

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE**

**BOROUGH OF RED BANK**

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

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Presented by**

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

**BOROUGH OF RED BANK**  
**TABLE OF CONTENTS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-5
Table of Organization	6
Roster of Officials	7
Consultants and Advisors	8-9
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	10-11
 <u>Exhibit Number</u>	
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u>	
A-1 Combined Statement of Assets, Liabilities, Reserves and Fund Balance - All Fund Types and Account Groups - Regulatory Basis	12-13
A-2 Combined Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Current, Parking Utility and Water-Sewer Utility Operating Funds - Regulatory Basis	14-16
Notes to Financial Statements	17-50
 <u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS</u>	
Current Fund:	
B-1 Comparative Statements of Assets, Liabilities and Fund Balance - Regulatory Basis	51-52
B-2 Comparative Statements of Operations and Changes in Fund Balance - Modified Accrual Basis	53-54
B-3 Statement of Revenues - Regulatory Basis	55-56
B-4 Statement of Expenditures - Regulatory Basis	57-62
B-5 Statement of Taxes Receivable and Analysis of Property Tax Levy	63
B-6 Statement of Tax Title Liens Receivable	64

**BOROUGH OF RED BANK**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

<u>Exhibit Number</u>		<u>Page</u>
	<b><u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u></b>	
	Current Fund (Continued):	
B-7	Statement of 2008 Appropriation Reserves	65-66
B-8	Statement of Deferred Charges	67
B-9	Statement of School Tax Payable	68
B-10	Statement of State and Federal Grants Receivable	69-70
B-11	Statement of Reserve for State and Federal Grants - Appropriated	71-72
B-12	Statement of Reserve for State and Federal Grants - Unappropriated	73
	Trust Funds:	
C-1	Comparative Statement of Assets, Liabilities and Reserves - Statutory Basis	74
C-2	Statement of Reserve for Animal Control Expenditures	75
C-3	Statement of Various Reserves	76
C-4	Statement of Reserve for New Jersey Unemployment Compensation Insurance	77
C-5	Analysis of Trust Assessment Cash and Cash Equivalents	78
C-6	Statement of Assessments Receivable	79
	General Capital Fund:	
D-1	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Modified Accrual Basis	80-81
D-2	Statement of Fund Balance	82
D-3	Analysis of Cash and Cash Equivalents	83-84
D-4	Statement of Deferred Charges to Future Taxation, Unfunded	85
D-5	Statement of Improvement Authorizations	86
D-6	Statement of Bond Anticipation Notes	87
D-7	Statement of Serial Bonds	88
D-8	Statement of Refunding Serial Bonds	89
D-9	Statement of Intergovernmental Receivables	90
D-10	Statement of Bonds and Notes Authorized but not Issued	91

**BOROUGH OF RED BANK**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

<u>Exhibit Number</u>		<u>Page</u>
	<b><u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u></b>	
	Utility Operating Funds - Combined Statements:	
E-1	Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance – Parking and Water-Sewer Utility Operating Funds - Statutory Basis	92
	Parking Utility Operating Fund:	
EP-1	Comparative Statements of Operations and Change in Operating Fund Balance - Statutory Basis	93
EP-2	Statement of Revenues - Statutory Basis	94
EP-3	Statement of Expenditures - Statutory Basis	95
EP-4	Statement of 2007 Appropriation Reserves	96
EP-5	Statement of Accrued Interest on Bonds and Notes	97
	Water-Sewer Utility Operating Fund:	
EWS-1	Comparative Statements of Operations and Change in Operating Fund Balance - Statutory Basis	98
EWS-2	Statement of Revenues - Statutory Basis	99
EWS-3	Statement of Expenditures - Statutory Basis	100
EWS-4	Statement of Consumer Accounts Receivable	101
EWS-5	Statement of Water-Sewer Utility Liens Receivable	101
EWS-6	Statement of 2008 Appropriation Reserves	102
EWS-7	Statement of Accrued Interest on Bonds and Notes	103
	Utility Capital Funds - Combined Statements:	
F-1	Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Parking and Water-Sewer Utility Capital Funds - Statutory Basis	104
	Parking Utility Capital Fund:	
FP-1	Analysis of Cash and Cash Equivalents	105
FP-2	Statement of Fixed Capital Authorized and Uncompleted	106
FP-3	Statement of Serial Bonds	107
FP-4	Statement of Improvement Authorizations	108
FP-5	Statement of Bonds and Notes Authorized but not Issued	109

**BOROUGH OF RED BANK**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

<u>Exhibit Number</u>		<u>Page</u>
	<b><u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS (CONTINUED)</u></b>	
	Water-Sewer Utility Capital Fund:	
FWS-1	Analysis of Cash and Cash Equivalents	110
FWS-2	Statement of Fixed Capital Authorized and Uncompleted	111
FWS-3	Statement of Serial Bonds	112-113
FWS-4	Statement of Improvement Authorizations	114
FWS-5	Due From New Jersey Environmental Infrastructure Trust	115
FWS-6	Statement of Bonds and Notes Authorized but not Issued	116
	General Fixed Assets Account:	
G-1	Comparative Statements of General Fixed Assets	117
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	118-119
	<b><u>STATISTICAL SECTION</u></b>	
H-1	Current Fund Expenditures by Function	120
H-2	Parking Utility Operating Fund Expenditures by Function	121
H-3	Water-Sewer Utility Operating Fund Expenditures by Function	122
H-4	Current Fund Revenues by Source	123
H-5	Property Tax Rates Per \$100 of Assessed Valuation	124
H-6	Municipal Property Tax Levies and Collections	125
H-7	Delinquent Taxes and Tax Title Liens	126
H-8	Assessed and Estimated Actual Value of Taxable Property	127
H-9	Schedule of Ten Largest Taxpayers	128
H-10	Computation of Legal Debt Margin	129
H-11	Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Debt Per Capita	130
H-12	Ratio of Annual Debt Service Expenditures for Bonded Debt, Bond Anticipation Notes and Loans	131
H-13	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Parking Utility Operating Fund	132
H-14	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Water-Sewer Utility Operating Fund	133
H-15	Demographic Statistics	134
H-16	Miscellaneous Statistics	135

**BOROUGH OF RED BANK**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Page

**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

General Comments:

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4	136
Collection of Interest on Delinquent Taxes and Assessments	137
Delinquent Taxes, Tax Title Liens and Delinquent Water-Sewer Rents and Liens	137-138

Other Comments:

Cash Balances	139
Revenues	139
Expenditures	139
Payroll	139
Miscellaneous Comments	140
Appreciation	140
Status of Prior Year's Recommendations	140
Recommendations	141

## INTRODUCTORY SECTION

May 27, 2010

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, 2009 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

2009 saw a decrease in our Current Fund Balance of \$908,038. 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 near steady.

The Current Fund, which finances most of the operational areas of our local government, had total income of \$46,788,513 and total expenditures of \$46,992,850. The following schedules summarize revenues and expenses for 2009 and 2008.

### Comparative Summary of Current Fund Revenues

	<u>2009</u>	<u>2008</u>	<u>Increase/(Decrease)</u>	
			<u>\$</u>	<u>%</u>
Fund Balance	\$ 1,255,000	\$ 1,300,000	\$ (45,000)	(3.46) %
Municipal Purposes Tax	10,736,805	10,391,230	345,575	3.33
Delinquent Tax Receipts	965,911	962,571	3,340	0.35
Miscellaneous Anticipated Revenues	3,808,198	3,794,444	13,754	0.36
Intergovernmental Revenue	2,751,231	3,134,643	(383,412)	(12.23)
Other Credits to Income	173,534	561,705	(388,171)	(69.11)
Miscellaneous Revenue	<u>218,948</u>	<u>130,718</u>	<u>88,230</u>	<u>67.50</u>
	<u>\$ 19,909,627</u>	<u>\$ 20,275,311</u>	<u>\$ (365,684)</u>	<u>(1.80) %</u>

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

The increase in budgetary expenditures in 2009 over 2008 was approximately 1.70% as follows:

Function	2009	2008	Increase/(Decrease)	
			\$	%
General Government	\$ 2,180,278	\$ 2,068,929	\$ 111,349	5.38
Land Use Administration	184,326	181,800	2,526	1.39
Insurance	2,428,158	2,480,500	(52,342)	(2.11)
Public Safety	5,038,821	4,841,439	197,382	4.08
Public Works	1,304,440	1,406,526	(102,086)	(7.26)
Landfill/Solid Waste Disposal Costs	455,000	525,000	(70,000)	(13.33)
Health and Welfare	238,641	217,886	20,755	9.53
Parks and Recreation	469,294	454,007	15,287	3.37
Utility Expenses and Bulk Purchases	675,000	657,774	17,226	2.62
Uniform Construction Code	335,375	295,210	40,165	13.61
Contingent	1,425	1,500	(75)	(5.00)
Deferred Charges and Statutory Expenditures	1,584,141	1,435,061	149,081	10.39
State and Federal Grants	222,406	190,977	31,429	16.46
Capital Improvements	80,000	30,000	50,000	166.67
Municipal Debt Service	3,289,399	3,484,439	(195,040)	(5.60)
Reserve for Sick Pay	80,058	35,957	44,101	122.65
Judgements		66,604	(66,604)	(100.00)
Reserve for Uncollected Taxes	<u>1,004,999</u>	<u>870,674</u>	<u>134,325</u>	<u>15.43</u>
	<u>\$ 19,571,761</u>	<u>\$ 19,244,282</u>	<u>\$ 327,479.17</u>	<u>1.70</u>

The increase in the pensions, public safety and the Reserve for Uncollected Taxes accounts for the majority of the increase.

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

The Water-Sewer Utility serves the entire Borough, which encompasses 4,500 accounts and a population of 10,000. Water-Sewer Utility revenues realized were about 2% less than anticipated. However, cancelled appropriations contributed enough revenue to offset anticipated revenue shortfalls and resulted in a increase in fund balance of \$5,119.

The Parking Utility operates metered municipal parking lots and owns a 450 car parking garage, which it leases to Riverview Medical Center. Revenues in 2009 exceeded expenses by \$101,698 which was about 30% less than 2008's results of operations.

Both the Parking Utility and Water-Sewer Utility remained self-liquidating for 2009.

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

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

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

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

## **PROSPECTS FOR THE FUTURE**

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

## **CASH MANAGEMENT**

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2009, funds were invested in the New Jersey Cash Management Fund, TD Bank and Shrewsbury State Bank sweep accounts.

## **DEBT ADMINISTRATION**

The current outstanding net debt of the Borough is \$14,015,209, which represents .605% of its average equalized value. Debt service appropriations for 2008 for the Current Fund were 16.85% of total Current Fund expenditures.

## **RISK MANAGEMENT**

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

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

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

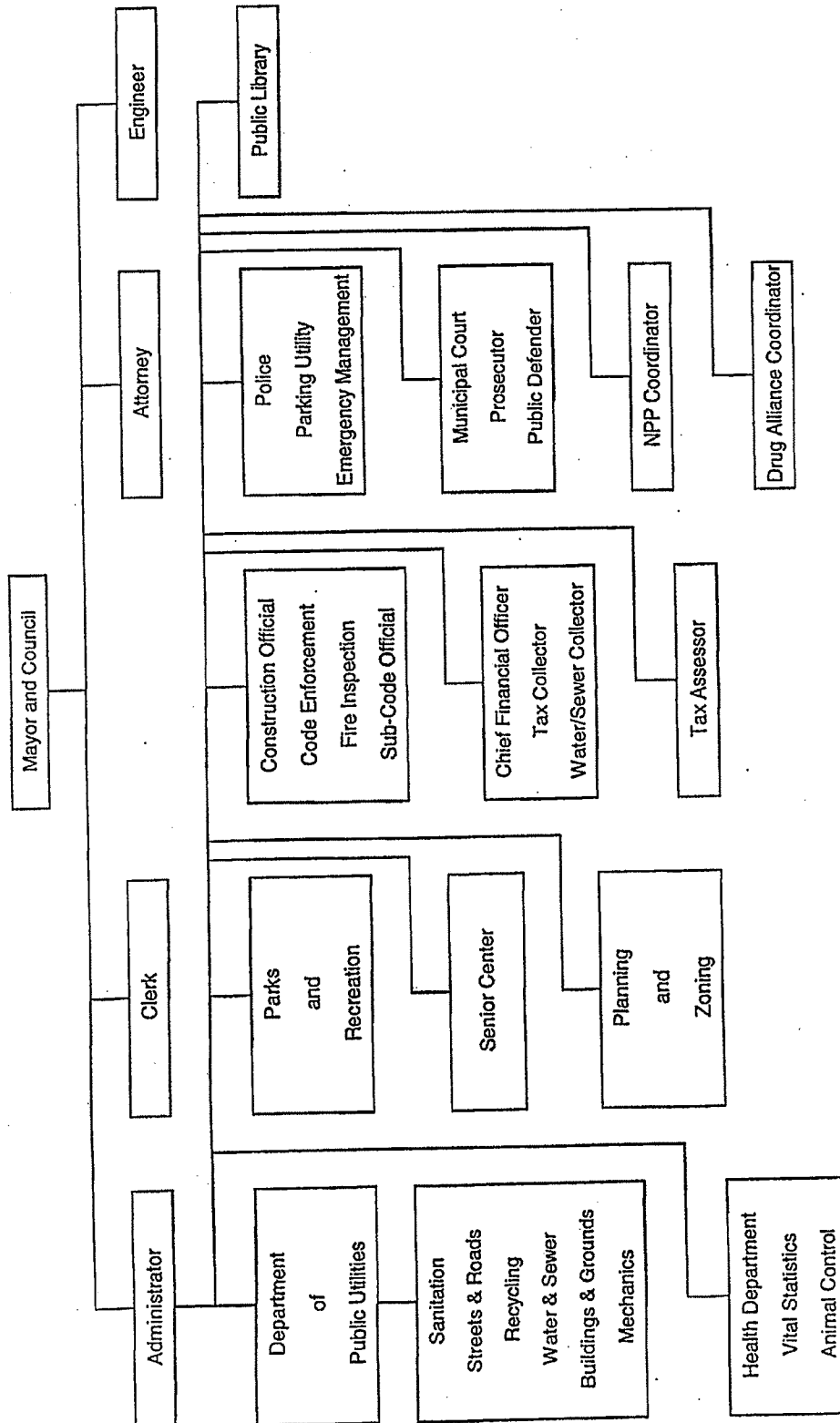
## **ACKNOWLEDGMENTS**

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

Respectfully submitted,

Frank Mason  
Chief Financial Officer

**BOROUGH OF RED BANK  
TABLE OF ORGANIZATION**



**BOROUGH OF RED BANK**  
**ROSTER OF OFFICIALS**  
**DECEMBER 31, 2009**

Governing Body

Pasquale Menna, Mayor  
Arthur Murphy, Council President  
Edward Zipprich , Councilman  
Sharon Lee, Councilwoman  
Kathy Horgan, Councilwoman  
Michael Dupont, Councilman  
Juanita Lewis, Councilwoman

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  
Pamela Borghi, Borough Clerk  
William Himelman, Magistrate  
Kenneth E. Pringle, Attorney  
Frances Pastoriza, Municipal Court Administrator  
Jim Williams, Building Subcode Official  
Richard A. Kosenski, Engineer  
John Gurzo, Senior Center Director  
Sidney Johnson, Health Officer

**BOROUGH OF RED BANK**  
**CONSULTANTS AND ADVISORS**  
**DECEMBER 31, 2009**

**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, 2009**

**OFFICIAL DEPOSITORIES**

TD 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



**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”) as of and for the year ended December 31, 2009 as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

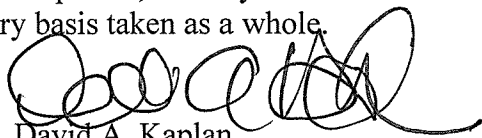
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2009, or the results of its operations for the year then ended.

However, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and accounts of the Borough as of December 31, 2009, 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, 2009 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2010, on our consideration of the Borough of Red Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements – regulatory basis, that collectively comprise the Borough's basic financial statements. The accompanying supplementary schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements – regulatory basis and, in our opinion, is fairly stated in all material respects in relation to the financial statements – regulatory basis taken as a whole.



David A. Kaplan

Certified Public Accountant

Registered Municipal Accountant #433

DAK CPA

DAK CPA, Certified Public Accountants

Long Branch, New Jersey  
May 27, 2010

## **FINANCIAL SECTION**

**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, 2009**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		2009	Memorandum Only 2008
<b>ASSETS AND OTHER DEBITS</b>									
Cash and Cash Equivalents	\$ 1,962,460.40	\$ 3,441,704.75	\$ 3,193,526.85		\$ 1,270,295.15	\$ 1,670,897.35	\$	\$ 11,538,884.50	\$ 12,257,706.03
Intergovernmental Receivables	4,756.08	507,500.00				2,470,227.00		2,982,483.08	2,028,025.23
Receivables and Other Assets:									
Delinquent Property Taxes	859,076.05				1,102,126.59			859,076.05	964,090.82
Consumer Accounts Receivable			3,101.27					1,102,126.59	1,050,733.03
Assessments Receivable								3,101.27	3,101.27
Inventory	53,963.78				17,997.00			17,997.00	10,608.66
Liens Receivable	8,930.09				3,981.60			57,945.38	56,182.01
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	51,953.42		12,987.19					64,940.61	53,213.72
Interfunds Receivable	23,083.10	284,134.52	14,326.58		115,000.00	153,723.49		590,267.69	269,004.33
Capital Lease Obligations, Unfunded		2,302,700.00						2,302,700.00	2,341,900.00
Deferred Charges	39,980.00	14,708,236.60				25,457,462.22		14,748,216.60	15,686,408.57
Fixed Capital								25,457,462.22	22,841,462.22
Fixed Assets							29,962,421.00	29,962,421.00	28,488,920.00
Federal and State Grant Fund:									
Cash and Cash Equivalents	172,257.19							172,257.19	164,808.79
Federal and State Grants Receivable	143,547.93							143,547.93	105,807.57
Interfunds Receivable	50,317.64							50,317.64	40,475.98
<b>Total Assets and Other Debits</b>	<b>\$ 3,671,325.68</b>	<b>\$ 21,244,275.87</b>	<b>\$ 3,223,941.89</b>		<b>\$ 2,509,400.34</b>	<b>\$ 29,752,310.06</b>	<b>\$ 29,962,421.00</b>	<b>\$ 90,363,674.84</b>	<b>\$ 86,672,378.32</b>

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, 2009**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)**

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital	Operating		Capital	2009		2008	
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>									
Liabilities and Reserves:									
Appropriation Reserves	\$ 631,784.53	\$ 1,247,787.17	\$ 3,188,482.89	\$ 11,516.84	\$ 391,063.32	\$ 643,301.37	\$ 727,944.23		
Other Liabilities and Reserves	601,917.28	2,787,978.85		653,504.49	4,343,549.54	6,082,755.15	6,581,915.63		
Improvement Authorizations						7,131,528.39	6,168,191.43		
Accrued Interest on Bonds and Notes				148,340.56		148,340.56	169,303.10		
Reserve for Amortization					14,846,836.56	14,846,836.56	12,590,685.56		
Deferred Reserve for Amortization					185,776.66	185,776.66	185,776.66		
Interfunds Payable	274,452.16		35,409.68	155,723.49		465,585.33	134,480.31		
Accounts Payable							5,774.87		
Intergovernmental Payable		1,966,500.00				1,966,500.00			
Bond Anticipation Notes		11,761,000.00			9,985,076.00	21,746,076.00	23,139,000.00		
Serial and Refunding Bonds		1,064,624.90				1,064,624.90	1,014,209.71		
Loans Payable		2,302,700.00				2,302,700.00	2,341,900.00		
Capital Lease Payable - Principal	1,295,801.63			1,124,105.19		2,419,906.82	2,804,646.39		
Reserve for Receivables and Other Assets									
Federal and State Grant Fund:									
Interfund Payable	175,000.00					175,000.00	175,000.00		
Reserve for Encumbrances	7,176.57					7,176.57	1,630.45		
Unappropriated/Appropriated Reserves	183,946.19					183,946.19	134,461.89		
Total Liabilities and Reserves	3,170,078.36	21,130,590.92	3,223,892.57	2,093,190.57	29,752,302.08	59,370,054.50	56,174,920.23		
Equity and Other Credits:									
Investment in General Fixed Assets									
Fund Balance	501,247.32	113,684.95	49.32	416,209.77	7.98	29,962,421.00	28,488,920.00		
Total Equity and Other Credits	501,247.32	113,684.95	49.32	416,209.77	7.98	30,993,620.34	30,497,458.09		
Total Liabilities, Reserves and Fund Balance	\$ 3,671,325.68	\$ 21,244,275.87	\$ 3,223,941.89	\$ 2,509,400.34	\$ 29,752,310.06	\$ 90,363,674.84	\$ 86,672,378.32		

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, 2009**

	Current Fund		Variance Favorable (Unfavorable)	Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Revenues:						
Fund Balance Anticipated	\$ 1,255,000.00	\$ 1,255,000.00	\$	\$ 6,053,200.00	\$ 5,955,496.04	\$ (97,703.96)
Water-Sewer Rents and Connection Fees				829,800.00	785,567.94	(44,232.06)
Parking Meter Fees				408,000.00	409,866.58	1,866.58
Miscellaneous Revenues	4,058,896.56	3,808,198.06	(250,698.50)			
State Aid	2,528,825.00	2,528,825.00				
Federal and State Grants	222,406.13	222,406.13				
	8,065,127.69	7,814,429.19	(250,698.50)	7,291,000.00	7,150,930.56	(140,069.44)
Receipts from Delinquent Taxes						
Amount to be Raised by Taxes for Support of Municipal Budget:	950,000.00	965,911.37	15,911.37			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	10,556,632.98	10,736,805.17	180,172.19			
Budget Totals	19,571,760.67	19,517,145.73	(54,614.94)	7,291,000.00	7,150,930.56	(140,069.44)
Non-budget Revenues						
Other Credits to Income		218,948.26	218,948.26		4,781.12	4,781.12
Taxes Allocated to School, County and Special Districts		182,116.74	182,116.74		242,104.93	242,104.93
		26,878,884.86	26,878,884.86			
Total Revenues	\$ 19,571,760.67	\$ 46,797,095.59	\$ 27,225,334.92	\$ 7,291,000.00	\$ 7,397,816.61	\$ 106,816.61

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, 2009**

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:						
Current:						
General Government	\$ 2,180,278.07	\$ 2,180,278.07	\$	\$	\$	\$
Land Use Administration	184,325.66	184,325.66				
Insurance	2,428,157.75	2,428,157.75				
Public Safety	5,038,821.00	5,038,821.00				
Public Works	1,304,440.00	1,304,440.00				
Landfill/Solid Waste Disposal Costs	455,000.00	455,000.00				
Health and Welfare	238,641.00	238,641.00				
Parks and Recreation	469,293.75	469,293.75				
Utility Expenses and Bulk Purchases	675,000.00	675,000.00				
Uniform Construction Code	335,375.00	335,375.00				
Contingent	1,425.00	1,425.00				
State and Federal Grants	222,406.13	222,406.13				
Operating						
Capital Improvements	80,000.00	80,000.00		5,337,276.00	5,337,276.00	
Debt Service	3,289,398.51	3,289,398.51		155,000.00	155,000.00	
Deferred Charges and Statutory				1,118,700.00	1,118,700.00	
Expenditures						
Surplus - General Budget	1,584,141.19	1,584,141.19		190,024.00	190,024.00	
Reserve for Sick Pay	80,059.00	80,059.00		490,000.00	490,000.00	
Judgements						
Reserve for Uncollected Taxes	1,004,998.61	1,004,998.61				
Total Budget Expenditures	19,571,760.67	19,571,760.67		7,291,000.00	7,291,000.00	
Other Expenditures						
County, School and Special District Taxes		40,324.78	(40,324.78)			
		26,829,465.50	(26,829,465.50)			
Total Expenditures	\$ 19,571,760.67	\$ 46,441,550.95	\$ (26,869,790.28)	\$ 7,291,000.00	\$ 7,291,000.00	\$

See Notes to Financial Statements.



**BOROUGH OF RED BANK**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

	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	\$	\$	\$	\$	\$	\$
Fund Balance, January 1, 2009	1,400,702.68	1,400,702.68		579,393.16	579,393.16	
	1,400,702.68	1,756,247.32	355,544.64	579,393.16	686,209.77	106,816.61
Decreased By:						
Utilization as Anticipated Revenue Transferred to Current Fund	1,255,000.00	1,255,000.00		270,000.00	270,000.00	
	1,255,000.00	1,255,000.00		270,000.00	270,000.00	
Fund Balance, December 31, 2009	\$ 145,702.68	\$ 501,247.32	\$ 355,544.64	\$ 309,393.16	\$ 416,209.77	\$ 106,816.61

(1) Includes Parking and Water-Sewer Utilities.

See Notes to Financial Statements.

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2009**

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 regulatory principles differ from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

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

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

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

General Fixed Assets Account - The General Fixed Assets Account is used to account for fixed assets used in general government operations. In accordance with the State's Technical Accounting Directive No. 85-2, the Borough has recorded land and buildings at insurable value. Equipment and vehicles are stated at historical cost. Depreciation is not recorded. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The accounting system is maintained on the modified accrual basis with certain exceptions. The more significant of these are as follows:

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

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

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

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Reserve for Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes (Foreclosed Property) - is recorded in the Current Fund at the assessed valuation when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the General Fixed Assets Account at its market value.

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Fixed Assets

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

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

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

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

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

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

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

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

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

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

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

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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, 2009 was \$ 11,538,884.50.



**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

B. Investments

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

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

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

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

Concentration of Credit Risk:

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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, 2009 is as follows:

	<u>Parking Utility</u>	<u>Water- Sewer Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:			
Parking Fees	\$ 896,122.35	\$	\$ 896,122.35
Water-Sewer Rents		5,886,983.55	5,886,983.55
Water and Sewer Connection Fees		68,512.49	68,512.49
Riverview Hospital - Lease Agreement	275,459.99		275,459.99
Reserve for Payment of Bonds	50,000.00		50,000.00
Current Budget Appropriations Cancelled		115,000.00	115,000.00
Non-Budget Revenue	16,821.44	100,764.02	117,585.46
Other Credits to Income - Unexpended Balance of Appropriation Reserves	79,037.82	9,058.96	88,096.78
Total Income	<u>1,317,441.60</u>	<u>6,180,319.02</u>	<u>7,497,760.62</u>
Expenditures:			
Operating	792,234.00	4,608,176.00	5,400,410.00
Capital Improvement Fund		155,000.00	155,000.00
Debt Service	245,766.00	929,000.00	1,174,766.00
Deferred Charges and Statutory Expenditures	47,000.00	128,024.00	175,024.00
Surplus General Budget	100,000.00	355,000.00	455,000.00
Total Expenditures	<u>1,185,000.00</u>	<u>6,175,200.00</u>	<u>7,360,200.00</u>
Statutory Excess to Fund Balance	132,441.60	5,119.02	137,560.62
Fund Balance, January 1	<u>151,733.11</u>	<u>396,916.04</u>	<u>548,649.15</u>
	284,174.71	402,035.06	686,209.77
Decreased by:			
Transferred to Current Fund	100,000.00	170,000.00	270,000.00
	<u>100,000.00</u>	<u>170,000.00</u>	<u>270,000.00</u>
Fund Balance, December 31	<u>\$ 184,174.71</u>	<u>\$ 232,035.06</u>	<u>\$ 416,209.77</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 4. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

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

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

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

Comparative Schedule of Tax Rates

	<u>2009</u>	<u>2008</u>	* <u>2007</u>	<u>2006</u>	<u>2005</u>
Tax Rate	1.613	1.594	1.541	3.428	3.223
Apportionment of Tax Rate:					
Municipal	0.462	0.445	0.384	0.836	0.792
County	0.238	0.231	0.237	0.528	0.492
County Open Space Fund	0.016	0.015	0.015	0.030	0.029
Local School	0.530	0.538	0.534	1.200	1.165
Regional High School	0.367	0.365	0.371	0.834	0.745

\* Revaluation.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

Assessed Valuations

<u>Year</u>		<u>Amount</u>
2009	\$	2,287,756,376.00
2008		2,271,728,671.00
2007	(Revaluation)	2,238,531,929.00
2006		973,173,643.00
2005		965,104,265.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2009	\$ 37,413,630.34	\$ 36,726,439.35	98.16%
2008	37,210,091.47	36,238,095.23	97.38%
2007	35,414,391.89	34,387,238.82	97.09%
2006	34,148,086.45	33,462,074.21	97.99%
2005	31,879,009.84	31,206,487.37	97.89%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2009	\$ 53,963.78	\$ 859,076.05	\$ 913,039.83	2.44%
2008	53,514.75	964,090.82	1,017,605.57	2.73%
2007	45,541.00	1,022,711.47	1,068,252.47	3.02%
2006	41,077.99	681,742.14	722,820.13	2.12%
2005	33,514.78	672,522.47	706,037.25	2.21%

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2009	\$ 301,000.00
2008	301,000.00
2007	301,000.00
2006	301,000.00
2005	157,200.00

Note 6. WATER-SEWER CONSUMER ACCOUNTS RECEIVABLE

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

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

<u>Year</u>	<u>Rents Charged</u>	<u>Collections</u>
2009	\$ 5,941,006.00	\$ 5,886,983.55
2008	6,155,159.65	6,085,066.75
2007	5,694,543.65	5,537,098.99
2006	5,741,351.66	5,760,522.78
2005	5,824,607.51	5,423,652.88

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 7. **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance December 31</u>	<u>in Budget of Succeeding Year</u>	<u>Succeeding Year</u>	<u>Balance Utilized in Budget</u>
<u>Current Fund</u>				
2009	\$ 501,247.32	\$ 350,000.00	\$	69.83%
2008	1,400,702.68	1,255,000.00		89.60%
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%

Water-Sewer Utility Operating Fund

2009	\$ 232,035.06	\$ None	\$ None	None
2008	396,916.04	None	170,000.00	None
2007	311,601.34	100,000.00	200,000.00	32.09%
2006	1,011,601.34	400,000.00	300,000.00	39.54%
2005	687,085.96	200,000.00	300,000.00	29.11%

Parking Utility Operating Fund

2009	\$ 184,174.71	\$ None	\$ None	None
2008	182,477.12	None	100,000.00	None
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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 8. PENSION PLANS

Description of Systems

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

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service credit and twenty-five years of service credit for medical benefits.

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 8. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System

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

Consolidated Police and Firemen's Pension Fund

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

Funding Policy

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

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Borough</u>	<u>Employees</u>	<u>Borough</u>	<u>Employees</u>
2007	\$ 187,774.04	\$ 288,136.38	\$ 506,818.40	\$ 502,225.07
2008	244,615.20	220,928.06	768,602.00	289,027.49
2009	336,035.00	230,755.56	853,144.00	308,179.61

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

Post Employment Retirement Benefits

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



**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

**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 Bonded Principal and Interest**

Calendar Year	General Capital		Parking Capital	
	Principal	Interest	Principal	Interest
2010	\$ 1,947,000.00	\$ 459,694.13	\$ 95,000.00	\$ 12,738.75
2011	1,838,000.00	380,953.50	105,000.00	9,176.25
2012	1,609,000.00	307,422.75	105,000.00	5,313.75
2013	1,750,000.00	242,559.00	60,000.00	2,250.00
2014	1,129,000.00	171,812.00		
2015	827,000.00	130,992.50		
2016	830,000.00	95,455.00		
2017	890,000.00	58,905.00		
2018	941,000.00	19,996.25		
	<u>\$ 11,761,000.00</u>	<u>\$ 1,867,790.13</u>	<u>\$ 365,000.00</u>	<u>\$ 29,478.75</u>

Calendar Year	Water-Sewer Capital		Total		Grand Totals
	Principal	Interest	Principal	Interest	
2010	\$ 648,053.42	\$ 351,474.56	\$ 2,690,053.42	\$ 823,907.44	\$ 3,513,960.86
2011	699,580.13	334,042.51	2,642,580.13	724,172.26	3,366,752.39
2012	759,580.13	307,567.51	2,473,580.13	620,304.01	3,093,884.14
2013	809,580.13	278,268.76	2,619,580.13	523,077.76	3,142,657.89
2014	709,580.13	245,909.38	1,838,580.13	417,721.38	2,256,301.51
2015	749,580.13	217,037.50	1,576,580.13	348,030.00	1,924,610.13
2016	794,580.13	185,828.13	1,624,580.13	281,283.13	1,905,863.26
2017	799,580.13	153,368.75	1,689,580.13	212,273.75	1,901,853.88
2018	544,580.13	126,050.00	1,485,580.13	146,046.25	1,631,626.38
2019	619,580.13	102,662.50	619,580.13	102,662.50	722,242.63
2020	629,580.13	77,675.00	629,580.13	77,675.00	707,255.13
2021	644,580.13	52,156.25	644,580.13	52,156.25	696,736.38
2022	654,580.13	26,212.50	654,580.13	26,212.50	680,792.63
2023	74,580.13	12,487.50	74,580.13	12,487.50	87,067.63
2024	74,580.13	10,887.50	74,580.13	10,887.50	85,467.63
2025	79,580.13	9,287.50	79,580.13	9,287.50	88,867.63
2026	79,580.13	7,600.00	79,580.13	7,600.00	87,180.13
2027	79,580.13	5,800.00	79,580.13	5,800.00	85,380.13
2028	84,580.13	4,000.00	84,580.13	4,000.00	88,580.13
2029	84,580.24	2,000.00	84,580.24	2,000.00	86,580.24
	<u>\$ 9,620,076.00</u>	<u>\$ 2,510,315.85</u>	<u>\$ 21,746,076.00</u>	<u>\$ 4,407,584.73</u>	<u>\$ 26,153,660.73</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 9. MUNICIPAL DEBT (CONTINUED)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Issued:			
General (Includes Trust Assessment)			
Bonds and Notes	\$ 13,727,500.00	\$ 13,749,000.00	\$ 15,668,000.00
Loans Payable	1,064,624.90	1,014,209.73	1,137,020.18
Water-Sewer Utility			
Bonds and Notes	9,620,076.00	8,855,000.00	9,480,000.00
Parking Utility			
Bonds and Notes	<u>365,000.00</u>	<u>535,000.00</u>	<u>700,000.00</u>
	<u>24,777,200.90</u>	<u>24,153,209.73</u>	<u>26,985,020.18</u>
Authorized but not issued:			
General			
Bonds and Notes	37,500.00	848,238.86	520,238.86
Water-Sewer Utility			
Bonds and Notes	<u>439,773.00</u>	<u>675,000.00</u>	<u>9,500.00</u>
	<u>477,273.00</u>	<u>1,523,238.86</u>	<u>529,738.86</u>
Total Debt	<u>25,254,473.90</u>	<u>25,676,448.59</u>	<u>27,514,759.04</u>
Less:			
Reserves for Payment of			
Bonds and Notes:			
General Capital	203,027.89	185,710.52	110,805.25
Water-Sewer Utility	None	None	560.37
Parking Utility	<u>96,868.64</u>	<u>96,868.64</u>	<u>146,868.64</u>
	<u>299,896.53</u>	<u>282,579.16</u>	<u>258,234.26</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 24,954,577.37</u>	<u>\$ 25,393,869.43</u>	<u>\$ 27,256,524.78</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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 .605%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 3,297,231.22	\$ 3,297,231.22	\$ None
Local School District	4,565,000.00	4,565,000.00	None
Water-Sewer Utility	10,059,849.00	10,059,849.00	None
Parking Utility	365,000.00	365,000.00	None
General	14,829,624.90	814,416.19	14,015,208.71
	<u>\$ 33,116,705.12</u>	<u>\$ 19,101,496.41</u>	<u>\$ 14,015,208.71</u>

Net debt, \$14,015,208.71 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$2,316,407,888.33 equals .605%. 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		\$ 6,057,574.61
Deductions:		
Operating and Maintenance Costs	\$ 4,736,200.00	
Debt Service	<u>929,000.00</u>	<u>5,665,200.00</u>
Excess in Revenue		<u>\$ 392,374.61</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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			\$ 1,099,451.62
Deductions:			
Operating and Maintenance Costs	\$ 791,100.00		
Debt Service	<u>189,700.00</u>		<u>980,800.00</u>
Excess in Revenue			\$ <u><u>118,651.62</u></u>

1994 General Obligation Bonds

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

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.

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.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 9. MUNICIPAL DEBT (CONTINUED)

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. The interest rate on the remaining bonds outstanding is 5.20%.

Optional Redemption

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

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

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 OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 9. MUNICIPAL DEBT (CONTINUED)

1995 General Obligation Bonds (Continued)

Optional Redemption-(Continued)

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

1998 General Obligation Bonds

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

Redemption

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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 3.625% to 4.0%. The Bonds are not callable prior to maturity.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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 4.125% 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.

2009 New Jersey Environmental Infrastructure Trust Bonds

On December 2, 2009 the Borough issued \$680,000 of NJEIT Trust Series A Bonds. The Bonds mature annually in amounts ranging from \$25,000 to \$50,000 on August 1 through 2029. Interest rates range from 2% to 5%.



**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

**2009 New Jersey Environmental Infrastructure Fund Bonds**

On December 2, 2009 the Borough issued \$2,040,227 NJEIT Fund Series A Bonds. The American Recovery and Reinvestment Act provided principal forgiveness funding of \$1,360,151, making the Borough's net obligation to repay \$680,076. The Bonds mature semiannually each February and August 1, through 2029. The Bonds were issued with no interest rate.

**Bond Anticipation Notes**

There were bond anticipation notes outstanding as follows:

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	1.07%	12/03/09	12/2/10	\$ <u>1,966,500.00</u>
				\$ <u>1,966,500.00</u>

**Schedule of Changes in Bonded Debt**

<u>Type</u>	<u>December 31, 2008</u>	<u>Issued</u>	<u>Payments</u>	<u>December 31, 2009</u>
General Improvements \$	13,061,000.00	\$	\$ 1,885,000.00	\$ 11,176,000.00
Water- Sewer Utility	8,855,000.00	2,720,227.00	1,955,151.00	9,620,076.00
Parking Utility	535,000.00		170,000.00	365,000.00
Refunding-General	688,000.00		103,000.00	585,000.00
	<u>\$ 23,139,000.00</u>	<u>\$ 2,720,227.00</u>	<u>\$ 4,113,151.00</u>	<u>\$ 21,746,076.00</u>

**Assessment Debt**

The Borough was not obligated for any assessment debt at December 31, 2009.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 9. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized but not Issued

At December 31, 2009, the Borough has authorized but not issued bonds and note as follows:

General Capital Fund	\$ 37,500.00
Water-Sewer Utility Capital Fund	439,773.00
Parking Utility Capital Fund	<u>None</u>
	<u>\$ 477,273.00</u>

As of December 31, 2009, the Borough's long-term debt is as follows:

General Serial Bonds

\$2,985,000 1995 Bonds due in a final annual installment of \$200,000 in 2010 at an interest rate of 5.20%.	\$ 200,000.00
\$3,273,000 1998 Bonds due in annual installments of \$310,000 to \$353,000 through October 2011 at an interest rate of 4.150%.	663,000.00
\$5,481,000 2002 Bonds due in annual installments of \$530,000 to \$696,000 through August 2013 at interest rates ranging from 3.625% to 3.75%.	2,391,000.00
\$2,731,000 2004 Bonds due in annual installments of \$275,000 to \$331,000 through February 2014 at interest rates ranging from 3.625% to 4%.	1,501,000.00
\$7,391,000 2007 Bonds due in annual installments of \$530,000 to \$941,000 through July 2018 of interest rates ranging from 4.125% to 4.25%.	<u>6,421,000.00</u>
	<u>\$ 11,176,000.00</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 9.    MUNICIPAL DEBT (CONTINUED)

General Refunding Serial Bonds

\$888,000 2006 General Refunding Serial Bonds due in annual installments of \$87,000 to \$102,000 through February 2015 at interest rates ranging from 3.50% to

\$ 585,000.00

Water-Sewer Utility Capital Fund Serial Bonds

\$1,200,000 2002 Bonds due in annual installments of \$125,000 to \$150,000 through August, 2013 at interest rates ranging from 3.625% to 3.75%.

\$        545,000.00

\$2,780,000 2004 Bonds due in annual installments ranging from \$200,000 to \$280,000 through February, 2017 at interest rates ranging from 3.5% to 4.25%.

1,910,000.00

\$6,385,000 2007 Bonds due in annual installments ranging \$300,000 to \$580,000 through July 2022 at interest rates ranging from 4.125% to 4.25%

5,805,000.00

\$680,000 2009 Series A Trust Loan Bonds due in annual installments ranging from \$25,000 to \$50,000, commencing August, 2011 and through August, 2029 from

680,000.00

\$680,076 2009 Series A Fund Loan Bonds due in semiannual installments ranging from \$11,526.71 to \$23,053.42 through August, 2029 at an interest rate of 0%.

680,076.00

\$ 9,620,076.00

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

\$55,000 to \$60,000 through August 2013 at interest rates ranging from 3.625% to 3.75%.	\$ 235,000.00
\$315,000 2004 Bonds due in annual installments of \$40,000 to \$45,000 through February 2012 at interest rates ranging from 3.625% to 3.75%.	<u>130,000.00</u>
	\$ <u>365,000.00</u>
Grand Total	\$ <u><u>21,746,076.00</u></u>

**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:

<u>Year</u>	<u>Eastside Park Acq.</u>		<u>Eastside Park Dev.</u>		<u>Riverside Gardens Acq.</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 6,156.74	\$ 61.57	\$ 9,596.24	\$ 144.18	\$ 55,116.17	\$ 5,463.47
2011					56,224.00	4,355.64
2012					57,354.11	3,225.54
2013					58,506.92	2,072.72
2014					59,682.91	896.73
	<u>\$ 6,156.74</u>	<u>\$ 61.57</u>	<u>\$ 9,596.24</u>	<u>\$ 144.18</u>	<u>\$ 286,884.11</u>	<u>\$ 16,014.10</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

**Green Trust Loan Agreements**

	<u>Riverside Gardens Dev. 1&amp;2</u>		<u>Waterfront Acquisition</u>		<u>Total</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 50,709.60	\$ 11,473.60	\$ 3,823.37	\$ 1,756.94	\$ 125,402.12	\$ 18,899.76
2011	51,728.88	10,454.32	7,761.82	3,398.80	115,714.70	18,208.76
2012	52,768.62	9,414.58	7,917.83	3,242.79	118,040.56	15,882.91
2013	53,829.26	8,353.92	8,076.98	3,083.64	120,413.16	13,510.28
2014	54,911.24	7,271.96	8,239.33	2,921.29	122,833.48	11,089.98
2015	56,014.96	6,168.24	8,404.94	2,755.68	64,419.90	8,923.92
2016	57,140.84	5,042.34	8,573.88	2,586.74	65,714.72	7,629.08
2017	58,289.36	3,893.80	8,746.21	2,414.41	67,035.57	6,308.21
2018	59,461.00	2,722.18	8,922.01	2,238.61	68,383.01	4,960.79
2019	60,656.16	1,527.02	9,101.34	2,059.28	69,757.50	3,586.30
2020	30,783.74	307.84	9,284.27	1,876.33	40,068.01	2,184.17
2021			9,470.90	1,689.72	9,470.90	1,689.72
2022			9,661.26	1,499.36	9,661.26	1,499.36
2023			9,855.45	1,305.17	9,855.45	1,305.17
2024			10,053.64	1,107.08	10,053.64	1,107.08
2025			10,255.62	905.00	10,255.62	905.00
2026			10,461.75	698.86	10,461.75	698.86
2027			10,672.04	488.58	10,672.04	488.58
2028			10,886.54	274.07	10,886.54	274.07
2029			5,525.07	54.25	5,525.07	54.25
	<u>\$ 586,293.66</u>	<u>\$ 66,629.80</u>	<u>\$ 175,694.25</u>	<u>\$ 36,356.60</u>	<u>\$ 1,064,625.00</u>	<u>\$ 119,206.25</u>

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the Balance Sheets of the various funds.

	<u>Balance</u> <u>December 31,</u> <u>2009</u>	<u>2010 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Special Emergency Appropriations per N.J.S.A. 40A:4-54	\$ 39,980.00	\$ 39,980.00	\$ _____

The appropriations in the 2010 budget, as amended, are as required by statute.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

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

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

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

	Local District School Tax Balance, December 31			Regional High School Tax Balance, December 31		
	2008	2009	Increase/ (Decrease)	2008	2009	Increase/ (Decrease)
Balance of Tax	\$ 6,104,616.73	\$ 6,054,519.69	\$ (50,097.04)	\$ 4,142,497.30	\$ 4,195,123.49	\$ 52,626.19
Deferred Payable	<u>6,056,724.50</u>	<u>6,056,724.50</u>		<u>4,116,556.36</u>	<u>4,166,556.36</u>	<u>50,000.00</u>
Tax Payable	<u>\$ 47,892.23</u>	<u>\$ (2,204.81)</u>	<u>\$ (50,097.04)</u>	<u>\$ 25,940.94</u>	<u>\$ 28,567.13</u>	<u>\$ 2,626.19</u>

Note 12. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 23,083.10	\$ 274,452.16
Federal and State Grant	50,317.64	175,000.00
General Capital	284,134.52	
Trust Other	14,326.58	18,143.44
Water-Sewer Operating	115,000.00	153,453.69
Water-Sewer Capital	153,453.69	
Trust Assessment		2.20
Parking Operating		2,269.80
Parking Capital	269.80	
Animal Control		<u>17,264.04</u>
	<u>\$ 640,585.33</u>	<u>\$ 640,585.33</u>

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 13. **CAPITAL LEASE**

The Borough is a participant in the Monmouth County Improvement Authority's Capital Equipment Pooled Lease Program. At December 31, 2009, the Borough's outstanding principal capital lease obligation to the County was \$2,302,700.00. Interest rates range from 1.16% to 6.6%. The maturity schedule for these obligations for the next five years and thereafter is as follows:

<u>Year</u>	<u>Principal</u>
2010	\$ 624,500.00
2011	554,300.00
2012	573,100.00
2013	201,200.00
2014	211,500.00
2015	<u>138,100.00</u>
	<u>\$ 2,302,700.00</u>

Note 14. **DEFERRED COMPENSATION PLAN**

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

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

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

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 15. RISK MANAGEMENT

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

A. Property and Liability Insurance

The Borough is a member of the following:

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

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

B. New Jersey Unemployment Compensation Insurance

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

<u>Year Ended</u> <u>December 31,</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Borough</u> <u>Contribution</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2009	\$ 892.56	\$ 32,512.73	\$ 25,000.00	\$ 52,264.35	\$ 72,323.51
2008	749.88	30,351.53	25,000.00	31,264.28	66,182.57
2007	926.93	29,350.40	40,000.00	40,577.29	41,345.44



**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 16. CONTINGENT LIABILITIES

A. Compensated Absences

The Borough has a contingent liability for accrued sick time costs at December 31, 2009 of \$2,533,207. The Borough is only liable for accrued sick time when an employee retires. Police hired prior to December 30, 1992 receive payment for up to 300 days unused sick time at their current rate. Police hired after that date receive payment for one half of their unused sick days, up to a maximum of \$20,000. For administrative employees, those hired prior to January 1, 1994 receive payment for up to 260 days unused sick time at their current rate. Administrative employees hired after that date receive payment for one half of their unused sick days up to a maximum of \$15,000. Public Works employees hired prior to January 1, 1994 receive payment for up to 260 days unused sick time at their current rate. Public Works employees hired after that date receive payment for one half of their unused sick days up to a maximum of \$15,000. The Borough has no contingent liability for accrued vacation time costs at December 31, 2009.

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 established a Reserve for State Tax Appeals at December 31, 2009 of \$188,370.15. Should the appeals, when finally adjudicated, exceed the amounts provided, a charge to fund balance will result. Note 19 discloses additional information with respect to Tax Appeals.

Note 17. LOSAP

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

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

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 18. OTHER POST EMPLOYMENT BENEFITS

Benefit Plans

The Borough provides, pursuant to Mayor and Council action and as provided by statute, certain group health care and dental benefits for active and certain retired employees (and for eligible dependents and survivors of active and certain retired employees). Collectively, these covered individuals are referred to as "participants". The Borough implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2008.

Actuarial Methods and Assumptions

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

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

Other Postemployment Benefit Costs and Obligations

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

The following are the components of the 2009 annual OPEB cost:

Normal Cost	\$ 830,700
Amortization Cost	<u>1,958,800</u>
	2,789,500
Less: Retiree Costs Paid	<u>994,651</u>
ARC	<u>\$ 1,794,849</u>

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 18. OTHER POST EMPLOYMENT BENEFITS-(CONTINUED)

As of December 31, 2009, the actuarially determined liability for unfunded OPEB obligation equaled \$33,872,000.

Funding Status

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

Note 19. SUBSEQUENT EVENTS

On May 10, 2010, the Borough adopted a Ordinance authorizing the issuance of not to exceed \$500,000 aggregate principal amount of refunding bonds and/or refunding notes for the purpose of paying amounts owed to taxpayers from tax appeal judgments and settlements. A supplemental debt statement was prepared and an application to be heard by the Local Finance Board was approved. The Local Finance Board gave its approval after consideration of the application at the May 12, 2010 Local Finance Board Meeting. Events occurring through May 27, 2010 were considered in evaluating the necessity for disclosure herein.

Note 20. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or loses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

**BOROUGH OF RED BANK**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2009**

Note 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM-(CONTINUED)

Description of System-(Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge. Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year</u>	<u>Employer</u>	<u>Employee</u>
2009	\$ 328.32	\$ 601.92
2008	N/A	N/A
2007	N/A	N/A

**COMBINING AND INDIVIDUAL FUND**  
**AND ACCOUNT GROUP STATEMENTS**

**CURRENT FUND**

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,962,460.40	\$ 2,556,134.85
Intergovernmental Receivable:		
Due from State of New Jersey:		
Senior Citizens' and Veterans' Deductions	4,756.08	6,231.08
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	859,076.05	964,090.82
Liens Receivable:		
Tax Title Liens Receivable	53,963.78	53,514.75
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	49,748.61	47,405.26
Interfunds Receivable	23,083.10	20,002.37
Due from Local School District	2,204.81	
Deferred Charges:		
Special Emergency Authorization N.J.S. 40A:4-53	39,980.00	74,960.00
	<u>3,305,202.92</u>	<u>4,032,269.22</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	172,257.19	164,808.79
Federal and State Grants Receivable	143,547.93	105,807.57
Interfund Receivable	50,317.64	40,475.98
	<u>366,122.76</u>	<u>311,092.34</u>
Total Assets	<u>\$ 3,671,325.68</u>	<u>\$ 4,343,361.56</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
 <b><u>LIABILITIES, RESERVES AND</u></b>		
<b><u>FUND BALANCE</u></b>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 631,784.53	\$ 538,525.37
Prepaid Taxes	131,071.19	152,531.66
Payroll Taxes Payable	7,258.33	3,550.68
Tax Overpayments	54,298.01	90,152.49
Local School District Tax Payable		47,892.23
Regional High School District Tax Payable	28,567.13	25,940.94
Due County for Added Taxes	36,796.74	47,168.19
Reserve for Encumbrances	127,974.08	141,291.16
Reserve for State Tax Appeals	188,370.15	117,632.90
Reserve for Sale of Municipal Assets	26,673.30	25,522.38
Reserve for Revaluation	908.35	908.35
Interfunds Payable	274,452.16	45,506.90
	<u>1,508,153.97</u>	<u>1,236,623.25</u>
Reserve for Receivables and Other Assets	1,295,801.63	1,394,943.29
Fund Balance	<u>501,247.32</u>	<u>1,400,702.68</u>
Total Current Fund	<u>3,305,202.92</u>	<u>4,032,269.22</u>
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	165,903.94	115,121.24
Unappropriated	18,042.25	19,340.65
Reserve for Encumbrances	7,176.57	1,630.45
Interfunds Payable	<u>175,000.00</u>	<u>175,000.00</u>
Total Federal and State Grant Fund	<u>366,122.76</u>	<u>311,092.34</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,671,325.68</u>	<u>\$ 4,343,361.56</u>



**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY MODIFIED ACCRUAL BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 1,255,000.00	\$ 1,300,000.00
Miscellaneous Revenues Anticipated	3,808,198.06	3,794,444.35
State Aid	2,528,825.00	2,943,666.00
Federal and State Grants	222,406.13	190,977.13
Receipts from Delinquent Taxes	965,911.37	962,570.81
Receipts from Current Taxes	10,736,805.17	10,391,229.77
Taxes Allocated to School, County and Special Districts	26,878,884.86	26,717,539.27
Non-Budget Revenues	218,948.26	130,718.01
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	131,037.79	349,440.09
Current Budget Appropriations Canceled	8,591.58	149,134.02
Cancellation of Appropriated Reserves - Grant Fund	22,485.00	
Interfunds Liquidated	20,002.37	63,130.53
	<hr/>	<hr/>
Total Income	46,797,095.59	46,992,849.98
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	864,445.46	788,084.11
Land Use Administration	184,325.66	181,800.00
Public Safety	5,038,821.00	4,841,439.18
Public Works	1,304,440.00	1,406,526.00
Landfill/Solid Waste Disposal Costs	455,000.00	525,000.00
Health and Welfare	238,641.00	217,886.01
Parks and Recreation	469,293.75	454,007.00
Utility Expenses and Bulk Purchases	675,000.00	657,773.82
Uniform Construction Code	335,375.00	295,210.00
Reserve for Sick Pay	80,059.00	35,956.88
Contingent	1,425.00	1,500.00
Insurance	2,428,157.75	2,480,500.00
Deferred Charges and Statutory Expenditures	1,516,422.33	1,400,080.73
Excluded from "CAPS":		
General Government	1,315,832.61	1,280,844.56

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY MODIFIED ACCRUAL BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
State and Federal Grants	\$ 222,406.13	\$ 190,977.13
Capital Improvements	80,000.00	30,000.00
Municipal Debt Service	3,289,398.51	3,484,439.00
Deferred Charges	67,718.86	34,980.00
Judgements		66,603.84
Reserve for Uncollected Taxes	1,004,998.61	870,673.81
Special Improvement District Tax	512,120.00	624,052.00
County Taxes	5,812,750.23	5,599,219.11
Due to County for Added and Omitted Taxes	36,796.74	46,590.55
Local District School Taxes	12,127,552.00	12,109,274.00
Regional High School District Tax	8,340,246.53	8,234,994.16
Cancellation of Grants Receivable - Grant Fund	25,491.00	572.50
Refund of Prior Year Revenue	14,833.78	14,657.64
	<hr/>	<hr/>
Total Expenditures	46,441,550.95	45,873,642.03
	<hr/>	<hr/>
Excess in Revenue over Expenditures/ Statutory Excess to Fund Balance	355,544.64	1,119,207.95
Fund Balance, January 1	1,400,702.68	1,581,494.73
	<hr/>	<hr/>
	1,756,247.32	2,700,702.68
Decreased by:		
Utilized as Anticipated Revenue	1,255,000.00	1,300,000.00
	<hr/>	<hr/>
Fund Balance, December 31	\$ 501,247.32	\$ 1,400,702.68
	<hr/>	<hr/>

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2009

	Original Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess/ (Deficit)
Surplus Anticipated	\$ 1,255,000.00	\$	\$ 1,255,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	90,000.00		91,126.00	1,126.00
Other	45,000.00		42,878.25	(2,121.75)
Fees and Permits:				
Other	279,000.00		249,791.00	(29,209.00)
Uniform Construction Code Official Fees	540,000.00		513,419.50	(26,580.50)
Fines and Costs:				
Municipal Court	875,000.00		843,870.69	(31,129.31)
Interest and Costs on Taxes	201,000.00		177,470.68	(23,529.32)
Interest on Investments and Deposits	105,000.00		51,221.48	(53,778.52)
	2,135,000.00		1,969,777.60	(165,222.40)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	2,357,517.00		2,357,517.00	
Consolidated Municipal Property Tax Relief Aid	171,308.00		171,308.00	
	2,528,825.00		2,528,825.00	
Special Items of Revenue Offset with Appropriations:				
State of NJ - Cops in Shops	6,000.00		6,000.00	
U.S. Older Americans Act - Senior Citizens	33,312.00		33,312.00	
Drunk Driving Enforcement Fund:				
Unappropriated - Police	9,308.73		9,308.73	
Unappropriated - Court	3,625.55		3,625.55	
Clean Communities Program	18,146.31		18,146.31	
Firemen's Fund Grant - Rescue Equipment	3,808.00		3,808.00	
Drunk Driving Enforcement Fund - 2009	3,550.33		3,550.33	
State of New Jersey - Summer Food Program	47,872.50		47,872.50	
Boro of Little Silver - Shared Services - Uniform Fire Code		2,300.00	2,300.00	
NJDCA - Historic Trust - Anthony Reckless Estate		29,308.00	29,308.00	
Recycling Tonnage Grant		24,329.71	24,329.71	
Over the Limit - Under Arrest - 2009 Statewide Crackdown		6,000.00	6,000.00	
Over the Limit - Under Arrest - Year End Statewide Crackdown		5,000.00	5,000.00	
Edward Byrne - JAG Grant		25,845.00	25,845.00	
State of NJ - Obey the Signs	4,000.00		4,000.00	
	129,623.42	92,782.71	222,406.13	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	Original Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess/ (Deficit)
Special Items of Revenue with Prior Consent of the Director:				
Borough of Little Silver - Interlocal Services -	\$	\$	\$	\$
Construction	192,000.00		225,856.25	33,856.25
Franchise Tax Cable Television	68,329.00		68,329.87	0.87
Uniform Fire Safety Act	107,000.00		107,901.30	901.30
Landlord Registration Fees	14,000.00		15,550.00	1,550.00
Utility Operating Surplus of Current Year -Water/Sewer Utility	355,000.00		240,000.00	(115,000.00)
Utility Operating Surplus of Current Years -Parking Utility	135,000.00		135,000.00	
Utility Operating Surplus of Prior Years -Water/Sewer Utility	170,000.00		170,000.00	
Utility Operating Surplus of Prior Years -Parking Utility	100,000.00		100,000.00	
Payment in Lieu of Taxes - Riverview Hospital	24,000.00		24,000.00	
R.B.C. Field Rent	55,000.00		55,000.00	
Payment in Lieu of Taxes - Housing Authority,				
River Street School, Habcoire	256,344.00		258,725.01	2,381.01
Reserve for Payment of Bonds	157,738.86		157,738.86	
Hotel Occupancy Tax	151,000.00		141,283.22	(9,716.78)
Reserve for Sale of Municipal Assets	12,759.70		12,759.70	
Cancellation of 2008 Appropriation Reserves	100,000.00		100,000.00	
Shared Services - Red Bank Board of Education	11,025.00		11,576.25	551.25
Assessment Trust Fund Balance	3,700.00		3,700.00	
General Capital Fund Balance	11,000.00		11,000.00	
Sub totals	1,923,896.56		1,838,420.46	(85,476.10)
Receipts from Delinquent Taxes	7,972,344.98	92,782.71	7,814,429.19	(250,698.50)
Sub totals	950,000.00		965,911.37	15,911.37
Sub totals	8,922,344.98	92,782.71	8,780,340.56	(234,787.13)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	10,556,632.98		10,736,805.17	180,172.19
Budget Totals	19,478,977.96	92,782.71	19,517,145.73	(54,614.94)
Non-Budget Revenue			218,948.26	218,948.26
	\$ 19,478,977.96	\$ 92,782.71	\$ 19,736,093.99	\$ 164,333.32

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>GENERAL GOVERNMENT</u>						
General Administration:						
Salaries and Wages	\$ 85,900.00	\$ 68,481.81	\$ 62,287.50	\$ 3,527.67	\$ 6,194.31	\$ 3,643.72
Other Expenses	18,525.00	18,525.00	11,353.61			
Municipal Clerk:						
Salaries and Wages	84,070.00	84,070.00	84,070.00			
Other Expenses	34,675.00	34,675.00	30,176.22	1,476.61	3,022.17	14,518.75
Codification of Ordinances	23,750.00	23,750.00	9,231.25			
Financial Administration:						
Salaries and Wages	60,320.00	60,320.00	60,244.75		75.25	
Other Expenses	6,175.00	6,175.00	2,943.35		3,231.65	
Audit Services:						
Other Expenses	25,000.00	25,000.00	24,375.00		625.00	
Mayor and Borough Council:						
Salaries and Wages	29,300.00	29,300.00	29,200.56		99.44	
Tax Assessment Administration:						
Salaries and Wages	73,740.00	55,740.00	55,077.82		662.18	
Other Expenses	8,550.00	8,550.00	6,197.25	237.80	2,114.95	
Revenue Administration:						
Salaries and Wages	47,690.00	47,690.00	47,124.41		565.59	
Other Expenses	4,275.00	4,275.00	1,507.55		2,767.45	
Legal Services and Costs:						
Other Expenses	171,776.15	241,776.15	170,697.19	11,476.75	59,602.21	
Engineering Services:						
Other Expenses	52,250.00	80,250.00	74,106.04	2,000.00	4,143.96	
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Salaries and Wages	60,495.00	55,495.00	54,546.27		948.73	
Other Expenses	42,750.00	43,035.66	38,031.12	5,004.54		
Zoning Board of Adjustment:						
Salaries and Wages	60,495.00	60,495.00	57,928.14		2,566.86	
Other Expenses	19,950.00	10,300.00	656.61		9,643.39	
Plan Endorsement	15,000.00	15,000.00	5,988.83		9,011.17	
<u>INSURANCE</u>						
Liability Insurance	282,800.50	196,800.50	196,495.76		304.74	
Worker Compensation Insurance	273,456.00	273,456.00	273,456.00			
Employee Group Insurance	2,054,296.00	1,957,901.25	1,945,962.84		11,938.41	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>PUBLIC SAFETY</b>						
Fire Department:						
Other Expenses	\$ 146,000.00	\$ 146,000.00	\$ 144,152.31	\$ 1,530.00	\$ 317.69	\$
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	75,160.00	75,160.00	75,160.00			
Other Expenses	11,400.00	11,400.00	8,838.78	1,392.56	1,168.66	
Police Department:						
Salaries and Wages	4,280,200.00	4,352,200.00	4,346,972.49		5,227.51	
Other Expenses	222,700.00	222,700.00	205,111.90	6,378.22	11,209.88	
Aid to Volunteer Ambulance Companies	28,250.00	28,250.00	20,690.92	5,877.68	1,681.40	
Office of Emergency Management:						
Other Expenses	3,800.00	3,800.00	909.72	1,075.00	1,815.28	
Municipal Court:						
Salaries and Wages	172,610.00	174,710.00	174,710.00			
Other Expenses	24,601.00	24,601.00	23,430.60	730.78	439.62	
<b>PUBLIC WORKS FUNCTIONS</b>						
Streets and Road Maintenance:						
Salaries and Wages	165,420.00	165,420.00	164,968.97		451.03	
Other Expenses	75,000.00	75,000.00	57,537.12	6,521.47	10,941.41	
Solid Waste Collection:						
Salaries and Wages	464,380.00	434,380.00	434,378.29		1.71	
Other Expenses	76,000.00	76,000.00	58,874.48	4,193.83	12,931.69	
Public Buildings and Grounds:						
Salaries and Wages	289,710.00	280,710.00	278,482.44		2,227.56	
Other Expenses	191,900.00	191,900.00	173,027.59	18,814.80	57.61	
Code Enforcement:						
Salaries and Wages	81,030.00	81,030.00	81,030.00			
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>						
Landfill:						
Other Expenses	455,000.00	455,000.00	337,966.77	126.84	116,906.39	
<b>HEALTH AND WELFARE</b>						
Visiting Nurse Assoc	33,710.00	33,710.00	32,973.00		737.00	
Monmouth County Organization of Social Services - Contract (R.S. 40:13)						
Relocation Assistance	1,425.00	1,425.00			1,425.00	
Monmouth County Regional Health Commission	142,200.00	142,906.00	142,906.00			
Animal Control Services	33,100.00	33,100.00	33,100.00			
Shade Tree Committee	27,500.00	27,500.00	5,068.64	22,000.00	431.36	

BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PARKS AND RECREATION FUNCTIONS</u>						
Recreation Services and Programs:						
Salaries and Wages	\$ 195,010.00	\$ 231,010.00	\$ 228,981.01	\$ 8,523.94	\$ 2,028.99	\$ 499.11
Other Expenses	86,290.00	61,378.75	52,355.70			
Senior Citizens Center:						
Salaries and Wages	145,180.00	152,680.00	151,843.30	1,361.03	836.70	283.76
Other Expenses	24,225.00	24,225.00	22,580.21			
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Street Lighting	276,000.00	276,000.00	224,960.25		51,039.75	
Electricity	114,000.00	114,000.00	103,906.52		10,093.48	
Telephone	100,000.00	100,000.00	91,667.02		8,332.98	
Natural Gas	50,000.00	50,000.00	33,307.23		16,692.77	
Gasoline	125,000.00	125,000.00	81,304.49		43,695.51	
Energy Efficiency Audit	10,000.00	10,000.00			10,000.00	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Salaries and Wages	287,600.00	287,600.00	287,600.00		43,576.50	
Other Expenses	47,775.00	47,775.00	4,198.50			
<u>OTHER RESERVES</u>						
Reserve for Sick Pay	36,059.00	80,059.00	73,870.09		6,188.91	
Technology Committee						
Other Expenses	38,000.00	38,000.00	37,219.75		780.25	
Municipal Prosecutor						
Other Expenses	23,005.00	26,487.50	24,387.50		2,100.00	
Municipal Public Defender						
Salaries and Wages	7,630.00	11,380.00	10,130.00		1,250.00	
Total Operations within "CAPS"	12,082,108.65	12,073,558.62	11,470,259.66	102,249.52	501,049.44	
<u>CONTINGENT</u>	<u>1,425.00</u>	<u>1,425.00</u>	<u>20.00</u>		<u>1,405.00</u>	
Total Operations Including Contingent - within "CAPS"	12,083,533.65	12,074,983.62	11,470,279.66	102,249.52	502,454.44	
Detail:						
Salaries and Wages	6,584,910.00	6,626,841.81	6,603,705.95		23,135.86	
Other Expenses (Including Contingent)	5,498,623.65	5,448,141.81	4,866,573.71	102,249.52	479,318.58	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 281,651.00	\$ 281,651.00	\$ 281,651.00	\$	\$	
Social Security System (O.A.S.I.)	380,000.00	346,000.00	336,392.60		9,607.40	
Consolidated Police and Firemen's Pension Fund	35,277.33	35,277.33	35,277.33			
Police and Firemen's Pension Fund	853,144.00	853,144.00	853,144.00			
Defined Contribution Retirement Program	300.00	350.00	328.32		21.68	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	1,530,372.33	1,516,422.33	1,506,793.25		9,629.08	
Total General Appropriations for Municipal Purposes within "CAPS"	13,613,905.98	13,591,405.95	12,977,072.91	102,249.52	512,083.52	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Other Operations - Excluded from "CAPS":						
Length of Service Awards Program (LOSAP)	65,550.00	65,550.00	64,400.00		1,150.00	
Municipal Stormwater Management:						
Salaries and Wages	114,550.00	114,550.00	114,550.00		9,523.08	
Other Expenses	19,000.00	19,000.00	9,476.92			
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	684,679.00	684,679.00	585,003.35	22,233.88	77,441.77	
Interlocal Services:						
911 System - County of Monmouth	15,328.58	15,328.58	15,328.58			
Recycling Tax PL 2007 c. 311	40,000.00	45,500.00	45,484.10	4.53	11.37	
Reserve for Tax Appeals	40,000.00	57,000.03	57,000.03			
Total Other Operations - Excluded from "CAPS"	979,107.58	1,001,607.61	891,242.98	22,238.41	88,126.22	



**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)</b>						
Uniform Construction Code Appropriations Offset by						
Increased Fee Revenues						
Inspection of Building - Uniform Construction Code	\$ 63,700.00	\$ 63,700.00	\$ 63,700.00	\$ 2,380.80	\$ 31,574.79	\$
Salaries and Wages	47,500.00	47,500.00	13,544.41	2,380.80	31,574.79	
Other Expenses	111,200.00	111,200.00	77,244.41			
Interlocal Municipal Service Agreements:						
Board of Education	11,025.00	11,025.00	11,025.00			
Other Expenses						
Inspection of Building - Uniform Construction Code:						
Salaries and Wages	179,830.00	179,830.00	179,830.00	1,105.35		
Other Expenses	12,170.00	12,170.00	11,064.65			
Total Interlocal Municipal Service Agreements	203,025.00	203,025.00	201,919.65	1,105.35		

<b>OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)</b>						
Public and Private Programs Offset by Revenues:						
U.S. Older American Act Grant:						
Senior Citizens Center:						
Salaries and Wages	28,525.00	28,525.00	28,525.00			
Other Expenses	4,787.00	4,787.00	4,787.00			
Fireman's Fund Grant - Rescue Equipment	3,808.00	3,808.00	3,808.00			
Borough of Little Silver- Shared Services						
NJ - Drunk Driving Enforcement Fund - Court	7,175.88	7,175.88	7,175.88			
NJ - Drunk Driving Enforcement Fund - Police	9,308.73	9,308.73	9,308.73			
NJ - Obey the Signs	4,000.00	4,000.00	4,000.00			
NJ - Recycling Tonnage Grant	24,329.71	24,329.71	24,329.71			
New Jersey Clean Communities Grant	18,146.31	18,146.31	18,146.31			
NJ - Over The Limit Under Arrest/Year End Crackdown	5,000.00	5,000.00	5,000.00			
NJ - Over The Limit Under Arrest/Statewide Crackdown	6,000.00	6,000.00	6,000.00			
NJ - Cops in Shops			6,000.00			
US Department of Agriculture - Summer Food						
Other Expenses	47,872.50	47,872.50	47,872.50			
US Department of Justice - JAG Grant	25,845.00	25,845.00	25,845.00			
State of New Jersey - Historic Trust - Reckless Estate	29,308.00	29,308.00	29,308.00			
Total Public and Private Programs Offset	129,623.42	222,406.13	222,406.13			
by Revenues						
Total Operations - Excluded from "CAPS"	1,422,956.00	1,538,238.74	1,392,813.17	25,724.56	119,701.01	
Detail:						
Salaries and Wages	386,605.00	386,605.00	386,605.00			
Other Expenses	1,036,351.00	1,151,633.74	1,006,208.17	25,724.56	119,701.01	

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$	\$	
Total Capital Improvements Excluded from "CAPS"	80,000.00	80,000.00	80,000.00			
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	1,988,000.00	1,988,000.00	1,988,000.00			
Interest on Bonds	541,798.51	541,798.51	541,789.66			8.85
Interest on Notes						
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	145,000.00	145,000.00	144,939.87			60.13
Capital Equipment Lease:						
Principal	507,200.00	507,200.00	507,200.00			
Interest	107,400.00	107,400.00	98,877.40			8,522.60
Payment of Bond Principal on Public Library Debt						
Total Municipal Debt Service - Excluded from "CAPS"	3,289,398.51	3,289,398.51	3,280,806.93			8,591.58
<b>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	34,980.00	34,980.00	34,980.00			
Unfunded Improvement Authorization # 02-01	32,738.86	32,738.86	32,738.86			
Total Deferred Charges - Municipal - Excluded from "CAPS"	67,718.86	67,718.86	67,718.86			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,860,073.37	4,975,356.11	4,821,338.96	25,724.56	119,701.01	8,591.58
Total General Appropriations - Excluded from "CAPS"	4,860,073.37	4,975,356.11	4,821,338.96	25,724.56	119,701.01	8,591.58
Subtotal General Appropriations	18,473,979.35	18,566,762.06	17,798,411.87	127,974.08	631,784.53	8,591.58
<b>RESERVE FOR UNCOLLECTED TAXES</b>						
1,004,998.61	1,004,998.61	1,004,998.61	1,004,998.61			
Total General Appropriations	\$ 19,478,977.96	\$ 19,571,760.67	\$ 18,803,410.48	\$ 127,974.08	\$ 631,784.53	\$ 8,591.58
<b>Detail:</b>						
Original Budget	\$ 19,478,977.96					
Added by N.J.S.A. 40A:4-87		92,782.71				
	\$ 19,571,760.67					

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

Year	Balance December 31, 2008	Tax Levy	Added Taxes	Collections		State Share Senior Citizens' and Veterans' Deductions Allowed	Remitted and Canceled	Transferred To Tax Title Liens	Balance December 31, 2009
				2008	2009				
2007	\$ 68.33	\$	2,341.34	\$	\$	\$	\$	\$	\$ 68.33
2008	964,022.49				965,288.73			1,071.67	3.43
2009	964,090.82		2,341.34		965,288.73			1,071.67	71.76
		37,413,630.34	229,986.57	152,531.66	36,487,407.69	86,500.00	58,173.27		859,004.29
	\$ 964,090.82	\$ 37,413,630.34	\$ 232,327.91	\$ 152,531.66	\$ 37,452,696.42	\$ 86,500.00	\$ 58,173.27	\$ 1,071.67	\$ 859,076.05

ANALYSIS OF 2009 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 36,901,510.34
Special Improvement District Tax	512,120.00
	<u>\$ 37,413,630.34</u>

TAX LEVY

Local District School Tax	\$ 12,127,552.00
Regional High School District Tax	8,390,246.53
Special Improvement District Tax	512,120.00
County Taxes:	
County Tax	5,454,580.88
Open Space Tax	358,169.35
	<u>\$ 26,842,668.76</u>

Local Tax for Municipal Purpose  
Add: Additional Tax Levied

	\$ 10,556,632.98
	14,328.60
	<u>\$ 10,570,961.58</u>
	<u>\$ 37,413,630.34</u>

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

<u>BALANCE, DECEMBER 31, 2008</u>	\$ 53,514.75
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>1,071.67</u>
	54,586.42
<u>DECREASED BY</u>	
Cash Received	<u>622.64</u>
<u>BALANCE, DECEMBER 31, 2009</u>	<u>\$ 53,963.78</u>

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance December 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances		
<b>Salaries and Wages:</b>				
Operations - Within "CAPS":				
Municipal Clerk	\$ 70.77	\$	\$	\$ 70.77
Financial Administration	3,460.14	3,460.14	3,460.14	
Mayor and Borough Council	347.44	347.44	347.44	
Tax Assessment Administration	3.04	3.04	3.04	
Revenue Administration	343.74	343.74	343.74	
Planning Board	105.33	105.33	105.33	
Zoning Board of Adjustment	36.40	36.40	36.40	
Police Department	24,709.43	709.43		709.43
Street and Roads	1,516.24	1,516.24	1,516.24	
Solid Waste Collection	24,534.84	24,534.84	24,534.84	
Public Buildings and Grounds	4,163.80	4,163.80	4,163.80	
Recreation Services and Programs	83.61	83.61		83.61
Senior Citizens Center	1,601.40	1,601.40	1,601.40	
Code Enforcement	0.17	0.17		0.17
Municipal Court	5,749.28	5,749.28		5,749.28
Municipal Stormwater Management	0.07	0.07		0.07
Inspection of Buildings:				
Uniform Construction Code	0.02	0.02		0.02
<b>Total Salaries and Wages</b>	<b>\$ 66,725.72</b>	<b>\$ 42,725.72</b>	<b>\$ 36,112.37</b>	<b>\$ 6,613.35</b>
<b>Other Expenses:</b>				
Operations - Within "CAPS":				
General Administration		1,795.65	\$ 1,595.95	\$ 883.98
Municipal Clerk	9,849.93	1,039.06	10,553.58	335.41
Financial Administration	1,889.75	99.00	519.00	1,469.75
Tax Assessment Administration	2,673.50		150.00	2,523.50
Revenue Administration	3,930.12		567.50	3,362.62
Legal Services and Costs	9,429.14		28,429.08	0.06
Codification of Ordinances	20,155.00		19,350.00	805.00
Planning Board	5,614.56		5,495.34	119.22
Zoning Board of Adjustment	12,947.00		8,045.18	8,905.32
Liability Insurance	1,750.00	4,003.50	250.00	1,750.00
Worker Compensation Insurance		250.00		32.00
Employee General Group Insurance	10,664.58			10,664.58
Fire Department	2,629.24	5,760.34	7,886.56	503.02

**BOROUGH OF RED BANK  
CURRENT FUND  
STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance December 31, 2008		Balance After		Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers	Paid or Charged	
Uniform Fire Safety Act (P.L. 1983, Ch. 383)	\$ 963.57	\$ 970.00	\$ 1,933.57	\$ 1,933.57	\$ 1,330.76
Police Department	2,485.56	9,614.20	17,099.76	15,769.00	
Aid to Volunteer Ambulance Companies	2,627.99	2,034.12	4,662.11	4,662.11	
Office of Emergency Management	2,400.00	700.00	3,100.00	3,100.00	
Municipal Court	779.30	1,377.00	2,156.30	1,497.00	659.30
Streets and Road Maintenance	6,947.62	16,009.59	22,957.21	17,793.28	5,163.93
Solid Waste Collection	4,912.77	6,920.52	11,833.29	7,118.91	4,714.38
Public Buildings and Grounds	21,137.94	21,215.10	42,353.04	34,468.45	7,884.59
Visiting Nurse Association - Contract	3,080.00		3,080.00	3,080.00	
Relocation Assistance	1,500.00		1,500.00		1,500.00
Animal Control Services	1,590.69		1,590.69	1,590.69	
Shade Tree		21,030.02	21,030.02	21,030.02	
Recreation Services and Programs	16,808.69	2,133.79	18,942.48	4,357.70	14,584.78
Senior Citizens Center		134.59	168.70	134.59	34.11
By Dedicated Revenues (N.J.A.C. 5:23-4.17)	25,360.00		25,360.00		25,360.00
Technology Committee	21,604.60	1,607.00	23,211.60	11,334.25	11,877.35
Street Lighting	42,387.04		57,521.10	57,521.10	
Electricity			9,779.49	9,779.49	
Telephone	20,081.22	201.44	20,282.66	11,533.37	8,749.29
Natural Gas	11,821.00		14,190.73	14,190.73	
Gasoline	32,903.44		5,586.05	1,974.59	3,611.46
Reserve for Sick Pay	3,815.63		3,815.63		3,815.63
Municipal Prosecutor	25,725.00		25,725.00		25,725.00
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	0.80		0.80		0.80
Social Security System (O.A.S.I.)	24,760.45		24,760.45	1,712.71	23,047.74
Defined Contribution Retirement Program	149.51		149.51		149.51
Contingent	1,500.00		1,500.00		1,500.00
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	21,075.95	14,184.45	35,260.40	25,347.43	9,912.97
Municipal Stormwater Management :					
Other Expense	3,009.75	6,680.00	9,689.75	8,396.00	1,293.75
Inspection of Building - Uniform Construction Code:	2,853.90	55.64	2,909.54	1,062.43	1,847.11
Other Expenses					
Increased Fee Revenues:					
Inspection of Building - Uniform Construction Code:	21,852.90	23,476.15	45,329.05	25,067.35	20,261.70
Other Expenses					
Board of Education:					
Other Expenses	8,393.00		8,393.00		8,393.00
Recycling Tax	3,923.66		3,923.66	1,074.08	2,849.58
Green Trust Loan	60.12		60.12		60.12
Total Other Expenses	\$ 471,799.65	\$ 141,291.16	\$ 637,090.81	\$ 412,666.37	\$ 224,424.44
Grand Total	\$ 538,525.37	\$ 141,291.16	\$ 679,816.53	\$ 448,778.74	\$ 231,037.79

**BOROUGH OF RED BANK**  
**CURRENT FUND**  
**STATEMENT OF DEFERRED CHARGES**

	Total	2005 Revaluation (40A:4-53)	Special Emergency Authorization (40A:4-53)
<u>BALANCE, DECEMBER 31, 2008</u>	\$ 74,960.00	\$ 59,960.00	\$ 15,000.00
<u>DECREASED BY</u>			
<u>Raised in 2009 Budget</u>	<u>34,980.00</u>	<u>29,980.00</u>	<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2009</u>	<u>\$ 39,980.00</u>	<u>\$ 29,980.00</u>	<u>\$ 10,000.00</u>

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

	<u>Regional High School</u>	<u>Local School District</u>
<u>BALANCE, DECEMBER 31, 2008</u>	\$ 4,142,497.30	\$ 6,104,616.73
Detail:		
Deferred	\$ 4,116,556.36	\$ 6,056,724.50
Payable	<u>25,940.94</u>	<u>47,892.23</u>
<u>INCREASED BY</u>		
Levy - School Year 7/1/2009 - 6/30/2010	<u>8,390,246.53</u>	<u>12,127,552.00</u>
	12,532,743.83	18,232,168.73
<u>DECREASED BY</u>		
Cash Disbursed	<u>8,337,620.34</u>	<u>12,177,649.04</u>
<u>BALANCE, DECEMBER 31, 2009</u>	<u>\$ 4,195,123.49</u>	<u>\$ 6,054,519.69</u>
Detail:		
Deferred	\$ 4,166,556.36	\$ 6,056,724.50
Payable/(Overpaid)	<u>28,567.13</u>	<u>(2,204.81)</u>
	<u>\$ 4,195,123.49</u>	<u>\$ 6,054,519.69</u>
<u>2009 LIABILITY FOR SCHOOL TAX</u>		
2009 School Taxes Paid	\$ 8,337,620.34	\$ 12,177,649.04
Add: School Taxes Payable/(Overpaid), December 31, 2009	<u>28,567.13</u>	<u>(2,204.81)</u>
	8,366,187.47	12,175,444.23
Less: School Taxes Payable, December 31, 2008	<u>25,940.94</u>	<u>47,892.23</u>
Amount Charged to 2009 Operations	<u>\$ 8,340,246.53</u>	<u>\$ 12,127,552.00</u>



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

Grant	Balance December 31, 2008	2009 Budget Revenue Realized	Received	Unappropriated Reserve Applied	Cancelled	Balance December 31, 2009
U.S. Older Americans Act: 2005	\$ 25,491.00	\$	\$	\$	\$ 25,491.00	\$
2008	33,312.00		33,312.00			
2009		33,312.00				33,312.00
State of New Jersey - Clean Communities Program 2009		18,146.31	18,146.31			
State of New Jersey - Obey the Signs		4,000.00	4,000.00			
State of New Jersey: Municipal Stormwater Management Grant 2008	7,655.00					7,655.00
Borough of Little Silver: Shared Services - Uniform Fire Code Services		2,300.00				2,300.00
State of New Jersey: Over the Limit, Under Arrest	5,000.00		5,000.00			
State of New Jersey: Drunk Driving Enforcement Fund: Municipal Court Police		7,175.88 9,308.73	3,550.33	3,625.55 9,308.73		
State of New Jersey: Over the Limit Under Arrest - 2009 Statewide Crackdown		6,000.00	6,000.00			

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

Grant	Balance December 31, 2008	2009 Budget Revenue Realized	Received	Unappropriated Reserve Applied	Cancelled	Balance December 31, 2009
State of New Jersey:						
Over the Limit Under Arrest - 2009 Year End Crackdown	\$	\$ 5,000.00	\$	\$	\$	\$ 5,000.00
US Department of Justice:						
Edward Byrne JAG Grant 2009		25,845.00				25,845.00
State of New Jersey:						
Recycling Tonnage Grant		24,329.71	24,329.71			
State of New Jersey:						
DCA - Historic Trust - Reckless Estate		29,308.00				29,308.00
State of New Jersey Department Of Agriculture:						
Summer Food Program						
2008	34,349.57	47,872.50	34,349.57			38,927.93
2009			8,944.57			
State of New Jersey - Fireman's Fund Rescue Equipment			3,808.00			
State of New Jersey - Cops in Shops 2009			4,800.00			1,200.00
Total Grants	\$ 105,807.57	\$ 222,406.13	\$ 146,240.49	\$ 12,934.28	\$ 25,491.00	\$ 143,547.93

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

Grant	Balance December 31, 2008	Transferred from 2009 Budget Appropriations		Appropriation By 40A:4-87	Cancelled	Expended	Balance December 31, 2009
		Budget					
U.S. Older Americans Act:							
2008	\$ 9,110.27	\$	\$	\$	\$	\$ 9,110.27	\$
2009		33,312.00				19,568.25	13,743.75
State of NJ - Obey the Signs 2009		4,000.00				4,000.00	
State of NJ - Clean Communities Program:							
2008	1,939.41					1,939.41	
2009		18,146.31				18,146.31	
NJ DEP - Environmental Serv. - Matching Portion	2,278.00				2,278.00		
State of NJ - Recycling Tonnage Grant	25,621.17					20,385.74	5,235.43
STATE NJ - Click it or Ticket 06							
Totals	38,948.85	55,458.31			2,278.00	73,149.98	18,979.18
State of NJ - You Drink, You Drive, You Lose	10,000.00				10,000.00		
State of NJ - COPS in SHOPS		6,000.00				5,200.00	800.00
Totals	48,948.85	61,458.31			12,278.00	78,349.98	19,779.18

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

Grant	Balance December 31, 2008	Transferred from 2009 Budget Appropriations		Appropriation By 40A:4-87	Cancelled	Expended	Balance December 31, 2009
		Budget					
State of NJ - Drunk Driving Enforcement Fund:							
Police	\$ 12,316.77	\$ 9,308.73	\$			\$ 10,684.75	\$ 10,940.75
Court	11,371.83	7,175.88				391.40	18,156.31
State of NJ - Over the Limit:							
Year End Crackdown - 2008	2,850.00			6,000.00		2,850.00	2,825.00
Statewide Crackdown - 2009				5,000.00		5,000.00	
Year End Statewide Crackdown - 2009				24,329.71			24,329.71
State of NJ - Recycling Tonnage Grant							
State of NJ - Stormwater Management Grant - 2008	10,207.00				10,207.00		
NJDCA - Historic Trust - Anthony Reckless Estate				29,308.00			29,308.00
State of NJ - Click it or Ticket	5,000.00						5,000.00
State of NJ - Department of Agriculture:							
2008 Summer Food Program	20,300.87	47,872.50				20,300.87	32,974.57
2009 Summer Food Program						14,897.93	
State of NJ - Firemen's Fund Rescue Equipment		3,808.00				3,808.00	
Little Silver Shared Services - Uniform Fire Services		2,300.00					2,300.00
Edward Byrne - JAG Grant				25,845.00		6,000.00	19,845.00
State of NJ - Body Armor Grant						3,680.50	445.42
Totals	\$ 115,121.24	\$ 131,923.42	\$ 90,482.71	\$ 22,485.00	\$ 149,138.43	\$ 165,903.94	

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

<u>State:</u>	Balance December 31, 2008	Realized as Revenue Budget	Received	Balance December 31, 2009
Drunk Driving Enforcement Fund:				
Police	\$ 9,308.73	\$ 9,308.73	\$ 11,635.88	\$ 11,635.88
Municipal Court	3,625.55	3,625.55		
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	\$ 19,340.65	\$ 12,934.28	\$ 11,635.88	\$ 18,042.25

**TRUST FUNDS**

**BOROUGH OF RED BANK**  
**TRUST FUNDS**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	Assessment		Animal Control		Other		Totals	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 51.52	\$ 3,757.45	\$ 10,432.64	\$ 18,371.22	\$ 3,183,042.69	\$ 3,298,944.31	\$ 3,193,526.85	\$ 3,321,072.98
Assessments Receivable	3,101.27	3,101.27					3,101.27	3,101.27
Accounts Receivable					877.19	5,808.46	877.19	5,808.46
Intergovernmental Receivable			12,110.00				12,110.00	
Interfunds Receivable					14,326.58	65,801.70	14,326.58	65,801.70
<b>Total Assets</b>	<b>\$ 3,152.79</b>	<b>\$ 6,858.72</b>	<b>\$ 22,542.64</b>	<b>\$ 18,371.22</b>	<b>\$ 3,198,246.46</b>	<b>\$ 3,370,554.47</b>	<b>\$ 3,223,941.89</b>	<b>\$ 3,395,784.41</b>

**LIABILITIES, RESERVES AND**  
**FUND BALANCE**

Liabilities and Reserves:								
Accounts Payable	\$ 3,101.27	\$ 3,101.27	\$ 5,273.80	\$ 5,204.00	\$ 64,025.02	\$ 5,774.87	\$ 64,029.82	\$ 5,774.87
Various Reserves					3,116,078.00	3,325,302.82	3,124,453.07	3,333,608.09
Interfunds Payable	2.20	8.13	17,264.04	13,167.22	18,143.44	39,476.78	35,409.68	52,652.13
<b>Total Other Liabilities and Reserves</b>	<b>3,103.47</b>	<b>3,109.40</b>	<b>22,542.64</b>	<b>18,371.22</b>	<b>3,198,246.46</b>	<b>3,370,554.47</b>	<b>3,223,892.57</b>	<b>3,392,035.09</b>
Equity and Other Credits:								
Fund Balance	49.32	3,749.32					49.32	3,749.32
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$ 3,152.79</b>	<b>\$ 6,858.72</b>	<b>\$ 22,542.64</b>	<b>\$ 18,371.22</b>	<b>\$ 3,198,246.46</b>	<b>\$ 3,370,554.47</b>	<b>\$ 3,223,941.89</b>	<b>\$ 3,395,784.41</b>

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

<u>BALANCE, DECEMBER 31, 2008</u>		\$ 5,204.00
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 4,755.60	
Cat License Fees Collected	1,328.00	
Animal Control Contracts	19,635.00	
Miscellaneous Receipts	<u>380.00</u>	<u>26,098.60</u>
		31,302.60
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11	10,736.05	
Excess Due to Current Fund	<u>15,292.75</u>	<u>26,028.80</u>
<u>BALANCE, DECEMBER 31, 2009</u>		\$ <u>5,273.80</u>

LICENSES AND PENALTY FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2007	\$ 2,699.55
2008	<u>2,574.25</u>
	<u>\$ 5,273.80</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

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



**BOROUGH OF RED BANK**  
**TRUST FUND**  
**STATEMENT OF VARIOUS RESERVES**

	Balance December 31, 2008	Receipts	Expenditures	Balance December 31, 2009
Bid Deposits	\$ 601.10	\$	\$	601.10
TTL Redemption	41.09	544,057.96	544,057.99	41.06
Law Enforcement Trust	18,201.70	6,065.62	9,465.20	14,802.12
Vehicle Impound Costs	34,764.28	33,595.86	30,670.78	37,689.36
Tax Sale Premiums	563,655.70	28,200.00	353,055.70	238,800.00
Recycling	86,994.29	11,799.00	67,426.97	31,366.32
Uniform Fire Safety Act Penalty Monies	29,332.40		2,617.86	26,714.54
Recreation	49,241.83	81,121.26	121,610.15	8,752.94
Parking Offenses Adjudication Act	33,138.99	5,361.00	2,608.06	35,891.93
Shade Tree	1,440.00	624.00	2,064.00	
Neighborhood Preservation Program	1.74			1.74
Eisner Foundation:				
Charitable Scientific	346,538.03		3,200.00	343,338.03
Riverside Gardens Maintenance	8,464.62			8,464.62
Police - Forfeited Property	4,115.90	680.26		4,796.16
Police - Extra Duty Pay	30,000.00	107,742.50	129,303.50	8,439.00
Inspection Fees Escrow	134,734.52	25,670.91	53,169.40	107,236.03
Performance and Maintenance Escrow	480,463.85	284,795.33	106,981.60	658,277.58
Review Escrow	208,192.83	165,964.42	154,757.05	219,400.20
Dedicated Fire Penalty	7,726.54			7,726.54
Unemployment Trust	66,182.57	58,405.29	52,264.35	72,323.51
Police Donations	1,932.17	1,150.00	223.50	2,858.67
Manalapan RCA Agreement	1,029,528.37	618,594.81	510,903.34	1,137,219.84
Public Defender Fees	1,080.82	4,370.50	4,195.00	1,256.32
Council on Affordable Housing - Dev. Fees	120,241.75	16,668.74	57,264.00	79,646.49
Wayfinding Signs	30,000.00			30,000.00
Four Connections Fiberoptics	8,500.00			8,500.00
100th Anniversary Celebration	4,017.73	80.00		4,097.73
K-Hov Traffic Improvements	9,170.00			9,170.00
K-Hov Parking Improvements	17,000.00			17,000.00
Yard Sales		1,356.17		1,356.17
Human Relations		370.00	60.00	310.00
	<u>\$ 3,325,302.82</u>	<u>\$ 1,996,673.63</u>	<u>\$ 2,205,898.45</u>	<u>\$ 3,116,078.00</u>

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

<u>BALANCE, DECEMBER 31, 2008</u>		\$	66,182.57
<u>INCREASED BY</u>			
Payroll Deductions	\$	32,512.73	
Borough Contribution		25,000.00	
Interest Earned on Investments and Deposits		<u>892.56</u>	<u>58,405.29</u>
			124,587.86
<u>DECREASED BY</u>			
Unemployment Compensation Claims			<u>52,264.35</u>
<u>BALANCE, DECEMBER 31, 2009</u>		\$	<u><u>72,323.51</u></u>

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

	Balance December 31, 2008	Receipts	Disbursed	Transfers	Balance December 31, 2009
Due to Current Fund	\$ 8.13	\$ 54.52	\$ 3,760.45	\$ 3,700.00	\$ 2.20
Fund Balance	<u>3,749.32</u>			<u>(3,700.00)</u>	<u>49.32</u>
	<u>\$ 3,757.45</u>	<u>\$ 54.52</u>	<u>\$ 3,760.45</u>	<u>\$</u>	<u>\$ 51.52</u>

Bracket balance denotes deficit.

**BOROUGH OF RED BANK**  
**TRUST FUND**  
**STATEMENT OF ASSESSMENTS RECEIVABLE**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Annual Installments</u>	<u>Balance December 31, 2008</u>	<u>Collected</u>	<u>Balance December 31, 2009</u>	<u>Detail</u>
						<u>Pledged</u> <u>Unpledged</u>
5-98	Sidewalks	10	\$ 3,101.27	\$	\$ 3,101.27	\$ 3,101.27
			\$ 3,101.27	\$	\$ 3,101.27	\$ 3,101.27

**GENERAL CAPITAL FUND**

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,441,704.75	\$ 2,800,781.70
Intergovernmental Receivable:		
Monmouth County Open Space		250,000.00
New Jersey Department of Transportation	220,000.00	370,000.00
New Jersey Department of Environmental Protection	287,500.00	1,401,794.15
	<u>507,500.00</u>	<u>2,021,794.15</u>
Interfunds Receivable:		
Due from Current Fund	109,134.52	
Due from Federal and State Grant Fund	175,000.00	175,000.00
	<u>284,134.52</u>	<u>175,000.00</u>
Capital Lease Obligations - Unfunded	<u>2,302,700.00</u>	<u>2,341,900.00</u>
Deferred Charges to Future Taxation:		
Funded	13,315,624.90	14,763,209.71
Unfunded	1,392,611.70	848,238.86
	<u>14,708,236.60</u>	<u>15,611,448.57</u>
Total Assets	<u>\$ 21,244,275.87</u>	<u>\$ 22,950,924.42</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Serial Bonds	\$ 11,176,000.00	\$ 13,061,000.00
Refunding Serial Bonds	<u>585,000.00</u>	<u>688,000.00</u>
Green Trust Loan Payable	<u>1,064,624.90</u>	<u>1,014,209.71</u>
Capital Lease Payable - Principal	<u>2,302,700.00</u>	<u>2,341,900.00</u>
Bond Anticipation Notes	<u>1,966,500.00</u>	

**BOROUGH OF RED BANK**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	December 31,	
	<u>2009</u>	<u>2008</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE (CONTINUED)</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 42,038.76	\$ 41,038.76
Due to Current Fund		6,827.02
Reserve for Encumbrances	625,608.77	992,025.03
Reserve for:		
Payment of Bonds	203,027.89	360,766.75
Down Payment on Improvements	2,061.64	2,061.64
Grants Receivable - DOT	170,000.00	170,000.00
Grants Receivable - DEP		175,694.15
Future Boat Ramp Improvements	200,050.11	206,090.91
Marine Park Improvements	5,000.00	5,000.00
	<u>1,247,787.17</u>	<u>1,959,504.26</u>
Improvement Authorizations:		
Funded	1,611,429.06	3,371,460.80
Unfunded	1,176,549.79	490,164.70
	<u>2,787,978.85</u>	<u>3,861,625.50</u>
Fund Balance	<u>113,684.95</u>	<u>24,684.95</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 21,244,275.87</u>	<u>\$ 22,950,924.42</u>

There were Bonds and Notes Authorized But Not Issued of \$37,500.00 at December 31, 2009.

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

<u>BALANCE, DECEMBER 31, 2008</u>	\$ 24,684.95
<u>INCREASED BY</u>	
Cancellation of Funded Improvement Authorization	<u>100,000.00</u>
	124,684.95
<u>DECREASED BY</u>	
Transferred to Current Fund - Anticipated Revenue	<u>11,000.00</u>
<u>BALANCE, DECEMBER 31, 2009</u>	\$ <u>113,684.95</u>



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

	Balance December 31, 2008	Green Trust Loan Proceeds	Receipts Other	Bond Anticipation Notes	Disbursements		Transfer		Balance December 31, 2009
					Improvement Authorizations	Other	From	To	
Fund Balance	\$ 24,684.95	\$	\$	\$	\$	\$ 11,000.00	\$	\$ 100,000.00	\$ 113,684.95
Capital Improvement Fund	41,038.76								42,038.76
Due to Current Fund	6,827.02		23,814.15				79,000.00	80,000.00	(109,134.52)
Due from Federal and State Grant Fund	(175,000.00)						112,738.86		(175,000.00)
Due from Monmouth County Open Space Ord 23-04	(250,000.00)		250,000.00						
Due from NJDEP - Ord. 39-05	(1,226,100.00)		1,226,100.00						
Due from NJ DOT - Ord 17-08	(200,000.00)		150,000.00						
Due from NJDEP Ord 09-44									
Reserve for Future Boat Ramp Improvements	206,090.91					6,040.80	287,500.00		(50,000.00)
Reserve for Encumbrances	992,025.03					655,790.43	336,234.60	625,608.77	(287,500.00)
Reserve for Payment of Bonds	360,766.75					157,738.86			200,050.11
Reserve to Pay Bond Anticipation Notes									625,608.77
Reserves for Marine Park Improvements	5,000.00							611,388.30	203,027.89
Reserve for Down Payments on Improvements	2,061.64								611,388.30
									5,000.00
									2,061.64
Ordinance Number									
2-01								32,738.86	
6-02					4,913.25				1,889.61
1-04					67.50		89,484.62	87,014.82	28,825.39
23-04/ 31-06					1,590.18				1,750.00
31-05					4,075.99		352,357.04		119,619.97
37-05					4,007.73			199.00	199.73

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

	Balance December 31, 2008	Green Trust Loan Proceeds	Receipts Other	Bond Anticipation Notes	Disbursements		Transfer		Balance December 31, 2009
					Improvement Authorizations	Other	From	To	
39-05/ '09-09	\$ 2,371,702.95	\$	\$ 1,174,550.00	\$ 260,000.00	\$ 3,302,842.81	\$	\$ 260,000.00	\$	\$ 243,410.14
49-05	132,476.64				12,983.21		100,000.00	2,500.00	21,993.43
08-06	338,524.16				63,610.01		3,407.55		271,506.60
32-06/ 09-42	142,760.32		226,595.00	133,000.00	127,932.57		197,706.17	7,000.00	183,716.58
21-07	196,933.34				68,873.42		248,713.09	246,520.78	125,867.61
17-08	143,549.93			328,000.00	261,000.14				210,549.79
09-27								30,000.00	30,000.00
09-44				795,500.00	18,521.40		85,328.60	329,500.00	1,021,150.00
	<u>\$ 2,800,781.70</u>	<u>\$ 175,694.15</u>	<u>\$ 3,226,753.30</u>	<u>\$ 1,966,500.00</u>	<u>\$ 3,870,417.48</u>	<u>\$ 857,606.92</u>	<u>\$ 2,152,470.53</u>	<u>\$ 2,152,470.53</u>	<u>\$ 3,441,704.75</u>

Bracketed amount denotes deficit.

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

Ordinance Number	Improvement Description	Balance December 31, 2008	2009 Authorizations	Funded by Current Fund Appropriation	Funded by MCIA Bond Sale	Green Trust Grant Proceeds	Balance December 31, 2009	Analysis of Balance, December 31, 2009	
								Bond Anticipation Notes	Unfunded Improvement Authorization
2-01	Various 2001 Road Improvements	\$ 32,738.86	\$	\$ 32,738.86	\$	\$	\$	\$	
31-05	Acquisition of Waterfront Park	450,000.00				351,388.30	98,611.70	98,611.70	
49-05	Various 2005 Road Improvements	37,500.00					37,500.00		37,500.00
17-08	Phase II Road Improvements to Spring Street	328,000.00					328,000.00	117,450.21	210,549.79
06-32/ 09-42	Conversion and Development of Municipally Owned Land into Waterfront Park		133,000.00				133,000.00		133,000.00
09-44	Various Improvements to Count Basie Park		795,500.00				795,500.00		795,500.00
09-27	Leasing of Certain Capital Equipment		490,000.00		490,000.00				
		<u>\$ 848,238.86</u>	<u>\$ 1,418,500.00</u>	<u>\$ 32,738.86</u>	<u>\$ 490,000.00</u>	<u>\$ 351,388.30</u>	<u>\$ 1,392,611.70</u>	<u>\$ 216,061.91</u>	<u>\$ 1,176,549.79</u>
<u>Detail:</u>									
						Bond Anticipation Notes	\$	1,966,500.00	
						Less: Unexpended Note Proceeds			
						Ordinance No.			
						31-05	\$	(351,388.30)	
						17-08		(210,549.79)	
						06-32/09-42		(133,000.00)	
						39-05/09-09		(260,000.00)	
						09-44		(795,500.00)	
								<u>(1,750,438.09)</u>	
							\$	216,061.91	

**BOROUGH OF RED BANK  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Ordinance Date	Amount	2009 Authorizations									
				Balance December 31, 2008	Deferred Charges to Future Taxation, Unfunded	Capital Improvement Fund	Monmouth County Improvement Authorization Bonds Issued	Grants	Paid or Charged	Prior Years Encumbrances Cancelled	Improvement Authorization Cancelled	Balance	
				Funded	Unfunded							Funded	Unfunded
6-02	Acquisition of a Pumper Fire Truck	03/12/02	\$ 575,000.00	\$ 6,902.86	\$	\$	\$	\$	\$ 4,913.25	\$	\$	\$ 1,889.61	\$
1-04	Renovations and Improvements to Red Bank Library	02/10/04	1,775,000.00	31,362.69					89,552.12	87,014.82		26,825.39	
23-04/ 31-06	Renovations and Improvements to Court Basie Park	06/22/04 06/12/06	575,000.00 250,000.00	3,340.18					1,590.18			1,750.00	
31-05	Acquisition of Waterfront Park	07/11/05	550,000.00	124,564.70					5,044.73			119,619.97	
37-05	Purchase of a Pumper Fire Truck	09/26/05	525,000.00	4,007.73					4,007.00	199.00		199.73	
39-05/ 09-09	Various Improvements and Renovations to Marine Park	10/10/05 03/09/09	2,825,100.00 1,174,550.00	2,371,702.95				1,174,550.00	3,302,842.81			243,410.14	
49-05	Various 2005 Road Improvements	11/07/05	1,250,000.00	132,476.64	37,500.00				12,993.21	2,500.00	100,000.00	21,993.43	37,500.00
08-06	Various 2006 Road Improvements	03/13/06	1,210,000.00	338,524.16					67,017.56			271,506.60	
32-06/ 09-42	Conversion of Municipal Land to Waterfront Park	06/12/06 08/10/09	230,000.00 600,000.00	142,760.32		7,000.00		230,000.00	325,638.74		3,405.00	50,716.58	133,000.00
21-07	Various 2007 Road Improvements	2007	1,860,000.00	196,933.34					317,586.51	246,520.78		125,867.61	210,549.79
17-08	Phase II Road Improvements to Spring Street	08/11/08	545,000.00	143,549.93	328,000.00				281,000.14			520,000.00	
09-27	Leasing of Certain Capital Equipment	07/27/09	520,000.00			30,000.00	490,000.00		103,850.00			225,650.00	796,500.00
09-44	Various Improvements to Court Basie Park	10/09/09	1,125,000.00			42,000.00			4,496,028.25			1,611,428.06	1,176,549.79
				\$ 3,371,460.80	\$ 490,164.70	\$ 79,000.00	\$ 490,000.00	\$ 1,692,050.00	\$ 4,496,028.25	\$ 336,234.60	\$ 103,405.00	\$ 1,611,428.06	\$ 1,176,549.79

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance December 31, 2009</u>
31-05	Acquisition of Real Property Waterfront Park	\$ 540,000.00	12/03/09	12/03/09	12/02/10	1.07%	\$ 450,000.00	\$ 450,000.00
05-39/ 09-09	Various Improvements and Renovations to Marine Park	1,785,000.00	12/03/09	12/03/09	12/02/10	1.07%	260,000.00	260,000.00
06-32/ 09-42	Conversion and Development of Municipally Owned Land into Waterfront Park	351,500.00	12/03/09	12/03/09	12/02/10	1.07%	133,000.00	133,000.00
17-08	Phase II Road Improvements to Spring Street	328,000.00	12/03/09	12/03/09	12/02/10	1.07%	328,000.00	328,000.00
44-09	Various Improvements to Count Basie Park	795,500.00	12/03/09	12/03/09	12/02/10	1.07%	795,500.00	795,500.00
							<u>\$ 1,966,500.00</u>	<u>\$ 1,966,500.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2008	Decrease	Balance December 31, 2009
			Date	Amount				
General Improvement	12/1/1994	\$ 1,300,000.00				\$ 100,000.00	\$ 100,000.00	\$
General Improvement	11/1/1995	2,985,000.00	2010	\$ 200,000.00	5.20%	400,000.00	200,000.00	200,000.00
General Improvement	10/1/1998	3,273,000.00	2010 2011	310,000.00 353,000.00	4.150% 4.150%	963,000.00	300,000.00	663,000.00
General Improvement	8/1/2002	5,481,000.00	2010 2011 2012 2013	530,000.00 550,000.00 615,000.00 696,000.00	Var.	2,906,000.00	515,000.00	2,391,000.00
General Improvement	6/15/2004	2,731,000.00	2010 2011 2012 2013 2014	275,000.00 285,000.00 295,000.00 315,000.00 331,000.00	3.625% 3.750% 3.750% 4.000% 4.000%	1,771,000.00	270,000.00	1,501,000.00
General Improvement	7/15/2007	7,391,000.00	2010 2011 2012 2013 2014 2015 2016 2017 2018	530,000.00 550,000.00 600,000.00 640,000.00 700,000.00 740,000.00 830,000.00 890,000.00 941,000.00	4.125% 4.125% 4.125% 4.125% 4.125% 4.250% 4.250% 4.250% 4.250%	6,921,000.00	500,000.00	6,421,000.00
						<u>\$ 13,061,000.00</u>	<u>\$ 1,885,000.00</u>	<u>\$ 11,176,000.00</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2008</u>	<u>Decrease</u>	<u>Balance December 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
MCIA Refunding Bonds	2/1/2006	\$ 888,000.00	2010	\$ 102,000.00	3.50%	\$ 688,000.00	\$ 103,000.00	\$ 585,000.00
			2011	100,000.00	3.75%			
			2012	99,000.00	5.00%			
			2013	99,000.00	4.50%			
			2014	98,000.00	3.80%			
			2015	87,000.00	5.00%			
						<u>\$ 688,000.00</u>	<u>\$ 103,000.00</u>	<u>\$ 585,000.00</u>

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

	NJ Department of Transportation			New Jersey Department of Environmental Protection			Monmouth County			NJEDA
	Various Improvements Ord. #17-08	Various 2007 Road Improvements Ord. #07-21	Various Improv. & Renovations to Marine Park Ord. #39-05	Various Improv. & Renovations to Marine Park Ord. #09-09	Various Count Basie Pa Ord. #09-44	Acquisition of Waterfront Park Ord. #31-05	Count Basie Park Ord. #23-04	Marine Park Ord. #09-09	Conversion of Municipally Owned Land into Conv. Of Waterfront Park Ord. #09-44	
<b>Total</b>										
<b>BALANCE, DECEMBER 31, 2008</b>	\$ 200,000.00	\$ 170,000.00	\$ 1,226,100.00	\$	\$	\$ 175,694.15	\$ 250,000.00	\$	\$	
<b>INCREASED BY</b>										
Grants Awarded	1,692,050.00			874,550.00	287,500.00			300,000.00		230,000.00
	3,713,844.15	170,000.00	1,226,100.00	874,550.00	287,500.00	175,694.15	250,000.00	300,000.00		230,000.00
<b>DECREASED BY</b>										
Receipts	3,202,939.15	150,000.00	1,226,100.00	874,550.00		175,694.15	250,000.00	300,000.00		226,595.00
Canceled	3,405.00									3,405.00
<b>BALANCE, DECEMBER 31, 2009</b>	\$ 507,500.00	\$ 50,000.00	\$ 170,000.00	\$	\$ 287,500.00	\$	\$	\$	\$	
<b>Detail:</b>										
Unreserved	\$ 337,500.00	\$ 50,000.00	\$	\$	\$ 287,500.00	\$	\$	\$	\$	
Reserved	170,000.00	170,000.00								
	\$ 507,500.00	\$ 170,000.00	\$	\$	\$	\$	\$	\$	\$	



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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2008</u>	<u>2009 Authorizations</u>	<u>Bonds Issued</u>	<u>Bond Anticipation Notes Issued</u>	<u>Funded by Current Fund Appropriation</u>	<u>Balance December 31, 2009</u>
2-01	Various 2001 Road Improvements	\$ 32,738.86	\$	\$		\$ 32,738.86	\$
31-05	Acquisition of Real Property for Waterfront Park	450,000.00			450,000.00		
49-05	Various 2005 Road Improvements	37,500.00					37,500.00
17-08	Phase II Road Improvements to Spring Street	328,000.00			328,000.00		
09-42	Conversion and Development of Municipally Owned Land into Waterfront Park		133,000.00		133,000.00		
09-44	Various Improvements to Count Basie Park		795,500.00		795,500.00		
09-27	Leasing of Certain Capital Equipment		490,000.00	490,000.00			
		<u>\$ 848,238.86</u>	<u>\$ 1,418,500.00</u>	<u>\$ 490,000.00</u>	<u>\$ 1,706,500.00</u>	<u>\$ 32,738.86</u>	<u>\$ 37,500.00</u>

**UTILITY OPERATING FUNDS - COMBINED STATEMENTS**

**BOROUGH OF RED BANK**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - PARKING AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	Parking Utility		Water-Sewer Utility		Totals (Memorandum Only)	
	2009	2008	2009	2008	2009	2008
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 743,583.12	\$ 754,874.48	\$ 526,712.03	\$ 738,143.01	\$ 1,270,295.15	\$ 1,493,017.49
Consumer Accounts Receivable			1,102,126.59	1,050,733.03	1,102,126.59	1,050,733.03
Water-Sewer Utility Liens Receivable			3,981.60	2,667.26	3,981.60	2,667.26
Interfunds Receivable		1,357.14	115,000.00	6,843.12	115,000.00	8,200.26
Inventory	11,625.00		6,372.00	10,608.66	17,997.00	10,608.66
Total Assets	\$ 755,208.12	\$ 756,231.62	\$ 1,754,192.22	\$ 1,808,995.08	\$ 2,509,400.34	\$ 2,565,226.70
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>						
Liabilities:						
Appropriation Reserves	\$ 7,204.72	\$ 62,521.97	\$ 4,312.12	\$ 126,896.89	\$ 11,516.84	\$ 189,418.86
Other Liabilities and Reserves:						
Reserve for Encumbrances	4,177.84	2,793.96	106,870.77	55,038.24	111,048.61	57,832.20
Interfunds Payable	2,269.80		153,453.69		155,723.49	501,020.00
Reserve for Parking Fee Variance	539,520.00	501,020.00			539,520.00	4,250.43
Customer Overpayments			2,935.88	4,250.43	2,935.88	
	545,967.64	503,813.96	263,260.34	59,288.67	809,227.98	563,102.63
Accrued Interest on Bonds and Notes	6,236.05	7,418.57	142,104.51	161,884.53	148,340.56	169,303.10
Reserve for Receivables and Inventory	11,625.00		1,112,480.19	1,064,008.95	1,124,105.19	1,064,008.95
Fund Balance	184,174.71	182,477.12	232,035.06	396,916.04	416,209.77	579,393.16
Total Liabilities, Reserves and Fund Balance	\$ 755,208.12	\$ 756,231.62	\$ 1,754,192.22	\$ 1,808,995.08	\$ 2,509,400.34	\$ 2,565,226.70

**PARKING UTILITY OPERATING FUND**

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Revenue and Other Income Realized:		
Parking Fees	\$ 785,567.94	\$ 896,122.35
Riverview Hospital - Lease Agreement	310,428.33	275,459.99
Reserve for Payment of Bonds		50,000.00
2007 Appropriation Reserves Cancelled		44,000.00
Non-Budget Revenue	3,455.35	15,123.85
Other Credits to Income - Unexpended Balance of Appropriation Reserves	18,045.97	35,037.82
2009 Budget Appropriations Cancelled	<u>100,000.00</u>	
Total Income	<u>1,217,497.59</u>	<u>1,315,744.01</u>
Expenditures:		
Operating	729,100.00	792,234.00
Debt Service	189,700.00	245,766.00
Deferred Charges and Statutory Expenditures	62,000.00	47,000.00
Surplus Transferred to Current Fund	<u>135,000.00</u>	<u>100,000.00</u>
Total Expenditures	<u>1,115,800.00</u>	<u>1,185,000.00</u>
Excess in Revenues/ Statutory Excess to Fund Balance	101,697.59	130,744.01
Fund Balance, January 1	<u>182,477.12</u>	<u>151,733.11</u>
	284,174.71	282,477.12
Decreased by:		
Transferred to Current Fund	<u>100,000.00</u>	<u>100,000.00</u>
Fund Balance, December 31	<u>\$ 184,174.71</u>	<u>\$ 182,477.12</u>

BOROUGH OF RED BANK  
PARKING UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2009

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Parking Fees	\$ 829,800.00	\$ 785,567.94	\$ (44,232.06)
Riverview Hospital - Lease Payment	<u>286,000.00</u>	<u>310,428.33</u>	<u>24,428.33</u>
	1,115,800.00	1,095,996.27	(19,803.73)
Non-Budget Revenue	<u>                    </u>	<u>3,455.35</u>	<u>3,455.35</u>
	<u>\$ 1,115,800.00</u>	<u>\$ 1,099,451.62</u>	<u>\$ (16,348.38)</u>

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 329,100.00	\$ 329,100.00	\$ 252,047.40	\$ 4,177.84	\$ 52.60	\$ 77,000.00
Other Expenses	400,000.00	400,000.00	370,541.86		2,280.30	23,000.00
Total Operating	729,100.00	729,100.00	622,589.26	4,177.84	2,332.90	100,000.00
<u>DEBT SERVICE</u>						
Payment of Bond Principal	170,000.00	170,000.00	170,000.00			
Interest on Bonds	19,700.00	19,700.00	19,700.00			
Capital Lease						
Total Debt Service	189,700.00	189,700.00	189,700.00			
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	35,000.00	35,000.00	35,000.00		4,871.82	
Social Security System (O.A.S.I.)	27,000.00	27,000.00	22,128.18			
Total Deferred Charges and Statutory Expenditures	62,000.00	62,000.00	57,128.18		4,871.82	
Surplus (General Budget)	135,000.00	135,000.00	135,000.00			
Total Parking Utility Appropriations	\$ 1,115,800.00	\$ 1,115,800.00	\$ 1,004,417.44	\$ 4,177.84	\$ 7,204.72	\$ 100,000.00

**BOROUGH OF RED BANK**  
**PARKING UTILITY OPERATING FUND**  
**STATEMENT OF 2008 APPROPRIATION RESERVES**

	<u>Balance</u> <u>December 31, 2008</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Appropriation</u> <u>Reserves</u>	<u>Reserve for</u> <u>Encumbrances</u>			
Operating:					
Salaries and Wages	\$ 1,371.92		\$ 1,371.92	\$	1,371.92
Other Expenses	58,655.97	2,793.96	61,449.93	\$ 47,269.96	14,179.97
Statutory Expenditures:					
Contribution to Soc. Security	2,494.08		2,494.08		2,494.08
	<u>\$ 62,521.97</u>	<u>\$ 2,793.96</u>	<u>\$ 65,315.93</u>	<u>\$ 47,269.96</u>	<u>\$ 18,045.97</u>



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

BALANCE DECEMBER 31, 2008 \$ 7,418.57

INCREASED BY

2009 Budget Appropriation:  
Interest on Bonds

19,700.00

\$ 27,118.57

DECREASED BY

Cash Disbursed

20,882.52

BALANCE DECEMBER 31, 2009

\$ 6,236.05

ANALYSIS OF ACCRUAL

	<u>Date of Issue</u>	<u>Accrual Period</u>	<u>Interest Rate</u>	<u>Amount Outstanding December 31, 2009</u>	<u>Accrual</u>
<u>Serial Bonds</u>					
Serial Bonds - 2002	8/1/2002	5 Months	Var.	\$ 235,000.00	\$ 3,599.48
Serial Bonds - 2004	6/15/2004	5 Months	Var.	<u>130,000.00</u>	<u>2,010.42</u>
				\$ <u><u>365,000.00</u></u>	5,609.90
Add: Excess to be utilized in 2010 budget					<u>626.15</u>
					\$ <u><u>6,236.05</u></u>

**WATER-SEWER UTILITY OPERATING FUND**

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 5,886,983.55	\$ 100,000.00
Collection of Water-Sewer Rents	5,886,983.55	5,478,066.75
Additional Rents - Rate Increase		607,000.00
Water and Sewer Connection Fees	68,512.49	25,533.00
Water-Sewer Utility Capital Fund Balance		
Appropriated		32,436.45
Miscellaneous	100,764.02	127,296.83
Cancellation of Appropriation Reserves		100,000.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	9,058.96	41,158.72
Current Appropriations Cancelled	<u>115,000.00</u>	<u>253,259.40</u>
Total Income	<u>6,180,319.02</u>	<u>6,764,751.15</u>
Expenditures:		
Operating	4,608,176.00	4,906,532.05
Capital Improvement Fund	155,000.00	
Debt Service	929,000.00	1,193,645.00
Deferred Charges and Statutory Expenditures	128,024.00	279,259.40
Surplus - General Budget	<u>355,000.00</u>	<u>200,000.00</u>
Total Expenditures	<u>6,175,200.00</u>	<u>6,579,436.45</u>
Excess in Revenues/ Statutory Excess to Fund Balance	5,119.02	185,314.70
Fund Balance, January 1	<u>396,916.04</u>	<u>311,601.34</u>
	<u>402,035.06</u>	<u>496,916.04</u>
Decreased by:		
Utilized as Anticipated Revenue		100,000.00
Transferred to Current Fund	<u>170,000.00</u>	
	<u>170,000.00</u>	<u>100,000.00</u>
Fund Balance, December 31	<u>\$ 232,035.06</u>	<u>\$ 396,916.04</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Rents and Other Charges	\$ 6,028,200.00	\$ 5,886,983.55	\$ (141,216.45)
Water and Sewer Connection Fees	25,000.00	68,512.49	43,512.49
Miscellaneous	<u>122,000.00</u>	<u>99,438.25</u>	<u>(22,561.75)</u>
	\$ 6,175,200.00	\$ 6,054,934.29	\$ (120,265.71)
Non-Budget Revenue	<u>                    </u>	<u>11.22</u>	<u>11.22</u>
	<u>\$ 6,175,200.00</u>	<u>\$ 6,054,945.51</u>	<u>\$ (120,254.49)</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 749,810.00	\$ 749,810.00	\$ 749,810.00	\$	\$	
Other Expenses	1,494,460.00	1,480,283.00	1,369,176.02	106,870.77	4,236.21	
Regional Sewer Authority Charges	1,725,000.00	1,696,153.00	1,696,153.00			
Manasquan River Water Purchases	640,930.00	681,930.00	681,854.09		75.91	
Total Operating	<u>4,610,200.00</u>	<u>4,608,176.00</u>	<u>4,496,993.11</u>	<u>106,870.77</u>	<u>4,312.12</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	155,000.00	155,000.00	155,000.00			
Total Capital Improvements	<u>155,000.00</u>	<u>155,000.00</u>	<u>155,000.00</u>			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	595,000.00	595,000.00	595,000.00			
Interest on Bonds	334,000.00	334,000.00	334,000.00			
Total Debt Service	<u>929,000.00</u>	<u>929,000.00</u>	<u>929,000.00</u>			
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	70,000.00	72,024.00	72,024.00			
Social Security System (O.A.S.I.)	56,000.00	56,000.00	56,000.00			
Total Deferred Charges and Statutory Expenditures	<u>126,000.00</u>	<u>128,024.00</u>	<u>128,024.00</u>			
<u>SURPLUS (GENERAL BUDGET)</u>						
	355,000.00	355,000.00	240,000.00			115,000.00
Total Water-Sewer Utility Appropriations	<u>\$ 6,175,200.00</u>	<u>\$ 6,175,200.00</u>	<u>\$ 5,949,017.11</u>	<u>\$ 106,870.77</u>	<u>\$ 4,312.12</u>	<u>\$ 115,000.00</u>

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

<u>BALANCE, DECEMBER 31, 2008</u>		\$ 1,050,733.03
<u>INCREASED BY</u>		
Rents Charged in 2009		<u>5,941,006.00</u>
		6,991,739.03
<u>DECREASED BY</u>		
Collections - Net	\$ 5,886,983.55	
Transfer to Lien	<u>1,314.34</u>	<u>5,888,297.89</u>
<u>BALANCE, DECEMBER 31, 2009</u>		<u>\$ 1,103,441.14</u>

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

<u>BALANCE, DECEMBER 31, 2008</u>		\$ 2,667.26
<u>INCREASED BY</u>		
Transferred from Consumer Accounts Receivable		<u>1,314.34</u>
<u>BALANCE, DECEMBER 31, 2009</u>		<u>\$ 3,981.60</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance December 31, 2008		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
Operating:					
Salaries and Wages	\$ 960.42	\$	\$ 960.42	\$	\$ 960.42
Other Expenses	52,523.51	51,336.08	103,859.59	101,762.86	2,096.73
Manasquan River Water Purchases	73,412.86		73,412.86	67,411.15	6,001.71
Reserve for Accumulated Sick Leave	0.10		0.10		0.10
	<u>\$ 126,896.89</u>	<u>\$ 51,336.08</u>	<u>\$ 178,232.97</u>	<u>\$ 169,174.01</u>	<u>\$ 9,058.96</u>

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

<u>BALANCE DECEMBER 31, 2008</u>	\$ 161,884.53
<u>INCREASED BY</u>	
2009 Budget Appropriation:	
Interest on Bonds	<u>334,000.00</u>
	495,884.53
<u>DECREASED BY</u>	
Cash Disbursed	<u>353,780.02</u>
<u>BALANCE DECEMBER 31, 2009</u>	<u>\$ 142,104.51</u>

ANALYSIS OF ACCRUAL

	<u>Date of Issue</u>	<u>Accrual Period</u>	<u>Interest Rate</u>	<u>Amount Outstanding December 31, 2009</u>	<u>Accrual</u>
<u>Serial Bonds</u>					
2002 Series	8/1/2002	5 Months	Var.	\$ 545,000.00	\$ 8,353.65
2004 Series	6/15/2004	5 Months	Var.	1,910,000.00	31,611.98
2007 Series	7/15/2007	5.5 Months	Var.	<u>5,805,000.00</u>	<u>101,903.65</u>
				<u>\$ 8,260,000.00</u>	141,869.28
Excess to be utilized in 2010 Budget					<u>235.23</u>
					<u>\$ 142,104.51</u>



**UTILITY CAPITAL FUNDS - COMBINED STATEMENTS**

**BOROUGH OF RED BANK**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - PARKING AND WATER-SEWER UTILITY CAPITAL FUNDS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2009 AND 2008**

	Parking Utility		Water-Sewer Utility		Totals	
	2009	2008	2009	2008	2009	2008
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 148,413.13	\$ 151,277.97	\$ 1,522,484.22	\$ 1,935,421.04	\$ 1,670,897.35	\$ 2,086,699.01
Fixed Capital	3,549,558.93	3,549,558.93	9,065,403.29	9,065,403.29	12,614,962.22	12,614,962.22
Fixed Capital Authorized and Uncompleted	315,000.00	315,000.00	12,527,500.00	9,911,500.00	12,842,500.00	10,226,500.00
	3,864,558.93	3,864,558.93	21,592,903.29	18,976,903.29	25,457,462.22	22,841,462.22
Interfund Receivable	269.80		153,453.69		153,723.49	
Due from New Jersey Environmental Infrastructure Trust			2,470,227.00		2,470,227.00	
Total Assets	\$ 4,013,241.86	\$ 4,015,836.90	\$ 25,739,068.20	\$ 20,912,324.33	\$ 29,752,310.06	\$ 24,928,161.23
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>						
Serial Bonds	\$ 365,000.00	\$ 535,000.00	\$ 9,620,076.00	\$ 8,855,000.00	\$ 9,985,076.00	\$ 9,390,000.00
Improvement Authorizations:						
Funded	48,406.31	49,644.21	3,855,370.23	1,609,946.87	3,903,776.54	1,659,591.08
Unfunded			439,773.00	646,974.85	439,773.00	646,974.85
	48,406.31	49,644.21	4,295,143.23	2,256,921.72	4,343,549.54	2,306,565.93
Capital Improvement Fund						
Reserve for Payment of Bonds	3,400.00	3,400.00	25,500.00	1,500.00	28,900.00	4,900.00
Reserve for Encumbrances	96,868.64	96,868.64	265,294.68	323,862.20	96,868.64	96,868.64
Interfunds Payable		1,357.14		28,137.12	265,294.68	323,862.20
	100,268.64	101,625.78	290,794.68	353,499.32	391,063.32	455,125.10
Reserve for Amortization	3,499,558.93	3,329,558.93	11,347,277.63	9,261,126.63	14,846,836.56	12,590,685.56
Deferred Reserve for Amortization			185,776.66	185,776.66	185,776.66	185,776.66
Fund Balance	7.98	7.98			7.98	7.98
Total Liabilities, Reserves and Fund Balance	\$ 4,013,241.86	\$ 4,015,836.90	\$ 25,739,068.20	\$ 20,912,324.33	\$ 29,752,310.06	\$ 24,928,161.23

There were Bonds and Notes Authorized But Not Issued at December 31, 2009 in the Parking Utility Capital Fund of \$ None and in the Water-Sewer Utility Capital Funds of \$439,773.00.

**PARKING UTILITY CAPITAL FUND**

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

	Balance December 31, 2008	Receipts Other	Disbursements	Balance December 31, 2009
Fund Balance	\$ 7.98	\$	\$	\$ 7.98
Due to/(from) Parking Utility Operating Fund	1,357.14	1,938.75	3,565.69	(269.80)
Capital Improvement Fund	3,400.00			3,400.00
Reserve for Payment of Bonds	96,868.64			96,868.64
Improvement Authorizations:				
Ordinance Number				
02-04	49,644.21		1,237.90	48,406.31
Acquisition and Installation of Parking Meters and the Resurfacing of Parking Lots	\$ 151,277.97	\$ 1,938.75	\$ 4,803.59	\$ 148,413.13

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

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

There was no change during the year.

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2008</u>	<u>Decreased</u>	<u>Balance December 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
Parking Utility Bonds	12/1/1994	\$ 970,000.00	2009	\$ 75,000.00	6.30%	\$ 75,000.00	\$ 75,000.00	\$
Parking Utility Bonds	8/1/2002	535,000.00	2010	55,000.00	3.625%	290,000.00	55,000.00	235,000.00
			2011-13	60,000.00	3.625% - 3.750%			
Parking Utility Bonds	6/15/2004	315,000.00	2010	40,000.00	3.625%	170,000.00	40,000.00	130,000.00
			2011-12	45,000.00	3.750%			
						\$ 535,000.00	\$ 170,000.00	\$ 365,000.00

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2008 Funded</u>		<u>Paid or Charged</u>	<u>Balance December 31, 2009 Funded</u>	
		<u>Date</u>	<u>Amount</u>					
02-04	Meter Installation Project	2/10/2004	\$ 315,000.00	\$	49,644.21	\$ 1,237.90	\$	48,406.31
				\$	<u>49,644.21</u>	<u>1,237.90</u>	\$	<u>48,406.31</u>

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

There were no bonds and notes authorized but not issued.



**WATER-SEWER UTILITY CAPITAL FUND**

Bracketed amount denotes deficit.

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2008</u>	<u>2009 Authorization</u>	<u>Balance December 31, 2009</u>
26-02	Various 2002 Improvements to the Water-Sewer Facility	11/26/2002	\$ 1,150,000.00	\$ 1,150,000.00	\$	\$ 1,150,000.00
5-03/ 37-03	Various 2003 Water System and Sanitary Sewer Repairs	2/25/2003 9/23/2003	410,000.00	410,000.00		410,000.00
15-03	Acquisition and Installation of Replacement Water Meters and Improvements to Water Facilities	5/27/2003	1,330,000.00	1,316,500.00		1,316,500.00
35-04/ 23-05	Reconstruction of the Sewer Main along Maple Ave.	9/28/2004, 5/23/2005	1,000,000.00 945,000.00	1,945,000.00		1,945,000.00
48-05	Replacement of Sanitary Sewer Lines	11/7/2005	200,000.00	200,000.00		200,000.00
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	250,000.00		250,000.00
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	2,425,000.00		2,425,000.00
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	5/29/2007	1,140,000.00	1,140,000.00		1,140,000.00
23-07	Various 2007 Capital Improvements	5/29/2007	400,000.00	400,000.00		400,000.00
24-08/ 4-09/24-09	Various 2008 Capital Improvements	9/22/2008	675,000.00	675,000.00	2,616,000.00	3,291,000.00
				<u>\$ 9,911,500.00</u>	<u>\$ 2,616,000.00</u>	<u>\$ 12,527,500.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2008	Increased	Decreased	Balance December 31, 2009
			Date	Amount					
Water-Sewer Bonds	8/1/2002	1,200,000.00	2010	\$ 125,000.00	3.625%	\$ 660,000.00	\$	\$ 115,000.00	\$ 545,000.00
			2011	130,000.00	3.625%				
			2012	140,000.00	3.700%				
			2013	150,000.00	3.750%				
Water-Sewer Bonds	6/15/2004	2,760,000.00	2010	200,000.00	3.625%	2,100,000.00		190,000.00	1,910,000.00
			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%				
Water-Sewer Bonds	7/15/2007	6,365,000.00	2017	280,000.00	4.250%				
			2010	300,000.00	4.125%	6,095,000.00		290,000.00	5,805,000.00
			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%				

**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, 2009		Interest Rate	Balance December 31, 2008	Increased	Decreased	Balance December 31, 2009
			Date	Amount					
NJ/EIT Trust Bonds	11/23/09	\$ 680,000.00	2011	\$ 25,000.00	2.000%	\$	\$ 680,000.00	\$	\$ 680,000.00
			2012	25,000.00	3.000%				
			2013	25,000.00	5.000%				
			2014	25,000.00	5.000%				
			2015	30,000.00	5.000%				
			2016	30,000.00	5.000%				
			2017	30,000.00	5.000%				
			2018	30,000.00	5.000%				
			2019	35,000.00	4.000%				
			2020	35,000.00	4.000%				
			2021	35,000.00	4.000%				
			2022	40,000.00	3.500%				
			2023	40,000.00	4.000%				
			2024	40,000.00	4.000%				
			2025	45,000.00	3.750%				
			2026	45,000.00	4.000%				
			2027	45,000.00	4.000%				
			2028	50,000.00	4.000%				
			2029	50,000.00	4.000%				
NJ/EIT Fund Loan	11/23/09	2,040,227.00	2010	23,053.42	0.000%		2,040,227.00	1,360,151.00	680,076.00
			2011	34,580.13	0.000%				
			2012	34,580.13	0.000%				
			2013	34,580.13	0.000%				
			2014	34,580.13	0.000%				
			2015	34,580.13	0.000%				
			2016	34,580.13	0.000%				
			2017	34,580.13	0.000%				
			2018	34,580.13	0.000%				
			2019	34,580.13	0.000%				
			2020	34,580.13	0.000%				
			2021	34,580.13	0.000%				
			2022	34,580.13	0.000%				
			2023	34,580.13	0.000%				
			2024	34,580.13	0.000%				
			2025	34,580.13	0.000%				
			2026	34,580.13	0.000%				
			2027	34,580.13	0.000%				
			2028	34,580.13	0.000%				
			2029	34,580.13	0.000%				
						\$ 8,855,000.00	\$ 2,720,227.00	\$ 1,955,151.00	\$ 9,620,076.00

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

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31, 2008		2009 Authorizations	Paid or Charged	Balance December 31, 2009	
				Funded	Unfunded			Funded	Unfunded
26-02	Various 2002 Improvements to the Water-Sewer Facility	11/26/2002	\$ 1,150,000.00	\$ 32,486.59	\$	\$	\$ 30,363.00	\$ 2,103.59	\$
15-03	Acquisition and Installation of Replacement Water Meters and	5/27/2003	1,330,000.00	483,588.85			89,368.00	394,220.85	
35-04/ 23-05/18-08	Reconstruction of the Sewer Main Along Maple Ave.	9/28/2004, 5/23/2005, 8/11/08	1,000,000.00 945,000.00	546,150.80			4,639.60	541,511.20	
48-05	Replacement of Sanitary Sewer Lines	11/7/2005	200,000.00	35,913.91			550.00	35,363.91	
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	44,303.80			6,847.16	37,456.64	
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	375,969.39			106,583.90	269,385.49	
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	2007	1,140,000.00	41,730.17			9,696.20	119,188.12	
23-07	Various 2007 Capital Improvements	2007	400,000.00	49,823.36				49,823.36	
24-08/4-09/ 24-09	Various 2008 Capital Improvements	9/22/2008, 2/23/2009, 7/13/2009	3,291,000.00		646,974.85	2,616,000.00	416,884.78	2,406,317.07	439,773.00
				<u>\$ 1,609,946.87</u>	<u>\$ 646,974.85</u>	<u>\$ 2,616,000.00</u>	<u>\$ 664,932.64</u>	<u>\$ 3,855,370.23</u>	<u>\$ 439,773.00</u>

**BOROUGH OF RED BANK**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**DUE FROM NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

INCREASED BY

2009 Bonds Issued

\$ 2,720,227.00

DECREASED BY

Cash Received

250,000.00

BALANCE, DECEMBER 31, 2009

\$ 2,470,227.00

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2008</u>	<u>2009 Authorizations</u>	<u>Bonds Issued</u>	<u>Balance December 31, 2009</u>
24-08/ 4-09/24-09	Various 2008 Water/Sewer Improvements	\$ 675,000.00	\$ 2,485,000.00	\$ 2,720,227.00	\$ 439,773.00
		<u>\$ 675,000.00</u>	<u>\$ 2,485,000.00</u>	<u>\$ 2,720,227.00</u>	<u>\$ 439,773.00</u>



**GENERAL FIXED ASSETS ACCOUNT**

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

	Balance December 31, <u>2009</u>	Balance December 31, <u>2008</u>
General Fixed Assets:		
Land and Buildings	\$ 18,053,582.00	\$ 17,351,957.00
Contents	2,551,481.00	2,551,301.00
Vehicles and Equipment	<u>9,357,358.00</u>	<u>8,585,662.00</u>
	<u>\$ 29,962,421.00</u>	<u>\$ 28,488,920.00</u>
 Investment in General Fixed Assets	 <u>\$ 29,962,421.00</u>	 <u>\$ 28,488,920.00</u>

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

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

To the Honorable Mayor and Members of the Borough 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, 2009, and have issued our report thereon dated May 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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 of the financial statements of the Borough as of and for the year ended December 31, 2009 in accordance with auditing standards generally accepted in the United States of America, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

A deficiency in internal control 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 material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of the Borough within the Comments and Recommendations section of this report.

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



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

DAK CPA  
DAK CPA, Certified Public Accountants

Long Branch, New Jersey  
May 27, 2010

## **STATISTICAL SECTION**

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

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government	\$ 2,180,278.07	\$ 2,262,928.67	\$ 2,457,480.41	\$ 2,432,221.89	\$ 2,361,841.25	\$ 1,726,271.00	\$ 1,637,855.00	\$ 1,414,941.00	\$ 1,357,576.00	\$ 1,265,041.00
Land Use Administration	184,325.66	181,800.00	198,000.00	179,700.00	148,000.00	148,400.00	122,500.00	143,100.00	125,455.00	120,300.00
Insurance	2,428,157.75	2,480,500.00	2,340,000.00	2,179,000.00	1,785,000.00	1,620,000.00	1,330,000.00	1,140,400.00	1,056,500.00	871,350.00
Public Safety	5,038,821.00	4,841,439.18	4,737,600.00	4,248,400.00	4,084,100.00	3,881,035.00	3,854,806.00	3,667,015.00	3,494,090.00	3,300,078.00
Public Works	1,304,440.00	1,406,526.00	1,381,380.00	1,251,000.00	1,183,677.10	1,183,605.00	1,160,000.00	1,270,000.00	1,105,020.00	1,038,500.00
Landfill/Solid Waste Disposal Costs	455,000.00	525,000.00	580,000.00	580,000.00	528,000.00	470,000.00	610,000.00	608,100.00	633,200.00	642,000.00
Streets and Roads										
Sanitation										
Health and Welfare	238,641.00	217,886.01	198,065.99	134,500.00	118,450.00	122,537.00	122,190.00	182,028.00	162,968.00	223,444.00
Parks and Recreation	469,293.75	454,007.00	445,734.00	399,500.00	375,100.00	342,250.00	332,350.00	356,050.00	326,085.00	287,650.00
Utility Expenses and Bulk Purchases	675,000.00	657,773.82	587,000.00	545,000.00	520,900.00	487,500.00	474,200.00	461,500.00	419,300.00	402,000.00
Uniform Construction Code	335,375.00	295,210.00	283,100.00	345,150.00	330,650.00	364,810.00	363,000.00	362,000.00	345,500.00	388,400.00
Contingent and Celebration	1,425.00	1,500.00	2,200.00	2,200.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Deferred Charges and Statutory										
Expenditures	1,584,141.19	1,241,060.73	723,089.96	843,456.08	823,499.41	950,278.69	706,611.24	643,849.13	714,740.30	936,880.00
State and Federal Grants	222,406.13	190,977.13	2,568,346.04	106,464.97	216,317.59	710,175.50	364,922.56	449,964.79	563,587.86	439,573.97
Judgements		66,603.84								
Capital Improvements	80,000.00	30,000.00	60,000.00	140,000.00	171,250.00	100,000.00	100,000.00	60,000.00	30,000.00	30,000.00
Debt Service	3,289,398.51	3,484,439.00	2,787,078.37	2,771,891.56	2,454,331.87	2,451,842.91	2,243,452.00	1,934,011.00	1,956,899.90	2,177,389.00
Reserve for Sick Pay	80,059.00	35,956.88	50,000.00	100,000.00	130,000.00					
Reserve for Uncollected Taxes	1,004,998.61	870,673.81	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
	\$ 19,571,760.67	\$ 19,244,282.07	\$ 20,260,850.01	\$ 16,308,484.50	\$ 15,929,287.14	\$ 15,267,792.50	\$ 14,144,244.27	\$ 13,508,155.52	\$ 13,218,083.77	\$ 13,174,921.31

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

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

Function	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Operating	\$ 792,234.00	\$ 792,234.00	\$ 791,480.00	\$ 723,500.00	\$ 638,300.00	\$ 475,000.00	\$ 395,000.00	\$ 318,500.00	\$ 212,140.00	\$ 162,176.00
Capital Improvements									7,500.00	
Debt Service	245,766.00	245,766.00	247,118.75	243,459.18	236,272.12	193,784.00	240,452.00	236,175.00	293,100.00	271,980.00
Deferred Charges and Statutory										
Expenditures	47,000.00	47,000.00	47,000.00	29,586.25	28,727.84	60,600.00	15,600.00	7,000.00	6,350.00	4,700.00
Surplus Transferred to Current Fund	100,000.00	100,000.00								
	<u>\$ 1,185,000.00</u>	<u>\$ 1,185,000.00</u>	<u>\$ 1,085,598.75</u>	<u>\$ 996,545.43</u>	<u>\$ 903,299.96</u>	<u>\$ 729,384.00</u>	<u>\$ 651,052.00</u>	<u>\$ 561,675.00</u>	<u>\$ 519,090.00</u>	<u>\$ 438,856.00</u>

**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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Operating	\$ 4,608,176.00	\$ 4,906,532.05	\$ 5,082,104.62	\$ 4,523,807.89	\$ 4,051,882.00	\$ 4,070,246.00	\$ 4,284,695.00	\$ 4,301,785.00	\$ 4,013,000.00	\$ 3,664,000.00
Capital Improvements	155,000.00				55,000.00	60,000.00	80,597.04	10,000.00	42,000.00	11,000.00
Debt Service	929,000.00	1,193,645.00	898,554.38	726,064.25	593,368.61	355,045.00	326,376.00	253,651.00	191,862.00	390,854.37
Deferred Charges and Statutory Expenditures	128,024.00	279,259.40	122,307.04	145,984.36	546,840.01	492,428.25	172,082.38	64,020.00	60,120.00	61,020.00
Surplus General Budget	355,000.00	200,000.00	286,000.00							
	<u>\$ 6,175,200.00</u>	<u>\$ 6,579,436.45</u>	<u>\$ 6,388,966.04</u>	<u>\$ 5,395,856.50</u>	<u>\$ 5,247,090.62</u>	<u>\$ 4,977,719.25</u>	<u>\$ 4,863,751.42</u>	<u>\$ 4,629,456.00</u>	<u>\$ 4,306,982.00</u>	<u>\$ 4,126,874.37</u>



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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Fund Balance Anticipated	\$ 1,255,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,185,769.05	\$ 1,237,887.89	\$ 1,040,000.00	\$ 588,777.21	\$ 757,688.00	\$ 824,725.00	\$ 799,880.00
Taxes (1)	10,736,805.17	10,344,639.22	8,663,680.47	7,760,128.96	7,900,988.20	7,552,516.73	7,208,499.04	6,593,617.13	6,533,054.13	6,593,123.36
Delinquent Taxes	965,911.37	962,570.81	728,820.90	678,059.56	604,858.25	632,738.36	741,909.67	605,567.10	674,534.09	955,869.78
Miscellaneous Revenues	3,808,198.06	3,794,444.35	4,227,425.27	4,148,567.70	3,380,932.84	3,136,652.29	2,706,634.51	2,351,495.86	1,995,892.74	2,073,218.11
State Aid	2,528,825.00	2,943,666.00	2,770,744.00	2,843,480.00	2,818,510.00	2,818,510.00	2,713,834.66	2,645,580.00	2,596,715.00	2,892,593.00
Federal and State Grants/Interlocal	222,406.13	190,977.13	2,568,346.04	106,464.97	216,317.59	524,588.50	343,958.56	441,826.79	733,355.86	575,544.23
Non-budget Revenues and Other	401,065.00	692,422.65	667,064.74	484,533.37	315,547.12	141,337.59	188,299.10	296,275.26	451,181.42	194,643.68
Items										
	\$ 19,918,210.73	\$ 20,228,720.16	\$ 20,926,081.42	\$ 17,187,003.61	\$ 16,475,041.89	\$ 15,846,343.47	\$ 14,491,912.75	\$ 13,692,050.14	\$ 13,809,458.24	\$ 14,084,872.16

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

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

<u>Year</u>	<u>Borough</u>	<u>County</u>	<u>County Open Space Fund</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2009	\$ 0.462	\$ 0.238	\$ 0.016	\$ 0.530	\$ 0.367	\$ 1.613	98.16%	2.44%
2008	0.445	0.231	0.015	0.538	0.365	1.594	97.38%	2.73%
2007 *	0.384	0.237	0.015	0.534	0.371	1.541	97.09%	3.02%
2006	0.836	0.528	0.030	1.200	0.834	3.428	97.99%	2.12%
2005	0.792	0.492	0.029	1.165	0.745	3.223	97.89%	2.21%
2004	0.749	0.460	0.028	1.135	0.704	3.076	98.43%	1.66%
2003	0.734	0.462	0.030	1.102	0.646	2.974	97.89%	2.20%
2002	0.690	0.437	0.019	0.964	0.587	2.697	97.33%	2.84%
2001	0.671	0.391	0.018	0.918	0.520	2.518	97.19%	2.80%
2000	0.940	0.514	0.026	1.267	0.736	3.483	96.84%	3.10%

Source: Tax Collector.

\* Revaluation

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy *</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2009	\$ 37,413,630.34	\$ 36,726,439.35	98.16%
2008	37,210,091.47	36,238,095.23	97.38%
2007	35,414,391.89	34,387,238.22	97.09%
2006	34,148,086.45	33,462,074.21	97.99%
2005	31,879,009.84	31,206,487.37	97.89%
2004	30,150,721.08	29,680,324.58	98.43%
2003	29,002,082.53	28,389,025.01	97.88%
2002	26,242,985.17	25,542,961.19	97.33%
2001	24,640,379.99	23,948,795.54	97.19%
2000	23,379,014.52	22,641,997.72	96.84%

\* Net of cancellations.

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

<u>Year Ended December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2009	\$ 53,963.78	\$ 859,076.05	\$ 913,039.83	2.44%
2008	53,514.75	964,090.82	1,017,605.57	2.73%
2007	45,541.00	1,022,711.47	1,068,252.47	3.02%
2006	41,077.99	681,742.14	722,820.13	2.12%
2005	33,514.28	672,522.47	706,036.75	2.21%
2004	32,673.70	466,988.29	499,661.99	1.66%
2003	29,265.49	608,726.07	637,991.56	2.20%
2002	59,622.89	692,190.81	751,813.70	2.86%
2001	59,114.41	631,800.79	690,915.20	2.80%
2000	66,938.53	657,077.30	724,015.83	3.10%

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

<u>Year Ended December 31,</u>		<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2009	\$	2,278,411,100	\$ 2,349,056,818	96.99%
2008		2,271,728,671	2,361,292,466	96.49%
2007	*	2,238,531,929	2,274,699,653	98.41%
2006		968,840,300	2,141,083,536	45.25%
2005		959,795,000	1,902,844,964	50.44%
2004		957,334,500	1,563,761,026	61.22%
2003		949,655,100	1,299,473,317	73.08%
2002		953,190,300	1,175,762,057	81.07%
2001		952,064,700	1,027,592,768	92.65%
2000		649,152,911	864,845,338	75.06%

\* Revaluation

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

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

<u>Taxpayer</u>	<u>Assessed Value - 2007</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
#1	\$ 37,545,000	1.65%
#2	29,513,500	1.30%
#3	24,354,900	1.07%
#4	22,160,900	0.97%
#5	20,438,900	0.90%
#6	19,111,500	0.84%
#7	16,912,500	0.74%
#8	16,315,900	0.72%
#9	15,267,000	0.67%
#10	<u>14,772,764</u>	<u>0.65%</u>
	<u>\$ 228,411,864</u>	<u>10.00%</u>

Source: Red Bank Tax Assessor

**BOROUGH OF RED BANK**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

Average Equalized Valuation				\$ <u>2,316,407,888.33</u>
Borrowing Margin - 3½% of Average Equalized Valuation				\$ 81,074,276.09
Net Debt				<u>14,015,208.71</u>
Remaining Borrowing Power				\$ <u>67,059,067.38</u>
	<u>Gross</u>		<u>Deductions</u>	<u>Net</u>
	<u>Debt</u>			<u>Debt</u>
Municipal Debt - Borough of Red Bank	\$ <u>33,116,705.12</u>	\$ <u>19,101,496.41</u>	\$	14,015,208.71
Overlapping Debt Apportioned to the Municipality:				
County of Monmouth (1) (1.828000%)				<u>8,546,514.43</u>
			\$	<u>22,561,723.14</u>

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2009	11,844	\$ 2,339,711,542.00	\$ 14,015,208.71	0.60%	\$ 1,183.32
2008	11,844	2,345,040,730.00	15,250,681.84	0.65%	1,287.63
2007	11,844	2,264,471,395.00	17,214,453.79	0.76%	1,453.43
2006	11,844	2,141,083,536.00	17,281,292.46	0.81%	1,459.08
2005	11,844	1,588,693,102.00	18,392,921.21	1.16%	1,552.93
2004	11,844	1,346,332,133.00	17,790,505.11	1.32%	1,502.07
2003	11,844	1,167,609,381.00	17,348,327.19	1.49%	1,464.74
2002	11,844	1,183,988,382.00	17,790,505.11	1.43%	1,502.07
2001	11,844	1,035,669,137.00	14,405,498.24	1.39%	1,216.27
2000	10,988	870,981,313.00	15,026,480.74	1.73%	1,367.54

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

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

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



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

Year Ended December 31,	Bond and Note Principal	Interest on Bonds and Notes	Green Trust Loans	Capital Equipment Lease	Total Municipal Debt Service	Total Current Fund Governmental Fund Expenditures	Ratio of Debt Service to Current Fund Expenditures
2009	\$ 1,988,000.00	\$ 541,789.66	\$ 144,939.87	\$ 606,077.40	\$ 3,280,806.93	\$ 18,803,410.48	17.45%
2008	1,919,000.00	632,492.86	144,939.88	638,812.12	3,335,244.86	18,556,622.68	17.97%
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%

(1) Actual Paid or Charged Amounts.

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

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

Cash Receipts from Parking Fees or Other Charges		\$ 1,099,451.62
Deductions:		
Operating and Maintenance Cost	\$ 791,100.00	
Debt Service	<u>189,700.00</u>	
Total Deductions		<u>980,800.00</u>
Excess in Revenue		\$ <u><u>118,651.62</u></u>

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

Cash Receipts from Fees, Rents or Other Charges		\$ 6,056,260.06
Deductions:		
Operating and Maintenance Cost	\$ 4,736,200.00	
Debt Service	<u>929,000.00</u>	
Total Deductions		<u>5,665,200.00</u>
Excess in Revenue		\$ <u><u>391,060.06</u></u>

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

<u>Year Ended</u> <u>December 31,</u>	<u>Unemployment</u> <u>Rate</u>
2009	10.6%
2008	6.5%
2007	3.7%
2006	4.1%
2005	4.0%
2004	4.4%
2003	5.4%
2002	5.3%
2001	4.3%
2000	3.8%

N/A = Not Available

Source : NJ Department of Labor and Workforce Development Website.

**BOROUGH OF RED BANK**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2009**

Date of Incorporation	March 10, 1908
Form of Government	Borough
Area	1.8 square miles
Total Number of Employees ( includes part-time)	178

Source: Borough Records.

**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS**  
**DECEMBER 31, 2009**

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which exceeds the bid threshold (N.J.S. 40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that is has had prior negative experience with the bidder."

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

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

Summer Food Lunch Service Program	Parks Maintenance
Pressure Filters for Water System	Water and Sewer Connections and
Other Water Facility Improvements	Mains Force Account
Supply and Delivery of Water Purification	Sunset Avenue Incinerator Site
Chemicals	Demolition

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

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

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

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2009**

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 2009, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

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

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

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

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

The detail of all unpaid taxes for 2009 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, 2009 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

The 2009 tax sale was complete.

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



**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2009**

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

**Finding:**

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

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

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

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

<u>Year</u>	<u>Number of Liens</u>
2009	11
2008	7
2007	7

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

The detail of all unpaid Water-Sewer rents for 2009 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, 2009, covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

**Finding:**

**Condition:** Our examination revealed \$3,101.27 of 1998 sidewalk improvement assessments receivable remain outstanding at year end. The Borough did not receive any payments on these assessments during the year. A resolution to cancel the remaining outstanding balance on these assessments has been presented to the governing body, therefore no audit recommendation is warranted.

**OTHER COMMENTS**  
**DECEMBER 31, 2009**

**Cash Balances**

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2009. Supplemental bank reconciliations were reviewed as of March 31, 2010.

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

The change funds and petty cash funds were counted.

**Revenues**

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

**Finding:**

**Condition:** On October 8, 2009 an audit of the Parks and Recreation Department was concluded. Numerous deficiencies in the areas of payroll and personnel, budgeting, purchasing and revenue and fee collection were noted. The report issued in conjunction with that audit noted "... a pattern of deficiencies". Corrective action on all the deficiencies noted in that report have been successfully implemented. Accordingly, no further recommendation is warranted.

**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.

**Payroll**

An examination was made of the employees' compensation records for the year 2009 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. No exceptions were noted for those employees that we tested.

**OTHER COMMENTS (CONTINUED)**  
**DECEMBER 31, 2009**

Miscellaneous Comments

The confirmations sent to the Local and Regional Boards of Education verified the correct school taxes payable at December 31, 2009.

**Finding:**

**Condition:** Our examination revealed the Local District School Taxes were overpaid by \$2,204.81 at year end. The Borough has taken appropriate action to recoup the overpayment and therefore no recommendation is warranted.

**Finding:**

**Condition:** Our examination revealed approvals from the State of New Jersey for certain Trust Other Dedication by Rider accounts were lacking.

**Criteria:** Approval for all Trust Other Dedications by Rider must be requested by resolution of the governing body. The Department of Community Affairs reviews each request and issues an approval or rejection letter. Riders for rejected requests may not be established. Riders established without prior approval are not permissible.

**Recommendation:** It is recommended that only Trust Other Fund Dedications by Rider approved by the Department of Community Affairs be utilized.

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

Appreciation

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

Status of Prior Year's Recommendations

The prior year's corrective action plan approved by the Mayor and Borough Council was successful in correcting all of the areas addressed in the prior year's recommendations, except for prior year's audit recommendation 2008-1 which is repeated in the recommendations which follow as recommendation 2009-1.

**RECOMMENDATIONS**  
**DECEMBER 31, 2009**

It is recommended:

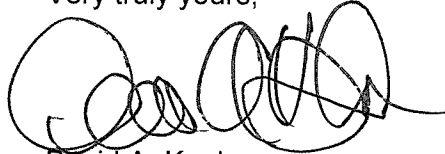
2009-1     That the Borough initiate proceedings to either collect or foreclose on tax sale certificate 2524000.

2009-2     That only Trust Other Fund Dedications by Rider approved by the Department of Community Affairs be utilized.

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,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

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

For The Firm  
DAK CPA Certified Public Accountants