COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF RED BANK

90 Monmouth Street
Red Bank, New Jersey 07701

FOR THE YEAR ENDED DECEMBER 31, 2007

Presented by

Frank Mason
Chief Financial Officer
Borough of Red Bank

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INTRODUCTORY SECTION

Borough of Red Bank
FINANCE OFFICE
90 Monmouth Street
Red Bank, NJ 07701

Frank V. Mason
Chief Financial Officer

Tel: (732) 530-2742
Fax: (732) 758-1995
E-mail: fmason@redbanknj.org

May 7, 2008

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, 2007 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

2007 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 $47,455,675 and total expenditures of $46,561,272. The following schedules summarize revenues and expenses for 2007 and 2006.

	2007	2006	Increase/(Decrease) $	Increase/(Decrease) %
Fund Balance	$ 1,300,000	$ 1,185,769	$ 114,231	9.63 %
Municipal Purposes Tax	8,663,680	7,760,129	903,551	11.64
Delinquent Tax Receipts	728,821	678,060	50,761	7.49
Miscellaneous Anticipated Revenues	4,221,686	4,148,568	73,118	1.76
Intergovernmental Revenue	5,339,090	2,949,945	2,389,145	80.99
Other Credits to Income	396,680	351,545	45,135	12.84
Miscellaneous Revenue	270,384	112,987	157,397	139.31
	$ 20,920,341	$ 17,187,003	$ 3,733,338	21.72 %

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 increase in budgetary expenditures in 2007 over 2006 was approximately 24.24% as follows:

Function	2007	2006	Increase/(Decrease) $	Increase/(Decrease) %
General Government	$ 2,457,480	$ 2,432,222	$ 25,258	1.04 %
Land Use Administration	198,000	179,700	18,300	10.18
Insurance	2,340,000	2,179,000	161,000	7.39
Public Safety	4,737,600	4,248,400	489,200	11.51
Public Works	1,381,380	1,251,000	130,380	10.42
Landfill/Solid Waste Disposal Costs	580,000	580,000		
Health and Welfare	198,066	134,500	63,566	47.26
Parks and Recreation	445,734	399,500	46,234	11.57
Utility Expenses and Bulk Purchases	587,000	545,000	42,000	7.71
Uniform Construction Code	283,100	345,150	(62,050)	(17.98)
Contingent	2,200	2,200		
Deferred Charges and Statutory Expenditures	723,090	843,456	(120,366)	(14.27)
State and Federal Grants	2,568,346	106,465	2,461,881	2,312.39
Capital Improvements	60,000	140,000	(80,000)	(57.14)
Municipal Debt Service	2,787,078	2,771,892	15,186	0.55
Reserve for Sick Pay	50,000	100,000	(50,000)	(50.00)
Reserve for Uncollected Taxes	861,775	50,000	811,775	1,623.55
	$ 20,260,849	$ 16,308,485	$ 3,952,364.45	24.24 %

The increase in the State and Federal Grants expenditures accounts for 62% of the overall expenditure increase. These grants were funded by State and Federal agencies and as such had no impact on the Borough's municipal tax levy.
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 less then anticipated resulting in a decrease in its fund balance. Revenues in 2007 equaled expenditures.

The Parking Utility operates metered municipal parking lots and owns a 450 car parking garage, which it leases to Riverview Medical Center. Revenues in 2007 exceeded expenses by $130,715.

Both the Parking Utility and Water-Sewer Utility remained self-liquidating for 2007.

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

Severe cuts in state aid and increases in mandated expenditures resulted in a moderate tax rate increase proposed for the 2008 budget as introduced. Several large developments should be added to the tax rolls in 2008. These should help stabilize future municipal tax rates.

LOCAL ECONOMIC EVENTS

The Borough continued to show a good financial condition for 2007 as evidenced by the following:

- Our Current Fund balance was $1,585,756.
- Our Tax Collection percentage for 2006 was 97.01% and averages 97.63% for the past three years.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2007, funds were invested in the New Jersey Cash Management Fund, Commerce Bank and Shrewsbury State Bank sweep accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is $17,214,454, which represents .819% of its average equalized value. Debt service appropriations for 2007 for the Current Fund were 13.76% 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
ROSTER OF OFFICIALS
DECEMBER 31, 2007

Governing Body

Pasquale Menna, Mayor

Sharon Lee, Council President

Mary Grace Cangemi, Councilwoman

John P. Curley, Councilman

Robert J. Bifani, Councilman

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

Alfreda Terry, Senior Center Director

Sidney Johnson, Health Officer

BOROUGH OF RED BANK
CONSULTANTS AND ADVISORS
DECEMBER 31, 2007

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, 2007

OFFICIAL DEPOSITORIES

Commerce Bank
Water Street
Red Bank, NJ 07701

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

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

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

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

FINANCIAL SECTION

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

DAK CPA
dakcparma.com

dwavewavek@netscape.net
Phone (732) 241-1632
Fax (732) 870-2797

INDEPENDENT AUDITOR'S REPORT

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 accompanying financial statements – regulatory basis of the various funds and accounts of the Borough of Red Bank (the "Borough of Red Bank") as of and for the year ended December 31, 2007 as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough of Red Bank'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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In our opinion, because of the Borough of Red Bank'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 of Red Bank as of December 31, 2007, or the results of its operations, or cash flows of its propriety fund types and nonexpendable trust funds 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 of Red Bank as of December 31, 2007, 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, 2007 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2008, 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 performed for the purpose of forming opinions on the financial statements – regulatory basis taken as a whole. 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 7, 2008

DAK CPA
dakcparma.com

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

dwavewavek@netscape.net
Phone (732) 241-1632
Fax (732) 870-2797

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, 2007, and have issued our report thereon dated May 7, 2008. 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 in order to determine 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 of Red Bank'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the Borough of Red Bank'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 presented or detected by the Borough of Red Bank'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 have reported to management of the Borough of Red Bank in the "General Comments and Recommendations" section of this report.

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

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

DAK CPA

Long Branch, New Jersey
May 7, 2008

DAK CPA, Certified Public Accountants

GENERAL PURPOSE 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, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Governmental Funds			Utilities		General Fixed Assets	Totals Memorandum Only	
	Current	General Capital	Trust Funds	Operating	Capital	Account	2007	2006
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	$ 3,188,128.73	$ 3,952,086.24	$ 2,830,161.65	$ 1,293,873.86	$ 3,339,364.20	$	$ 14,603,614.68	$ 16,346,026.97
Intergovernmental Receivables								2,038,649.79
Receivables and Other Assets:								
Delinquent Property Taxes	1,022,711.47						1,022,711.47	681,742.14
Consumer Accounts Receivable				982,066.93			982,066.93	824,622.27
Assessments Receivable			6,846.01				6,846.01	9,726.62
Inventory				21,078.00			21,078.00	27,308.50
Liens Receivable	45,541.00			1,240.46			46,781.46	51,248.54
Demolition Liens Receivable	8,930.09						8,930.09	
Property Acquired for Taxes - Assessed Valuation	301,000.00						301,000.00	301,000.00
Other Accounts Receivable	72,564.38	2,129,874.75	5,352.00				2,207,791.13	66,701.77
Interfunds Receivable	63,130.53	175,000.00	39,396.54	220,630.52			498,157.59	838,127.34
Capital Lease Obligations, Unfunded		3,183,000.00					3,183,000.00	2,154,300.00
Prospective Assessments Funded and Unconfirmed								148,000.00
Deferred Charges	109,940.00	17,325,259.04					17,435,199.04	17,197,098.24
Fixed Capital					22,166,462.22		22,166,462.22	20,672,926.34
Fixed Assets						28,621,259.00	28,621,259.00	25,191,611.00
Federal and State Grant Fund:								
Cash and Cash Equivalents	188,707.86						188,707.86	70,107.25
Deferred Charges								
Federal and State Grants Receivable	138,486.74						138,486.74	334,927.21
Interfunds Receivable	39,476.78						39,476.78	107,052.01
Total Assets and Other Debits	$ 5,178,617.58	$ 26,765,220.03	$ 2,881,756.20	$ 2,518,889.77	$ 25,505,826.42	$ 28,621,259.00	$ 91,471,569.00	$ 87,061,175.99

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, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Governmental Funds			Utilities		General Fixed Assets Account	Totals Memorandum Only	
	Current	General Capital	Trust Funds	Operating	Capital		2007	2006
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	$ 721,068.69	$	$	$ 428,769.30	$	$	$ 1,149,837.99	$ 697,322.78
Other Liabilities and Reserves	763,131.31	1,466,597.75	2,832,404.14	428,856.40	940,638.30		6,431,627.90	6,478,466.11
Improvement Authorizations		5,276,786.11			2,344,181.47		7,620,967.58	8,187,437.02
Accrued Interest on Bonds and Notes				193,544.23			193,544.23	155,367.40
Reserve for Amortization					11,770,685.56		11,770,685.56	11,297,149.68
Deferred Reserve for Amortization					215,776.66		215,776.66	224,276.66
Interfund Payable	237,927.06		45,997.48		22,100.00		306,024.54	770,179.35
Accounts Payable								44,327.35
Intergovernmental Payable								175,204.92
Serial and Refunding Bonds		15,668,000.00			10,180,000.00		25,848,000.00	14,144,000.00
Loans Payable		1,137,020.18					1,137,020.18	1,275,789.63
Capital Lease Payable - Principal		3,183,000.00					3,183,000.00	2,154,300.00
Bond Anticipation Notes								10,428,250.00
Reserve for Receivables and Other Assets	1,508,324.41			1,004,385.39			2,512,709.80	1,960,701.02
Federal and State Grant Fund:								
Interfund Payable	224,305.11						224,305.11	175,000.00
Reserve for Encumbrances	1,630.45						1,630.45	45,397.58
Unappropriated/Appropriated Reserves	140,735.82						140,735.82	291,688.89
Total Liabilities and Reserves	3,597,122.85	26,731,404.04	2,878,401.62	2,055,555.32	25,473,381.99		60,735,865.82	58,504,858.39
Equity and Other Credits:								
Investment in General Fixed Assets						28,621,259.00	28,621,259.00	25,191,611.00
Fund Balance	1,581,494.73	33,815.99	3,354.58	463,334.45	32,444.43		2,114,444.18	3,364,706.60
Total Equity and Other Credits	1,581,494.73	33,815.99	3,354.58	463,334.45	32,444.43	28,621,259.00	30,735,703.18	28,556,317.60
Total Liabilities, Reserves and Fund Balance	$ 5,178,617.58	$ 26,765,220.03	$ 2,881,756.20	$ 2,518,889.77	$ 25,505,826.42	$ 28,621,259.00	$ 91,471,569.00	$ 87,061,175.99

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, 2007

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fund Balance Anticipated	$ 1,300,000.00	$ 1,300,000.00	$	$ 400,000.00	$ 400,000.00	$
Water-Sewer Rents and Connection Fees				5,855,966.04	5,564,875.59	(291,090.45)
Parking Meter Fees				805,798.75	928,670.82	122,872.07
Miscellaneous Revenues	4,400,750.34	4,227,425.27	(173,325.07)	412,800.00	447,026.70	34,226.70
Utility Capital Fund Balances						
State Aid	2,770,744.00	2,770,744.00				
Federal and State Grants	2,568,346.04	2,568,346.04				
	11,039,840.38	10,866,515.31	(173,325.07)	7,474,564.79	7,340,573.11	(133,991.68)
Receipts from Delinquent Taxes	625,000.00	728,820.90	103,820.90			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	8,596,009.63	8,663,680.47	67,670.84			
Budget Totals	20,260,850.01	20,259,016.68	(1,833.33)	7,474,564.79	7,340,573.11	(133,991.68)
Non-budget Revenues		270,384.31	270,384.31		13,850.15	13,850.15
Other Credits to Income		396,680.43	396,680.43		250,856.32	250,856.32
Taxes Allocated to School, County and Special Districts		26,535,332.99	26,535,332.99			
Total Revenues	$ 20,260,850.01	$ 47,461,414.41	$ 27,200,564.40	$ 7,474,564.79	$ 7,605,279.58	$ 130,714.79

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, 2007

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:						
Current:						
General Government	$ 2,457,480.41	$ 2,457,480.41	$	$	$	$
Land Use Administration	198,000.00	198,000.00				
Insurance	2,340,000.00	2,340,000.00				
Public Safety	4,737,600.00	4,737,600.00				
Public Works	1,381,380.00	1,381,380.00				
Landfill/Solid Waste Disposal Costs	580,000.00	580,000.00				
Health and Welfare	198,065.99	198,065.99				
Parks and Recreation	445,734.00	445,734.00				
Utility Expenses and Bulk Purchases	587,000.00	587,000.00				
Uniform Construction Code	283,100.00	283,100.00				
Contingent and Celebration of Public Events	2,200.00	2,200.00				
State and Federal Grants	2,568,346.04	2,568,346.04				
Operating				5,873,584.62	5,873,584.62	
Capital Improvements	60,000.00	60,000.00				
Debt Service	2,787,078.37	2,787,078.37		1,145,673.13	1,145,673.13	
Deferred Charges and Statutory Expenditures	723,089.96	723,089.96		169,307.04	169,307.04	
Surplus - General Budget				286,000.00	286,000.00	
Reserve for Sick Pay	50,000.00	50,000.00				
Reserve for Uncollected Taxes	861,775.24	861,775.24				
Total Budget Expenditures	20,260,850.01	20,260,850.01		7,474,564.79	7,474,564.79	
Other Expenditures		2,422.49	(2,422.49)			
County, School and Special District Taxes		26,297,999.73	(26,297,999.73)			
Total Expenditures	$ 20,260,850.01	$ 46,561,272.23	$ (26,300,422.22)	$ 7,474,564.79	$ 7,474,564.79	$

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, 2007

	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	$	$ 900,142.18	$ 900,142.18	$	$ 130,714.79	$ 130,714.79
Fund Balance, January 1, 2007	1,981,352.55	1,981,352.55		1,282,619.66	1,282,619.66	
	1,981,352.55	2,881,494.73	900,142.18	1,282,619.66	1,413,334.45	130,714.79
Decreased By:						
Utilization as Anticipated Revenue	1,300,000.00	1,300,000.00		400,000.00	400,000.00	
Transferred to Current Fund				550,000.00	550,000.00	
	1,300,000.00	1,300,000.00		950,000.00	950,000.00	
Fund Balance, December 31, 2007	$ 681,352.55	$ 1,581,494.73	$ 900,142.18	$ 332,619.66	$ 463,334.45	$ 130,714.79

(1) Includes Parking and Water-Sewer Utilities.

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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 trough 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.

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.

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 Group 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.

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 Utility, 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.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

Fixed Capital of the Utility is 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.

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.

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, 2007 was $14,603,614.68.

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.

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, 2007 is as follows:

	Parking Utility	Water-Sewer Utility	Total Enterprise Fund
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	$	$ 400,000.00	$ 400,000.00
Parking Fees	928,670.82		928,670.82
Water-Sewer Rents		5,537,098.99	5,537,098.99
Water and Sewer Connection Fees		27,776.60	27,776.60
Riverview Hospital - Lease Agreement	240,746.98		240,746.98
Reserve for Payment of Bonds			
Current Budget Appropriations Cancelled			
Non-Budget Revenue	13,850.15	206,279.72	220,129.87
Other Credits to Income - Unexpended Balance of Appropriation Reserves	33,045.59	217,810.73	250,856.32
Total Income	1,216,313.54	6,388,966.04	7,605,279.58
Expenditures:			
Operating	791,480.00	5,082,104.62	5,873,584.62
Debt Service	247,118.75	898,554.38	1,145,673.13
Deferred Charges and Statutory Expenditur	47,000.00	122,307.04	169,307.04
Surplus General Budget		286,000.00	286,000.00
Total Expenditures	1,085,598.75	6,388,966.04	7,474,564.79
Statutory Excess to Fund Balance	130,714.79		
Fund Balance, January 1	271,018.32	1,011,601.34	1,282,619.66
	401,733.11	1,011,601.34	1,282,619.66
Decreased by:			
Utilized as Anticipated Revenue		400,000.00	400,000.00
Transferred to Current Fund	250,000.00	300,000.00	550,000.00
	250,000.00	700,000.00	950,000.00
Fund Balance, December 31	$ 151,733.11	$ 311,601.34	$ 332,619.66

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

	* 2007	2006	2005	2004	2003
Tax Rate	1.541	3.428	3.223	3.076	2.974
Apportionment of Tax Rate:					
Municipal	0.384	0.836	0.792	0.749	0.734
County	0.237	0.528	0.492	0.460	0.462
County Open Space Fund	0.015	0.030	0.029	0.028	0.030
Local School	0.534	1.200	1.165	1.135	1.102
Regional High School	0.371	0.834	0.745	0.704	0.646

* Revaluation.

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

Assessed Valuations

Year		Amount
2007	(Revaluation)	$ 2,238,531,929.00
2006		973,173,643.00
2005		965,104,265.00
2004		963,776,234.00
2003		956,668,706.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
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%
2003	29,002,082.53 **	28,389,025.01	97.88%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
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%
2003	29,265.49	608,726.07	637,991.56	2.86%

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:

Year	Amount
2007	$ 301,000.00
2006	301,000.00
2005	157,200.00
2004	157,200.00
2003	327,600.00

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:.

Year	Rents Charged	Collections
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
2003	4,261,252.65	4,262,216.22

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.

Year	Balance December 31	Utilized in Budget of Succeeding Year	Transferred to Current Fund in Succeeding Year	Percentage of Fund Balance Utilized in Budget
Current Fund				
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%
2003	1,637,918.29	1,040,000.00		63.50%
Water-Sewer Utility Operating Fund				
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
2003	197,630.07	None	None	None
Parking Utility Operating Fund				
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
2003	257,938.51	None	200,000.00	None

Note 8. PENSION PLANS (CONTINUED)

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 1/55th 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.

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 and PFRS were five percent (5%) and 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:

	PERS		PFRS	
Year	Borough	Employees	Borough	Employees
2005	$ 68,062.80	$ 192,545.99	$ 164,030.40	$ 264,247.60
2006	126,839.00	198,150.56	308,549.12	278,638.19
2007	187,774.04	200,014.75	506,818.40	289,208.25

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.

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 Principal	General Capital Interest	Parking Capital Principal	Parking Capital Interest
2008	$ 1,919,000.00	$ 634,938.72	$ 170,000.00	$ 29,135.00
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		
	$ 15,668,000.00	$ 3,044,527.35	$ 705,000.00	$ 79,496.25

Calendar Year	Water-Sewer Capital Principal	Water-Sewer Capital Interest	Totals
2008	$ 625,000.00	$ 389,517.09	$ 3,767,590.81
2009	595,000.00	353,780.01	3,669,461.01
2010	625,000.00	330,673.76	3,470,106.64
2011	640,000.00	306,205.01	3,279,334.76
2012	700,000.00	280,230.01	3,006,966.51
2013	750,000.00	251,681.26	3,056,490.26
2014	650,000.00	220,571.88	2,171,383.88
2015	685,000.00	192,950.00	1,835,942.50
2016	730,000.00	163,240.63	1,818,695.63
2017	735,000.00	132,281.25	1,828,277.50
2018	480,000.00	106,462.50	586,462.50
2019	550,000.00	84,575.00	634,575.00
2020	560,000.00	60,987.50	620,987.50
2021	575,000.00	36,868.75	611,868.75
2022	580,000.00	12,325.00	592,325.00
	$ 9,480,000.00	$ 2,922,349.65	$ 30,950,468.25

Note 9. MUNICIPAL DEBT (CONTINUED)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	2007	2006	2005
Issued:			
General (Includes Trust Assessment)			
Bonds and Notes	$ 15,668,000.00	$ 15,452,250.00	$ 12,423,000.00
Loans Payable	1,137,020.18	1,275,789.65	1,411,824.27
Water-Sewer Utility			
Bonds and Notes	9,480,000.00	8,255,000.00	5,215,000.00
Parking Utility			
Bonds and Notes	700,000.00	865,000.00	1,025,000.00
	26,985,020.18	25,848,039.65	20,074,824.27
Authorized but not Issued:			
General			
Bonds and Notes	520,238.86	554,863.86	4,724,863.86
Water-Sewer Utility			
Bonds and Notes	9,500.00	26,000.00	716,000.00
Parking Utility			
Bonds and Notes	None	None	None
	529,738.86	580,863.86	5,440,863.86
Total Debt	27,514,759.04	26,428,903.51	25,515,688.13
Less:			
Cash on Hand - Assessment	None	879.92	11,036.29
Reserves for Payment of Bonds and Notes:			
General Capital	110,805.25	731.13	155,731.13
Water-Sewer Utility	560.37		910.00
Parking Utility	146,868.64	131,904.52	131,904.52
	258,234.26	133,515.57	299,581.94
Net Bonds and Notes Issued and Authorized but not Issued	$ 27,256,524.78	$ 26,295,387.94	$ 25,216,106.19

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 .819%

	Gross Debt	Deductions	Net Debt
Regional School District	$ 3,656,035.63	$ 3,656,035.63	$ None
Local School District	5,488,845.38	5,488,845.38	None
Water-Sewer Utility	9,489,500.00	9,489,500.00	None
Parking Utility	700,000.00	700,000.00	None
General	17,325,259.04	110,805.25	17,214,453.79
	$ 36,659,640.05	$ 19,445,186.26	$ 17,214,453.79

Net debt, $17,214,453.79 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, $2,102,799,964 equals .819%. 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		$ 6,172,208.84
Deductions:		
Operating and Maintenance Costs	$ 5,204,411.66	
Debt Service	898,554.38	6,102,966.04
Excess in Revenue		$ 69,242.80

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		$ 1,183,267.95
Deductions:		
Operating and Maintenance Costs	$ 838,480.00	
Debt Service	247,118.75	1,085,598.75
Excess in Revenue		$ 97,669.20

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:

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

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 2007.

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.

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 range from 5.00% 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:

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

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.

Note 9. MUNICIPAL DEBT (CONTINUED)

1997 Special Assessment Bonds

On December 19, 1997 the Borough issued $1,206,000 in Special Assessment Bonds through the Monmouth County Improvement Authority's Pooled Government Loan Financing Program. The Bonds final annual maturity occurred on December 1, 2007.

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:

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

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.

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 4.0% 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, 2007.

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

Schedule of Changes in Bonded Debt

Type	December 31, 2006	Issued	Payments	December 31, 2007
General Improvement	$ 8,825,000.00	$ 7,391,000.00	$ 1,340,000.00	$ 14,876,000.00
Water- Sewer	3,410,000.00	6,385,000.00	315,000.00	9,480,000.00
Parking	865,000.00		160,000.00	705,000.00
Assessment	148,000.00		148,000.00	
Refunding	896,000.00		104,000.00	792,000.00
	$ 14,144,000.00	$ 13,776,000.00	$ 2,067,000.00	$ 25,853,000.00

Bonds and Notes Authorized but not Issued

At December 31, 2007, the Borough of Red Bank has authorized but not issued bonds and notes as follows:

General Capital Fund	$ 520,238.86
Water-Sewer Utility Capital Fund	7,500.00
Parking Utility Capital Fund	None
	$ 527,738.86

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

As of December 31, 2007, the Borough's long-term debt is as follows:

General Serial Bonds

$1,300,000 1994 Bonds due in annual installments of $100,000 to $110,000 through December 2009 at an interest rate of 6.30%.	$ 210,000.00
$2,985,000 1995 Bonds due in annual installments of $200,000 to $250,000 through 2010 at interest rates ranging from 5.00% to 5.20%.	600,000.00
$3,273,000 1998 Bonds due in annual installments of $250,000 to $353,000 through October 2011 at an interest rate of 4.150%.	1,253,000.00
$5,481,000 2002 Bonds due in annual installments of $490,000 to $696,000 through August 2013 at interest rates ranging from 3.625% to 3.75%.	3,396,000.00
$2,731,000 2004 Bonds due in annual installments of $255,000 to $331,000 through February 2014 at interest rates ranging from 3.5% to 4%.	2,026,000.00
$7,391,000 2007 Bonds due in annual installments of $470,000 to $941,000 through July 2018 of interest rates ranging from 4% to 4.25%.	7,391,000.00
	$ 14,876,000.00

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 $104,000 through February 2015 at an interest rates ranging from 3.80% to	$ 792,000.00
	$ 792,000.00

Parking Utility Capital Fund Serial Bonds

$970,000.00 1994 Bonds due in an annual installments of $75,000 to $80,000 through 2009 at an interest rate of 6.30%.	$ 155,000.00
$535,000 2002 Bonds due in annual installments of $45,000 to $60,000 through August 2013 at interest rates ranging from 3.625% to 3.75%.	340,000.00
$315,000 2004 Bonds due in annual installments of $35,000 to $45,000 through February 2012 at interest rates ranging from 3.5% to 3.75%.	210,000.00
	$ 705,000.00

Water-Sewer Utility Capital Fund Serial Bonds

$350,000 1998 Bonds due in annual installments of $35,000 to $45,000 through October 2008 at interest rate of 4.15%.	$ 45,000.00
$1,200,000 2002 Bonds due in annual installments of $85,000 to $150,000 through August, 2013 at interest rates ranging from 3.625% to 3.75%.	765,000.00
$2,780,000 2004 Bonds due in annual installments ranging from $160,000 to $280,000 through February, 2017 at interest rates ranging from 3.5% to 4.25%.	2,285,000.00
$6,385,000 2007 Bonds due in annual installments ranging from $290,000 to $580,000 through July 2022 at interest rates ranging from 4% to 4.25%	6,385,000.00
	$ 9,480,000.00

Note 9. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Trust Assessment Serial Bonds

$1,206,000 1997 Bonds were repaid in full with the final annual installment of $148,000 on December 1, 2007.	$ None
Grand Total	$ 25,853,000.00

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:

	Eastside Park Acq.		Eastside Park Dev.	
Year	Principal	Interest	Principal	Interest
2008	$ 11,892.20	$ 544.44	$ 9,221.80	$ 518.62
2009	12,131.23	305.41	9,407.15	333.26
2010	6,156.74	61.57	9,596.24	144.18
	$ 30,180.17	$ 911.42	$ 28,225.19	$ 996.06

	Riverside Gardens Acq.		Riverside Gardens Dev. 1&2		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 52,965.55	$ 7,614.09	$ 48,730.92	$ 13,452.26	$ 122,810.47	$ 22,129.41
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
	$ 393,879.82	$ 30,177.67	$ 684,735.00	$ 92,554.82	$ 1,137,020.18	$ 124,639.97

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, 2007, the following deferred charges are shown on the Balance Sheets of the various funds.

	Balance December 31, 2006	2007 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Appropriations per N.J.S.A. 40A:4-54	$ 144,920.00	$ 34,980.00	$ 109,940.00
Sub-Total Current Fund	144,920.00	34,980.00	109,940.00
Water-Sewer Utility Operating Fund:			
Special Emergency Appropriations per N.J.S.A. 40A:4-54	26,000.00	26,000.00	
Sub-Total Water-Sewer Utility Operating Fund	26,000.00	26,000.00	
GRAND TOTAL:	$ 170,920.00	$ 60,980.00	$ 109,940.00

The appropriations in the 2008 budget, as amended, are as required by statute.

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 Taxes Balance, December 31			Regional High School Tax Balance, December 31		
	2007	2006	Increase/ (Decrease)	2007	2006	Increase/ (Decrease)
Balance of Tax	$ 5,987,761.25	$ 5,832,399.75	$ 155,361.50	$ 4,148,205.58	$ 4,056,400.25	$ 91,805.33
Deferred Payable	5,956,724.50	5,811,724.50	145,000.00	4,066,556.36	3,966,556.36	100,000.00
Tax Payable	$ 31,036.75	$ 20,675.25	$ 10,361.50	$ 81,649.22	$ 89,843.89	$ (8,194.67)

Note 12. INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
Current	$ 63,130.53	$ 237,927.06
Federal and State Grant	39,476.78	224,305.11
General Capital	175,000.00	7,304.72
Trust Other	39,396.54	39,476.78
Water-Sewer Operating	184,065.40	
Water-Sewer Capital		22,100.00
Trust Assessment		
Parking Operating	36,565.12	
Parking Capital		
Animal Control		6,520.70
	$ 537,634.37	$ 537,634.37

Note 13. CAPITAL LEASE

The Borough is a participant in the Monmouth County Improvement Authority's Capital Equipment Pooled Lease Program. At December 31, 2007, the Borough's outstanding principal capital lease obligation to the County was $3,183,000. Interest rates range from 1.16% to 6.6%. The five year maturity schedule for these obligations is as follows:

Year	
2008	$ 841,100.00
2009	507,200.00
2010	529,500.00
2011	446,300.00
2012	464,100.00
Thereafter	394,800.00
	$ 3,183,000.00

The Borough added $1,578,400 to its Capital Lease Obligations in 2007 through the Monmouth County Improvement Authority's 2007 Capital Equipment Pooled Lease Program.

Note 14. DEFERRED COMPENSATION PLAN

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

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

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

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

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

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:

Year Ended December 31,	Interest Earned	Employee Contributions	Borough Contribution	Amount Reimbursed	Ending Balance
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
2005	135.83	28,512.08	None	28,121.90	6,114.99

Note 16. CONTINGENT LIABILITIES

A. Compensated Absences

The Borough has a contingent liability for accrued sick time costs at December 31, 2007 of $2,770,582.85. The Borough is only liable for accrued sick time when an employee retires. This amount represents all vested accrued sick time at year-end. The Borough has no contingent liability for accrued vacation time costs at December 31, 2007.

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, 2007 of $55,045.94. 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 which was to be administered through Lincoln National Financial Group. The LOSAP is available to all bonafide eligible volunteers performing qualified services for the Borough for the period 2003 to 2005. Lincoln National Financial Group did not provide services acceptable to satisfy the needs of the participants. On November 14, 2005, Lincoln Financial Group was terminated.

Also, on November 14, 2005 Valic was appointed as the Borough's new LOSAP provider. No contributions to the LOSAP were made. Pursuant to the statutory requirements, the Borough had the LOSAP program reviewed.

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS

CURRENT FUND

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

ASSETS	Balance December 31, 2007	Balance December 31, 2006 (As Adjusted)
Cash and Cash Equivalents	$ 3,188,128.73	$ 3,689,586.90
Intergovernmental Receivable:		
Due from State of New Jersey:		
Senior Citizens' and Veterans' Deductions	5,553.06	2,667.55
Neighborhhood Preservation Program		72,435.00
Due from County of Monmouth		2,422.49
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	1,022,711.47	681,742.14
Liens Receivable:		
Tax Title Liens Receivable	45,541.00	41,077.99
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	67,011.32	51,313.67
Interfunds Receivable	63,130.53	49,250.90
Deferred Charges:		
Special Emergency Authorization N.J.S. 40A:4-53	109,940.00	144,920.00
	4,811,946.20	5,045,346.73
Federal and State Grant Fund:		
Cash and Cash Equivalents	188,707.86	70,107.25
Federal and State Grants Receivable	138,486.74	309,142.21
Interfund Receivable	39,476.78	132,837.01
	366,671.38	512,086.47
Total Assets	$ 5,178,617.58	$ 5,557,433.20

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

LIABILITIES, RESERVES AND FUND BALANCE	Balance December 31, 2007	Balance December 31, 2006 (As Adjusted)
Current Fund:		
Liabilities:		
Appropriation Reserves	$ 721,068.69	$ 565,271.38
Prepaid Taxes	226,389.08	143,738.83
Payroll Taxes Payable	3,201.63	2,462.00
Tax Overpayments	107,388.74	27,945.36
Local School District Tax Payable	21,036.75	20,675.25
Regional High School District Tax Payable	81,649.22	89,843.89
Due County for Added Taxes	58,007.24	64,685.78
Special District Taxes Payable	85,007.50	
Reserve for Encumbrances	91,493.88	130,444.86
Reserve for State Tax Appeals	55,045.94	48,820.30
Reserve for Sale of Municipal Assets	33,002.98	90,688.86
Reserve for Revaluation	908.35	131,920.54
Interfunds Payable	237,927.06	639,967.34
	1,722,127.06	1,956,464.39
Reserve for Receivables and Other Assets	1,508,324.41	1,107,529.79
Fund Balance	1,581,494.73	1,981,352.55
Total Current Fund	4,811,946.20	5,045,346.73
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	105,486.07	272,117.98
Unappropriated	35,249.75	19,570.91
Reserve for Encumbrances	1,630.45	45,397.58
Interfunds Payable	224,305.11	175,000.00
Total Federal and State Grant Fund	366,671.38	512,086.47
Total Liabilities, Reserves and Fund Balance	$ 5,178,617.58	$ 5,557,433.20

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006 (As Adjusted)
Revenues and Other Income Realized:		
Fund Balance Utilized	$ 1,300,000.00	$ 1,185,769.05
Miscellaneous Revenues Anticipated	4,227,425.27	4,148,567.70
State Aid	2,770,744.00	2,843,480.00
Federal and State Grants	2,568,346.04	106,464.97
Receipts from Delinquent Taxes	728,820.90	678,059.56
Receipts from Current Taxes	8,663,680.47	7,760,128.96
Taxes Allocated to School, County and Special Districts	26,535,332.99	25,717,858.73
Non-Budget Revenues	270,384.31	112,986.74
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	207,765.32	132,992.23
Current Budget Appropriations Canceled	165,449.21	85,626.43
Cancellation of Appropriated Reserves - Grant Fund		49,603.83
Interfunds Liquidated	23,465.90	83,324.14
Total Income	47,461,414.41	42,904,862.34
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	767,593.01	948,580.00
Land Use Administration	198,000.00	179,700.00
Public Safety	4,737,600.00	4,248,400.00
Public Works	1,381,380.00	1,251,000.00
Landfill/Solid Waste Disposal Costs	580,000.00	580,000.00
Health and Welfare	198,065.99	134,500.00
Parks and Recreation	445,734.00	399,500.00
Utility Expenses and Bulk Purchases	587,000.00	545,000.00
Uniform Construction Code	283,100.00	345,150.00
Reserve for Sick Pay	50,000.00	100,000.00
Celebration of Public Events	700.00	700.00
Contingent	1,500.00	1,500.00
Insurance	2,340,000.00	2,179,000.00
Deferred Charges and Statutory Expenditures	540,109.96	670,125.14
Excluded from "CAPS":		
General Government	1,689,887.40	1,483,641.89

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006 (As Adjusted)
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
State and Federal Grants	$ 2,568,346.04	$ 106,464.97
Capital Improvements	60,000.00	140,000.00
Municipal Debt Service	2,787,078.37	2,771,891.56
Deferred Charges	182,980.00	173,330.94
Reserve for Uncollected Taxes	861,775.24	50,000.00
Special Improvement District Tax	604,015.00	434,000.00
County Taxes	5,629,003.73	5,430,188.38
Due to County for Added and Omitted 2005 Taxes		4,703.53
Due to County for Added and Omitted 2006 Taxes	50,340.50	59,982.25
Due to County for Added and Omitted 2007 Taxes	7,666.74	
County Open Spaces Taxes Overpaid		2,422.49
Local District School Taxes	11,810,563.00	11,480,888.00
Regional High School District Tax	8,196,410.76	7,712,800.10
Cancellation of Grants Receivable		8,525.00
Refund of Prior Year Revenue	2,422.49	4,484.68
Total Expenditures	46,561,272.23	41,446,478.93
Excess in Revenue over Expenditures	900,142.18	1,458,383.41
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute		
Deferred Charges to Budget of Succeeding Years		25,000.00
Statutory Excess to Fund Balance	900,142.18	1,483,383.41
Fund Balance, January 1	1,981,352.55	1,683,738.19
	2,881,494.73	3,167,121.60
Decreased by:		
Utilized as Anticipated Revenue	1,300,000.00	1,185,769.05
Fund Balance, December 31	$ 1,581,494.73	$ 1,981,352.55

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	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	82,000.00		90,116.00	8,116.00
Other	40,000.00		40,904.00	904.00
Fees and Permits:				
Other	330,000.00		290,804.50	(39,195.50)
Uniform Construction Code Official Fees	686,519.21		454,583.50	(231,935.71)
Fines and Costs:				
Municipal Court	770,000.00		820,996.26	50,996.26
Interest and Costs on Taxes	114,000.00		168,913.18	54,913.18
Interest on Investments and Deposits	260,000.00		386,294.17	126,294.17
	2,282,519.21		2,252,611.61	(29,907.60)
State Aid Without Offsetting Appropriations:				
Legislative Initiative Municipal Block Grant	46,540.00		46,540.00	
Energy Receipts Tax	2,143,380.00		2,143,380.00	
Consolidated Municipal Property Tax Relief Aid	458,590.00		458,590.00	
Statewide Municipal Homeland Security Aid	70,000.00		70,000.00	
Municipal Property Tax Assistance	52,234.00		52,234.00	
	2,770,744.00		2,770,744.00	
Special Items of Revenue Offset with Appropriations:				
U.S. Older Americans Act - Senior Citizens	$ 33,312.00	$	$ 33,312.00	$
Drunk Driving Enforcement Fund:				
Unappropriated - Court	2,396.17		2,396.17	
Clean Communities Program	12,207.05		12,207.05	
State of NJ - Body Armor Grant	3,755.55		3,755.55	
NJ - Pedestrian Safety Grant	21,000.00		21,000.00	
State of New Jersey - Summer Food Program		17,862.07	17,862.07	
Cool Cities -	24,308.00		24,308.00	
NJ Division of Traffic Safety - Over the Limit, Under Arrest	5,000.00	5,000.00	10,000.00	
NJ - Bicycle Safety Grant	5,000.00		5,000.00	
Affordable Housing - Cedar Crossing Grant	2,431,300.00		2,431,300.00	
Recycling Tonnage Grant		2,205.20	2,205.20	
You Drink You Drive You Lose	5,000.00		5,000.00	
	$ 2,543,278.77	$ 25,067.27	$ 2,568,346.04	$

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	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	$ 220,000.00	$	$ 224,769.50	$ 4,769.50
Franchise Tax Cable Television	45,000.00		47,511.65	2,511.65
Uniform Fire Safety Act	90,000.00		104,546.10	14,546.10
Landlord Registration Fees	11,000.00		17,634.00	6,634.00
Utility Operating Surplus of Current Year -Water/Sewer Utility	286,000.00		102,740.60	(183,259.40)
Utility Operating Surplus of Prior Years -Water/Sewer Utility	300,000.00		300,000.00	
Utility Operating Surplus of Prior Years -Parking Utility	250,000.00		250,000.00	
Payment in Lieu of Taxes - Riverview Hospital	24,000.00		24,000.00	
R.B.C. Field Rent	55,000.00		55,000.00	
Riverview Extended Care Facility - Emergency Service Donation	40,000.00		40,000.00	
Payment in Lieu of Taxes - Housing Authority, River Street School, Habcore	235,000.00		229,132.78	(5,867.22)
Reserve for Payment of Bonds	731.13			(731.13)
Rivercenter Assessment	148,000.00		154,527.42	6,527.42
Hotel Occupancy Tax	155,000.00		176,951.61	21,951.61
Reserve for Sale of Municipal Assets	90,000.00		90,000.00	
Police Detail - Administrative Fees	23,000.00		23,000.00	
Cancellation of Appropriation Reserves	100,000.00		100,000.00	
Shared Services - Red Bank Board of Education	10,500.00			(10,500.00)
General Capital Fund Balance	35,000.00		35,000.00	
	2,118,231.13		1,974,813.66	(143,417.47)
Sub totals	11,014,773.11	25,067.27	10,866,515.31	(173,325.07)
Receipts from Delinquent Taxes	625,000.00		728,820.90	103,820.90
Sub totals	11,639,773.11	25,067.27	11,595,336.21	(69,504.17)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	8,596,009.63		8,663,680.47	67,670.84
Budget Totals	20,235,782.74	25,067.27	20,259,016.68	(1,833.33)
Non-Budget Revenue			270,384.31	270,384.31
	$ 20,235,782.74	$ 25,067.27	$ 20,529,400.99	$ 268,550.98

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	$ 81,425.00	$ 81,425.00	$ 60,182.41	$	$ 21,242.59	$
Other Expenses	20,000.00	20,000.00	16,503.26	1,270.70	2,226.04	
Municipal Clerk:						
Salaries and Wages	88,600.00	83,600.00	74,337.56		9,262.44	
Other Expenses	36,500.00	36,500.00	17,108.93	412.06	18,979.01	
Financial Administration:						
Salaries and Wages	69,400.00	69,400.00	56,060.05		13,339.95	
Other Expenses	7,000.00	7,000.00	5,301.84	110.00	1,588.16	
Audit Services:						
Other Expenses	25,000.00	25,000.00	19,275.00		5,725.00	
Mayor and Borough Council:						
Salaries and Wages	29,300.00	29,300.00	28,728.96		571.04	
Tax Assessment Administration:						
Salaries and Wages	51,800.00	51,800.00	51,746.67		53.33	
Other Expenses	8,400.00	8,400.00	7,937.20		462.80	
Revenue Administration:						
Salaries and Wages	51,200.00	42,634.01	27,240.20		15,393.81	
Other Expenses	4,500.00	4,500.00	4,166.44		333.56	
Legal Services and Costs:						
Salaries and Wages	53,500.00	39,533.32	39,533.32			
Other Expenses	100,000.00	113,966.68	93,089.44	5,000.00	15,877.24	
Engineering Services:						
Other Expenses	55,000.00	55,000.00	42,998.72	798.00	11,203.28	
Codification of Ordinances:						
Other Expenses	25,000.00	25,000.00			25,000.00	
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	98,000.00	98,000.00	81,268.78		16,731.22	
Other Expenses	10,500.00	10,500.00	9,574.01		925.99	
Zoning Board of Adjustment:						
Salaries and Wages	98,000.00	79,000.00	70,924.18		8,075.82	
Other Expenses	10,500.00	10,500.00	2,541.83		7,958.17	
INSURANCE						
Liability Insurance	233,000.00	233,000.00	232,713.00		287.00	
Worker Compensation Insurance	243,000.00	243,000.00	243,000.00			
Employee Group Insurance	1,820,000.00	1,820,000.00	1,812,005.90		7,994.10	
Unemployment Insurance	44,000.00	44,000.00	40,000.00		4,000.00	

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
PUBLIC SAFETY						
Fire Department:						
Other Expenses	$ 138,000.00	$ 138,000.00	$ 130,370.32	$ 6,237.75	$ 1,391.93	$
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	72,200.00	72,200.00	72,075.40		124.60	
Other Expenses	12,000.00	12,000.00	9,881.88	1,798.70	319.42	
Police Department:						
Salaries and Wages	4,080,000.00	4,075,000.00	4,026,068.27		48,931.73	
Other Expenses	200,000.00	205,000.00	190,045.20	13,637.58	1,317.22	
Aid to Volunteer Ambulance Companies	24,000.00	24,000.00	23,410.59	557.85	31.56	
Office of Emergency Management:						
Other Expenses	4,000.00	4,000.00	1,887.90	800.00	1,312.10	
Municipal Court:						
Salaries and Wages	185,100.00	185,100.00	175,689.23		9,410.77	
Other Expenses	22,300.00	22,300.00	18,513.71	819.90	2,966.39	
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance:						
Salaries and Wages	200,150.00	200,150.00	199,495.79		654.21	
Other Expenses	85,000.00	85,000.00	67,385.74	12,153.15	5,461.11	
Solid Waste Collection:						
Salaries and Wages	451,530.00	444,030.00	435,003.39		9,026.61	
Other Expenses	85,000.00	85,500.00	75,853.50	9,633.15	13.35	
Public Buildings and Grounds:						
Salaries and Wages	292,100.00	292,100.00	292,100.00			
Other Expenses	165,000.00	171,000.00	162,553.68	6,843.53	1,602.79	
Code Enforcement:						
Salaries and Wages	103,600.00	103,600.00	91,422.91		12,177.09	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill:						
Other Expenses	580,000.00	580,000.00	475,202.53		104,797.47	
HEALTH AND WELFARE						
Board of Health - Local Health Agency:						
Salaries and Wages						
Visiting Nurse Assoc	35,000.00	35,000.00			35,000.00	
Relocation Assistance	1,500.00	1,500.00			1,500.00	
Monmouth County Regional Health Commission	101,500.00	110,065.99	110,065.99			

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
HEALTH AND WELFARE- CONTINUED						
Animal Control Services	$ 24,000.00	$ 24,000.00	$ 23,411.00	$ 589.00	$	$
Monmouth County Shade Tree Committee	27,500.00	27,500.00	27,498.87		1.13	
PARKS AND RECREATION FUNCTIONS						
Recreation Services and Programs:						
Salaries and Wages	176,400.00	181,400.00	180,335.93		1,064.07	
Other Expenses	90,834.00	90,834.00	84,385.99	4,884.09	1,563.92	
Senior Citizens Center:						
Salaries and Wages	128,000.00	147,000.00	145,869.19		1,130.81	
Other Expenses	25,500.00	26,500.00	25,660.65	631.00	208.35	
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events	700.00	700.00	94.36		605.64	
UTILITY EXPENSES AND BULK PURCHASES						
Street Lighting	260,000.00	260,000.00	245,700.28		14,299.72	
Electricity	95,000.00	95,000.00	88,025.90		6,974.10	
Telephone	100,000.00	100,000.00	94,592.88		5,407.12	
Natural Gas	45,000.00	45,000.00	33,653.83		11,346.17	
Gasoline	87,000.00	87,000.00	87,000.00			
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Salaries and Wages	256,500.00	256,500.00	256,500.00			
Other Expenses	26,600.00	26,600.00	7,921.00	2,538.51	16,140.49	
OTHER RESERVES						
Reserve for Sick Pay	50,000.00	50,000.00	50,000.00			
Technology Committee	52,234.00	52,234.00	24,408.48	11,492.50	16,333.02	
Other Expenses						
Municipal Public Defender						
Salaries and Wages	22,300.00	22,300.00	22,227.12		72.88	
Total Operations within "CAPS"	11,569,173.00	11,569,173.00	10,990,549.21	80,207.47	498,416.32	
CONTINGENT	1,500.00	1,500.00			1,500.00	
Total Operations Including Contingent - within "CAPS"	11,570,673.00	11,570,673.00	10,990,549.21	80,207.47	499,916.32	
Detail:						
Salaries and Wages	6,485,505.00	6,450,472.33	6,295,386.45		155,085.88	
Other Expenses (Including Contingent)	5,085,168.00	5,120,200.67	4,695,162.76	80,207.47	344,830.44	

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Prior Years Bills	$ 8,947.96	$ 8,947.96	$ 8,947.96	$	$	$
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	127,467.00	127,467.00	127,467.00			
Social Security System (O.A.S.I.)	360,000.00	360,000.00	324,105.47		35,894.53	
Consolidated Police and Firemen's Pension Fund	43,695.00	43,695.00	43,694.16		0.84	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	540,109.96	540,109.96	504,214.59		35,895.37	
Total General Appropriations for Municipal Purposes within "CAPS"	12,110,782.96	12,110,782.96	11,494,763.80	80,207.47	535,811.69	
OPERATIONS - EXCLUDED FROM "CAPS"						
Other Operations - Excluded from "CAPS":						
Police and Firemen's Retirement System of New Jersey	506,618.40	506,618.40	506,618.40			
LOSAP	60,000.00	60,000.00	59,800.00		200.00	
Municipal Stormwater Management:						
Salaries and Wages	108,200.00	108,200.00	108,200.00			
Other Expenses	35,000.00	35,000.00	573.85		34,426.15	
Municipal Public Defender (P.L. 1997, C. 256):						
Salaries and Wages	7,200.00	7,200.00	7,200.00			
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	584,669.00	584,669.00	490,334.28	8,117.17	86,217.55	
Interlocal Services:						
911 System - County of Monmouth	17,700.00	17,700.00	17,639.70		60.30	
Total Other Operations - Excluded from "CAPS"	$ 1,319,387.40	$ 1,319,387.40	$ 1,190,366.23	$ 8,117.17	$ 120,904.00	$

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Uniform Constuction Code Appropriations Offset by Increased Fee Revenues						
Inspection of Building - Uniform Construction Code						
Salaries and Wages	$ 65,000.00	$ 65,000.00	$ 65,000.00	$	$	$
Other Expenses	75,000.00	75,000.00	12,164.79	1,242.90	61,592.31	
	140,000.00	140,000.00	77,164.79	1,242.90	61,592.31	
Interlocal Municipal Service Agreements:						
Board of Education						
Other Expenses	10,500.00	10,500.00	10,500.00			
Inspection of Building - Uniform Construction Code:						
Salaries and Wages	183,500.00	183,500.00	180,923.56		2,576.44	
Other Expenses	36,500.00	36,500.00	34,389.41	1,926.34	184.25	
Total Interlocal Municipal Service Agreements	230,500.00	230,500.00	225,812.97	1,926.34	2,760.69	
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)						
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			
You Drink You Drive You Lose	5,000.00	5,000.00	5,000.00			
NJ - Drunk Driving Enforcement Fund - Court	2,396.17	2,396.17	2,396.17			
State of NJ - Body Armor Grant	3,755.55	3,755.55	3,755.55			
NJ-Bicycle Safety Grant	5,000.00	5,000.00	5,000.00			
New Jersey Clean Communities Grant	12,207.05	12,207.05	12,207.05			
Over The Limit Under Arrest Grant	5,000.00	10,000.00	10,000.00			
NJ-2006 Cool Cities Stewardship Grant	24,308.00	24,308.00	24,308.00			
US Department of Agriculture - Summer Food		17,862.07	17,862.07			
NJ - Pedestrian Safety Education Grant	21,000.00	21,000.00	21,000.00			
NJ-COAH-Balanced Housing	2,431,300.00	2,431,300.00	2,431,300.00			
NJ - Receycling Tonnage Grant		2,205.20	2,205.20			
Total Public and Private Programs Offset by Revenues	2,543,278.77	2,568,346.04	2,568,346.04			
Total Operations - Excluded from "CAPS"	4,233,166.17	4,258,233.44	4,061,690.03	11,286.41	185,257.00	
Detail:						
Salaries and Wages	392,425.00	392,425.00	389,848.56		2,576.44	
Other Expenses	3,840,741.17	3,865,808.44	3,671,841.47	11,286.41	182,680.56	

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	$ 60,000.00	$ 60,000.00	$ 60,000.00	$	$	$
Total Capital Improvements Excluded from "CAPS"	60,000.00	60,000.00	60,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,492,000.00	1,492,000.00	1,444,000.00			48,000.00
Interest on Bonds	390,077.00	390,077.00	387,337.98			2,739.02
Interest on Notes	251,246.25	251,246.25	251,246.25			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	163,594.86	163,594.86	162,623.98			970.88
Capital Equipment Lease:						
Interest	90,460.26	90,460.26	77,743.62			12,716.64
Principal	299,700.00	299,700.00	298,677.33			1,022.67
Payment of Bond Principal on Public Library Debt	100,000.00	100,000.00				100,000.00
Total Municipal Debt Service - Excluded from "CAPS"	2,787,078.37	2,787,078.37	2,621,629.16			165,449.21
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	34,980.00	34,980.00	34,980.00			
Deficit - Trust Assessment Budget	148,000.00	148,000.00	148,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	182,980.00	182,980.00	182,980.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	7,263,224.54	7,288,291.81	6,926,299.19	11,286.41	185,257.00	165,449.21
Total General Appropriations - Excluded from "CAPS"	7,263,224.54	7,288,291.81	6,926,299.19	11,286.41	185,257.00	165,449.21
Subtotal General Appropriations	19,374,007.50	19,399,074.77	18,421,062.99	91,493.88	721,068.69	165,449.21
RESERVE FOR UNCOLLECTED TAXES	861,775.24	861,775.24	861,775.24			
Total General Appropriations	$ 20,235,782.74	$ 20,260,850.01	$ 19,282,838.23	$ 91,493.88	$ 721,068.69	$ 165,449.21

Detail:

Original Budget	$ 20,235,782.74
Added by N.J.S.A. 40A:4-87	25,067.27
	$ 20,260,850.01

Exhibit B-5

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

Year	Balance December 31, 2006	Tax Levy	Added Taxes	Collections 2006	Collections 2007	State Share Senior Citizens' and Veterans Deductions Allowed	Remitted and Canceled	Transferred To Tax Title Liens	Balance December 31, 2007
2005	$ 3,293.61	$	$	$	$ 3,293.61	$	$	$	$
2006	678,448.53		47,099.57		725,527.29				20.81
	681,742.14		47,099.57		728,820.90				20.81
2007		35,444,892.08		143,738.83	34,149,056.88	94,442.51	30,500.19	4,463.01	1,022,690.66
	$ 681,742.14	$ 35,444,892.08	$ 47,099.57	$ 143,738.83	$ 34,877,877.78	$ 94,442.51	$ 30,500.19	$ 4,463.01	$ 1,022,711.47

ANALYSIS OF 2007 PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		$ 34,495,779.11
Special Improvement District Tax		606,402.46
Added Taxes		342,710.51
		$ 35,444,892.08

TAX LEVY

Local District School Tax	$ 11,955,563.00	
Regional High School District Tax	8,296,410.76	
Special Improvement District Tax	604,015.00	
County Taxes:		
County Tax	5,297,942.65	
Open Space Tax	331,061.08	
Amount Due County for Added Taxes	50,340.50	26,535,332.99
		26,535,332.99
Local Tax for Municipal Purpose	8,596,009.63	
Add: Additional Tax Levied	313,549.46	8,909,559.09
		$ 35,444,892.08

Exhibit B-6

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

BALANCE, DECEMBER 31, 2006	$	41,077.99
INCREASED BY		
Transferred from Taxes Receivable		4,463.01
BALANCE, DECEMBER 31, 2007	$	45,541.00

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance December 31, 2006		Refund of Prior Year Revenue	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances				
Salaries and Wages:						
Operations - Within "CAPS":						
General Administration	$ 3,924.77	$	$	$	$	$
Municipal Clerk	809.88			809.88		809.88
Public Buildings and Grounds	4,694.52					
Mayor and Borough Council	13.68			13.68		13.68
Tax Assessment Administration	1,903.92			1,903.92		1,903.92
Revenue Administration	9,114.61			961.50	961.50	0.00
Municipal Public Defender	7,000.00			7,000.00		7,000.00
Zoning Board of Adjustment	765.11			765.11		765.11
Uniform Fire Safety Act (P.L. 1983, Ch. 383)	180.54			180.54		180.54
Police Department	12,625.14			8,319.91		8,319.91
Municipal Prosecutor	2,125.04			2,125.04		2,125.04
Street and Roads	9,258.02					
Solid Waste Collection	13,785.48					
Recreation Services and Programs	147.80			147.80		147.80
Municipal Court	380.91			380.91		380.91
Total Salaries and Wages	$ 66,729.42		$	$ 22,608.29	$ 961.50	$ 21,646.79
Other Expenses:						
Operations - Within "CAPS":						
General Administration	$ 751.38	3,255.09		$ 4,256.47	$ 3,070.30	$ 1,186.17
Municipal Clerk	17,887.24	301.24		17,788.48	12,735.31	5,053.17
Financial Administration	1,010.07			1,010.07	695.72	314.35
Tax Assessment Administration	2,353.97			2,353.97	838.75	1,515.22
Revenue Administration	1,071.00			5,524.11	5,524.11	
Legal Services and Costs	148.65			3,148.65	2,624.00	524.65
Engineering Services	4,665.33			13,923.35	9,528.80	4,394.55
Codification of Ordinances				400.00		400.00
Planning Board	2.87	88.54		91.41	11.04	80.37
Zoning Board of Adjustment	3,937.73	74.75		4,012.48	3,756.72	255.76
Liability Insurance	97,634.89			97,634.89	97,634.89	
Employee General Group Insurance	5,495.46			5,495.46	4,346.50	1,148.96
Unemployment Insurance	11,000.00			11,000.00		11,000.00
Fire Department	2,916.39	19,584.10		22,500.49	22,341.19	159.30
Uniform Fire Safety Act (P.L. 1983, Ch. 383)	6,038.74	210.00		6,248.74	3,606.00	2,642.74
Police Department	4,719.04	9,345.12		14,064.16	10,645.41	3,418.75
Aid to Volunteer Ambulance Companies	43.23	660.19		703.42	311.50	391.92

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance December 31, 2006		Refund of	Balance		
	Appropriation Reserves	Reserve for Encumbrances	Prior Year Revenue	After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (Continued):						
Operations - Within "CAPS" (Continued):						
Office of Emergency Management	$ 1,807.40	$ 792.50	$	$ 2,599.90	$ 792.50	$ 1,807.40
Streets and Road Maintenance	17,278.77	21,504.53		38,783.30	33,459.84	5,323.46
Solid Waste Collection	6,726.45	17,748.49		24,474.94	15,290.86	9,184.08
Street Lighting	26,890.00			45,990.00	45,984.45	5.55
Electricity	4,987.04			7,887.04	7,559.69	327.35
Telephone	1,358.56			7,558.56	7,482.68	75.88
Natural Gas	5,714.77			7,524.77	7,519.48	5.29
Gasoline	6,900.78			6,900.78	5,633.96	1,266.82
Public Buildings and Grounds	23,720.04	19,935.73		43,655.77	39,044.84	4,610.93
Landfill	143.16			343.16	310.88	32.28
Relocation Assistance	1,500.00			1,500.00		1,500.00
Monmouth County Regional Health Commission	2,598.29			2,598.29		2,598.29
Animal Control Services	96.00			246.00	131.20	114.80
Monmouth County Shade Tree Commission	1,313.28	95.00		1,408.28	95.00	1,313.28
Recreation Services and Programs	116.97	1,571.31	15,036.00	16,724.28	7,074.30	9,649.98
Senior Citizens Transportation	1,968.70			1,968.70	1,691.77	276.93
Uniform Construction Code - Appropriations Offset	6,050.57	5,062.41		11,112.98		11,112.98
By Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Reserve for Sick Pay	5,186.07			5,186.07		5,186.07
Municipal Court	2,904.44	523.25		3,427.69	423.25	3,004.44
Statutory Expenditures						
Contribution to:						
Social Security System (O.A.S.I.)	28,410.96			28,410.96		28,410.96
Contingent	547.71			547.71		547.71
Other Common Operating Functions						
Celebration of Public Events	700.00			700.00		700.00
Operations - Excluded from "CAPS":						
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	27,643.13	17,242.71		45,385.84	23,303.55	22,082.29
Increase in Fee Revenues-						
Uniform Construction Code	73,849.10			70,149.10	4,702.23	65,446.87
Municipal Stormwater Management :						
Salaries and Wages	3,594.98			3,594.98		3,594.98
Other Expense	25,794.95	3,130.40		28,925.35	3,628.90	25,296.45
Interlocal Services:						
911 System-County of Monmouth	3,305.03			3,305.03	2,365.11	939.92
Interlocal Municipal Service Agreements:						
Inspection of Building - Uniform Construction Code:						
Other Expenses	32,608.82			32,608.82	1,041.19	31,567.63
Board of Education	10,000.00			10,000.00		10,000.00
LOSAP	15,150.00			15,150.00	7,500.00	7,650.00
Total Other Expenses	498,541.96	121,125.36	15,036.00	678,824.45	392,705.92	286,118.53
Grand Total	$ 565,271.38	$ 121,125.36	$ 15,036.00	$ 701,432.74	$ 393,667.42	$ 307,765.32

Exhibit B-8

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

	Total	2005 Revaluation (40A:4-53)	Special Emergency Authorization (40A:4-53)
BALANCE, DECEMBER 31, 2006	$ 144,920.00	$ 119,920.00	$ 25,000.00
DECREASED BY			
Raised in 2007 Budget	34,980.00	29,980.00	5,000.00
BALANCE, DECEMBER 31, 2007	$ 109,940.00	$ 89,940.00	$ 20,000.00

Exhibit B-9

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF SCHOOL TAX PAYABLE

	Regional High School		Local School District	
BALANCE, DECEMBER 31, 2006		$ 4,056,400.25		$ 5,832,399.75
Detail:				
Deferred	$ 3,966,556.36		$ 5,811,724.50	
Payable	89,843.89		20,675.25	
INCREASED BY				
Levy - School Year 7/1/2007 - 6/30/2008		8,296,410.76		11,955,563.00
		12,352,811.01		17,787,962.75
DECREASED BY				
Cash Disbursed		8,204,605.43		11,810,201.50
BALANCE, DECEMBER 31, 2007		4,148,205.58		5,977,761.25
Detail:				
Deferred	4,066,556.36		5,956,724.50	
Payable	81,649.22		21,036.75	
	$ 4,148,205.58		$ 5,977,761.25	
2007 LIABILITY FOR SCHOOL TAX				
2007 School Taxes Paid		8,204,605.43		11,810,201.50
Add: School Taxes Payable, December 31, 2007		81,649.22		21,036.75
		8,286,254.65		11,831,238.25
Less: School Taxes Payable, December 31, 2006		89,843.89		20,675.25
Amount Charged to 2007 Operations		$ 8,196,410.76		$ 11,810,563.00

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

Grant	(As Adjusted) Balance December 31, 2006	2007 Budget Revenue Realized	Received	Unappropriated Reserve Applied	Cancelled	Balance December 31, 2007
U.S. Older Americans Act:						
2004	$ 26,805.00	$	$	$	$ 26,805.00	$
2005	25,491.00					25,491.00
2006	16,181.00		16,181.00			
2007		33,312.00	8,813.00			24,499.00
State of New Jersey - Clean Communites Program						
2007		12,207.05	12,207.05			
Neighborhood Preservation Program - Home						
2004 - Home	5,226.20				5,226.20	
State of New Jersey - Body Armor Grant		3,755.55		3,755.55		
State of New Jersey - Bicycle Safety Grant 07		5,000.00	4,098.10			901.90
State of New Jersey - Drink Drive Lose		5,000.00	5,000.00			
State of New Jersey:						
Municipal Stormwater Management Grant 06	2,552.00					2,552.00
State Alliance D.D.E.R.:						
2004 State Portion	30,350.00				30,350.00	
State of New Jersey:						
Over the Limit, Under Arrest		10,000.00	5,000.00			5,000.00
State of New Jersey:						
Drunk Driving Enforcement Fund:						
Municipal Court		2,396.17		2,396.17		

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

Grant	(As Adjusted) Balance December 31, 2006	2007 Budget Revenue Realized	Received	Unappropriated Reserve Applied	Cancelled	Balance December 31, 2007
State of New Jersey:						
Share Grant	$ 25,000.00	$	$ 24,942.00	$	$ 58.00	$
State of New Jersey:						
Livable Communities Library Grant 2004	40,000.00		40,000.00			
State of New Jersey:						
Affordable Housing - Cedar Creek		2,431,300.00	2,431,300.00			
State of New Jersey:						
Green Communties Grant - 2004	2,000.00		2,000.00			
State of New Jersey Department Of Agriculture:						
Summer Food Program						
2007		17,862.07	16,568.20			1,293.87
2005	18,667.01					18,667.01
State of New Jersey - Recyling Tonnage Grant		2,205.20	2,205.20			
NJ DCA ADA Grant - 2003	50,000.00		50,000.00			
State of New Jersey Department Of Community Affairs:						
Smart Growth Planning Grant	65,000.00		33,716.04			31,283.96
State of New Jersey - Cool Cities Grant 07		24,308.00				24,308.00
State of New Jersey:						
Pedestrian Safety Education Grant - 2007		21,000.00	16,510.00			4,490.00
Pedestrian Safety Education Grant - 2006	1,870.00				1,870.00	
Total Grants	$ 309,142.21	$ 2,568,346.04	$ 2,668,540.59	$ 6,151.72	$ 64,309.20	$ 138,486.74

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

Grant	Balance December 31, 2006	Transferred from 2007 Budget Appropriations: Budget	Transferred from 2007 Budget Appropriations: Appropriation By 40A:4-87	Cancelled	Disbursed	Prior Year Encumbrance Cancelled	Encumbered	Balance December 31, 2007
U.S. OLDER AMERICANS ACT								
2007	$	$ 33,312.00	$	$	$ 32,131.84	$	$ 1,057.95	$ 122.21
2006	8,841.17				414.45	622.43		9,049.15
STATE OF NJ OVER LIMIT UNDER ARREST		5,000.00	5,000.00		9,150.00			850.00
STATE OF NJ CLEAN COMMUNITIES PROGRAM:								
2007		12,207.05						12,207.05
2006	11,292.21				11,292.21			
2005	12,311.09				12,311.09			
STATE OF NJ BICYCLE SAFETY GRANT		5,000.00			4,098.10			901.90
NJ DEP - ENVIRONMENTAL SERVICES MATCHING MATCHING PORTION	2,278.00							2,278.00
STATE OF NJ RECYCLING TONNAGE GRANT	5,790.39		2,205.20					7,995.59
STATE ALLIANCE - D.D.E.R. GRANT PORTION:	13,338.37			12,838.37	500.00			
State of NJ - Livable Communities Library	40,000.00				40,000.00			
STATE OF NJ SPEC LEGIS GRANT:								
Count Basie Park	39,828.34				39,828.34			
STATE NJ - DCA								
Smart Growth Planning	37,420.20				6,927.50	791.26	572.50	30,711.46
NJ DRUNK DRIVING ENFORCEMENT FUND								
Police	18,856.20				11,205.01			7,651.19
Court	10,990.93	2,396.17			2,230.00			11,157.10

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

Grant	Balance December 31, 2006	Transferred from 2007 Budget Appropriations: Budget	Transferred from 2007 Budget Appropriations: Appropriation By 40A:4-87	Cancelled	Disbursed	Prior Year Encumbrance Cancelled	Encumbered	Balance December 31, 2007
STATE OF NJ:								
Affordable Housing Program Cedar	$	$ 2,431,300.00	$	$	$ 2,431,300.00	$	$	$
STATE OF NJ:								
Municipal Stormwater Management	10,207.00				10,207.00			
STATE OF NJ:								
You Drink, You Drive, You Lose	5,000.00	5,000.00						10,000.00
STATE OF NJ:								
Pedestrian Safety Grant 2007		21,000.00			16,510.00			4,490.00
Pedestrian Safety Grant 2006	3,870.00			1,870.00	2,000.00			
STATE OF NJ:								
Cool Cities 2007		24,308.00			24,267.50			40.50
STATE OF NJ:								
Click it or Ticket 2006	5,000.00							5,000.00
STATE OF NJ								
Body Armor Grant		3,755.55			3,585.00			170.55
STATE OF NJ								
Share Grant	1,740.00			58.00	1,682.00			
US DEPT OF AGRICULTURE								
2007 Summer Food Program			17,862.07		15,000.70			2,861.37
NJDCA - ADA GRANT	45,354.08				45,354.08			
Totals	$ 272,117.98	$ 2,543,278.77	$ 25,067.27	$ 14,766.37	$ 2,719,994.82	$ 1,413.69	$ 1,630.45	$ 105,486.07

Exhibit B-12

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

State:	Balance December 31, 2006	Realized as Revenue Budget	Received	Balance December 31, 2007
Drunk Driving Enforcement Fund:				
Police	$ 7,011.06	$	$ 13,789.72	$ 20,800.78
Municipal Court	3,625.55	2,396.17	2,396.17	3,625.55
State of NJ - Body Armor Grant	3,755.55	3,755.55	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	$ 19,570.91	$ 6,151.72	$ 21,830.56	$ 35,249.75

TRUST FUNDS

Exhibit C-1

BOROUGH OF RED BANK
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

	Assessment		Animal Control		Other		Totals	
	2007	2006	2007	2006	2007	2006	2007	2006
ASSETS								
Cash and Cash Equivalents	$ 3,354.58	$ 879.92	$ 6,168.55	$ 3,875.16	$ 2,820,638.52	$ 2,227,192.35	$ 2,830,161.65	$ 2,231,947.43
Assessments Receivable	6,846.01	9,726.62					6,846.01	9,726.62
Prospective Assessments Funded and Unconfirmed		148,000.00						148,000.00
Deferred Charges								
Amount to be Raised by Taxation for Uncollectible Assessments								
Accounts Receivable						850.10		850.10
Intergovernmental Receivable			5,352.00	14,538.00			5,352.00	14,538.00
Interfunds Receivable					39,396.54	21,294.00	39,396.54	21,294.00
Total Assets	$ 10,200.59	$ 158,606.54	$ 11,520.55	$ 18,413.16	$ 2,860,035.06	$ 2,249,336.45	$ 2,881,756.20	$ 2,426,356.15
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Accounts Payable	$	$	$ 2.40	$ 5.40	$ 87,554.05	$ 44,321.95	$ 87,556.45	$ 44,327.35
Assessment Serial Bonds		148,000.00						148,000.00
Various Reserves	6,846.01	9,726.62	4,997.45	5,218.90	2,733,004.23	2,155,666.63	2,744,847.69	2,170,612.15
Interfunds Payable		405.95	6,520.70	13,188.86	39,476.78	49,347.87	45,997.48	62,942.68
Total Other Liabilities and Reserves	6,846.01	158,132.57	11,520.55	18,413.16	2,860,035.06	2,249,336.45	2,878,401.62	2,425,882.18
Equity and Other Credits:								
Fund Balance	3,354.58	473.97					3,354.58	473.97
Total Liabilities, Reserves and Fund Balance	$ 10,200.59	$ 158,606.54	$ 11,520.55	$ 18,413.16	$ 2,860,035.06	$ 2,249,336.45	$ 2,881,756.20	$ 2,426,356.15

Exhibit C-2

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

BALANCE,(DEFICIT) DECEMBER 31, 2006		$ 5,218.90
INCREASED BY		
Dog License Fees Collected	$ 2,699.55	
Cat License Fees Collected	651.00	
Animal Control Contracts	20,181.00	
Miscellaneous Receipts	110.00	23,641.55
		28,860.45
DECREASED BY		
Expenditures Under R.S. 4:19-15.11	15,982.70	
Excess Due to Current Fund	7,880.30	23,863.00
BALANCE, DECEMBER 31, 2007		$ 4,997.45

LICENSES AND PENALTY FEES COLLECTED

Year	Amount
2005	$ 2,493.00
2006	2,504.45
	$ 4,997.45

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."

Exhibit C-3

BOROUGH OF RED BANK
TRUST FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2006	Receipts	Expenditures	Adjustment	Balance December 31, 2007
Bid Deposits	$ 601.10	$ 10,000.00	$ 10,000.00	$	$ 601.10
TTL Redemption	9,436.22	740,045.78	749,440.88		41.12
Law Enforcement Trust	7,961.04	19,801.32	9,794.67		17,967.69
Impound Trucks	23,804.68	30,930.25	24,742.90		29,992.03
Tax Sale Premiums	132,355.70	397,200.00	148,900.00		380,655.70
Recycling	77,781.39	37,897.90	81,825.38		33,853.91
Uniform Fire Safety Act Penalty Monies	24,753.22	1,426.00			26,179.22
Recreation	14,889.17	110,344.18	70,540.11		54,693.24
Parking Offenses Adjudication Act	27,189.51	7,041.00	6,415.27		27,815.24
Shade Tree	3,350.00	1,100.00	3,120.00		1,330.00
Neighborhood Preservation Program	1.45	0.29			1.74
Eisner Foundation:					
Charitable Scientific	362,249.94	200,000.00	200,000.00		362,249.94
Riverside Gardens Maintenance	8,914.62		450.00		8,464.62
Police - Forfeited Property	3,018.44	1,364.25	500.00		3,882.69
Police - Extra Duty Pay	70,288.61	126,551.71	149,781.98		47,058.34
Inspection Fees Escrow	120,122.28	18,263.00	58,107.74	3,931.79	76,345.75
Performance and Maintenance Escrow	458,658.50	80,876.04	2,427.45	94,966.12	442,140.97
Review Escrow	197,557.06	205,799.16	249,381.33	(98,897.91)	252,872.80
Dedicated Fire Penalty	9,058.96	500.00	7,840.00		1,718.96
Unemployment Trust	11,645.40	70,277.33	40,577.29		41,345.44
Police Donations	3,230.07	1,869.80	2,543.43		2,556.44
Manalapan RCA Agreement	578,000.36	566,861.23	310,088.05		834,773.54
Public Defender Fees	4,007.91	6,070.50	6,270.09		3,808.32
Council on Affordable Housing	6,791.00	61,264.00	68,055.00		
Council on Affordable Housing - Dev. Fees		61,305.93	4,205.00		57,100.93
Wayfinding Signs		30,000.00	12,945.50		17,054.50
Four Connections Fiberoptics		8,500.00			8,500.00
	$ 2,155,666.63	$ 2,795,289.67	$ 2,217,952.07	$	$ 2,733,004.23

Exhibit C-4

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

BALANCE, DECEMBER 31, 2006		$ 11,645.40
INCREASED BY		
Payroll Deductions	$ 29,350.40	
Borough Contribution	40,000.00	
Interest Earned on Investments and Deposits	926.93	70,277.33
		81,922.73
DECREASED BY		
Unemployment Compensation Claims		40,577.29
BALANCE, DECEMBER 31, 2007		$ 41,345.44

Exhibit C-5

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

	Balance December 31, 2006	Receipts	Disbursed	Transfers	Balance December 31, 2007
Due (from)/to Current Fund	$ 405.95	$ 591.88	$ 997.83	$	$
Fund Balance	473.97			2,880.61	3,354.58
Assessment Serial Bonds and Notes:					
Ordinance #98-5		2,880.61		(2,880.61)	
	$ 879.92	$ 3,472.49	$ 997.83		$ 3,354.58

Bracket balance denotes deficit.

Exhibit C-6

BOROUGH OF RED BANK
TRUST FUND
STATEMENT OF ASSESSMENTS RECEIVABLE

Ordinance Number	Improvement Description	Annual Installments	Balance December 31, 2006	Collected	Balance December 31, 2007	Detail	
						Pledged	Unpledged
5-98	Sidewalks	10	$ 9,726.62	$ 2,880.61	$ 6,846.01	$	$ 6,846.01
			$ 9,726.62	$ 2,880.61	$ 6,846.01	$	$ 6,846.01

Exhibit C-7

BOROUGH OF RED BANK
TRUST FUND
STATEMENT OF ASSESSMENT SERIAL BONDS

Description	Date Issued	Original Amount Issued	Maturities of Bonds Outstanding Date	Maturities of Bonds Outstanding Amount	Interest Rate	Balance December 31, 2006	Decrease
Special Assessment Bonds, 1997 MCIA Pooled Loan	12/1/1997	$ 1,206,000.00	12/1/2007	$ 148,000.00	4.70%	$ 148,000.00	$ 148,000.00
						$ 148,000.00	$ 148,000.00

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, 2007 AND 2006

	Balance December 31, 2007	Balance December 31, 2006
ASSETS		
Cash and Cash Equivalents	$ 3,952,086.24	$ 4,211,346.92
Intergovernmental Receivable:		
Monmouth County Open Space	250,000.00	250,000.00
New Jersey Department of Transportation	248,774.75	80,024.75
New Jersey Department of Environmental Protection	1,631,100.00	1,631,100.00
	2,129,874.75	1,961,124.75
Interfunds Receivable:		
Due from Current Fund		528,324.55
Due from Federal and State Grant Fund	175,000.00	175,000.00
	175,000.00	703,324.55
Capital Lease Obligations - Unfunded	3,183,000.00	2,154,300.00
Deferred Charges to Future Taxation:		
Funded	16,805,020.18	10,996,789.63
Unfunded	520,238.86	6,029,388.61
	17,325,259.04	17,026,178.24
Total Assets	$ 26,765,220.03	$ 26,056,274.46
LIABILITIES, RESERVES AND FUND BALANCE		
Serial Bonds	$ 14,876,000.00	$ 8,825,000.00
Refunding Serial Bonds	792,000.00	896,000.00
Green Trust Loan Payable	1,137,020.18	1,275,789.63
Capital Lease Payable - Principal	3,183,000.00	2,154,300.00
Bond Anticipation Notes		5,583,250.00

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - MODIFIED ACCRUAL BASIS
AS OF DECEMBER 31, 2007 AND 2006

LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)	Balance December 31, 2007	Balance December 31, 2006
Other Liabilities and Reserves:		
Capital Improvement Fund	$ 25,925.00	$ 54,500.00
Due to Current Fund	7,304.72	
Reserve for Encumbrances	380,398.44	2,057,581.06
Reserve for:		
Payment of Bonds	110,800.25	731.13
Down Payment on Improvements	2,061.64	2,061.64
Grants Receivable - DOT	248,774.75	80,024.75
Grants Receivable - DEP	405,000.00	405,000.00
Future Boat Ramp Improvements	210,000.00	210,000.00
Wayfinding Project	15,057.25	15,057.25
Marine Park Improvements	5,000.00	5,000.00
Preliminary Costs - Shrewsbury Avenue	2.01	2.01
Middletown R.C.A.	56,273.69	55,317.11
	1,466,597.75	2,885,274.95
Improvement Authorizations:		
Funded	5,114,621.41	1,212,839.90
Unfunded	162,164.70	3,155,543.99
	5,276,786.11	4,368,383.89
Fund Balance	33,815.99	68,275.99
Total Liabilities, Reserves and Fund Balance	$ 26,765,220.03	$ 26,056,274.46

There were Bonds and Notes Authorized But Not Issued of $520,238.86 at December 31, 2007.

Exhibit D-2

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

BALANCE, DECEMBER 31, 2006	$	68,275.99
INCREASED BY		
Premium on Sale of Bonds		540.00
		68,815.99
DECREASED BY		
Transferred to Current Fund - Anticipated Revenue		35,000.00
BALANCE, DECEMBER 31, 2007	$	33,815.99

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

		Balance December 31, 2006	Serial Bond Proceeds	Receipts Other	Disbursements: Improvement Authorizations	Disbursements: Other	Disbursements: Bond Anticipation Notes	Transfer: From	Transfer: To	Balance December 31, 2007
Fund Balance		$ 68,275.99	$	$ 540.00	$	$ 35,000.00	$	$	$	$ 33,815.99
Capital Improvement Fund		54,500.00		60,000.00				88,575.00		25,925.00
Due to Current Fund		(528,324.55)		634,537.41		98,908.14				7,304.72
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)
Reserve for Future Boat Ramp Improvements		210,000.00								210,000.00
Reserve for Encumbrances		2,057,581.06				1,366,771.79		670,809.27	380,398.44	380,398.44
Reserve for Payment of Bonds		731.13				731.13			110,800.25	110,800.25
Reserve for Wayfinding Study		15,057.25								15,057.25
Reserve for Middletown R.C.A.		55,317.11		956.58						56,273.69
Reserve for Preliminary Costs - Shrewbury Ave.		2.01								2.01
Reserve for Marine Park Improvements		5,000.00								5,000.00
Reserve for Down Payments on Improvements		2,061.64								2,061.64
Ordinance Number	**Improvement Authorizations**									
9-98/41-99/ 25-00	Exterior Renovations to Building at 51 Monmouth Street	(3,170.60)	14,250.00							11,079.40
18-99	Wayfinding Pathway	68,691.43			7,000.00			870.00	16,514.45	77,335.88
2-01	Various 2001 Road Improvements	(32,738.86)								(32,738.86)
6-02	Acquisition of a Pumper Fire Truck	20,295.21						14,577.00		5,718.21
4-03/ 36-03	Various 2003 Road Improvements	51.48								51.48
1-04	Renovations and Improvements to the Red Bank Library	66,624.39			284,607.99			189,966.53	515,714.54	107,764.41

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

Ordinance Number	Improvement Authorizations	Balance December 31, 2006	Serial Bond Proceeds	Receipts Other	Disbursements: Improvement Authorizations	Disbursements: Other	Disbursements: Bond Anticipation Notes	Transfer From	Transfer To	Balance December 31, 2007
23-04/ 31-06	Renovations and Improvements to Count Basie Park	$ 295,564.65	$ 545,750.00	$	$ 247,591.70	$	$ 545,750.00	$ 2,739.30	$ 2,258.59	$ 47,492.24
29-04	Various 2004 Road Improvements	67,556.34	562,500.00		1,680.00		600,000.00			28,376.34
31-05	Acquisition of Waterfront Park	(338,892.00)	90,000.00		10,043.30		70,000.00		3,600.00	(325,335.30)
37-05	Purchase of Pumper Fire Truck	26,130.07	500,000.00				500,000.00			26,130.07
39-05	Various Improvements and Renovations to Marine Park	2,557,177.39	1,500,000.00		83,666.63		1,500,000.00			2,473,510.76
49-05	Various 2005 Road Improvements	266,827.87	1,000,000.00		137,666.92		1,000,000.00	2,000.00	132,721.69	259,882.64
08-06	Various 2006 Road Improvements	711,319.41	1,100,000.00		300,899.75		1,149,000.00	22,225.25		339,194.41
32-06	Conversion of Municipal Land to Waterfront Park	216,808.50	218,500.00		53,300.93		218,500.00	10,900.00		152,607.57
21-07	Various 2007 Road Improvements		1,860,000.00		115,176.39			247,920.61	88,575.00	1,585,478.00
		$ 4,211,346.92	$ 7,391,000.00	$ 696,033.99	$ 1,241,633.61	$ 1,521,411.06	$ 5,583,250.00	$ 1,250,582.96	$ 1,250,582.96	$ 3,952,086.24

Exhibit D-4

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

Ordinance Number	Improvement Description	Balance December 31, 2006	2007 Authorizations	Funded by 2007 Bond Sale	Cancelled	Balance December 31, 2007	Analysis of Balance December 31, 2007: Bond Anticipation Notes	Expenditures	Unfunded Improvement Authorization
9-98/41-99/ 25-00	Exterior Renovations to Building at 51 Monmouth Street	$ 14,375.00	$	$ 14,250.00	$ 125.00	$	$	$	$
2-01	Various 2001 Road Improvements	32,738.86				32,738.86		32,738.86	
1-04	Renovations and Improvements to Red Bank Library	250.00			250.00				
23-04/ 31-06	Renovations and Improvements to Count Basie Park	545,750.00		545,750.00					
29-04	Various 2004 Road Improvements	562,500.00		562,500.00					
31-05	Acquistion of Waterfront Park	540,000.00		90,000.00		450,000.00		325,335.30	124,664.70
37-05	Purchase of a Pumper Fire Truck	500,000.00		500,000.00					
39-05	Various Improvements and Renovations to Marine Park	1,500,000.00		1,500,000.00					
49-05	Various 2005 Road Improvements	1,037,500.00		1,000,000.00		37,500.00			37,500.00
08-06	Various 2006 Road Improvements	1,077,774.75		1,077,774.75					
32-06	Conversion of Municipal Land to Waterfront Park	218,500.00		218,500.00					
21-07	Various 2007 Road Improvements		1,771,425.00	1,771,425.00					
		$ 6,029,388.61	$ 1,771,425.00	$ 7,280,199.75	$ 375.00	$ 520,238.86	$	$ 358,074.16	$ 162,164.70

Exhibit D-5

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006 Funded	Balance December 31, 2006 Unfunded	2007 Authorizations: Deferred Charges to Future Taxation, Unfunded	2007 Authorizations: Capital Improvement Fund	Canceled	Paid or Charged	Prior Year's Encumbrances Payable Canceled	Balance December 31, 2007 Funded	Balance December 31, 2007 Unfunded
9-98/41-99 25-00	Exterior Renovations to Building at 51 Monmouth Street	07/11/00	$ 810,000.00	$	$ 11,204.40	$	$	$ 125.00	$	$	$ 11,079.40	$
18-99	Wayfinding Pathway	6/8/99	150,000.00	68,691.43					7,870.00	16,514.45	77,335.88	
6-02	Acquisition of a Pumper Fire Truck	03/12/02	575,000.00	20,295.21					14,577.00		5,718.21	
4-03/ 36-03	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	02/10/04	1,775,000.00	68,624.39	250.00			250.00	474,574.52	515,714.54	107,764.41	
23-04/ 31-06	Renovations and Improvements to count Basie Park	06/22/04 06/12/06	575,000.00 250,000.00		295,564.65				250,331.00	2,258.59	47,492.24	
29-04	Various 2004 Road Improvements	06/24/04	750,000.00		30,056.34				1,680.00		28,376.34	
31-05	Acquistion of Waterfront Park	07/11/05	550,000.00		131,108.00				10,043.30	3,600.00		124,664.70
37-05	Purchase of a Pumper Fire Truck	09/26/05	525,000.00		26,130.07						26,130.07	
39-05	Various Improvements and Renovations to Marine Park	10/10/05	2,826,100.00	1,057,177.39	1,500,000.00				83,666.63		2,473,510.76	
49-05	Various 2005 Road Improvements	11/07/05	1,250,000.00		304,327.87				139,666.92	132,721.69	259,882.64	37,500.00
08-06	Various 2006 Road Improvements	03/13/06	1,210,000.00		640,094.16				300,899.75		339,194.41	
32-06	Conversion of Municipal Land to Waterfront Park	06/12/06	230,000.00		216,808.50				64,200.93		152,607.57	
21-07	Various 2007 Road Improvements	2007	1,660,000.00			1,771,425.00	88,575.00		274,522.00		1,585,478.00	
				$ 1,212,839.90	$ 3,155,543.99	$ 1,771,425.00	$ 88,575.00	$ 375.00	1,622,032.05	$ 670,809.27	$ 5,114,821.41	$ 162,164.70

Exhibit D-6

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

Ordinance Number	Improvement Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2006	Decreased
29-04	Various 2004 Road Improvements	700,000.00	08/03/05	08/01/06	07/31/07	4.50%	$ 600,000.00	$ 600,000.00
23-04/ 31-06	Renovations and Improvements to Count Basie Park	308,750.00	08/03/04	08/01/06	07/31/07	4.50%	308,750.00	308,750.00
		237,000.00	08/01/06	08/01/06	07/31/07	4.50%	237,000.00	237,000.00
31-05	Acquisition of Waterfront Park	70,000.00	08/01/06	08/01/06	07/31/07	4.50%	70,000.00	70,000.00
37-05	Purchase of a Fire Pumper Truck	500,000.00	08/01/06	08/01/06	07/31/07	4.50%	500,000.00	500,000.00
39-05	Various Improvements and Renovations to Marine Park	1,500,000.00	08/01/06	08/01/06	07/31/07	4.50%	1,500,000.00	1,500,000.00
49-05	Various 2005 Road Improvements	1,000,000.00	08/01/06	08/01/06	07/31/07	4.50%	1,000,000.00	1,000,000.00
08-06	Various 2006 Road Improvements	1,149,000.00	08/01/06	08/01/06	07/31/07	4.50%	1,149,000.00	1,149,000.00
32-06	Conversion of Municipal Land to Waterfront Park	218,500.00	08/01/06	08/01/06	07/31/07	4.50%	218,500.00	218,500.00
							$ 5,583,250.00	$ 5,583,250.00

Exhibit D-7

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2007 Date	Amount	Interest Rate	Balance December 31, 2006	Increase	Decrease	Balance December 31, 2007
General Improvement	12/1/1994	$ 1,300,000.00	2008	$ 110,000.00	6.30%	$ 320,000.00	$	$ 110,000.00	$ 210,000.00
			2009	100,000.00					
General Improvement	11/1/1995	2,985,000.00	2008	200,000.00	5.00%	850,000.00		250,000.00	600,000.00
			2009	200,000.00	5.10%				
			2010	200,000.00	5.20%				
General Improvement	10/1/1998	3,273,000.00	2008	290,000.00	4.150%	1,518,000.00		265,000.00	1,253,000.00
			2009	300,000.00	4.150%				
			2010	310,000.00	4.150%				
			2011	353,000.00	4.150%				
General Improvement	8/1/2002	5,481,000.00	2008	490,000.00	Var.	3,866,000.00		470,000.00	3,396,000.00
			2009	515,000.00					
			2010	530,000.00					
			2011	550,000.00					
			2012	615,000.00					
			2013	696,000.00					
General Improvement	6/15/2004	2,731,000.00	2008	255,000.00	3.500%	2,271,000.00		245,000.00	2,026,000.00
			2009	270,000.00	3.500%				
			2010	275,000.00	3.625%				
			2011	285,000.00	3.750%				
			2012	295,000.00	3.750%				
			2013	315,000.00	4.000%				
			2014	331,000.00	4.000%				
General Improvement	7/15/2007	7,391,000.00	2008	470,000.00	4.000%		7,391,000.00		7,391,000.00
			2009	500,000.00	4.000%				
			2010	530,000.00	4.125%				
			2011	550,000.00	4.125%				
			2012	600,000.00	4.125%				
			2013	640,000.00	4.125%				
			2014	700,000.00	4.125%				
			2015	740,000.00	4.250%				
			2016	830,000.00	4.250%				
			2017	890,000.00	4.250%				
			2018	941,000.00	4.250%				
						$ 8,825,000.00	$ 7,391,000.00	$ 1,340,000.00	$ 14,876,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2007 Date	Amount	Interest Rate	Balance December 31, 2006	Decrease	Balance December 31, 2007
MCIA Refunding Bonds	2/1/2006	$ 888,000.00	2008	$ 104,000.00	4.00%	$ 896,000.00	$ 104,000.00	$ 792,000.00
			2009	103,000.00	4.00%			
			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%			
						$ 896,000.00	$ 104,000.00	$ 792,000.00

Exhibit D-9

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL RECEIVABLES

		NJDOT			New Jersey Department of Environmental Protection		Monmouth County Open Space
	Total	2001 Road Improvements Ord. #2-01	Various 2007 Road Improvements Ord. #7-21	Various 2006 Road Improvements Ord. # 8-06	Various Improv. & Renovations to Marine Park Ord. #39-05	Green Acres	Count Basie Park Ord. # 23-04
BALANCE, DECEMBER 31, 2006	$ 1,961,124.75	$ 1,250.00	$	$ 78,774.75	$ 1,226,100.00	$ 405,000.00	$ 250,000.00
INCREASED BY							
Grants Awarded	170,000.00		170,000.00				
	2,131,124.75	1,250.00	170,000.00	78,774.75	1,226,100.00	405,000.00	250,000.00
DECREASED BY							
Receipts							
Due from Frederal and State Grant Fund Canceled	1,250.00	1,250.00					
BALANCE, DECEMBER 31, 2007	$ 2,129,874.75	$	$ 170,000.00	$ 78,774.75	$ 1,226,100.00	$ 405,000.00	$ 250,000.00
Detail:							
Unreserved	$ 1,476,100.00	$	$	$	$ 1,226,100.00	$	$ 250,000.00
Reserved	653,774.75		170,000.00	78,774.75		405,000.00	
	$ 2,129,874.75	$	$ 170,000.00	$ 78,774.75	$ 1,226,100.00	$ 405,000.00	$ 250,000.00

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance December 31, 2006	2007 Authorizations	Serial Bonds Issued	Cancelled	Balance December 31, 2007
9-98/41-99/ 25-00	Exterior Renovations to Building at 51 Monmouth Street	$ 14,375.00	$	$ 14,250.00	$ 125.00	$
2-01	Various 2001 Road Improvements	32,738.86				32,738.86
1-04	Renovations and Improvements to Red Bank Library	250.00			250.00	
31-05	Acquisition of Real Property for Waterfront Park	470,000.00		20,000.00		450,000.00
49-05	Various 2005 Road Improvements	37,500.00				37,500.00
21-07	Various 2007 Road Improvements		1,860,000.00	1,860,000.00		
		$ 554,863.86	$ 1,860,000.00	$ 1,894,250.00	$ 375.00	$ 520,238.86

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

Exhibit E-1

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, 2007 AND 2006

	Parking Utility		Water-Sewer Utility		Totals (Memorandum Only)	
	2007	2006	2007	2006	2007	2006
ASSETS						
Cash and Cash Equivalents	$ 583,328.04	$ 568,041.97	$ 710,545.82	$ 1,313,082.77	$ 1,293,873.86	$ 1,881,124.74
Consumer Accounts Receivable			982,066.93	824,622.27	982,066.93	824,622.27
Water-Sewer Utility Liens Receivable			1,240.46	1,240.46	1,240.46	1,240.46
Interfunds Receivable	36,565.12	89,132.89	184,065.40	910.00	220,630.52	90,042.89
Inventory	7,923.50	20,643.50	13,154.50	6,665.00	21,078.00	27,308.50
	627,816.66	677,818.36	1,891,073.11	2,146,520.50	2,518,889.77	2,824,338.86
Deferred Charges:						
Special Emergency Authorization N.J.S. 40A:4-54				26,000.00		26,000.00
				26,000.00		26,000.00
Total Assets	$ 627,816.66	$ 677,818.36	$ 1,891,073.11	$ 2,172,520.50	$ 2,518,889.77	$ 2,850,338.86
LIABILITIES, RESERVES AND FUND BALANCE						
Liabilities:						
Appropriation Reserves	94,449.94	38,926.07	334,319.36	93,125.33	428,769.30	132,051.40
Other Liabilities and Reserves:						
Reserve for Encumbrances	4,000.02	8,922.87	61,255.28	78,701.76	65,255.30	87,624.63
Reserve for Parking Fee Variance	351,520.00	327,520.00			351,520.00	327,520.00
Due to Paying Agent	7,402.50				7,402.50	
Customer Overpayments			4,678.60	11,984.54	4,678.60	11,984.54
	362,922.52	336,442.87	65,933.88	90,686.30	428,856.40	427,129.17
Accrued Interest on Bonds and Notes	10,787.59	10,787.60	182,756.64	144,579.80	193,544.23	155,367.40
Reserve for Receivables and Inventory	7,923.50	20,643.50	996,461.89	832,527.73	1,004,385.39	853,171.23
Fund Balance	151,733.11	271,018.32	311,601.34	1,011,601.34	463,334.45	1,282,619.66
Total Liabilities, Reserves and Fund Balance	$ 627,816.66	$ 677,818.36	$ 1,891,073.11	$ 2,172,520.50	$ 2,518,889.77	$ 2,850,338.86

PARKING UTILITY OPERATING FUND

Exhibit EP-1

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, 2007 AND 2006

	2007	2006
Revenue and Other Income Realized:		
Parking Fees	$ 928,670.82	$ 907,390.28
Riverview Hospital - Lease Agreement	240,746.98	254,950.50
Reserve for Payment of Bonds		
Current Budget Appropriations Cancelled		
Non-Budget Revenue	13,850.15	26,158.03
Other Credits to Income - Unexpended Balance of Appropriation Reserves	33,045.59	7,334.92
Total Income	1,216,313.54	1,195,833.73
Expenditures:		
Operating	791,480.00	723,500.00
Debt Service	247,118.75	243,459.18
Deferred Charges and Statutory Expenditures	47,000.00	29,586.25
Total Expenditures	1,085,598.75	996,545.43
Statutory Excess to Fund Balance	130,714.79	199,288.30
Fund Balance, January 1	271,018.32	346,730.02
	401,733.11	546,018.32
Decreased by:		
Transferred to Current Fund	250,000.00	275,000.00
Fund Balance, December 31	$ 151,733.11	$ 271,018.32

Exhibit EP-2

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Anticipated	Realized	Excess or (Deficit)
Parking Fees	$ 805,798.75	$ 928,670.82	$ 122,872.07
Payment from Riverview Hospital - Lease	279,800.00	240,746.98	(39,053.02)
	1,085,598.75	1,169,417.80	83,819.05
Non-Budget Revenue		13,850.15	13,850.15
	$ 1,085,598.75	$ 1,183,267.95	$ 97,669.20

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
OPERATING					
Salaries and Wages	$ 341,480.00	$ 341,480.00	$ 296,751.41	$	$ 44,728.59
Other Expenses	400,000.00	400,000.00	362,022.39	4,000.02	33,977.59
Reserve for Sick Leave	50,000.00	50,000.00	37,171.71		12,828.29
Total Operating	791,480.00	791,480.00	695,945.51	4,000.02	91,534.47
DEBT SERVICE					
Payment of Bond Principal	160,000.00	160,000.00	160,000.00		
Interest on Bonds	37,118.75	37,118.75	37,118.75		
Capital Lease	50,000.00	50,000.00	50,000.00		
Total Debt Service	247,118.75	247,118.75	247,118.75		
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,000.00	20,000.00	20,000.00		
Social Security System (O.A.S.I.)	27,000.00	27,000.00	24,084.53		2,915.47
Total Deferred Charges and Statutory Expenditures	47,000.00	47,000.00	44,084.53		2,915.47
Total Parking Utility Appropriations	$ 1,085,598.75	$ 1,085,598.75	$ 987,148.79	$ 4,000.02	$ 94,449.94

Exhibit EP-4

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance December 31, 2006		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
Operating:					
Salaries and Wages	$ 2,351.95	$	$ 2,351.95	$	$ 2,351.95
Other Expenses	11,964.27	8,922.87	20,887.14	14,803.35	6,083.79
Reserve for Accumulated Sick Leave	20,000.00		20,000.00		20,000.00
Statutory Expenditures:					
Contribution to Soc. Security	4,609.85		4,609.85		4,609.85
	$ 38,926.07	$ 8,922.87	$ 47,848.94	$ 14,803.35	$ 33,045.59

Exhibit EP-5

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

BALANCE, DECEMBER 31, 2006	$ 10,787.60
INCREASED BY	
2007 Budget Appropriations:	
Interest on Bonds	37,118.75
	47,906.35
DECREASED BY	
Cash Disbursed	37,118.76
BALANCE, DECEMBER 31, 2007	$ 10,787.59

ANALYSIS OF ACCRUAL

	Date of Issue	Accrual Period	Interest Rate	Amount Outstanding December 31, 2007	Accrual
Serial Bonds					
Serial Bonds - 1994	12/1/1994	1 Month	6.30%	$ 155,000.00	$ 813.75
Serial Bonds - 2002	8/1/2002	5 Months	Var.	340,000.00	5,185.42
Serial Bonds - 2004	6/15/2004	5 Months	Var.	210,000.00	3,177.08
				$ 705,000.00	$ 9,176.25
Add: Excess to be Used in Succeeding Years Budget					1,611.34
					$ 10,787.59

WATER-SEWER UTILITY OPERATING FUND

Exhibit EWS-1

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, 2007 AND 2006

	2007	2006
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	$ 400,000.00	$ 200,000.00
Collection of Water-Sewer Rents	5,537,098.99	5,760,522.78
Water and Sewer Connection Fees	27,776.60	116,120.00
Reserve for Payment of Bonds		910.00
Miscellaneous	206,279.72	137,257.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	34,551.33	5,561.98
Current Appropriations Cancelled	183,259.40	
Total Income	6,388,966.04	6,220,371.88
Expenditures:		
Operating	5,082,104.62	4,523,807.89
Debt Service	898,554.38	726,064.25
Deferred Charges and Statutory Expenditures	122,307.04	145,984.36
Surplus - General Budget	286,000.00	
Total Expenditures	6,388,966.04	5,395,856.50
Excess in Revenues/ Statutory Excess to Fund Balance		824,515.38
Fund Balance, January 1	1,011,601.34	687,085.96
	1,011,601.34	1,511,601.34
Decreased by:		
Utilized as Anticipated Revenue	400,000.00	200,000.00
Transferred to Current Fund	300,000.00	300,000.00
	700,000.00	500,000.00
Fund Balance, December 31	$ 311,601.34	$ 1,011,601.34

Exhibit EWS-2

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Anticipated	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 400,000.00	$ 400,000.00	$
Rents and Other Charges	5,739,966.04	5,537,098.99	(202,867.05)
Water and Sewer Connection Fees	116,000.00	27,776.60	(88,223.40)
Reserve for Payment of Bonds	1,000.00		(1,000.00)
Miscellaneous	132,000.00	206,279.72	74,279.72
	$ 6,388,966.04	$ 6,171,155.31	$ (217,810.73)

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2007

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
OPERATING						
Salaries and Wages	$ 725,650.00	$ 725,650.00	$ 725,650.00	$	$	$
Other Expenses	1,620,000.00	1,576,692.96	1,351,856.22	61,255.28	163,581.46	
Regional Sewer Authority Charges	1,782,022.00	1,782,022.00	1,782,022.00			
Manasquan River Water Purchases	797,739.66	797,739.66	627,001.76		170,737.90	
Reserve for Accumulated Sick Leave	200,000.00	200,000.00	200,000.00			
Total Operating	5,125,411.66	5,082,104.62	4,686,529.98	61,255.28	334,319.36	
DEBT SERVICE						
Payment of Bond Principal	315,000.00	315,000.00	315,000.00			
Interest on Bonds	214,051.05	257,051.05	257,051.05			
Interest on Notes	126,503.33	126,503.33	126,503.33			
Capital Lease Payment	200,000.00	200,000.00	200,000.00			
Total Debt Service	855,554.38	898,554.38	898,554.38			
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	40,000.00	40,307.04	40,307.04			
Social Security System (O.A.S.I.)	56,000.00	56,000.00	56,000.00			
Deferred Charges:						
Special Emergency	26,000.00	26,000.00	26,000.00			
Total Deferred Charges and Statutory Expenditures	122,000.00	122,307.04	122,307.04			
SURPLUS (GENERAL BUDGET)	286,000.00	286,000.00	102,740.60			183,259.40
Total Water-Sewer Utility Appropriations	$ 6,388,966.04	$ 6,388,966.04	$ 5,810,132.00	$ 61,255.28	$ 334,319.36	$ 183,259.40

Exhibit EWS-4

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

BALANCE, DECEMBER 31, 2006	$	824,622.27
INCREASED BY		
Rents Charged in 2007		5,694,543.65
		6,519,165.92
DECREASED BY		
Collections - Net		5,537,098.99
BALANCE, DECEMBER 31, 2007	$	982,066.93

Exhibit EWS-5

STATEMENT OF WATER-SEWER UTILITY LIENS RECEIVABLE

BALANCE, DECEMBER 31, 2006	$	1,240.46
AND		
BALANCE, DECEMBER 31, 2007	$	1,240.46

(There was no change during the year)

Exhibit EWS-6

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance December 31, 2006		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
Operating:					
Salaries and Wages	$ 1,250.65	$	$ 1,250.65	$	$ 1,250.65
Other Expenses	22,737.19	78,701.76	165,938.95	137,275.76	28,663.19
Regional Sewer Authority Charges	199.00		199.00		199.00
Manasquan River Water Purchases	52,223.72		1,723.72		1,723.72
Reserve for Accumulated Sick Leave	14,000.00				
Statutory Expenditures:					
Contribution to Soc. Security	2,714.77		2,714.77		2,714.77
	$ 93,125.33	$ 78,701.76	$ 171,827.09	$ 137,275.76	$ 34,551.33

Exhibit EWS-7

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

BALANCE DECEMBER 31, 2006		$ 144,579.80
INCREASED BY		
2007 BUDGET APPROPRIATIONS:		
Interest on Bonds	$ 257,051.05	
Interest on Notes	126,503.33	383,554.38
		528,134.18
DECREASED BY		
Cash Disbursed		345,377.54
BALANCE DECEMBER 31, 2007		$ 182,756.64

ANALYSIS OF ACCRUAL

	Date of Issue	Accrual Period	Interest Rate	Amount Outstanding December 31, 2007	Accrual
Serial Bonds					
1998 Series	12/1/1994	1 Month	4.15%	$ 45,000.00	$ 155.63
2002 Series	8/1/2002	5 Months	Var.	765,000.00	11,676.57
2004 Series	6/15/2004	5 Months	Var.	2,285,000.00	37,080.73
2007 Series	7/15/2007	5.5 Months	Var.	6,385,000.00	133,636.44
				$ 9,480,000.00	182,549.37
Add: Excess to be Utilized in Future Budgets					207.27
					$ 182,756.64

Exhibit EWS-8

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2007

	Balance December 31, 2006	Raised in 2007 Budget
Special Emergency Authorization N.J.S. 40A:4-54	$ 26,000.00	$ 26,000.00
	$ 26,000.00	$ 26,000.00

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, 2007 AND 2006

	Parking Utility		Water-Sewer Utility		Totals	
	2007	2006	2007	2006	2007	2006
ASSETS						
Cash and Cash Equivalents	$ 213,316.45	$ 284,168.78	$ 3,126,047.75	$ 4,047,854.20	$ 3,339,364.20	$ 4,332,020.98
Fixed Capital	3,549,558.93	3,444,523.05	9,065,403.29	8,326,903.29	12,614,962.22	11,771,426.34
Fixed Capital Authorized and Uncompleted	315,000.00	435,000.00	9,236,500.00	8,466,500.00	9,551,500.00	8,901,500.00
	3,864,558.93	3,879,523.05	18,301,903.29	16,793,403.29	22,166,462.22	20,672,926.34
Total Assets	$ 4,077,875.38	$ 4,163,689.83	$ 21,427,951.04	$ 20,841,257.49	$ 25,505,826.42	$ 25,004,947.32
LIABILITIES, RESERVES AND FUND BALANCE						
Serial Bonds	$ 700,000.00	$ 865,000.00	$ 9,480,000.00	$ 3,410,000.00	$ 10,180,000.00	$ 4,275,000.00
Bond Anticipation Notes				4,845,000.00		4,845,000.00
Improvement Authorizations:						
Funded	63,039.83	78,003.95	2,281,141.64	612,698.63	2,344,181.47	690,702.58
Unfunded				3,128,350.55		3,128,350.55
	63,039.83	78,003.95	2,281,141.64	3,741,049.18	2,344,181.47	3,819,053.13
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	146,868.64	131,904.52	560.37		147,429.01	131,904.52
Reserve for Encumbrances			788,309.29	282,624.57	788,309.29	282,624.57
Interfunds Payable		70,850.33	22,100.00	22,204.00	22,100.00	93,054.33
	150,268.64	206,154.85	812,469.66	306,328.57	962,738.30	512,483.42
Reserve for Amortization	3,164,558.93	3,014,523.05	8,606,126.63	8,282,626.63	11,770,685.56	11,297,149.68
Deferred Reserve for Amortization			215,776.66	224,276.66	215,776.66	224,276.66
Fund Balance	7.98	7.98	32,436.45	31,976.45	32,444.43	31,984.43
Total Liabilities, Reserves and Fund Balance	$ 4,077,875.38	$ 4,163,689.83	$ 21,427,951.04	$ 20,841,257.49	$ 25,505,826.42	$ 25,004,947.32

There were Bonds and Notes Authorized But Not Issued at December 31, 2007 in the Parking Utility in the amount of $ None and $7,500.00 in the Water-Sewer Utility Capital Funds.

PARKING UTILITY CAPITAL FUND

Exhibit FP-1

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

		Balance December 31, 2006	Receipts	Disbursements	Transfer		Balance December 31, 2007
			Other	Other	To	From	
Fund Balance		$ 7.98	$	$	$	$	$ 7.98
Due to Parking Utility Operating Fund		70,850.33	9,417.66	80,267.99			
Capital Improvement Fund		3,400.00					3,400.00
Reserve for Payment of Bonds		131,904.52			14,964.12		146,868.64
Improvement Authorizations:							
Ordinance Number	Description						
10-02	Various Capital Improvements	14,964.12				14,964.12	
02-04	Acquistion and Installation of Parking Meters and the Resurfacing of Parking Lots	63,039.83					63,039.83
		$ 284,166.78	$ 9,417.66	$ 80,267.99	$ 14,964.12	$ 14,964.12	$ 213,316.45

Exhibit FP-2

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006	Transferred to Fixed Capital	Canceled	Balance December 31, 2007
10-02	Various Capital Improvements	5/28/2002	$ 120,000.00	$ 120,000.00	$ 105,035.88	$ 14,964.12	$
02-04	Acquistion and Installation of Parking Meters and the Resurfacing of Parking Lots	2/10/2004	315,000.00	315,000.00			315,000.00
				$ 435,000.00	$ 105,035.88	$ 14,964.12	$ 315,000.00

Exhibit FP-3

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2007 Date	Amount	Interest Rate	Balance December 31, 2006	Decreased	Balance December 31, 2007
Parking Utility Bonds	12/1/1994	970,000.00	2008	$ 80,000.00	6.30%	$ 235,000.00	$ 80,000.00	$ 155,000.00
			2009	75,000.00				
Parking Utility Bonds	8/1/2002	535,000.00	2008	50,000.00	3.625%	385,000.00	50,000.00	335,000.00
			2009-10	55,000.00	3.625%			
			2011-13	60,000.00	3.625% 3.750%			
Parking Utility Bonds	6/15/2004	315,000.00	2008-09	40,000.00	3.500%	245,000.00	35,000.00	210,000.00
			2010	40,000.00	3.625%			
			2011-12	45,000.00	3.750%			
						$ 865,000.00	$ 165,000.00	$ 700,000.00

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006 Funded	Cancelled	Balance December 31, 2007 Funded
10-02	Various Capital Improvements	5/28/2002	$ 120,000.00	$ 14,964.12	$ 14,964.12	$
02-04	Meter Installation Project	2/10/2004	315,000.00	63,039.83		63,039.83
				$ 78,003.95	$ 14,964.12	$ 63,039.83 $

Exhibit FP-5

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

There were no bonds and note authorized but not issued.

WATER-SEWER UTILITY CAPITAL FUND

Exhibit FWS-1

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

		Balance December 31, 2006	Serial Bond Proceeds	Other Receipts	Disbursements: Improvement Authorizations	Disbursements: Other	Disbursements: Bond Anticipation Notes	Transfer: To	Transfer: From	Balance December 31, 2007
Fund Balance		$ 31,976.45	$	$ 460.00	$	$	$	$	$	$ 32,436.45
Due (from)/to Water-Sewer Utility Operating Fund		910.00		97,538.58		97,642.58				806.00
Capital Improvement Fund		1,500.00								1,500.00
Reserve for Encumbrances		282,624.57				206,025.26		788,309.29	76,599.31	788,309.29
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									
9-02	Various 2002 Water System and Sanitary Sewer Repairs	407.70			407.70					
26-02	Various 2002 Improvements to the Water-Sewer Facility	70,461.10			32,135.01					38,326.09
15-03	Acquisition and Installation of Replacement Water Meters and Improvements to Water Facilities	541,829.83			60,865.55			2,624.57		483,588.85
30-04	Various 2004 Capital Improvements	24,511.35	130,000.00		23,950.98		130,000.00		560.37	
35-04/ 23-05	Reconstruction of the Sewer Main Along Maple Ave.	555,650.80	1,850,000.00		9,500.00		1,850,000.00			546,150.80
48-05	Replacement of Sanitary Sewer Lines	33,417.92	190,000.00		67,686.00		190,000.00	73,974.74		39,706.66
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	125,403.00	250,000.00		53,104.20		250,000.00			72,298.80
10-06	Various Facility Improvements	2,357,867.48	2,425,000.00		1,723,030.06		2,425,000.00		244,962.59	389,874.83
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations		1,140,000.00		239,970.99				529,868.40	370,160.61
23-07	Various 2007 Capital Improvements		400,000.00		45,486.70				13,478.30	341,035.00
		$ 4,047,654.20	$ 6,385,000.00	$ 97,998.58	$ 2,256,137.19	$ 303,667.84	$ 4,845,000.00	$ 865,468.97	$ 865,468.97	$ 3,126,047.75

Bracketed amount denotes deficit.

Exhibit FWS-2

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006	2007 Authorizations	Transferred to Fixed Capital	Canceled	Balance December 31, 2007
9-02	Various 2002 Water System and Sanitary Sewer Repairs	5/28/2002	$ 600,000.00	$ 600,000.00	$	$ 600,000.00	$	$
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
30-04	Various 2004 Capital Improvements	8/24/2004	170,000.00	170,000.00		138,500.00	31,500.00	
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
				$ 8,466,500.00	$ 1,540,000.00	$ 738,500.00	$ 31,500.00	$ 9,236,500.00

Exhibit FWS-3

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, 2007 Date	Amount	Interest Rate	Balance December 31, 2006	Increased	Decreased	Balance December 31, 2007
Water-Sewer Bonds	10/1/1998	$ 350,000.00	2008	45,000.00	4.150%	$ 90,000.00	$	$ 45,000.00	$ 45,000.00
Water-Sewer Bonds	8/1/2002	1,200,000.00	2008	105,000.00	3.625%	865,000.00		100,000.00	765,000.00
			2009	115,000.00	3.625%				
			2010	125,000.00	3.625%				
			2011	130,000.00	3.625%				
			2012	140,000.00	3.700%				
			2013	150,000.00	3.750%				
Water-Sewer Bonds	6/15/2004	2,780,000.00	2008	185,000.00	3.500%	2,455,000.00		170,000.00	2,285,000.00
			2009	190,000.00	3.500%				
			2010	200,000.00	3.625%				
			2011	210,000.00	3.750%				
			2012	220,000.00	3.750%				
			2013	230,000.00	4.000%				
			2014	245,000.00	4.000%				
			2015	250,000.00	4.100%				
			2016	275,000.00	4.125%				
			2017	280,000.00	4.250%				
Water-Sewer Bonds	7/15/2007	6,385,000.00	2008	290,000.00	4.000%		6,385,000.00		6,385,000.00
			2009	290,000.00	4.000%				
			2010	300,000.00	4.125%				
			2011	300,000.00	4.125%				
			2012	340,000.00	4.125%				
			2013	370,000.00	4.125%				
			2014	405,000.00	4.125%				
			2015	435,000.00	4.250%				
			2016	455,000.00	4.250%				
			2017	455,000.00	4.250%				
			2018	480,000.00	4.250%				
			2019	550,000.00	4.250%				
			2020	560,000.00	4.250%				
			2021	575,000.00	4.250%				
			2022	580,000.00	4.250%				
						$ 3,410,000.00	$ 6,385,000.00	$ 315,000.00	$ 9,480,000.00

Exhibit FWS-4

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

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2006	Decreased
35-04/ 23-05	Reconstruction of Sewer Main Along Maple Avenue	12/23/2004	8/1/2006	7/31/2007	4.500%	$ 1,850,000.00	$ 1,850,000.00
30-04	Various 2004 Capital Improvements	8/3/2005	8/1/2006	7/31/2007	4.500%	130,000.00	130,000.00
48-05	Replacement of Sanitary Sewer Lines	8/1/2006	8/1/2006	7/31/2007	4.500%	190,000.00	190,000.00
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	8/1/2006	8/1/2006	7/31/2007	4.500%	250,000.00	250,000.00
10-06	Various Facility Improvements	8/1/2006	8/1/2006	7/31/2007	4.500%	2,425,000.00	2,425,000.00
						$ 4,845,000.00	$ 4,845,000.00
	Detail:						
	Paid from Capital Cash						$ 30,000.00
	Rollovers						4,815,000.00
							$ 4,845,000.00

Exhibit FWS-5

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006 Funded	Balance December 31, 2006 Unfunded	2007 Authorizations Deferred Charges to Future Revenue	Encumbrance Cancelled	Paid or Charged	Canceled	Balance December 31, 2007 Funded
9-02	Various 2002 Water System and Sanitary Sewer Repairs	5/28/2002	$ 600,000.00	$ 407.70	$	$	$	$ 407.70	$	$
26-02	Various 2002 Improvements to the Water-Sewer Facility	11/26/2002	1,150,000.00	70,461.10				32,135.01		38,326.09
15-03	Acquisition and Installation of Replacement Water Meters and Improvements to Water Facilities	5/27/2003	1,330,000.00	541,829.83			2,624.57	60,865.55		483,588.85
30-04	Various 2004 Capital Improvements	8/24/2004	170,000.00		56,011.35			23,950.98	32,060.37	
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		555,650.80			9,500.00		546,150.80
48-05	Replacement of Sanitary Sewer Lines	11/7/2005	200,000.00		33,417.92		73,974.74	67,686.00		39,706.66
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00		125,403.00			53,104.20		72,298.80
10-06	Various Facility Improvements	3/13/2006	2,425,000.00		2,357,867.48			1,967,992.65		389,874.83
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	2007	1,140,000.00			1,140,000.00		769,839.39		370,160.61
23-07	Various 2007 Capital Improvements	2007	400,000.00			400,000.00		58,965.00		341,035.00
				$ 612,698.63	$ 3,128,350.55	$ 1,540,000.00	76,599.31	$ 3,044,446.48	32,060.37	2,281,141.64

Exhibit FWS-6

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

BALANCE, DECEMBER 31, 2006	$	910.00
INCREASED BY		
Improvement Authorization Cancelled Ordinance 30-04		560.37
		1,470.37
DECREASED BY		
Anticipated Revenue - 2006 Water-Sewer Utility Operating Fund		910.00
BALANCE, DECEMBER 31, 2007	$	560.37

Exhibit FWS-7

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

Ordinance Number	Improvement Description	Balance December 31, 2006	2007 Authorizations	Serial Bonds Issued	Cancelled	Balance December 31, 2007
03-01/ 20-01	Various 2001 Water System and Sanitary Sewer Repairs	$ 15,000.00	$	$	$ 15,000.00	$
5-03/ 37-03	Various 2003 Water System and Sanitary Sewer Repairs	9,500.00				9,500.00
30-04	Various 2004 Capital Improvements	1,500.00			1,500.00	
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations		1,140,000.00	1,140,000.00		
23-07	Various 2007 Capital Improvements		400,000.00	400,000.00		
		$ 26,000.00	$ 1,540,000.00	$ 1,540,000.00	$ 16,500.00	$ 9,500.00

GENERAL FIXED ASSETS ACCOUNT

Exhibit G-1

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

	Balance December 31, 2007	Balance December 31, 2006
General Fixed Assets:		
Land and Buildings	$ 16,981,005.00	$ 15,277,608.00
Contents	2,526,221.00	2,278,508.00
Vehicles and Equipment	9,114,033.00	7,473,210.00
	$ 28,621,259.00	$ 25,029,326.00
Investment in General Fixed Assets	$ 28,621,259.00	$ 25,029,326.00

STATISTICAL SECTION

Exhibit H-1

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

Function	Fiscal Year 2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government	$ 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	$ 2,829,755.00
Land Use Administration	198,000.00	179,700.00	148,000.00	148,400.00	122,500.00	143,100.00	125,455.00	120,300.00	91,780.00	
Insurance	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	4,737,600.00	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	3,207,304.00
Public Works	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	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										510,000.00
Sanitation										1,339,780.00
Health and Welfare	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	241,488.00
Recreation and Education	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	267,070.00
Utility Expenses and Bulk Purchases	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	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	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	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	805,944.00
State and Federal Grants	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	206,500.35
Capital Improvements	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	250,000.00
Debt Service	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	1,984,589.30
Reserve for Sick Pay	50,000.00	100,000.00	130,000.00							
Reserve for Uncollected Taxes	861,775.24	50,000.00	696,669.92	707,587.40	720,857.47	813,696.60	925,661.71	1,050,815.34	1,020,111.01	1,203,037.94
	$ 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	$ 12,845,468.59

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

Exhibit H-2

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 2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Operating	$ 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	$ 110,000.00
Capital Improvements							7,500.00			20,000.00
Debt Service	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	275,476.48
Deferred Charges and Statutory Expenditures	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	5,700.00
	$ 1,085,598.75	$ 996,545.43	$ 903,299.96	$ 729,384.00	$ 651,052.00	$ 561,675.00	$ 519,090.00	$ 438,856.00	$ 460,607.07	$ 411,176.48

Exhibit H-3

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 2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Operating	$ 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	$ 3,765,000.00
Capital Improvements			55,000.00	60,000.00	80,597.04	10,000.00	42,000.00	11,000.00	25,500.00	30,000.00
Debt Service	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	333,637.95
Deferred Charges and Statutory Expenditures	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	58,520.00
Surplus General Budget	286,000.00									
	$ 6,388,966.04	$ 5,395,856.50	$ 5,247,090.62	$ 4,977,719.25	$ 4,863,751.42	$ 4,629,456.00	$ 4,306,982.00	$ 4,126,874.37	$ 4,216,184.64	$ 4,187,157.95

Exhibit H-4

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 2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Fund Balance Anticipated	$ 1,300,000.00	$ 1,185,769.05	$ 1,237,867.89	$ 1,040,000.00	$ 588,777.21	$ 757,688.00	$ 824,725.00	$ 799,880.00	$ 1,200,000.00	$ 1,654,568.00
Taxes (1)	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	6,185,060.05
Delinquent Taxes	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	932,958.07
Miscellaneous Revenues	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	1,825,913.24
State Aid	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	2,649,636.00
Federal and State Grants/Interlocal	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	313,363.15
Non-budget Revenues and Other Items	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	601,995.69
	$ 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	$ 14,163,494.20

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

Exhibit H-5

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

Year	Borough	County	County Open Space Fund	Local School	Regional High School	Total	Collection Rates Current	Delinquent Taxes as Percent of Levy
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%
1998	0.885	0.489	0.026	1.185	0.740	3.325	96.04%	4.41%

Source: Tax Collector.
* Revaluation

Exhibit H-6

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

Year Ended December 31,	Total Tax Levy *	Current Tax Collections	Percentage of Collections
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%
1998	21,816,921.78	20,954,503.01	96.04%

* Net of cancellations.

Exhibit H-7

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

Year Ended December 31,	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
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%
1998	171,413.10	791,669.35	963,082.45	4.41%

Exhibit H-8

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

Year Ended December 31,	Aggregate Assessed Valuations of Real Property	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
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%
1998	631,368,250	703,474,373	89.75%

* Revaluation

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

Exhibit H-9

BOROUGH OF RED BANK
SCHEDULE OF TEN LARGEST TAXPAYERS

Taxpayer	Assessed Value - 2007	As a Percent of Net Assessed Valuation Taxable
Riverside Towers Apartmen	$ 37,500,000	3.90%
Downtown Investors, LLC	24,496,100	2.55%
Red Bank Corp Plaza, LLC	22,447,500	2.33%
Presbyterian Home at RB	21,380,900	2.22%
ET Galleria, LLC	20,438,900	2.13%
K Hovnanian Property of Red Bank	19,111,500	1.99%
MPI Holdings	17,985,900	1.87%
Bell Atlantic	14,229,471	1.48%
OPI Holdings	12,853,600	1.34%
RB Realty Associates	10,508,700	1.09%
	$ 232,512,471	24.18%

Source: Red Bank Tax Assessor

Exhibit H-10

BOROUGH OF RED BANK
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Average Equalized Valuation	$ 2,102,799,965.00
Borrowing Margin - 3½% of Average Equalized Valuation	$ 73,597,998.78
Net Debt	17,214,453.79
Remaining Borrowing Power	$ 56,383,544.99

	Gross Debt	Deductions	Net Debt
Municipal Debt - Borough of Red Bank	$ 36,659,640.05	$ 19,445,186.26	$ 17,214,453.79
Overlapping Debt Apportioned to the Municipality:			
County of Monmouth (1) (1.828000%)			6,859,207.09
			$ 24,073,660.88

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

Exhibit H-11

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

Year Ended December 31,	Borough Population (1)	Equalized Valuation (2)	Net Debt (3)	Ratio of Net Debt to Equalized Valuation	Net Debt Per Capita
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
1998	10,858	703,474,373.00	13,931,291.64	1.98%	1,283.04

(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.

Exhibit H-12

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
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%
1998	893,650.00	514,695.67	101,411.66	401,059.36	1,910,816.69	12,845,468.59	14.88%

(1) Actual Paid or Charged Amounts.

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

Exhibit H-13

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		$ 1,183,267.95
Deductions:		
Operating and Maintenance Cost	$ 838,480.00	
Debt Service	247,118.75	
Total Deductions		1,085,598.75
Excess in Revenue		$ 97,669.20

Exhibit H-14

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		$ 6,172,208.84
Deductions:		
Operating and Maintenance Cost	$ 5,204,411.66	
Debt Service	898,554.38	
Total Deductions		6,102,966.04
Excess in Revenue		$ 69,242.80

Exhibit H-15

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

Year Ended December 31,	Unemployment Rate	Per Capita Income (1)
2007	3.7%	$ N/A
2006	4.1%	N/A
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
1998	4.7%	37,190.00

(1) County of Monmouth Per Capita Income

N/A = Not Available

Source = NJ Department of Labor and Workforce Development Website.

Exhibit H-16

BOROUGH OF RED BANK
MISCELLANEOUS STATISTICS
DECEMBER 31, 2007

Date of Incorporation	March 10, 1908
Form of Government	Borough
Area	1.8 square miles
Employees:	
Administrative	29
Police	38
Public Works	42
Volunteer Firemen and Volunteer First Aid Squad	150
Other	79
Total Employees	338

Source: Borough Records.

SINGLE AUDIT SECTION

DAK CPA
dakcparma.com

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

dwavewavek@netscape.net
Phone (732) 241-1632
Fax (732) 870-2797

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

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

Compliance

We have audited the compliance of the Borough of Red Bank, County of Monmouth, State of New Jersey (the "Borough") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to its major state program for the year ended December 31, 2007. The Borough's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state program is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

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

Compliance – Continued

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Borough of Red Bank is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the Borough of Red Bank's internal control.

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

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

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

Schedules of Expenditures of Federal Awards and State Financial Assistance

We have audited the general-purpose financial statements of the Borough of Red Bank as of and for the year ended December 31, 2007, and have issued our report thereon dated May 7, 2008. Our audit was performed for the purpose of forming an opinions on the general-purpose financial statements that collectively comprise the Borough's general-purpose financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and State of New Jersey OMB Circular 04-04 and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information of the governing body and its management, the New Jersey Division of Local Government Services (the cognizant audit agency) and other state and federal awarding agencies 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 7, 2008

Schedule I

BOROUGH OF RED BANK
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Federal Grantor/ Pass-Through Grantor Program Title	Grant Period	Federal CFDA Number	Pass-Through Grantor's Number	Award Amount	Amount Received in 2007	Appropriated Reserve Balance December 31, 2006	Transferred from 2007 Budget Appropriation	Encumbrances Cancelled	Appropriated Reserves Cancelled	Expended	Appropriated Reserve Balance December 31, 2007
Current Fund:											
Department of Health and Human Services											
Pass-Through, County of Monmouth:											
Special Programs for the Aging:											
Multi-Purpose Senior Center	Prior Years			$ 33,312.00	$ 16,181.00	$ 8,841.17	$	$ 622.43	$	$ 414.45	$ 9,049.15
Multi-Purpose Senior Center	2007			33,312.00	8,813.00		33,312.00			33,189.79	122.21
Total Current Fund						8,841.17	33,312.00	622.43		33,604.24	9,171.36
Total Federal Grants						$ 8,841.17	$ 33,312.00	$ 622.43	$	$ 33,604.24	$ 9,171.36

BOROUGH OF RED BANK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

State Grantor/ Pass-Through Grantor Program Title	Grant Period	Award Amount	Amount Received in 2007	Appropriated Reserve Balance December 31, 2006	Transferred from 2007 Budget Appropriation	Encumbrances Cancelled	Appropriated Reserves Cancelled	Expended	Appropriated Reserve Balance December 31, 2007
Current Fund:									
Department of Law and Public Safety:									
Body Armor Grant	2007	$ 3,755.55	$	$	$ 3,755.55	$	$	$ 3,585.00	$ 170.55
Drunk Driving Enforcement Fund:									
Police				18,856.20				11,205.01	7,651.19
Court				10,990.93	2,396.17			2,230.00	11,157.10
Over the Limit Under Arrest	2007	10,000.00	5,000.00		10,000.00			9,150.00	850.00
You Drink, You Drive, You Lose	2007	10,000.00	5,000.00	5,000.00	5,000.00				10,000.00
Click It or Ticket	2006	5,000.00		5,000.00					5,000.00
Bicycle Safety Grant	2007	5,000.00	4,098.10		5,000.00			4,098.10	901.90
Pedestrian Safety Grant	2007	21,000.00	16,510.00		21,000.00			16,510.00	4,490.00
Pedestrian Safety Grant	2006			3,870.00	0.00		1,870.00	2,000.00	
Department of Environmental Protection:									
Clean Communities Program	2007	12,207.05	12,207.05		12,207.05				12,207.05
Clean Communities Program	2006	11,292.21		11,292.21				11,292.21	
Clean Communities Program	2005	11,481.41		12,311.09				12,311.09	
Cool Cities	2007	24,308.00			24,308.00			24,267.50	40.50
Environmental Services Matching Grant	Prior Years	2,500.00	0.00	2,278.00					2,278.00
Recycling Tonnage Grant	2007	2,205.20	2,205.20	5,790.39	2,205.20				7,995.59
Recycling Tonnage Grant	2006	6,097.29							
Livable Communities Library	Prior Years	40,000.00	40,000.00	40,000.00				40,000.00	
Municipal Stormwater Grant	2005	10,207.00		10,207.00				10,207.00	
Special Legislative Grant:									
Count Basie Park				39,828.34				39,828.34	
Department of Community Affairs :									
Smart Growth Planning	Prior Years	115,625.00	33,716.04	37,420.20		791.26		7,500.00	30,711.46
ADA Compliance Grant	2003	50,000.00	50,000.00	45,354.08				45,354.08	
Affordable Housing Program Cedar Creek	2007	2,431,300.00	2,431,300.00		2,431,300.00			2,431,300.00	
Department Of Agriculture :									
Summer Food Program	2007	17,862.07	16,588.20		17,862.07			15,000.70	2,861.37
State Alliance DDER Grant	2004	30,350.00		13,338.37			12,838.37	500.00	
Share Grant	2006	25,000.00	24,942.00	1,740.00			58.00	1,682.00	
Total Current Fund				219,559.68	2,487,882.32	791.26	12,896.37	2,639,242.92	96,314.71
Total State Grants				$ 219,559.68	$ 2,487,882.32	$ 791.26	$ 12,896.37	$ 2,639,242.92	$ 96,314.71

BOROUGH OF RED BANK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2007

Note 1. GENERAL

The accompanying schedules of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Borough of Red Bank. The Borough is defined in Note 1 (A) to the Borough's general-purpose financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. FEDERAL AND STATE LOANS OUTSTANDING

The Borough has outstanding loans with the State of New Jersey Green Acres Program.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

Section I - Summary of Auditor's Results

Type of auditor's report issued: May 7, 2008

Internal control over financial reporting:

1. Material weakness(es) identified? ____ yes ✓ no
2. Reportable condition(s) identified that are not considered to be material weaknesses? ____ yes ✓ no

Noncompliance material to general-purpose financial statements noted? ____ yes ✓ no

State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? ____ yes ✓ no
2. Reportable condition(s) identified that are not considered to be material weaknesses? ____ yes ✓

Type of auditor's report issued on compliance for major programs: Unqualified, dated May 7, 2008

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ____ yes ✓ no

Identification of major programs:

State Grant Number	Name of State Assistance Program
100-022-8020-092-023510	Affordable Housing Program Cedar Creek

Dollar threshold used to distinguish between Type A and Type B Programs: $300,000.00

Auditee qualified as low-risk auditee? ✓ yes ____ no

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

MAJOR STATE PROGRAM (CONTINUED)

Section II – Schedule of Financial Statement Findings

NONE.

Section III – Schedule of State Financial Assistance Findings and Questioned Costs

NONE.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2007

FOR THE YEAR ENDED DECEMBER 31, 2006:

There were no recommendations included in the Borough of Red Bank's 2006 audit.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2007

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.

On May 14, 2002, the Governing Body appointed a qualified purchasing agent and increased the bid threshold to $25,000.00 in June, 2007 the Borough's qualified purchasing agent resigned and the bid threshold decreased on that date to $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
Provide and Install Carpeting For Library
Parking Utility Vehicles
Professional Services
Parks Maintenance
Water Main System Improvements
Purchase of Trailers for Public Works Facility

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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2007

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

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.

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 2007, 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2007

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

The detail of all unpaid taxes for 2007 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, 2007 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 17, 2007 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 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.

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

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

Finding:

Condition: Our examination of the tax title lien redemption account revealed a check was issued to a lien holder in redemption of the lien amount which the Borough had collected from the delinquent tax payer in July, 2000. The lien holder never presented the certificate to the Borough and accordingly the Borough never released the check to the lien holder. The check, in the amount of $23,464.31, remains outstanding on the Borough's tax title redemption account bank reconciliation through the date of this report.

Criteria: Sound internal controls dictate checks issued which remain outstanding for more than a year be reviewed for reissuance or cancellation.

Recommendation: It is recommended that outstanding check 1037 in the tax title lien redemption account be reviewed for reissuance or cancellation.

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

Year	Number of Liens
2007	7
2006	7
2005	7

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2007

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

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 2007 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, 2007, covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

OTHER COMMENTS

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2007 and as of March 31, 2008 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.

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, 2007

Payroll

An examination was made of the employees' compensation records for the year 2006 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.

Miscellaneous Comments

The confirmations sent to the Local and Regional Boards of Education verified the correct school taxes payable at December 31, 2007.

Finding:

Condition: Our examination revealed the Borough has $56,273.69 in a General Capital Reserve for Middletown RCA account. The Borough had participated in a Regional Contribution Agreement with Middletown many years ago. The only activity in this account over the past several years is the posting of interest earnings.

Criteria: The Regional Contribution Agreement dictates the terms of the ultimate disposition of unused funds and interest earnings thereon.

Recommendation: It is recommended the Borough review the balance in the Middletown Regional Contribution account for disposition.

Finding:

Condition: Our examination revealed that the official minutes of the Borough are only complete and approved through June 2007.

Recommendation: It is 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.

RECOMMENDATIONS
DECEMBER 31, 2007

It is recommended:

2007-1 That the Borough initiate proceedings to either collect or foreclose on tax sale certificate 2524000.

2007-2 That outstanding check 1037 in the tax title lien redemption account be reviewed for reissuance or cancellation.

2007-3 That the Borough review the balance in the Middletown Regional Contribution account for disposition.

2007-4 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