipts for Fees, Rents or Other Charges for the year | | \$ 6,511,491.65 |
| Deductions: | | |
| Operating and Maintenance Costs | \$ 5,185,791.45 | |
| Debt Service | <u>1,193,645.00</u> | <u>6,379,436.45</u> |
| Excess in Revenue | | <u>\$ 132,055.20</u> |

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 |
| Deductions: | | |
| 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</u> <u>(both dates inclusive)</u> | <u>Redemption</u> <u>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</u> <u>31, 2007</u> | <u>Payments</u> | <u>December</u> <u>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 | <u>792,000.00</u> | <u>104,000.00</u> | <u>688,000.00</u> |
| | <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 |
| | <u>\$ 688,000.00</u> |

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 |
|--|--------------|

\$535,000 2002 Bonds due in annual installments of \$55,000 to \$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%.

| | |
|--|----------------------|
| | <u>170,000.00</u> |
| | <u>\$ 535,000.00</u> |

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%

| | |
|--|------------------------|
| | <u>6,095,000.00</u> |
| | <u>\$ 8,855,000.00</u> |

| | |
|-------------|-------------------------|
| Grand Total | <u>\$ 23,139,000.00</u> |
|-------------|-------------------------|

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

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

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 | <u>Eastside Park Acq.</u> | | <u>Eastside Park Dev.</u> | | <u>Total</u> | |
|------|---------------------------|------------------|---------------------------|------------------|------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2009 | \$ 12,131.23 | \$ 305.41 | \$ 9,407.15 | \$ 333.26 | | |
| 2010 | 6,156.74 | 61.57 | 9,596.24 | 144.18 | | |
| | <u>\$ 18,287.97</u> | <u>\$ 366.98</u> | <u>\$ 19,003.39</u> | <u>\$ 477.44</u> | | |

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

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

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 | | |
|------------------|---|---------------------|---------------------------------|--|---------------------|---------------------------------|
| | <u>2007</u> | <u>2008</u> | <u>Increase/ (Decrease)</u> | <u>2007</u> | <u>2008</u> | <u>Increase/ (Decrease)</u> |
| 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 | | 13,167.22 |
| | <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 | 269,600.00 |
| | <hr/> |
| | \$ 2,341,900.00 |
| | <hr/> |

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., and 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</u> <u>December 31,</u> | <u>Interest</u> <u>Earned</u> | <u>Employee</u> <u>Contributions</u> | <u>Borough</u> <u>Contribution</u> | <u>Amount</u> <u>Reimbursed</u> | <u>Ending</u> <u>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

| | <u>December 31,</u> | |
|--|------------------------|------------------------|
| | <u>2008</u> | <u>2007</u> |
| <u>ASSETS</u> | | |
| 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 | 74,960.00 | 109,940.00 |
| | <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 | 40,475.98 | 39,476.78 |
| | <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

| | <u>December 31,</u> | |
|--|------------------------|------------------------|
| | <u>2008</u> | <u>2007</u> |
| <u>LIABILITIES, RESERVES AND</u> | | |
| <u>FUND BALANCE</u> | | |
| 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 | 45,506.90 | 237,927.06 |
| | <u>1,236,623.25</u> | <u>1,722,127.06</u> |
| 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 | 175,000.00 | 224,305.11 |
| 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 | 63,130.53 | 23,465.90 |
| | <hr/> | <hr/> |
| Total Income | 46,992,849.98 | 47,461,414.41 |
| | <hr/> | <hr/> |
| 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 | 14,657.64 | 2,422.49 |
| | <u>45,873,642.03</u> | <u>46,561,272.23</u> |
| Total Expenditures | | |
| 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><u>1,400,702.68</u></u> | \$ <u><u>1,581,494.73</u></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) |
|---|--------------------------|----------------------------------|-----------------|---------------------------|
| Surplus Anticipated | \$ 1,300,000.00 | | \$ 1,300,000.00 | |
| Miscellaneous Revenues: | | | | |
| 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 | 818,656.00 | | 908,569.00 | 89,913.00 |
| Interest and Costs on Taxes | 154,000.00 | | 213,241.90 | 59,241.90 |
| Interest on Investments and Deposits | 310,000.00 | | 125,207.64 | (184,792.36) |
| | 2,140,656.00 | | 2,223,692.29 | 83,036.29 |
| State Aid Without Offsetting Appropriations: | | | | |
| 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 | |
| | 2,943,666.00 | | 2,943,666.00 | |
| Special Items of Revenue Offset with Appropriations: | | | | |
| U.S. Older Americans Act - Senior Citizens | 33,312.00 | | 33,312.00 | |
| Drunk Driving Enforcement Fund: | | 20,800.78 | | |
| Unappropriated - Police | | | 20,800.78 | |
| Unappropriated - Court | 2,864.69 | | 2,864.69 | |
| Clean Communities Program | 14,146.91 | | 14,146.91 | |
| State of NJ - Body Armor Grant - 2007 | 4,417.05 | 3,880.32 | 8,297.37 | |
| Fireman's Fund Grant - Defibrillators | 4,092.80 | | 4,092.80 | |
| State of New Jersey - Summer Food Program | 45,630.00 | | 45,630.00 | |
| Stormwater Management Grant | 10,207.00 | | 10,207.00 | |
| NJ - Click it or Ticket | 4,000.00 | | 4,000.00 | |
| Recycling Tonnage Grant | | 17,625.58 | 17,625.58 | |
| Over the Limit - Under Arrest - 2008 Year End Crackdown | | 5,000.00 | 5,000.00 | |
| Over the Limit - Under Arrest - Mobilization | | 5,000.00 | 5,000.00 | |
| Aggressive Driving Enforcement Grant | | 20,000.00 | 20,000.00 | |
| | 118,670.45 | 72,306.68 | 190,977.13 | |

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) |
|--|--------------------------|----------------------------------|-------------------------|---------------------------|
| Special Items of Revenue with Prior Consent of the Director: | | | | |
| Borough of Little Silver - Interlocal Services - | \$ | | \$ | |
| Construction | 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 Current Years -Parking Utility | 100,000.00 | | 100,000.00 | |
| 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 | 40,000.00 | | | (40,000.00) |
| Service Donation | | | | |
| 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>(65,939.19)</u> |
| Sub totals | 8,139,683.70 | 72,306.68 | 8,229,087.48 | 17,097.10 |
| Receipts from Delinquent Taxes | 925,000.00 | | 962,570.81 | 37,570.81 |
| Sub totals | 9,064,683.70 | 72,306.68 | 9,191,658.29 | 54,667.91 |
| Amount to be Raised by Taxation for Support of | | | | |
| Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | 10,107,291.69 | | 10,344,639.22 | 237,347.53 |
| Budget Totals | 19,171,975.39 | 72,306.68 | 19,536,297.51 | 292,015.44 |
| Non-Budget Revenue | | | 130,718.01 | 130,718.01 |
| | <u>\$ 19,171,975.39</u> | <u>\$ 72,306.68</u> | <u>\$ 19,667,015.52</u> | <u>\$ 422,733.45</u> |

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> |
|--------------------------------|----------------------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| GENERAL GOVERNMENT | | | | | | |
| General Administration: | | | | | | |
| Salaries and Wages | \$ 84,275.00 | \$ 84,275.00 | \$ 84,275.00 | \$ | \$ 684.28 | |
| Other Expenses | 19,500.00 | 13,500.00 | 11,020.07 | 1,795.65 | | |
| Municipal Clerk: | | | | | | |
| Salaries and Wages | 82,710.00 | 83,710.00 | 83,639.23 | | 70.77 | |
| Other Expenses | 36,500.00 | 35,500.00 | 24,911.01 | 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 | 25,000.00 | 25,000.00 | 25,000.00 | | | |
| Mayor and Borough Council: | | | | | | |
| Salaries and Wages | 29,300.00 | 29,300.00 | 28,952.56 | | 347.44 | |
| 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 | 589.88 | | 3,930.12 | |
| Legal Services and Costs: | | | | | | |
| Other Expenses | 180,817.00 | 180,817.00 | 171,387.86 | | 9,429.14 | |
| Engineering Services: | | | | | | |
| Other Expenses | 55,000.00 | 55,157.11 | 55,157.11 | | | |
| Codification of Ordinances: | | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 4,845.00 | | 20,155.00 | |
| LAND USE ADMINISTRATION | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | 58,650.00 | 59,650.00 | 59,544.67 | | 105.33 | |
| Other Expenses | 45,000.00 | 44,000.00 | 38,385.44 | | 5,614.56 | |
| Zoning Board of Adjustment: | | | | | | |
| Salaries and Wages | 57,150.00 | 57,150.00 | 57,113.60 | | 36.40 | |
| Other Expenses | 21,000.00 | 21,000.00 | 4,049.50 | 4,003.50 | 12,947.00 | |
| INSURANCE | | | | | | |
| Liability Insurance | 249,100.00 | 249,100.00 | 247,100.00 | 250.00 | 1,750.00 | |
| Worker Compensation Insurance | 259,200.00 | 259,200.00 | 259,168.00 | | 32.00 | |
| Employee Group Insurance | 1,947,200.00 | 1,947,200.00 | 1,936,535.42 | | 10,864.58 | |
| Unemployment Insurance | 25,000.00 | 25,000.00 | 25,000.00 | | | |

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> |
|---|----------------------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| <u>PUBLIC SAFETY</u> | | | | | | |
| 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 | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 10,066.43 | 970.00 | 963.57 | |
| Police Department: | | | | | | |
| Salaries and Wages | 4,161,700.00 | 4,136,493.18 | 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 | | 5,749.28 | |
| Other Expenses | 24,326.00 | 24,326.00 | 22,169.70 | 1,377.00 | 779.30 | |
| <u>PUBLIC WORKS FUNCTIONS</u> | | | | | | |
| 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 | 292,118.20 | | 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 | |
| <u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u> | | | | | | |
| Landfill: | | | | | | |
| Other Expenses | 525,000.00 | 525,000.00 | 471,961.55 | | 53,038.45 | |
| <u>HEALTH AND WELFARE</u> | | | | | | |
| 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 | | | 1,500.00 | |
| Monmouth County Regional Health Commission | 115,000.00 | 120,781.01 | 120,781.01 | | | |
| Animal Control Services | 33,000.00 | 33,000.00 | 31,409.31 | | 1,590.69 | |
| 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

| | <u>Original Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Canceled</u> |
|---|----------------------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| PARKS AND RECREATION FUNCTIONS | | | | | | |
| Recreation Services and Programs: | | | | | | |
| Salaries and Wages | \$ 191,073.00 | \$ 192,173.00 | \$ 192,088.39 | \$ 83.61 | \$ | |
| Other Expenses | 90,834.00 | 89,734.00 | 70,791.52 | 2,133.79 | 16,808.69 | |
| Senior Citizens Center: | | | | | | |
| Salaries and Wages | 145,900.00 | 146,600.00 | 144,998.60 | 1,601.40 | | |
| Other Expenses | 25,500.00 | 25,500.00 | 25,365.41 | 134.59 | | |
| UTILITY EXPENSES AND BULK PURCHASES | | | | | | |
| Street Lighting | 95,000.00 | 103,236.82 | 103,236.82 | | | |
| Electricity | 260,000.00 | 260,000.00 | 217,612.96 | | 42,387.04 | |
| Telephone | 100,000.00 | 100,000.00 | 79,717.34 | 201.44 | 20,081.22 | |
| Natural Gas | 45,000.00 | 45,000.00 | 33,179.00 | | 11,821.00 | |
| Gasoline | 149,537.00 | 149,537.00 | 116,633.56 | | 32,903.44 | |
| UNIFORM CONSTRUCTION CODE - APPROPRIATIONS | | | | | | |
| OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17) | | | | | | |
| Salaries and Wages | 268,610.00 | 268,610.00 | 268,609.99 | | 0.01 | |
| Other Expenses | 26,600.00 | 26,600.00 | 1,240.00 | | 25,360.00 | |
| 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 | 1,607.00 | 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 | | | |
| Total Operations within "CAPS" | \$ 11,889,483.00 | \$ 11,884,183.00 | \$ 11,336,342.83 | \$ 96,894.92 | \$ 450,945.25 | \$ |
| CONTINGENT | <u>1,500.00</u> | <u>1,500.00</u> | | | <u>1,500.00</u> | |
| 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 | 6,466,774.00 | 6,444,617.18 | 6,377,891.71 | | 66,725.47 | |
| Other Expenses (including Contingent) | 5,424,208.00 | 5,441,065.82 | 4,958,451.12 | 96,894.92 | 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 |
|---|--------------------|------------------------------|--------------------|--------------|---------------|----------|
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - | | | | | | |
| MUNICIPAL WITHIN "CAPS" | | | | | | |
| 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 | \$ |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| Other Operations - Excluded from "CAPS": | | | | | | |
| Police and Firemen's Retirement System | | | | | | |
| of New Jersey | | | | | | |
| Public Employees Retirement System | 768,602.00 | 768,602.00 | 768,602.00 | | | |
| 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 | 112,859.93 | | 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 |
|---|--------------------|------------------------------|--------------------|--------------|--------------|----------|
| Uniform Constuction Code Appropriations Offset by Increased Fee Revenues | | | | | | |
| Inspection of Building - Uniform Constuction Code | \$ 65,000.00 | \$ 70,300.00 | \$ 70,300.00 | \$ 23,476.15 | \$ 21,852.90 | |
| Salaries and Wages | 50,000.00 | 50,000.00 | 4,670.95 | | | |
| Other Expenses | 115,000.00 | 120,300.00 | 74,970.95 | 23,476.15 | 21,852.90 | |
| Interlocal Municipal Service Agreements: | | | | | | |
| Board of Education | 10,500.00 | 10,500.00 | 2,107.00 | | 8,393.00 | |
| Other Expenses | | | | | | |
| Inspection of Building - Uniform Constuction Code: | | | | | | |
| Salaries and Wages | 183,500.00 | 183,500.00 | 183,499.99 | | 0.01 | |
| Other Expenses | 36,500.00 | 36,500.00 | 33,590.46 | 55.64 | 2,853.90 | |
| Total Interlocal Municipal Service Agreements | \$ 230,500.00 | \$ 230,500.00 | \$ 219,197.45 | \$ 55.64 | \$ 11,246.91 | \$ |
| <u>OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)</u> | | | | | | |
| 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 - Defibrillators | 4,092.80 | 4,092.80 | 4,092.80 | | | |
| NJ - Drunk Driving Enforcement Fund - Court | 2,864.69 | 2,864.69 | 2,864.69 | | | |
| NJ - Drunk Driving Enforcement Fund - Police | 20,800.78 | 20,800.78 | 20,800.78 | | | |
| 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 | 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 | 5,000.00 | | | |
| NJ - Over The Limit Under Arrest Grant Mobilization | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| NJ - Aggressive Driving Enforcement | 20,000.00 | 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 | | | |
| Total Operations - Excluded from "CAPS" | \$ 2,356,817.01 | \$ 2,434,423.69 | \$ 2,328,918.21 | \$ 44,386.24 | \$ 61,109.24 | \$ |
| 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 |
|--|--------------------|------------------------------|--------------------|---------------|---------------|---------------|
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | | | | | | |
| Capital Improvement Fund | 30,000.00 | 30,000.00 | 30,000.00 | | | |
| Total Capital Improvements Excluded from "CAPS" | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 | \$ | \$ | \$ |
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | | |
| Payment of Bond Principal | 1,819,000.00 | 1,819,000.00 | 1,819,000.00 | | | |
| Interest on Bonds | 634,939.00 | 634,939.00 | 632,492.86 | | | 2,446.14 |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest | 145,000.00 | 145,000.00 | 144,939.88 | | 60.12 | |
| Capital Equipment Lease: | | | | | | |
| Interest | 144,400.00 | 144,400.00 | 106,598.36 | | | 37,801.64 |
| Principal | 641,100.00 | 641,100.00 | 532,213.76 | | | 108,886.24 |
| 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 | \$ 3,335,244.86 | \$ | \$ 60.12 | \$ 149,134.02 |
| DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS" | | | | | | |
| 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 | | | |
| JUDGEMENTS | | | | | | |
| | 66,603.84 | 66,603.84 | 66,603.84 | | | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | 5,972,839.85 | 6,050,448.53 | 5,795,746.91 | 44,396.24 | 61,169.36 | 149,134.02 |
| Total General Appropriations - Excluded from "CAPS" | 5,972,839.85 | 6,050,448.53 | 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 | 538,525.37 | 149,134.02 |
| RESERVE FOR UNCOLLECTED TAXES | | | | | | |
| | 870,673.81 | 870,673.81 | 870,673.81 | | | |
| Total General Appropriations | \$ 19,171,975.39 | \$ 19,244,282.07 | \$ 18,415,331.52 | \$ 141,291.16 | \$ 538,525.37 | \$ 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 | 2007 | Collections | 2008 | State Share Senior Citizens' and Veterans' Deductions Allowed | Remitted and Canceled | Transferred To Tax Title Liens | Balance December 31, 2008 |
|------|---------------------------------|------------------|----------------|---------------|------------------|---------------|---|-----------------------------|--------------------------------------|---------------------------------|
| 2006 | \$ 20.81 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 20.81 | \$ | \$ |
| 2007 | 1,022,690.66 | | | | | 962,570.81 | | 60,051.52 | | 68.33 |
| | 1,022,711.47 | | | | | 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 | \$ 89,178.02 | \$ 289,375.10 | \$ 7,973.75 | \$ 964,090.82 |

ANALYSIS OF 2008 PROPERTY TAX LEVY

Tax Yield:

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

\$ 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

26,764,372.12

Local Tax for Municipal Purpose 10,107,291.69
 Add: Additional Tax Levied 10,576.06

10,117,867.75

\$ 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 |
|-----------------------------------|--------------|

INCREASED BY

Transferred from Taxes Receivable

7,973.75

BALANCE, DECEMBER 31, 2008

\$ 53,514.75

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2007 APPROPRIATION RESERVES

| | Balance December 31, 2007 | Appropriation Reserves | Reserve for Encumbrances | Cancelled by Resolution | Transfers | Balance After Transfers/ Cancellation | Paid or Charged | Balance Unexpended |
|--|------------------------------|---------------------------|-----------------------------|-------------------------------|-----------------------|---|--------------------|-----------------------|
| Salaries and Wages: | | | | | | | | |
| Operations - Within "CAPS": | | | | | | | | |
| General Administration | \$ 21,242.59 | \$ | \$ 20,000.00 | | | \$ 1,242.59 | \$ | \$ 1,242.59 |
| Municipal Clerk | 9,262.44 | | | | | 9,262.44 | | 9,262.44 |
| Financial Administration | 13,339.95 | | | | | 13,339.95 | | 13,339.95 |
| Mayor and Borough Council | 571.04 | | | | | 571.04 | | 571.04 |
| Tax Assessment Administration | 53.33 | | | | | 53.33 | | 53.33 |
| Revenue Administration | 15,393.81 | | | | | 15,393.81 | | 15,393.81 |
| Planning Board | 16,731.22 | | | | (3,000.00) | 13,731.22 | | 13,731.22 |
| Zoning Board of Adjustment | 8,075.82 | | | | | 8,075.82 | | 8,075.82 |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383) | 124.60 | | | | | 124.60 | | 124.60 |
| Police Department | 48,931.73 | | | 30,000.00 | (18,000.00) | 931.73 | | 931.73 |
| Street and Roads | 654.21 | | | | | 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 | | | | (8,000.00) | 4,177.09 | | 4,177.09 |
| Municipal Court | 9,410.77 | | | | | 9,410.77 | | 9,410.77 |
| Municipal Public Defender | 72.88 | | | | | 72.88 | | 72.88 |
| Inspection of Buildings | | | | | | | | |
| Uniform Construction Code | | | | | | | | |
| Total Salaries and Wages | \$ 169,839.41 | \$ | \$ 50,000.00 | | \$ (40,221.49) | \$ 79,617.92 | \$ 2,373.00 | \$ 77,244.92 |
| Other Expenses: | | | | | | | | |
| Operations - Within "CAPS": | | | | | | | | |
| General Administration | 2,226.04 | | | | | 3,496.74 | 1,007.99 | 2,488.75 |
| Municipal Clerk | 18,979.01 | | | | | 19,391.07 | 1,627.31 | 17,763.76 |
| Financial Administration | 1,588.16 | | | | | 1,698.16 | 191.00 | 1,507.16 |
| Audit Services | 5,725.00 | | | | | 5,725.00 | 4,000.00 | 1,725.00 |
| Tax Assessment Administration | 462.80 | | | | | 462.80 | | 462.80 |
| Revenue Administration | 333.56 | | | | | 333.56 | | 333.56 |
| Legal Services and Costs | 15,877.24 | | | | | 20,877.24 | 16,203.50 | 4,673.74 |
| Engineering Services | 11,203.28 | | | | | 12,001.28 | 11,729.71 | 271.57 |
| Codification of Ordinances | 25,000.00 | | | | | 25,000.00 | | 25,000.00 |
| Planning Board | 925.99 | | | | 3,000.00 | 3,925.99 | 2,120.00 | 1,805.99 |
| Zoning Board of Adjustment | 7,958.17 | | | | | 7,958.17 | 2,392.00 | 5,566.17 |
| Liability Insurance | 287.00 | | | | | 287.00 | | 287.00 |
| Employee General Group Insurance | 7,994.10 | | | | | 7,994.10 | 1,775.20 | 6,218.90 |
| Unemployment Insurance | 4,000.00 | | | | | 4,000.00 | | 4,000.00 |
| Fire Department | 1,391.93 | | | | | 7,629.68 | 4,386.14 | 3,243.54 |

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BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

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

| | <u>Regional High School</u> | <u>Local School District</u> |
|--|-----------------------------|------------------------------|
| <u>BALANCE, DECEMBER 31, 2007</u> | \$ 4,148,205.58 | \$ 5,977,761.25 |
| Detail: | | |
| Deferred | \$ 4,066,556.36 | \$ 5,956,724.50 |
| Payable | <u>81,649.22</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 | \$ 4,116,556.36 | \$ 6,056,724.50 |
| Payable | <u>25,940.94</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

| Grant | Balance December 31, 2007 | 2008 Budget Revenue Realized | Received | Unappropriated Reserve Applied | Cancelled | Balance December 31, 2008 |
|--|---------------------------------|---------------------------------------|-----------|--------------------------------------|-----------|---------------------------------|
| U.S. Older Americans Act: 2005 | \$ 25,491.00 | \$ | \$ | \$ | \$ | \$ 25,491.00 |
| 2007 | 24,499.00 | | 24,499.00 | | | |
| 2008 | | 33,312.00 | | | | 33,312.00 |
| State of New Jersey - Clean Communities Program 2007 | | 14,146.91 | 14,146.91 | | | |
| State of New Jersey - Click it or Ticket | | 4,000.00 | 4,000.00 | | | |
| State of New Jersey - Bicycle Safety Grant 07 | 901.90 | | | | 901.90 | |
| State of New Jersey: Municipal Stormwater Management Grant 2006 | 2,552.00 | | 2,552.00 | | | 7,655.00 |
| Municipal Stormwater Management Grant 2008 | | 10,207.00 | 2,552.00 | | | |
| State of New Jersey: Over the Limit, Under Arrest | 5,000.00 | | | | | 5,000.00 |
| State of New Jersey: Drunk Driving Enforcement Fund: Municipal Court Police | | 2,864.69 20,800.78 | 2,864.69 | 20,800.78 | | |
| State of New Jersey: Over the Limit Under Arrest - 2008 Year End Crackdown | | 5,000.00 | 5,000.00 | | | |

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

| Grant | Balance December 31, 2007 | 2008 Budget Revenue Realized | Received | Unappropriated Reserve Applied | Cancelled | Balance December 31, 2008 |
|---|---------------------------------|---------------------------------------|------------------------------------|--------------------------------------|--------------|---------------------------------|
| State of New Jersey: Over the Limit Under Arrest - 2008 Mobilization | \$ | \$ 5,000.00 | \$ 5,000.00 | \$ | \$ | \$ |
| 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 2008 2007 2005 | 1,293.87 18,667.01 | 45,630.00 | 11,260.43 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

| Grant | Balance December 31, 2007 | Transferred from 2008 Budget Appropriations | | | Balance December 31, 2008 |
|---|---------------------------------|--|------------------------------|-----------|---------------------------------|
| | | Budget | Appropriation By 40A:4-87 | Cancelled | |
| U.S. Older Americans Act: | | | | | |
| 2008 | \$ | \$ 33,312.00 | \$ | \$ | \$ 9,110.27 |
| 2007 | 122.21 | | | 24,201.73 | 122.21 |
| 2006 | 9,049.15 | | | 9,049.15 | 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 | | | 901.90 | |
| NJ DEP - Environmental Serv. - Matching Portion | 2,278.00 | | | | 2,278.00 |
| State of NJ - Recycling Tonnage Grant | 7,995.59 | | 17,625.58 | | 25,621.17 |
| State of NJ - Aggressive Driving Crackdown | | | 20,000.00 | | 20,000.00 |
| State of NJ - Firemen's Fund - Defibrillator | | 4,092.80 | | | 4,092.80 |
| State of NJ - Smart Growth Planning | 30,711.46 | | | 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 | | | 40.50 | |

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

| Grant | Balance December 31, 2007 | Transferred from 2008 Budget Appropriations | | | Balance December 31, 2008 |
|--|---------------------------------|--|------------------------------|---------------|---------------------------------|
| | | Budget | Appropriation By 40A 4-87 | Expended | |
| State of NJ - Drunk Driving Enforcement Fund: | | | | | |
| Police | \$ 7,651.19 | \$ | \$ 20,800.78 | \$ 16,135.20 | \$ 12,316.77 |
| Court | 11,157.10 | 2,864.69 | | 2,649.96 | 11,371.83 |
| State of NJ - Over the Limit: | | | | | |
| Year End Crackdown - 2008 | | | 5,000.00 | 2,150.00 | 2,850.00 |
| Mobilization - 2008 | | | 5,000.00 | 5,000.00 | |
| State of NJ - Pedestrian Safety Grant 2007 | 4,490.00 | | | 4,490.00 | |
| State of NJ - Stormwater Management Grant - 2008 | | 10,207.00 | | | 10,207.00 |
| State of NJ - Click it or Ticket | 5,000.00 | 4,000.00 | | 4,000.00 | 5,000.00 |
| State of NJ - Department of Agriculture: | | | | | |
| 2007 Summer Food Program | 2,861.37 | | | 2,861.37 | |
| 2008 Summer Food Program | | 45,630.00 | | 25,329.13 | 20,300.87 |
| State of NJ - Body Armor Grant | 170.55 | 4,417.05 | 3,880.32 | 4,342.00 | 4,125.92 |
| Totals | \$ 105,486.07 | \$ 118,670.45 | \$ 72,306.88 | \$ 145,198.10 | \$ 115,121.24 |

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 | | |
| State on NJ - Clean Communities Grant | 1,227.62 | | | 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 | | Totals | |
|------------------------------|-------------|--------------|----------------|--------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ASSETS | | | | | | | | |
| 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 | | | | | 5,808.46 | | 5,808.46 | |
| Intergovernmental Receivable | | | | 5,352.00 | | | | 5,352.00 |
| Interfunds Receivable | | | | | 65,801.70 | 39,396.54 | 65,801.70 | 39,396.54 |
| Total Assets | \$ 6,858.72 | \$ 10,200.59 | \$ 18,371.22 | \$ 11,520.55 | \$ 3,370,554.47 | \$ 2,860,035.06 | \$ 3,395,784.41 | \$ 2,881,756.20 |

LIABILITIES, RESERVES AND
FUND BALANCE

| | | | | | | | | |
|--|-------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|
| Liabilities and Reserves: | | | | | | | | |
| Accounts Payable | \$ 3,101.27 | \$ 6,846.01 | \$ 5,204.00 | \$ 2.40 | \$ 5,774.87 | \$ 87,554.05 | \$ 5,774.87 | \$ 87,556.45 |
| Various Reserves | | | 13,167.22 | 4,997.45 | 3,325,302.82 | 2,733,004.23 | 3,333,608.09 | 2,744,847.69 |
| Interfunds Payable | 8.13 | | | 6,520.70 | 39,476.78 | 39,476.78 | 52,652.13 | 45,997.48 |
| Total Other Liabilities and Reserves | 3,109.40 | 6,846.01 | 18,371.22 | 11,520.55 | 3,370,554.47 | 2,860,035.06 | 3,392,035.09 | 2,878,401.62 |
| Equity and Other Credits: | | | | | | | | |
| Fund Balance | 3,749.32 | 3,354.58 | | | | | 3,749.32 | 3,354.58 |
| Total Liabilities, Reserves and Fund Balance | \$ 6,858.72 | \$ 10,200.59 | \$ 18,371.22 | \$ 11,520.55 | \$ 3,370,554.47 | \$ 2,860,035.06 | \$ 3,395,784.41 | \$ 2,881,756.20 |

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

| | | | |
|------------------------------------|------------------|------------------|--------------------|
| <u>BALANCE, DECEMBER 31, 2007</u> | | | \$ 4,997.45 |
| <u>INCREASED BY</u> | | | |
| 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 |
| <u>DECREASED BY</u> | | | |
| 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> | |
| <u>BALANCE, DECEMBER 31, 2008</u> | | | \$ <u>5,204.00</u> |

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, 2007 | Receipts | Expenditures | Adjustment | Balance December 31, 2008 |
|---|---------------------------------|-----------------|-----------------|--------------|---------------------------------|
| Bid Deposits | \$ 601.10 | \$ | \$ | \$ | \$ 601.10 |
| TTL Redemption | 41.12 | 472,434.76 | 472,434.79 | | 41.09 |
| Law Enforcement Trust | 17,967.69 | 2,643.01 | 2,409.00 | | 18,201.70 |
| Vehicle Impound Costs | 29,992.03 | 27,338.75 | 22,566.50 | | 34,764.28 |
| Tax Sale Premiums | 380,655.70 | 430,800.00 | 247,800.00 | | 563,655.70 |
| Recycling | 33,853.91 | 71,421.91 | 18,281.53 | | 86,994.29 |
| Uniform Fire Safety Act Penalty Monies | 26,179.22 | 9,212.00 | 6,058.82 | | 29,332.40 |
| Recreation | 54,693.24 | 94,634.02 | 100,085.43 | | 49,241.83 |
| Parking Offenses Adjudication Act | 27,815.24 | 7,504.00 | 2,180.25 | | 33,138.99 |
| Shade Tree | 1,330.00 | 1,550.00 | 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 |
| 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 | 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 | 4,700.00 | 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 | 12.42 | 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 |
| | \$ 2,733,004.23 | \$ 2,593,327.34 | \$ 2,035,741.17 | \$ 34,712.42 | \$ 3,325,302.82 |

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><u>66,182.57</u></u> |

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

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

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

| | <u>December 31,</u> | |
|---|--------------------------------|--------------------------------|
| | <u>2008</u> | <u>2007</u> |
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 2,800,781.70 | \$ 3,952,086.24 |
| Intergovernmental Receivable: | | |
| Monmouth County Open Space | 250,000.00 | 250,000.00 |
| New Jersey Department of Transportation | 370,000.00 | 248,774.75 |
| New Jersey Department of Environmental Protection | 1,401,794.15 | 1,631,100.00 |
| | <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 | 14,763,209.71 | 16,805,020.18 |
| Unfunded | 848,238.86 | 520,238.86 |
| | <u>15,611,448.57</u> | <u>17,325,259.04</u> |
| Total Assets | \$ <u><u>22,950,924.42</u></u> | \$ <u><u>26,765,220.03</u></u> |
| <u>LIABILITIES, RESERVES AND</u> | | |
| <u>FUND BALANCE</u> | | |
| 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

| | <u>December 31,</u> | |
|--|-------------------------|-------------------------|
| | <u>2008</u> | <u>2007</u> |
| <u>LIABILITIES, RESERVES AND</u> | | |
| <u>FUND BALANCE (CONTINUED)</u> | | |
| 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 |
| | <u>1,959,504.26</u> | <u>1,466,597.75</u> |
| Improvement Authorizations: | | |
| Funded | 3,371,460.80 | 5,114,621.41 |
| Unfunded | 490,164.70 | 162,164.70 |
| | <u>3,861,625.50</u> | <u>5,276,786.11</u> |
| Fund Balance | <u>24,684.95</u> | <u>33,815.99</u> |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 22,950,924.42</u> | <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 From | To | Balance December 31, 2008 |
|---|---------------------------------|-------------------|-------------------------------|------------|------------------|------------|---------------------------------|
| | | | Improvement Authorizations | Other | | | |
| Fund Balance | \$ 33,815.99 | \$ | \$ | \$ | \$ 11,000.00 | \$ | 22,815.99 |
| Capital Improvement Fund | 25,925.00 | 30,000.00 | | | 17,000.00 | 2,113.76 | 41,038.76 |
| Due to Current Fund | 7,304.72 | 43,007.88 | | 89,485.58 | | 46,000.00 | 6,827.02 |
| Due from Federal and State Grant Fund | (175,000.00) | | | | | | (175,000.00) |
| Due from Monmouth County Open Spaces Ord 23-04 | (250,000.00) | | | | | | (250,000.00) |
| Due from NJDEP - Ord. 39-05 | (1,226,100.00) | | | | | | (1,226,100.00) |
| Due from NJ DOT - Ord 17-08 | 210,000.00 | | | | 200,000.00 | | (200,000.00) |
| Reserve for Future Boat Ramp Improvements | 380,388.44 | | | 3,909.09 | | | 206,090.91 |
| Reserve for Encumbrances | 110,800.25 | | | 216,323.57 | 184,074.87 | 992,025.03 | 992,025.03 |
| Reserve for Payment of Bonds | 15,057.25 | 78,774.75 | | | 35,000.00 | 206,191.75 | 360,766.75 |
| Reserve for Wayfinding Study | 56,273.69 | | | 12,945.50 | 2,111.75 | | |
| Reserve for Middletown R.C.A. | 2.01 | 245.89 | | 54,650.62 | | | 1,868.96 |
| Reserves for Preliminary Costs - Shrewsbury Ave | 5,000.00 | | | | 2.01 | | 5,000.00 |
| Reserves for Marine Park Improvements | 2,061.64 | | | | | | 2,061.64 |
| Reserve for Down Payments on Improvements | | | | | | | |

| Ordinance Number | Improvement Authorizations |
|----------------------|---|
| 9-98/41-99/ 25-00 | Exterior Renovations to Building at 51 Monmouth Street |
| 18-99 | Wayfinding Pathway |
| 2-01 | Various 2001 Road Improvements |
| 6-02 | Acquisition of a Pumper Fire Truck |
| 4-03/ 36-03 | Various 2003 Road Improvements |
| 1-04 | Renovations and Improvements to the Red Bank Library |

Bracketed amount denotes deficit.

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

| Ordinance Number | Improvement Description | Balance December 31, 2007 | 2008 Authorizations | Balance December 31, 2008 | Analysis of Balance December 31, 2008 | |
|---------------------|---|---------------------------------|------------------------|---------------------------------|--|--|
| | | | | | Expenditures | Unfunded Improvement Authorization |
| 2-01 | Various 2001 Road Improvements | \$ 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 |
| 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 | Ordinance Date | Amount | Balance December 31, 2007 | | Deferred Charges to Future Taxation, Unfunded | 2008 Authorizations | | Capital Improvement Fund | Grants | Paid or Charged | Prior Years Encumbrances Cancelled | Improvement Authorization Cancelled | Balance December 31, 2008 | |
|---------------------|--|----------------------|--------------------------|---------------------------|---------------|---|---------------------|---------------|--------------------------|---------------|-----------------|------------------------------------|-------------------------------------|---------------------------|------------|
| | | | | Funded | Unfunded | | Funded | Unfunded | | | | | | Funded | Unfunded |
| 9-98/41-99 25-00 | Exterior Renovations to Building at 51 Monmouth Street | 07/11/00 | \$ 810,000.00 | \$ 11,079.40 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 10,851.35 | \$ | \$ 428.05 | \$ | \$ |
| 18-99 | Wayfinding Pathway | 6/6/99 | 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 | 1,608.95 | | 6,802.86 | |
| 4-03/ 35-03 | Various 2003 Road Improvements | 03/17/03 | 900,000.00 200,000.00 | | 51.48 | | | | | | | | 51.48 | | |
| 1-04 | Renovations and Improvements to Red Bank Library | 02/11/04 | 1,775,000.00 | 107,764.41 | | | | | | | 159,950.67 | 83,548.95 | | 31,362.69 | |
| 23-04/ 31-06 | Renovations and Improvements to Court Basle Park | 08/22/04 08/12/06 | 575,000.00 250,000.00 | 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 | | 124,864.70 | | | | | | | | | 124,864.70 | |
| 37-05 | Purchase of a Pumper Fire Truck | 08/28/05 | 525,000.00 | 26,130.07 | | | | | | | 22,122.34 | | | 4,007.73 | |
| 39-05 | Various Improvements and Renovations to Marine Park | 10/10/05 | 2,826,100.00 | 2,473,510.78 | | | | | | | 101,807.81 | | | 2,371,702.95 | |
| 49-05 | Various 2005 Road Improvements | 11/07/05 | 1,250,000.00 | 259,882.64 | 37,500.00 | | | | | | 27,406.00 | | 100,000.00 | 132,476.64 | 37,500.00 |
| 08-06 | Various 2006 Road Improvements | 03/13/06 | 1,210,000.00 | 339,194.41 | | | | | | | 670.25 | | | 338,524.16 | |
| 32-06 | Conversion of Municipal Land to Waterfront Park | 06/12/06 | 230,000.00 | 152,607.57 | | | | | | | 14,416.25 | 4,569.00 | | 142,760.32 | |
| 21-07 | Various 2007 Road Improvements | 2007 | 1,860,000.00 | 1,585,478.00 | | | | | | | 1,460,153.33 | 71,608.67 | | 195,933.34 | |
| 17-08 | Phase II Road Improvements to Spring Street | 08/11/08 | 545,000.00 | | | 328,000.00 | 17,000.00 | 200,000.00 | | 200,000.00 | 73,450.07 | | | 143,549.93 | 328,000.00 |
| | | | | \$ 5,114,621.41 | \$ 162,164.70 | \$ 328,000.00 | \$ 17,000.00 | \$ 200,000.00 | \$ 1,818,043.73 | \$ 164,074.87 | \$ 208,191.75 | \$ 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**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance December 31, 2007 | Decrease | Balance December 31, 2008 |
|---------------------|---------------|--------------------------|--|--|--|---------------------------|------------------------|---------------------------|
| | | | Date | Amount | | | | |
| General Improvement | 12/1/1994 | \$ 1,300,000.00 | 2009 | \$ 100,000.00 | 6.30% | \$ 210,000.00 | \$ 110,000.00 | \$ 100,000.00 |
| General Improvement | 11/1/1995 | 2,985,000.00 | 2009 2010 | 200,000.00 200,000.00 | 5.10% 5.20% | 600,000.00 | 200,000.00 | 400,000.00 |
| General Improvement | 10/1/1998 | 3,273,000.00 | 2009 2010 2011 | 300,000.00 310,000.00 353,000.00 | 4.150% 4.150% 4.150% | 1,253,000.00 | 290,000.00 | 963,000.00 |
| General Improvement | 8/1/2002 | 5,481,000.00 | 2009 2010 2011 2012 2013 | 515,000.00 530,000.00 550,000.00 615,000.00 696,000.00 | Var. | 3,396,000.00 | 490,000.00 | 2,906,000.00 |
| General Improvement | 6/15/2004 | 2,731,000.00 | 2009 2010 2011 2012 2013 2014 | 270,000.00 275,000.00 285,000.00 295,000.00 315,000.00 331,000.00 | 3.500% 3.625% 3.750% 3.750% 4.000% 4.000% | 2,026,000.00 | 255,000.00 | 1,771,000.00 |
| General Improvement | 7/15/2007 | 7,391,000.00 | 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 | 500,000.00 530,000.00 550,000.00 600,000.00 640,000.00 700,000.00 740,000.00 830,000.00 890,000.00 941,000.00 | 4.000% 4.125% 4.125% 4.125% 4.125% 4.125% 4.250% 4.250% 4.250% 4.250% | 7,391,000.00 | 470,000.00 | 6,921,000.00 |
| | | | | | | <u>\$ 14,876,000.00</u> | <u>\$ 1,815,000.00</u> | <u>\$ 13,061,000.00</u> |

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

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Maturities of Bonds Outstanding December 31, 2008</u> | | <u>Interest Rate</u> | <u>Balance December 31, 2007</u> | <u>Decrease</u> | <u>Balance December 31, 2008</u> |
|----------------------|----------------------|---------------------------------|--|---------------|----------------------|----------------------------------|----------------------|----------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| MGIA Refunding Bonds | 2/1/2006 | \$ 888,000.00 | 2009 | \$ 103,000.00 | 4.00% | \$ 792,000.00 | \$ 104,000.00 | \$ 688,000.00 |
| | | | 2010 | 102,000.00 | 3.50% | | | |
| | | | 2011 | 100,000.00 | 3.75% | | | |
| | | | 2012 | 99,000.00 | 5.00% | | | |
| | | | 2013 | 99,000.00 | 4.50% | | | |
| | | | 2014 | 98,000.00 | 3.80% | | | |
| | | | 2015 | 87,000.00 | 5.00% | | | |
| | | | | | | <u>\$ 792,000.00</u> | <u>\$ 104,000.00</u> | <u>\$ 688,000.00</u> |

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL RECEIVABLES

| | NJ Department of Transportation | | | | New Jersey Department of Environmental Protection | Monmouth County Open Space |
|-----------------------------------|---|---|---|---|--|-------------------------------------|
| | Various 2008 Road Improvements Ord. #17-08 | Various 2007 Road Improvements Ord. #07-21 | Various 2006 Road Improvements Ord. # 8-06 | Various Improv. & Renovations to Marine Park Ord. #39-05 | Acquisition of Waterfront Park Ord. # 31-05 | Count Basie Park Ord. # 23-04 |
| Total | | | | | | |
| BALANCE, DECEMBER 31, 2007 | \$ 2,129,874.75 | \$ 170,000.00 | \$ 78,774.75 | \$ 1,226,100.00 | \$ 405,000.00 | \$ 250,000.00 |
| INCREASED BY | | | | | | |
| Grants Awarded | 200,000.00 | | | | | |
| | 2,329,874.75 | 170,000.00 | 78,774.75 | 1,226,100.00 | 405,000.00 | 250,000.00 |
| DECREASED BY | | | | | | |
| Receipts | 78,774.75 | | 78,774.75 | | | |
| Canceled | 229,305.85 | | | | 229,305.85 | |
| BALANCE, DECEMBER 31, 2008 | \$ 2,021,794.15 | \$ 170,000.00 | \$ | \$ 1,226,100.00 | \$ 175,694.15 | \$ 250,000.00 |
| Detail: | | | | | | |
| Unreserved | \$ 1,676,100.00 | \$ | \$ | \$ 1,226,100.00 | \$ | \$ 250,000.00 |
| Reserved | 345,694.15 | 170,000.00 | | | 175,694.15 | |
| | \$ 2,021,794.15 | \$ 170,000.00 | \$ | \$ 1,226,100.00 | \$ 175,694.15 | \$ 250,000.00 |

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 |
| 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 |
| | | <u>\$ 520,238.86</u> | <u>\$ 328,000.00</u> | <u>\$ 848,238.86</u> |

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 (Memorandum Only) | |
|---|-----------------|---------------|---------------------|-----------------|-----------------------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ASSETS | | | | | | |
| 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 |
| Total Assets | \$ 756,231.62 | \$ 627,816.66 | \$ 1,808,995.08 | \$ 1,891,073.11 | \$ 2,565,226.70 | \$ 2,518,889.77 |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | |
| 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 | | | 501,020.00 | 351,520.00 |
| Due to Paying Agent | | 7,402.50 | | | | 7,402.50 |
| Customer Overpayments | | | 4,250.43 | 4,678.60 | 4,250.43 | 4,678.60 |
| Accrued Interest on Bonds and Notes | 503,813.96 | 362,922.52 | 59,288.67 | 65,933.88 | 563,102.63 | 428,856.40 |
| Reserve for Receivables and Inventory | 7,418.57 | 10,787.59 | 161,884.53 | 182,756.64 | 169,303.10 | 193,544.23 |
| Fund Balance | | 7,923.50 | 1,064,008.95 | 996,461.89 | 1,064,008.95 | 1,004,385.39 |
| | 182,477.12 | 151,733.11 | 396,916.04 | 311,601.34 | 579,393.16 | 463,334.45 |
| Total Liabilities, Reserves and Fund Balance | \$ 756,231.62 | \$ 627,816.66 | \$ 1,808,995.08 | \$ 1,891,073.11 | \$ 2,565,226.70 | \$ 2,518,889.77 |

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> |
| | 282,477.12 | 401,733.11 |
| 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> </u> | <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> |
|--|-----------------|--------------------------------------|----------------------------|-------------------|-----------------|
| OPERATING | | | | | |
| 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 | 792,234.00 | 792,234.00 | 729,412.15 | 2,793.96 | 60,027.89 |
| DEBT SERVICE | | | | | |
| Payment of Bond Principal | 170,000.00 | 170,000.00 | 170,000.00 | | |
| Notes and Capital Notes | | | | | |
| Interest on Bonds | 25,766.00 | 25,766.00 | 25,766.00 | | |
| Interest on Notes | | | | | |
| Capital Lease | 50,000.00 | 50,000.00 | 50,000.00 | | |
| Total Debt Service | 245,766.00 | 245,766.00 | 245,766.00 | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Public Employees' Retirement System | 20,000.00 | 20,000.00 | 20,000.00 | | 2,494.08 |
| Social Security System (O.A.S.I.) | 27,000.00 | 27,000.00 | 24,505.92 | | |
| Total Deferred Charges and Statutory Expenditures | 47,000.00 | 47,000.00 | 44,505.92 | | 2,494.08 |
| Surplus (General Budget) | 100,000.00 | 100,000.00 | 100,000.00 | | |
| Total Parking Utility Appropriations | \$ 1,185,000.00 | \$ 1,185,000.00 | \$ 1,119,684.07 | \$ 2,793.96 | \$ 62,521.97 |

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

| | <u>Balance</u> | | | <u>Balance</u> | | <u>Balance</u> |
|------------------------------------|--------------------------|---------------------|--------------|------------------|----------------|----------------|
| | <u>December 31, 2007</u> | <u>Reserve for</u> | | <u>After</u> | <u>Paid or</u> | <u>Lapsed</u> |
| | <u>Appropriation</u> | <u>Encumbrances</u> | | <u>Transfers</u> | <u>Charged</u> | |
| | <u>Reserves</u> | | | | | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 44,728.59 | \$ | \$ 44,728.59 | \$ | \$ | \$ 44,728.59 |
| Other Expenses | 33,977.59 | 4,000.02 | 37,977.61 | | 19,412.14 | 18,565.47 |
| Reserve for Accumulated Sick Leave | 12,828.29 | | 12,828.29 | | | 12,828.29 |
| Statutory Expenditures: | | | | | | |
| Contribution to Soc. Security | 2,915.47 | | 2,915.47 | | | 2,915.47 |
| | \$ 94,449.94 | \$ 4,000.02 | \$ 98,449.96 | \$ | \$ 19,412.14 | \$ 79,037.82 |

Detail:

| | |
|-----------------------------|---------------------|
| Anticipated as 2008 Revenue | \$ 44,000.00 |
| Lapsed | 35,037.82 |
| | <u>\$ 79,037.82</u> |

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

| | |
|-----------------------------------|--------------------|
| <u>BALANCE, DECEMBER 31, 2007</u> | \$ 10,787.59 |
| <u>INCREASED BY</u> | |
| 2008 Budget Appropriations: | |
| Interest on Bonds | <u>25,766.00</u> |
| | 36,553.59 |
| <u>DECREASED BY</u> | |
| Cash Disbursed | <u>29,135.02</u> |
| <u>BALANCE, DECEMBER 31, 2008</u> | <u>\$ 7,418.57</u> |

ANALYSIS 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 | | | | | <u>0.86</u> |
| | | | | | <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> |
| | <u>496,916.04</u> | <u>1,011,601.34</u> |
| Decreased by: | | |
| Utilized as Anticipated Revenue | 100,000.00 | 400,000.00 |
| Transferred to Current Fund | <u> </u> | <u>300,000.00</u> |
| | <u>100,000.00</u> | <u>700,000.00</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 <u>(Deficit)</u> |
|------------------------------------|------------------------|------------------------|----------------------------------|
| 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>\$ 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

| | Adopted Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|--|-------------------|------------------------------|--------------------|--------------|---------------|---------------|
| OPERATING | | | | | | |
| Salaries and Wages | \$ 759,960.00 | \$ 759,960.00 | \$ 758,999.58 | \$ 51,336.08 | \$ 960.42 | \$ 70,000.00 |
| Other Expenses | 1,486,572.05 | 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 | |
| Total Operating | 4,906,532.05 | 4,906,532.05 | 4,658,299.08 | 51,336.08 | 126,896.89 | 70,000.00 |
| DEBT SERVICE | | | | | | |
| 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 | | | |
| Total Debt Service | 1,193,645.00 | 1,193,645.00 | 1,193,645.00 | | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | | |
| 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 |
| SURPLUS (GENERAL BUDGET) | | | | | | |
| | 200,000.00 | 200,000.00 | 200,000.00 | | | |
| 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 December 31, 2007 | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|---------------------------------|------------------------------|-----------------------------|-------------------------------|----------------------|----------------------|
| | Appropriation Reserves | Reserve for Encumbrances | | | |
| Operating: | | | | | |
| Other Expenses | \$ 163,581.46 | \$ 61,255.28 | \$ 224,836.74 | \$ 190,120.33 | \$ 34,716.41 |
| Manasquan River Water Purchases | 170,737.90 | | 170,737.90 | 64,295.59 | 106,442.31 |
| | <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

| | |
|-----------------------------------|----------------------|
| <u>BALANCE, DECEMBER 31, 2007</u> | \$ 182,756.64 |
| <u>INCREASED BY</u> | |
| Budget Appropriations: | |
| Interest on Bonds | <u>368,645.00</u> |
| | 551,401.64 |
| <u>DECREASED BY</u> | |
| Cash Disbursed | <u>389,517.11</u> |
| <u>BALANCE, DECEMBER 31, 2008</u> | <u>\$ 161,884.53</u> |

ANALYSIS 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> | | | | | |
| 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> |
| | | | | <u>\$ 8,855,000.00</u> | <u>151,210.42</u> |
| 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 | |
|---|-----------------|-----------------|---------------------|------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 151,277.97 | \$ 213,316.45 | \$ 1,935,421.04 | \$ 3,126,047.75 | \$ 2,086,699.01 | \$ 3,339,364.20 |
| Fixed Capital | 3,549,558.93 | 3,549,558.93 | 9,065,403.29 | 9,065,403.29 | 12,614,962.22 | 12,614,962.22 |
| Fixed Capital Authorized and Uncompleted | 315,000.00 | 315,000.00 | 9,911,500.00 | 9,236,500.00 | 10,226,500.00 | 9,551,500.00 |
| | 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 | \$ 25,505,826.42 |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | |
| Serial Bonds | \$ 535,000.00 | \$ 705,000.00 | \$ 8,855,000.00 | \$ 9,480,000.00 | \$ 9,390,000.00 | \$ 10,185,000.00 |
| Improvement Authorizations: | | | | | | |
| Funded | 49,644.21 | 63,039.83 | 1,609,946.87 | 2,281,141.64 | 1,659,591.08 | 2,344,181.47 |
| Unfunded | | | 646,974.85 | | 646,974.85 | |
| | 49,644.21 | 63,039.83 | 2,256,921.72 | 2,281,141.64 | 2,306,565.93 | 2,344,181.47 |
| Capital Improvement Fund | 3,400.00 | 3,400.00 | 1,500.00 | 1,500.00 | 4,900.00 | 4,900.00 |
| Reserve for Payment of Bonds | 96,868.64 | 146,868.64 | | 560.37 | 96,868.64 | 147,429.01 |
| Reserve for Encumbrances | | | 323,862.20 | 788,309.29 | 323,862.20 | 788,309.29 |
| Interfunds Payable | 1,357.14 | | 28,137.12 | 22,100.00 | 29,494.26 | 22,100.00 |
| | 101,625.78 | 150,268.64 | 353,499.32 | 812,469.66 | 455,125.10 | 962,738.30 |
| Reserve for Amortization | 3,329,558.93 | 3,159,558.93 | 9,261,126.63 | 8,608,126.63 | 12,590,685.56 | 11,765,685.56 |
| Deferred Reserve for Amortization | | | 185,776.66 | 215,776.66 | 185,776.66 | 215,776.66 |
| Fund Balance | 7.98 | 7.98 | | 32,436.45 | 7.98 | 32,444.43 |
| 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 Other | Disbursements | Transfer | | Balance December 31, 2008 |
|---------------------------------------|--|-------------------|---------------|--------------|--------------|---------------------------------|
| | | | | To | From | |
| Fund Balance | \$ 7.98 | \$ | \$ | | | \$ 7.98 |
| Due to Parking Utility Operating Fund | | 1,357.14 | | | | 1,357.14 |
| Capital Improvement Fund | 3,400.00 | | 50,000.00 | 50,000.00 | | 3,400.00 |
| Reserve for Payment of Bonds | 146,868.64 | | | | 50,000.00 | 96,868.64 |
| Improvement Authorizations: | | | | | | |
| Ordinance Number | Description | | | | | |
| 02-04 | Acquisition and Installation of Parking Meters and the Resurfacing of Parking Lots | | | | | |
| | 63,039.83 | | 13,395.62 | | | 49,644.21 |
| | \$ 213,316.45 | \$ 1,357.14 | \$ 63,395.62 | \$ 50,000.00 | \$ 50,000.00 | \$ 151,277.97 |

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 | \$ 315,000.00 |
| | | | \$ | <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 | | 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 |
| | | | 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 |
| | | | 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

| <u>Ordinance Number</u> | <u>Description</u> | <u>Ordinance</u> | | <u>Balance</u> <u>December 31,</u> | <u>Paid or</u> | <u>Balance</u> <u>December 31,</u> |
|-----------------------------|-------------------------------|------------------|---------------|---------------------------------------|---------------------|---------------------------------------|
| | | <u>Date</u> | <u>Amount</u> | <u>2007</u> <u>Funded</u> | <u>Charged</u> | <u>2008</u> <u>Funded</u> |
| 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 | Improvement Authorizations | Disbursements | | Balance December 31, 2008 |
|--|---|-------------------|-------------------------------|---------------|---------------|---------------------------------|
| | | | | To | From | |
| Fund Balance | \$ 32,436.45 | \$ | \$ | | | |
| Due (from)/to Water-Sewer Utility Operating Fund | 806.00 | 36,607.04 | | 32,996.82 | 32,436.45 | \$ 6,843.12 |
| Capital Improvement Fund | 1,500.00 | | | | | 1,500.00 |
| Reserve for Encumbrances | 788,309.29 | | 633,810.60 | 169,366.57 | 3.06 | 323,862.20 |
| Reserve for Payment of Bonds | 560.37 | | | | 560.37 | |
| Due to Trust Other Fund | 21,294.00 | | | | | 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 | | 2,205.50 | 375,969.39 |
| 22-07 | Water Mains, Fire Hydrant Valves and Sewer Pump Stations | | | | | |
| | 370,160.61 | | 161,272.43 | 3.06 | 167,161.07 | 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) |
| | \$ 3,126,047.75 | \$ 36,607.04 | \$ 1,163,667.01 | \$ 202,366.45 | \$ 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 | 11/7/2005 | 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 |
| | | | | <u>\$ 9,236,500.00</u> | <u>\$ 675,000.00</u> | <u>\$ 9,911,500.00</u> |

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 | \$ |
| Water-Sewer Bonds | 8/1/2002 | 1,200,000.00 | 2009 | \$ 115,000.00 | 3.625% | 765,000.00 | 105,000.00 | 660,000.00 |
| | | | 2010 | 125,000.00 | 3.625% | | | |
| | | | 2011 | 130,000.00 | 3.625% | | | |
| | | | 2012 | 140,000.00 | 3.700% | | | |
| | | | 2013 | 150,000.00 | 3.750% | | | |
| Water-Sewer Bonds | 6/15/2004 | 2,780,000.00 | 2009 | 190,000.00 | 3.500% | 2,285,000.00 | 185,000.00 | 2,100,000.00 |
| | | | 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% | | | |
| Water-Sewer Bonds | 7/15/2007 | 6,385,000.00 | 2009 | 290,000.00 | 4.000% | 6,385,000.00 | 290,000.00 | 6,095,000.00 |
| | | | 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, 2007 | | 2008 Authorizations | Paid or Charged | Prior Year Encumbrances Payable Canceled | Balance December 31, 2008 | |
|-----------------------|--|----------------------------------|------------------|----------------------------|---------------------------|--------------|---------------------|-----------------|--|---------------------------|------------|
| | | | | | Funded | Unfunded | | | | Funded | 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, 8/11/08 | | 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 | |
| 9-08 | Repair and Replacement of Sewer Lines and Hydrant Installation | 3/13/2006 | | 250,000.00 | 72,298.80 | | 27,995.00 | | | 44,303.80 | |
| 10-08 | 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 | 28,025.15 | | | 646,974.85 |
| | | | | | \$ | 2,281,141.64 | \$ | 699,222.98 | \$ | 1,609,946.87 | \$ |
| | | | | | | | | | \$ | 3.06 | \$ |
| | | | | | | | | | | | 646,974.85 |

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

BALANCE, DECEMBER 31, 2007

\$ 560.37

DECREASED BY

Anticipated Revenue - 2008 Water-Sewer
Utility Operating Fund

560.37

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 | \$ | \$ 9,500.00 | \$ |
| 24-08 | Various 2008 Water/Sewer Improvements | | 675,000.00 | | 675,000.00 |
| | | <u>\$ 9,500.00</u> | <u>\$ 675,000.00</u> | <u>\$ 9,500.00</u> | <u>\$ 675,000.00</u> |

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> |
|------------------------------------|--|--|
| General Fixed Assets: | | |
| 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> |
| Investment in General Fixed Assets | <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

DAK CPA Certified Public Accountants

Long Branch, New Jersey
May 20, 2009

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 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Government | \$ 2,262,928.67 | \$ 2,457,480.41 | \$ 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 | 181,900.00 | 198,000.00 | 179,700.00 | 148,000.00 | 149,400.00 | 122,500.00 | 143,100.00 | 125,455.00 | 120,300.00 | 91,780.00 |
| Insurance | 2,480,500.00 | 2,340,000.00 | 2,179,000.00 | 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 | 1,251,000.00 | 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 | 580,000.00 | 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 | |
| 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 | 332,650.00 |
| 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 | 1,500.00 |
| Deferred Charges and Statutory | | | | | | | | | | |
| Expenditures | 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 |
| State and Federal Grants | 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 |
| Judgements | 66,603.84 | | | | | | | | | |
| Capital Improvements | 30,000.00 | 60,000.00 | 140,000.00 | 171,250.00 | 100,000.00 | 100,000.00 | 60,000.00 | 30,000.00 | 30,000.00 | 167,150.00 |
| Debt Service | 3,484,439.00 | 2,787,078.37 | 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 | | | | | | |
| Reserve for Uncollected Taxes | 870,673.81 | 861,775.24 | 50,000.00 | 696,689.92 | 707,587.40 | 720,857.47 | 813,696.60 | 925,661.71 | 1,050,815.34 | 1,020,111.01 |
| | \$ 19,244,282.07 | \$ 20,260,850.01 | \$ 16,308,484.50 | \$ 15,929,287.14 | \$ 15,267,792.50 | \$ 14,144,244.27 | \$ 13,508,155.52 | \$ 13,218,083.77 | \$ 13,174,921.31 | \$ 13,390,106.52 |

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 | \$ 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 |
| Capital Improvements | | | | | | | | 7,500.00 | | |
| 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 | 100,000.00 | | | | | | | | | |
| | <u>\$ 1,185,000.00</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> |

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]

| Function | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| Operating | \$ 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 |
| Capital Improvements | | | | 55,000.00 | 60,000.00 | 80,597.04 | 10,000.00 | 42,000.00 | 11,000.00 | 25,500.00 |
| Debt Service | 1,193,645.00 | 898,554.38 | 726,064.25 | 593,368.61 | 355,045.00 | 326,376.00 | 253,651.00 | 191,862.00 | 390,854.37 | 360,164.64 |
| 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 | 58,520.00 |
| Surplus General Budget | 200,000.00 | 286,000.00 | | | | | | | | |
| | <u>\$ 6,579,436.45</u> | <u>\$ 6,388,966.04</u> | <u>\$ 5,395,856.50</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 | 3,136,652.29 | 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 | 2,818,510.00 | 2,713,834.66 | 2,645,580.00 | 2,596,715.00 | 2,892,593.00 | 2,535,095.90 |
| 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 | 424,005.01 |
| Non-budget Revenues and Other | 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 |
| Items | | | | | | | | | | |
| | \$ 20,228,720.16 | \$ 20,926,081.42 | \$ 17,187,003.61 | \$ 16,475,041.89 | \$ 15,846,343.47 | \$ 14,491,912.75 | \$ 13,692,050.14 | \$ 13,809,458.24 | \$ 14,084,872.16 | \$ 13,573,673.89 |

(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>County</u> <u>Open</u> <u>Space</u> <u>Fund</u> | <u>Local</u> <u>School</u> | <u>Regional</u> <u>High</u> <u>School</u> | <u>Total</u> | <u>Collection</u> <u>Rates</u> <u>Current</u> | <u>Delinquent</u> <u>Taxes as</u> <u>Percent</u> <u>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</u> <u>December 31,</u> | <u>Borough</u> <u>Population (1)</u> | <u>Equalized</u> <u>Valuation (2)</u> | <u>Net</u> <u>Debt (3)</u> | <u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u> | <u>Net</u> <u>Debt Per</u> <u>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

| Year Ended December 31, | Bond and Note Principal | Interest on Bonds and Notes | Green Trust Loans | Capital Equipment Lease | Total Municipal Debt Service | Total Current Fund Governmental Fund Expenditures | Ratio of Debt Service to Current Fund Expenditures |
|----------------------------|-------------------------------|-----------------------------------|-------------------------|-------------------------------|---------------------------------------|--|---|
| | | | | | | | |
| 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 | 15,599,551.55 | 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><u>151,706.19</u></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 1,193,645.00

Total Deductions 6,379,436.45

Excess in Revenue \$ 132,055.30

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><u>335</u></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
Office Furniture
For Library
Fire Police Truck and Equipment
Sewer Cleaning and TV Inspection
Garfield Place Pump Station Elimination
Supply and Delivery of Water Purification
Chemicals
Replacement of the Tower Hill Booster
Pump

Parks Maintenance
Water Main System Improvements
Water and Sewer Connections and
Mains Force Account
River Street Pump Station Replacement
2007-2008 Road Program

Spring Street Resurfacing - Phase II

Bodman Place Communitior

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 31st 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:

General Capital
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

