

BOROUGH OF SADDLE RIVER

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

BOROUGH OF SADDLE RIVER

TABLE OF CONTENTS

| | <u>Page</u> |
|--|----------------|
| <u>Part I</u> | |
| Independent Auditor's Report | 1-2 |
| | <u>Exhibit</u> |
| <u>Current Fund</u> | |
| Comparative Balance Sheet – Regulatory Basis | A |
| Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis | A-1 |
| Statement of Revenues – Regulatory Basis | A-2 |
| Statement of Expenditures – Regulatory Basis | A-3 |
| <u>Trust Fund</u> | |
| Comparative Balance Sheet – Regulatory Basis | B |
| <u>General Capital Fund</u> | |
| Comparative Balance Sheet – Regulatory Basis | C |
| Statement of Fund Balance – Regulatory Basis | C-1 |
| <u>Water Utility Fund</u> | |
| Comparative Balance Sheet – Regulatory Basis | D |
| Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis | D-1 |
| Statement of Capital Fund Balance – Regulatory Basis | D-2 |
| Statement of Revenues – Regulatory Basis | D-3 |
| Statement of Expenditures – Regulatory Basis | D-4 |
| <u>General Fixed Assets Account Group</u> | |
| Comparative Balance Sheet – Regulatory Basis | E |

BOROUGH OF SADDLE RIVER

TABLE OF CONTENTS
(CONTINUED)

| | <u>Page</u> |
|--|-------------|
| <u>Part I (Continued)</u> | |
| | <u>Page</u> |
| <u>Notes to Financial Statements</u> | 32-51 |
| <u>Supplementary Data</u> | |
| Comparative Statement of Operations and Change in Fund Balance – Current Fund | 53 |
| Comparative Statement of Operations and Change in Fund Balance – Water Utility Operating Fund | 54 |
| Comparative Schedule of Tax Rate Information | 55 |
| Comparison of Tax Levies and Collection Currently | 55 |
| Delinquent Taxes and Tax Title Liens | 56 |
| Comparison of Water Utility Levies | 56 |
| Comparative Schedule of Fund Balances | 57 |
| Officials in Office and Surety Bonds | 58 |
| <u>Current Fund</u> | |
| Schedule of Cash – Treasurer | A-4 |
| Schedule of Cash – Tax Collector | A-5 |
| Schedule of Change Funds | A-6 |
| Schedule of Petty Cash | A-7 |
| Schedule of Amount Due from/to State of New Jersey for Senior Citizens’ and Veterans’ Deductions | A-8 |
| Schedule of Taxes Receivable and Analysis of 2009 Property Tax Levy | A-9 |
| Schedule of Tax Title Liens | A-10 |
| Schedule of Property Acquired for Taxes at Assessed Valuation | A-11 |
| Schedule of Revenue Accounts Receivable | A-12 |
| Schedule of Interfund Accounts Receivable | A-13 |
| Schedule of Other Accounts Receivable | A-14 |
| Schedule of Deferred Charges | A-15 |
| Schedule of Appropriation Reserves – 2008 | A-16 |
| Schedule of Reserve for Encumbrances | A-17 |
| Schedule of Interfund Accounts Payable | A-18 |
| Schedule of Prepaid Taxes | A-19 |
| Schedule of Tax Overpayments | A-20 |
| Schedule of Reserve for Tax Appeals Pending | A-21 |
| Schedule of Reserve for Funds – Appropriated | A-22 |
| Schedule of Reserve for Funds – Unappropriated | A-23 |
| Schedule of Other Liabilities and Reserves | A-24 |
| Schedule of Local School District and County Taxes | A-25 |
| Schedule of Amount Due From Current Fund To Federal and State Grants Fund | A-26 |
| Schedule of Amount Due From Other Trust Fund To Federal and State Grants Fund | A-26a |

BOROUGH OF SADDLE RIVER

TABLE OF CONTENTS
(CONTINUED)

| | <u>Schedule</u> |
|---|-----------------|
| <u>Part I (Continued)</u> | |
| <u>Current Fund</u> | |
| Schedule of Federal and State Aid Receivable | A-27 |
| Schedule of Appropriated Reserves for Federal and State Grants | A-28 |
| Schedule of Unappropriated Reserves for Federal and State Grants | A-29 |
| Schedule of Reserve for Encumbrances for Federal and State Grants | A-30 |
| <u>Trust Fund</u> | |
| Schedule of Cash – Treasurer | B-1 |
| Schedule of Interfund Accounts Receivable | B-2 |
| Schedule of Interfund Accounts Payable | B-3 |
| Schedule of Reserve for Animal Control Fund Expenditures | B-4 |
| Schedule of Amount Due to State Board of Health | B-5 |
| Schedule of Prepaid License Fees | B-6 |
| Schedule of Amount Due to State of New Jersey | B-7 |
| Reserve for Special Deposits | B-8 |
| Schedule of Reserve for Encumbrances | B-9 |
| Schedule of Cash – Deferred Compensation Plan | B-10 |
| <u>General Capital Fund</u> | |
| Schedule of Cash – Treasurer | C-2 |
| Analysis of Cash | C-3 |
| Schedule of Deferred Charges to Future Taxation – Funded | C-4 |
| Schedule of Deferred Charges to Future Taxation – Unfunded | C-5 |
| Schedule of Deferred Charges to Future Taxation – Cancelled Federal and State Aid Receivable | C-6 |
| Schedule of Federal, State and Other Aid Receivable | C-7 |
| Schedule of Interfund Accounts Receivable | C-8 |
| Schedule of Improvement Authorizations | C-9 |
| Schedule of Reserve for Encumbrances | C-10 |
| Schedule of Capital Improvement Fund | C-11 |
| Schedule of Capital Reserves | C-12 |
| Schedule of Interfund Accounts Payable | C-13 |
| Schedule of Reserve for Federal, State and Other Aid Receivable | C-14 |
| Schedule of Serial Bonds | C-15 |
| Schedule of NJ Environmental Infrastructure Trust Loan | C-16 |
| Schedule of Bond Anticipation Notes | C-17 |
| Schedule of Bonds and Notes Authorized but not Issued | C-18 |

BOROUGH OF SADDLE RIVER

TABLE OF CONTENTS
(CONTINUED)

Schedule

Part I (Continued)

Supplementary Date (Continued)

Water Utility Fund

| | |
|---|------|
| Schedule of Cash – Treasurer | D-5 |
| Analysis of Water Capital Cash | D-6 |
| Schedule of Cash – Water Collector | D-7 |
| Schedule of Interfund Accounts Receivable | D-8 |
| Schedule of Water Utility Consumers’ Accounts Receivable | D-9 |
| Schedule of Water Liens Receivable | D-10 |
| Schedule of Deferred Charges – Operating Deficit | D-11 |
| Schedule of Fixed Capital | D-12 |
| Scheduled of Fixed Capital Authorized and Uncompleted | D-13 |
| Schedule of Wastewater Treatment Trust Loans Receivable | D-14 |
| Schedule of Federal and State Aid Receivable | D-15 |
| Schedule of Appropriation Reserves – 2008 | D-16 |
| Schedule of Reserve for Encumbrances | D-17 |
| Schedule of Interfund Accounts Payable | D-18 |
| Schedule of Utility Charges Overpayments | D-19 |
| Schedule of Accrued Interest on Bonds | D-20 |
| Schedule of Accrued Interest on Loans | D-21 |
| Schedule of Accrued Interest on Notes | D-22 |
| Schedule of Improvement Authorizations | D-23 |
| Schedule of Reserve for Encumbrances | D-24 |
| Schedule of Capital Improvement Fund | D-25 |
| Schedule of Capital Reserves | D-26 |
| Schedule of Reserve for Amortization | D-27 |
| Schedule of Deferred Reserve for Amortization | D-28 |
| Schedule of Bonds Payable | D-29 |
| Schedule of New Jersey Wastewater Treatment Trust Loans Payable | D-30 |
| Schedule of Bond Anticipation Notes | D-31 |
| Schedule of Bonds and Notes Authorized but not Issued | D-32 |

BOROUGH OF SADDLE RIVER

TABLE OF CONTENTS
(CONTINUED)

| | <u>Page</u> |
|--|-------------|
| <u>Part I (Continued)</u> | |
| <u>Reports Pursuant to Government Auditing Standards</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 “Governmental Auditing Standards” | 130-131 |
| <u>Part II</u> | |
| General Comments and Recommendations | 133-136 |

INDEPENDENT AUDITOR'S REPORT

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA

Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Saddle River
County of Bergen, New Jersey

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Saddle River as of December 31, 2009 and December 31, 2008, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2009. These financial statements are the responsibility of the management of the Borough of Saddle River. Our responsibility is to express an opinion 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 in compliance with audit 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 opinion.

As discussed in Note I, the Borough of Saddle River prepares its financial statements in conformity with the accounting practices 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 basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, because of the Borough policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Saddle River as of December 31, 2009 and December 31, 2008, or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough of Saddle River as of December 31, 2009 and December 31, 2008, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2009, on the basis of accounting described in Note I.

170 East Main Street

P.O. Box 541

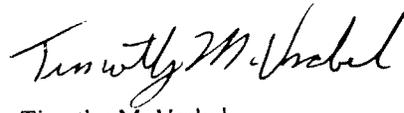
Denville, NJ 07834

973-625-2920 Fax: 973-625-8733

Email: tmvrabeldvc@optonline.net

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2010 on our consideration of the Borough of Saddle River'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 an opinion on the financial statements of the Borough of Saddle River, in the County of Bergen, State of New Jersey, taken as a whole. The supplemental schedules presented in the Supplementary Data Section are presented for purposes of additional analysis, as required by the Division of Local Government Services and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

May 27, 2010

SECTION A
CURRENT FUND

BOROUGH OF SADDLE RIVER
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>Assets</u> | <u>Ref.</u> | <u>December 31,</u> | |
|---|-------------|------------------------|------------------------|
| | | <u>2009</u> | <u>2008</u> |
| General Fund: | A-4 | \$ 4,525,328.17 | \$ 4,562,142.48 |
| Cash - Treasurer | A-6 | 200.00 | 200.00 |
| Change Fund | A-7 | 450.00 | 450.00 |
| Petty Cash Fund | | <u>4,525,978.17</u> | <u>4,562,792.48</u> |
| Receivables and other Assets With Full Reserves : | | | |
| Delinquent Property Taxes | A-9 | 457,597.70 | 368,256.71 |
| Tax Title Liens | A-10 | 3,576.60 | 3,247.56 |
| Revenue Accounts Receivable | A-12 | 4,675.64 | 6,174.44 |
| Interfunds Accounts Receivable | A-13 | <u>4,078,755.65</u> | <u>3,377,713.54</u> |
| | | <u>4,544,605.59</u> | <u>3,755,392.25</u> |
| | | <u>9,070,583.76</u> | <u>8,318,184.73</u> |
| Federal and State Grants Fund : | | | |
| Amount Due From Current Fund | A-26 | 106,473.25 | 94,259.40 |
| Amount Due From Other Trust Fund | A-26a | 1,613.87 | 1,613.87 |
| Federal and State Aid Receivable | A-27 | <u>49,679.57</u> | <u>44,079.05</u> |
| | | <u>157,766.69</u> | <u>139,952.32</u> |
| | | <u>\$ 9,228,350.45</u> | <u>\$ 8,458,137.05</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Ref.</u> | <u>December 31,</u> | |
|--|-------------|------------------------|------------------------|
| | | <u>2009</u> | <u>2008</u> |
| Liabilities : | | | |
| Appropriation Reserves | A-3,16 | \$ 523,350.83 | \$ 588,732.15 |
| Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions | A-8 | 7,397.30 | 7,147.30 |
| Reserve for Encumbrances | A-17 | 93,814.58 | 163,681.04 |
| Interfunds Accounts Payable | A-18 | 106,473.25 | 94,259.40 |
| Prepaid Taxes | A-19 | 206,466.64 | 202,092.27 |
| Tax Overpayments | A-20 | 2,992.00 | 6,758.82 |
| Reserve for Funds - Appropriated | A-22 | 1,074.43 | 1,074.43 |
| Reserve for Funds - Unappropriated | A-23 | 953,112.95 | 641,063.04 |
| Other | A-24 | 2,203.00 | 3,320.00 |
| County Taxes Payable | A-25 | 3,528.39 | 37,326.72 |
| | | <u>1,900,413.37</u> | <u>1,745,455.17</u> |
| Reserve for Receivables and Other Assets | | 4,544,605.59 | 3,755,392.25 |
| Fund Balance | A-1 | <u>2,625,564.80</u> | <u>2,817,337.31</u> |
| | | <u>9,070,583.76</u> | <u>8,318,184.73</u> |
| Federal and State Grants Fund : | | | |
| Appropriated Reserves | A-28 | 133,836.41 | 114,880.16 |
| Unappropriated Reserves | A-29 | 21,655.28 | 22,797.16 |
| Reserves for Encumbrances | A-30 | 2,275.00 | 2,275.00 |
| | | <u>157,766.69</u> | <u>139,952.32</u> |
| | | <u>\$ 9,228,350.45</u> | <u>\$ 8,458,137.05</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

| <u>Revenue and Other Income Realized</u> | <u>Ref.</u> | <u>Year 2009</u> | <u>Year 2008</u> |
|---|-------------|----------------------|----------------------|
| Fund Balance Utilized | A-2 | \$ 550,000.00 | \$ 828,841.00 |
| Miscellaneous Revenue Anticipated | A-2 | 2,054,111.08 | 1,789,143.50 |
| Receipts from Delinquent Taxes | A-2 | 343,538.26 | 234,069.41 |
| Receipts from Current Taxes | A-2 | 19,416,261.83 | 18,661,760.21 |
| Non - Budget Revenue | A-2 | 651,899.83 | 594,962.58 |
| Other Credits to Income : | | | |
| Unexpended Balance of Appropriation | A-16 | 341,983.50 | 211,748.81 |
| Reserves Lapsed | A-17 | 14,552.93 | |
| Encumbrances Canceled | A-20 | 3,766.82 | - |
| Tax Overpayments Canceled | | | |
| | | <u>23,376,114.25</u> | <u>22,320,525.51</u> |
| Total Income | | | |
| <u>Expenditures</u> | | | |
| Budgetary and Emergency Appropriations : | | | |
| Appropriations Within "CAP" | | | |
| Operations | | | |
| Salaries and Wages | A-3 | 3,848,320.00 | 3,736,887.00 |
| Other Expenses | A-3 | 3,320,775.00 | 3,215,775.00 |
| Deferred Charges and Statutory Expenditures | A-3 | 827,390.00 | 235,000.00 |
| Appropriations Excluded from "CAP" | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 4,239.29 | 620.19 |
| Other Expenses | A-3 | 64,309.33 | 600,224.39 |
| Capital Improvements | A-3 | 200,000.00 | 200,000.00 |
| Debt Service | A-3 | 1,106,919.75 | 997,356.13 |
| Deferred Charges - Municipal | | - | 50,000.00 |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
(CONCLUDED)

| <u>Expenditures (Continued)</u> | <u>Ref.</u> | <u>Year 2009</u> | <u>Year 2008</u> |
|---|-------------|------------------------|------------------------|
| Refund of Prior Year Revenue | A-4 | \$ 7,545.86 | \$ 1,773.11 |
| Prior Year Tax Appeals Granted | | - | 20,634.02 |
| Interfund Advance (Net) | A-13 | 1,744,759.83 | 555,365.17 |
| Local School District Tax | A-25 | 6,659,468.00 | 6,469,194.00 |
| County Taxes | A-25 | 5,230,631.31 | 4,764,537.24 |
| County Share of Added and Omitted Taxes | A-25 | 3,528.39 | 37,376.72 |
| Total Expenditures | | <u>23,017,886.76</u> | <u>20,884,742.97</u> |
| Excess in Revenue | | 358,227.49 | 1,435,782.54 |
| Fund Balance January 1 | A | <u>2,817,337.31</u> | <u>2,210,395.77</u> |
| | | 3,175,564.80 | 3,646,178.31 |
| Decreased by : | | | |
| Utilized as Anticipated Revenue | A-1 | <u>550,000.00</u> | <u>828,841.00</u> |
| Fund Balance December 31 | A | <u>\$ 2,625,564.80</u> | <u>\$ 2,817,337.31</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

| Ref. | Anticipated | Added by 40A.4-87 | Realized | Excess or (Deficit) |
|--|------------------|----------------------|------------------|------------------------|
| A-1 | \$ 550,000.00 | \$ - | \$ 550,000.00 | \$ - |
| Fund Balance Anticipated | | | | |
| Miscellaneous Revenues : | | | | |
| Fines and Costs: | | | | |
| Municipal Court | 100,000.00 | | 103,342.65 | 3,342.65 |
| Interest and Costs on Taxes | 60,000.00 | | 104,406.25 | 44,406.25 |
| Interest on Investments and Deposits | 75,000.00 | | 9,251.56 | (65,748.44) |
| Energy Receipts Tax | 475,026.00 | | 475,026.00 | - |
| Fees and Permits : | | | | |
| Construction Code Official | 285,000.00 | | 285,118.00 | 118.00 |
| Public and Private Revenues Off-Set with Appropriations: | | | | |
| Drunk Driving Enforcement Fund | 3,382.56 | | 3,382.56 | - |
| Clean Communities Program | 6,030.82 | | 6,030.82 | - |
| Alcohol Education and Rehabilitation Fund | 856.73 | | 856.73 | - |
| Municipal Alliance on Alcoholism and Drug Abuse | 7,500.00 | | 7,500.00 | - |
| Municipal Stormwater Regulation Program | 3,410.00 | | 1,755.55 | (1,654.45) |
| Body Armor Replacement Fund | 1,755.55 | | 2,076.46 | 320.91 |
| Life Hazard Use Fee | 2,076.46 | | 3,327.50 | 1,251.04 |
| Over the Limit Grant | 3,327.50 | | 3,622.00 | 294.50 |
| Obey the Signs or Pay the Fines Grant | 3,622.00 | | 3,622.00 | - |
| Click It or Ticket Grant | | | | |
| Other Special Items: | | | | |
| Interfunds Accounts Receivable: | | | | |
| Other Trust Fund | 100,000.00 | | 100,000.00 | - |
| General Capital Fund | 944,793.00 | | 944,793.00 | - |
| Total Miscellaneous Revenues | 2,075,402.62 | | 2,054,111.08 | (21,291.54) |
| Receipts from Delinquent Taxes | 300,000.00 | | 343,538.26 | 43,538.26 |
| Amount to be raised by Taxes for Support of Municipal Budget : | | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 8,093,041.00 | | 9,122,634.13 | 1,029,593.13 |
| Budget Totals | 11,018,443.62 | | 12,070,283.47 | 1,051,839.85 |
| Non-Budget Revenues | | | 651,899.83 | 651,899.83 |
| | \$ 11,018,443.62 | \$ - | \$ 12,722,183.30 | \$ 1,703,739.68 |

Ref. A-3

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

| <u>Analysis of Realized Revenue</u> | <u>Ref.</u> | | |
|--|-------------|----------------------|------------------------|
| Allocation of Current Tax Collections : | | | |
| 2009 Taxes Collected in 2008 | A-9 | \$ 202,092.27 | |
| 2009 Taxes Collected in 2009 | A-9 | 19,192,919.56 | |
| State's Share of Senior Citizens' and Veterans' Deductions | A-9 | <u>21,250.00</u> | |
| | A-1 | 19,416,261.83 | |
| | A-25 | <u>11,893,627.70</u> | |
| Allocated to School and County Taxes | | 7,522,634.13 | |
| | A-3 | <u>1,600,000.00</u> | |
| Add : Reserve for Uncollected Taxes | A-2 | | <u>\$ 9,122,634.13</u> |
| Amount for Support of Municipal Budget | | | |
| Receipts from Delinquent Taxes : | | | |
| Prior Year Taxes Collected | A-9 | <u>\$ 343,538.26</u> | |
| | A-2 | | <u>\$ 343,538.26</u> |
| Interest on Investments and Deposits: | | | |
| Received in Current Fund | A-12 | <u>\$ 9,251.56</u> | |
| | A-2 | | <u>\$ 9,251.56</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONCLUDED)

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| <u>Analysis of Non-Budget Revenue</u> | | |
| Treasurer : | | |
| Sewer Charges | \$ | 66,525.09 |
| Cablevision Franchise Fee | | 16,756.18 |
| Zoning Fees | | 24,650.00 |
| Auction | | 20,450.00 |
| Administrative Fee for Senior Citizens' and Veterans' Deductions | | 430.00 |
| Street Opening - Police | | 94,608.90 |
| Ramsey Borough - Reimbursement for NJEIT Loan | | 69,922.33 |
| Miscellaneous Reimbursements | | 43,523.84 |
| Forfeiture of Developers' Escrow Deposits | | 143,187.85 |
| Miscellaneous | | <u>19,601.62</u> |
| | A-4 | \$ 499,655.81 |
| Revenue Accounts Receivable: | | |
| Fees, Permits and Licenses | | 17,264.15 |
| Hotel Occupancy Fees | | <u>134,979.87</u> |
| | A-12 | <u>152,244.02</u> |
| | A-2 | <u>\$ 651,899.83</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

| | Ref. | Budget | Appropriations Budget After Modification | Paid or Charged | Expended | Reserved | Unexpended Balance Canceled |
|--|------|--------------|--|--------------------|--------------|-------------|-----------------------------------|
| OPERATIONS WITHIN "CAP" | | | | | | | |
| GENERAL GOVERNMENT : | | | | | | | |
| General Administration | | \$ 98,500.00 | \$ 98,500.00 | \$ 97,413.77 | \$ 97,413.77 | \$ 1,086.23 | \$ - |
| Salaries and Wages | | 145,825.00 | 155,825.00 | 155,035.43 | 155,035.43 | 789.57 | - |
| Other Expenses | | | | | | | |
| Municipal Clerk | | | | | | | |
| Salaries and Wages | | 63,500.00 | 63,500.00 | 63,497.75 | 63,497.75 | 2.25 | |
| Other Expenses | | 23,750.00 | 22,250.00 | 17,293.96 | 17,293.96 | 4,956.04 | |
| Financial Administration | | | | | | | |
| Salaries and Wages | | 202,300.00 | 202,300.00 | 200,570.37 | 200,570.37 | 1,729.63 | |
| Other Expenses | | 17,575.00 | 14,575.00 | 12,229.48 | 12,229.48 | 2,345.52 | |
| Audit Services | | | | | | | |
| Other Expenses | | 40,000.00 | 40,000.00 | 33,700.00 | 33,700.00 | 6,300.00 | |
| Collection of Taxes | | | | | | | |
| Salaries and Wages | | 29,000.00 | 29,000.00 | 28,995.18 | 28,995.18 | 4.82 | |
| Other Expenses | | 13,525.00 | 12,025.00 | 11,342.21 | 11,342.21 | 682.79 | |
| Assessment of Taxes | | | | | | | |
| Salaries and Wages | | 17,995.00 | 17,995.00 | 17,987.05 | 17,987.05 | 7.95 | |
| Other Expenses | | 30,400.00 | 20,400.00 | 14,826.20 | 14,826.20 | 5,573.80 | |
| Legal Services and Costs | | | | | | | |
| Other Expenses | | 70,000.00 | 70,000.00 | 68,268.34 | 68,268.34 | 1,731.66 | |
| Municipal Court | | | | | | | |
| Salaries and Wages | | 90,000.00 | 90,000.00 | 82,658.79 | 82,658.79 | 7,341.21 | |
| Other Expenses | | 11,400.00 | 11,400.00 | 6,666.58 | 6,666.58 | 4,733.42 | |
| Public Defender (P.L. 1997, c.256) | | | | | | | |
| Other Expenses | | 2,500.00 | 2,500.00 | 2,000.00 | 2,000.00 | 500.00 | |
| Engineering Services and Costs | | | | | | | |
| Other Expenses | | 80,000.00 | 77,500.00 | 43,553.09 | 43,553.09 | 33,946.91 | |
| Historical Preservation Commission | | | | | | | |
| Salaries and Wages | | 1,000.00 | 1,000.00 | 619.16 | 619.16 | 380.84 | |
| Other Expenses | | 13,300.00 | 13,300.00 | 1,000.00 | 1,000.00 | 12,300.00 | |
| Municipal Land Use Law (N.J.S.A. 40:55D-1) | | | | | | | |
| Planning Board | | | | | | | |
| Salaries and Wages | | 6,850.00 | 6,850.00 | 6,836.44 | 6,836.44 | 13.56 | |
| Other Expenses | | 23,750.00 | 23,750.00 | 5,002.25 | 5,002.25 | 18,747.75 | |
| Board of Adjustment | | | | | | | |
| Salaries and Wages | | 6,850.00 | 6,850.00 | 6,836.58 | 6,836.58 | 13.42 | |
| Other Expenses | | 14,250.00 | 14,250.00 | 8,259.45 | 8,259.45 | 5,990.55 | |
| Insurance | | | | | | | |
| General Liability | | 78,000.00 | 78,000.00 | 72,618.85 | 72,618.85 | 5,381.15 | |
| Worker's Compensation Insurance | | 85,000.00 | 85,000.00 | 74,535.28 | 74,535.28 | 10,464.72 | |
| Employee Group Health | | 695,000.00 | 709,000.00 | 704,842.81 | 704,842.81 | 4,157.19 | |

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

| | Ref. | Budget | Appropriations Budget After Modification | Paid or Charged | Expended | Reserved | Unexpended Balance Canceled |
|---|------|-----------------|--|--------------------|-------------|----------|-----------------------------------|
| OPERATIONS WITHIN "CAP" (CONTINUED) | | | | | | | |
| PUBLIC SAFETY : | | | | | | | |
| Police | | \$ 2,732,500.00 | \$ 2,732,500.00 | \$ 2,731,120.43 | \$ 1,379.57 | \$ - | |
| Salaries and Wages | | 90,250.00 | 90,250.00 | 88,808.73 | 1,441.27 | - | |
| Other Expenses | | | | | | | |
| Homeland Security | | | | | | | |
| Police | | 23,750.00 | 23,750.00 | 23,237.40 | 512.60 | - | |
| Other Expenses | | | | | | | |
| Emergency Management Services | | 14,250.00 | 14,250.00 | 2,498.22 | 11,751.78 | - | |
| Other Expenses | | 56,050.00 | 56,050.00 | 53,432.80 | 2,617.20 | - | |
| Aid to Volunteer Fire Companies | | 19,000.00 | 19,000.00 | 19,000.00 | - | - | |
| Allendale Ambulance Service - Contract | | | | | | | |
| Fire | | 31,500.00 | 31,500.00 | 31,499.56 | 0.44 | - | |
| Salaries and Wages | | 34,000.00 | 34,000.00 | 33,512.27 | 487.73 | - | |
| Other Expenses | | 125,000.00 | 125,000.00 | 125,000.00 | - | - | |
| Fire Hydrant Service | | | | | | | |
| Municipal Prosecutor | | | | | | | |
| Other Expenses | | 10,000.00 | 10,000.00 | 9,500.00 | 500.00 | - | |
| PUBLIC WORKS FUNCTIONS: | | | | | | | |
| Road Repairs and Maintenance | | 194,000.00 | 194,000.00 | 193,528.53 | 471.47 | - | |
| Salaries and Wages | | 314,450.00 | 314,450.00 | 246,306.29 | 68,143.71 | - | |
| Other Expenses | | | | | | | |
| Solid Waste Collection | | 7,500.00 | 7,500.00 | 6,999.96 | 500.04 | - | |
| Salaries and Wages | | 452,025.00 | 446,525.00 | 337,578.93 | 108,946.07 | - | |
| Other Expenses | | | | | | | |
| Public Buildings and Grounds | | 85,500.00 | 95,500.00 | 95,107.68 | 392.32 | - | |
| Other Expenses | | | | | | | |
| Vehicle Maintenance | | 75,000.00 | 79,000.00 | 77,945.79 | 1,054.21 | - | |
| Other Expenses | | | | | | | |
| HEALTH AND WELFARE : | | | | | | | |
| Board of Health | | 1,000.00 | 1,000.00 | 999.96 | 0.04 | - | |
| Salaries and Wages - Secretary to the Board | | 35,500.00 | 35,500.00 | 33,416.00 | 2,084.00 | - | |
| Salaries and Wages - Sanitarian | | 8,050.00 | 8,050.00 | 4,580.80 | 3,469.20 | - | |
| Other Expenses | | | | | | | |
| Environmental Commission | | 650.00 | 650.00 | 648.91 | 1.09 | - | |
| Salaries and Wages | | 7,650.00 | 7,650.00 | 773.60 | 6,876.40 | - | |
| Other Expenses | | | | | | | |
| Contribution to Social Service Agencies | | 9,575.00 | 9,575.00 | 8,262.23 | 1,312.77 | - | |
| Other Expenses | | | | | | | |

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

| | Ref. | Budget | Appropriations Budget After Modification | Paid or Charged | Expended | Reserved | Unexpended Balance Canceled |
|--------------------------------------|------|--------------|--|--------------------|--------------|------------|-----------------------------------|
| OPERATIONS WITHIN "CAP" (CONTINUED) | | | | | | | |
| RECREATION AND EDUCATION : | | | | | | | |
| Recreation Services and Programs | | \$ 675.00 | \$ 675.00 | \$ 448.70 | \$ 448.70 | \$ 226.30 | \$ - |
| Salaries and Wages | | 14,250.00 | 14,250.00 | 13,664.80 | 13,664.80 | 585.20 | - |
| Other Expenses | | | | | | | |
| OTHER COMMON OPERATING FUNCTIONS: | | | | | | | |
| Accumulated Leave Compensation | | 500.00 | 500.00 | | | 500.00 | |
| Salaries and Wages | | | | | | | |
| Celebration of Public Events | | 21,000.00 | 21,000.00 | 11,590.74 | 11,590.74 | 9,409.26 | |
| Other Expenses | | | | | | | |
| UTILITY EXPENSES AND BULK PURCHASES: | | | | | | | |
| Electricity | | 85,000.00 | 81,000.00 | 74,601.64 | 74,601.64 | 6,398.36 | |
| Street Lighting | | 25,000.00 | 25,000.00 | 24,756.70 | 24,756.70 | 243.30 | |
| Telephone | | 95,000.00 | 105,000.00 | 104,906.61 | 104,906.61 | 93.39 | |
| Sewerage Disposal | | 88,500.00 | 88,500.00 | 63,778.86 | 63,778.86 | 24,721.14 | |
| Gasoline | | 70,000.00 | 60,000.00 | 42,014.48 | 42,014.48 | 17,985.52 | |
| Landfill/SOLID WASTEDISPOSAL COSTS: | | | | | | | |
| Landfill Tipping Fees | | 200,000.00 | 200,000.00 | 116,490.70 | 116,490.70 | 83,509.30 | |
| CODE ENFORCEMENT AND ADMINISTRATION: | | | | | | | |
| State Uniform Construction Code: | | | | | | | |
| Construction Official | | 328,500.00 | 328,500.00 | 327,196.98 | 327,196.98 | 1,303.02 | |
| Salaries and Wages | | 53,200.00 | 43,200.00 | 36,070.34 | 36,070.34 | 7,129.66 | |
| Other Expenses | | 7,169,095.00 | 7,169,095.00 | 6,675,867.66 | 6,675,867.66 | 493,227.34 | |
| TOTAL OPERATIONS WITHIN "CAP" | | | | | | | |
| DETAIL : | | | | | | | |
| Salaries and Wages | A-1 | 3,848,320.00 | 3,848,320.00 | 3,831,274.12 | 3,831,274.12 | 17,045.88 | |
| Other Expenses | A-1 | 3,320,775.00 | 3,320,775.00 | 2,844,593.54 | 2,844,593.54 | 476,181.46 | |
| | | 7,169,095.00 | 7,169,095.00 | 6,675,867.66 | 6,675,867.66 | 493,227.34 | |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

| Ref. | Budget | Appropriations Budget After Modification | Paid or Charged | Expended | Reserved | Unexpended Balance Canceled |
|--|--------------|--|--------------------|--------------|------------|-----------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| | 93,564.00 | 93,564.00 | 93,564.00 | 93,564.00 | 10,027.99 | - |
| | 245,000.00 | 245,000.00 | 234,972.01 | 234,972.01 | - | - |
| | 488,826.00 | 488,826.00 | 488,826.00 | 488,826.00 | - | - |
| A-1 | 827,390.00 | 827,390.00 | 817,362.01 | 817,362.01 | 10,027.99 | - |
| | 7,996,485.00 | 7,996,485.00 | 7,493,229.67 | 7,493,229.67 | 503,255.33 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP" | | | | | | |
| <u>OPERATIONS EXCLUDED FROM "CAP"</u> | | | | | | |
| | 25,000.00 | 25,000.00 | 5,182.50 | 5,182.50 | 19,817.50 | - |
| | 9,500.00 | 9,500.00 | 9,222.00 | 9,222.00 | 278.00 | - |
| | 3,382.56 | 3,382.56 | 3,382.56 | 3,382.56 | - | - |
| | 6,030.82 | 6,030.82 | 6,030.82 | 6,030.82 | - | - |
| | 856.73 | 856.73 | 856.73 | 856.73 | - | - |
| | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | - | - |
| | 3,410.00 | 3,410.00 | 1,755.55 | 1,755.55 | - | - |
| | 1,755.55 | 1,755.55 | 2,076.46 | 2,076.46 | - | - |
| | 2,076.46 | 2,076.46 | 3,327.50 | 3,327.50 | - | - |
| | 3,327.50 | 3,327.50 | 3,622.00 | 3,622.00 | - | - |
| | 3,622.00 | 3,622.00 | 3,622.00 | 3,622.00 | - | - |
| | 1,875.00 | 1,875.00 | 1,875.00 | 1,875.00 | - | - |
| | 71,958.62 | 71,958.62 | 48,453.12 | 48,453.12 | 20,095.50 | 3,410.00 |
| TOTAL OPERATIONS EXCLUDED FROM "CAP" | | | | | | |
| A-1 | 4,239.29 | 4,239.29 | 4,239.29 | 4,239.29 | - | - |
| A-1 | 67,719.33 | 67,719.33 | 44,213.83 | 44,213.83 | 20,095.50 | 3,410.00 |
| | 71,958.62 | 71,958.62 | 48,453.12 | 48,453.12 | 20,095.50 | 3,410.00 |
| DETAIL: | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | | | | | | |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONCLUDED)

| | Ref. | Budget | Appropriations Budget After Modification | Paid or Charged | Expended | Reserved | Unexpended Balance Canceled |
|--|------|------------------|--|--------------------|----------|---------------|-----------------------------------|
| <u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"</u> | | | | | | | |
| Capital Improvement Fund | A-1 | \$ 200,000.00 | \$ 200,000.00 | 200,000.00 | | | \$ - |
| TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP" | | 200,000.00 | 200,000.00 | 200,000.00 | | | |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"</u> | | | | | | | |
| Payment of Bond Anticipation Notes | | 900,000.00 | 900,000.00 | 860,000.00 | | | 40,000.00 |
| Interest on Notes | | 110,000.00 | 110,000.00 | 107,650.00 | | | 2,350.00 |
| New Jersey Environmental Infrastructure Trust Loan: | | | | | | | |
| Principal on Loans - 2006A Loan | | 94,600.00 | 94,600.00 | 94,519.67 | | | 80.33 |
| Interest on Loans - 2006A Loan | | 45,400.00 | 45,400.00 | 44,750.08 | | | 649.92 |
| TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP" | A-1 | 1,150,000.00 | 1,150,000.00 | 1,106,919.75 | | | 43,080.25 |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"</u> | | 1,421,958.62 | 1,421,958.62 | 1,355,372.87 | | 20,095.50 | 46,490.25 |
| <u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u> | | 9,418,443.62 | 9,418,443.62 | 8,848,602.54 | | 523,350.83 | 46,490.25 |
| TOTAL GENERAL APPROPRIATIONS | | \$ 11,018,443.62 | \$ 11,018,443.62 | \$ 10,448,602.54 | | \$ 523,350.83 | \$ 46,490.25 |
| | Ref. | A-2 | | | | | A |
| Cash Disbursed | Ref. | | \$ 8,603,598.67 | | | | |
| Less: Refunds | | | (194,085.67) | | | | |
| Fire Hydrant Service | A-4 | | | 8,409,513.00 | | | |
| Capital Improvement Fund | A-13 | | | 125,000.00 | | | |
| Reserve for Encumbrances | A-13 | | | 200,000.00 | | | |
| Amount Due to Federal and State Grants Fund | A-17 | | | 80,040.92 | | | |
| Reserve for Uncollected Taxes | A-18 | | | 34,048.62 | | | |
| | A-2 | | | 1,600,000.00 | | | |
| | | | | \$ 10,448,602.54 | | \$ 523,350.83 | \$ 46,490.25 |

SECTION B
TRUST FUND

BOROUGH OF SADDLE RIVER

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | | <u>December 31,</u> | |
|-----------------------------|-------------|------------------------|------------------------|
| <u>Assets</u> | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
| Animal Control Fund : | | | |
| Cash - Treasurer | B-1 | \$ <u>982.30</u> | \$ <u>2,061.80</u> |
| | | <u>982.30</u> | <u>2,061.80</u> |
| Other Funds : | | | |
| Cash - Treasurer | B-1 | <u>2,319,651.25</u> | <u>2,709,715.19</u> |
| | | <u>2,319,651.25</u> | <u>2,709,715.19</u> |
| Deferred Compensation Fund: | | | |
| Cash - Treasurer | B-10 | <u>10,416.90</u> | <u>11,498.02</u> |
| | | <u>10,416.90</u> | <u>11,498.02</u> |
| | | <u>\$ 2,331,050.45</u> | <u>\$ 2,723,275.01</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Ref.</u> | <u>December 31,</u> | |
|---|-------------|------------------------|------------------------|
| | | <u>2009</u> | <u>2008</u> |
| Animal Control Fund : | | | |
| Interfunds Accounts Payable | B-3 | \$ 457.62 | \$ 457.62 |
| Reserve for Animal Control Fund Expenditures | B-4 | 512.68 | 1,536.58 |
| Amount Due to State Board of Health | B-5 | <u>12.00</u> | <u>67.60</u> |
| | | <u>982.30</u> | <u>2,061.80</u> |
| Other Funds : | | | |
| Interfunds Accounts Payable | B-3 | 9,423.86 | 108,348.58 |
| Reserve for Special Funds | B-8 | <u>2,310,227.39</u> | <u>2,601,366.61</u> |
| | | <u>2,319,651.25</u> | <u>2,709,715.19</u> |
| Deferred Compensation Fund: | | | |
| Reserve for Deferred Compensation Fund | B-10 | <u>10,416.90</u> | <u>11,498.02</u> |
| | | <u>10,416.90</u> | <u>11,498.02</u> |
| | | <u>\$ 2,331,050.45</u> | <u>\$ 2,723,275.01</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION C
GENERAL CAPITAL FUND

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>Assets</u> | <u>Ref.</u> | <u>December 31,</u> | |
|---|-------------|-------------------------|-------------------------|
| | | <u>2009</u> | <u>2008</u> |
| Cash - Treasurer | C-2 | \$ 1,164,902.07 | \$ 2,109,695.07 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 1,888,899.71 | 1,983,419.38 |
| Unfunded | C-5 | 12,187,321.00 | 12,337,321.00 |
| Federal, State and Other Aid Receivable | C-7 | <u>1,164,651.00</u> | <u>72,893.00</u> |
| | | <u>\$ 16,405,773.78</u> | <u>\$ 16,503,328.45</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| NJ Environmental Infrastructure Trust Loan | C-16 | \$ 1,888,899.71 | \$ 1,983,419.38 |
| Bond Anticipation Notes | C-17 | 6,866,000.00 | 4,306,000.00 |
| Improvement Authorizations : | | | |
| Funded | C-9 | 1,098,966.86 | 412,459.95 |
| Unfunded | C-9 | 2,665,011.25 | 6,708,370.44 |
| Reserve for Encumbrances | C-10 | - | 130,829.74 |
| Capital Improvement Fund | C-11 | 313,353.46 | 182,936.56 |
| Capital Reserves | C-12 | 218,268.40 | 218,268.40 |
| Interfund Accounts Payable | C-13 | 3,281,312.40 | 2,513,447.72 |
| Fund Balance | C-1 | <u>73,961.70</u> | <u>47,596.26</u> |
| | | <u>\$ 16,405,773.78</u> | <u>\$ 16,503,328.45</u> |

There were Bonds and Notes Authorized but not Issued at December 31, 2009 in the amount of \$5,321,321.00. See Schedule C-18 for analysis.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2008 | C | \$ 47,596.26 |
| Increased by : | | |
| Premium on Sale of Notes | C-13 | <u>26,365.44</u> |
| Balance December 31, 2009 | C | <u>\$ 73,961.70</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION D
WATER UTILITY FUND

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>Assets</u> | <u>Ref.</u> | <u>December 31,</u> | |
|--|-------------|------------------------|------------------------|
| | | <u>2009</u> | <u>2008</u> |
| Water Operating Fund: | | | |
| Cash - Treasurer | D-5 | \$ 396,644.79 | \$ 364,721.10 |
| | | <u>396,644.79</u> | <u>364,721.10</u> |
| Receivables with Full Reserves: | | | |
| Consumers' Accounts Receivable | D-9 | <u>18,565.22</u> | <u>35,643.67</u> |
| Total Water Operating Fund | | <u>415,210.01</u> | <u>400,364.77</u> |
| Water Capital Fund : | | | |
| Cash - Treasurer | D-5 | 19,025.00 | 19,025.00 |
| Interfunds Accounts Receivable | D-8 | 15,325.00 | 15,325.00 |
| Fixed Capital Authorized and Uncompleted | D-13 | <u>2,300,000.00</u> | <u>2,300,000.00</u> |
| Total Water Capital Fund | | <u>2,334,350.00</u> | <u>2,334,350.00</u> |
| | | <u>\$ 2,749,560.01</u> | <u>\$ 2,734,714.77</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Ref.</u> | <u>December 31,</u> | |
|---|-------------|------------------------|------------------------|
| | | <u>2009</u> | <u>2008</u> |
| Water Operating Fund : | | | |
| Liabilities : | | | |
| Appropriation Reserves | D-4,16 | \$ 6,097.85 | \$ 34,946.73 |
| Reserve for Encumbrances | D-17 | 4,800.00 | 17,000.00 |
| Interfund Accounts Payable | D-18 | 260,969.67 | 228,867.52 |
| Accrued Interest on Notes | D-22 | <u>7,876.46</u> | <u>10,056.59</u> |
| | | 279,743.98 | 290,870.84 |
| Reserve Receivables | | 18,565.22 | 35,643.67 |
| Fund Balance | D-1 | <u>116,900.81</u> | <u>73,850.26</u> |
| Total Water Operating Fund | | <u>415,210.01</u> | <u>400,364.77</u> |
| Water Capital Fund : | | | |
| Bond Anticipation Notes | D-31 | - | 300,000.00 |
| Interfund Accounts Payable | D-18 | 540,526.77 | 540,526.77 |
| Improvement Authorizations - Unfunded | D-23 | 3,123.23 | 3,123.23 |
| Reserve for Encumbrances | D-24 | 700.00 | 700.00 |
| Deferred Reserve for Amortization | D-28 | <u>1,790,000.00</u> | <u>1,490,000.00</u> |
| Total Water Capital Fund | | <u>2,334,350.00</u> | <u>2,334,350.00</u> |
| | | <u>\$ 2,749,560.01</u> | <u>\$ 2,734,714.77</u> |

There were Bonds and Notes Authorized but not Issued at Balance December 31, 2009 in the amount of \$510,000.00. See Schedule D-32 for analysis.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
 IN FUND BALANCE - REGULATORY BASIS

| <u>Revenue and Other Income Realized</u> | <u>Ref.</u> | <u>Year 2009</u> | <u>Year 2008</u> |
|--|-------------|----------------------|---------------------|
| Operating Fund Balance Utilized | D-1,3 | \$ 20,000.00 | \$ 30,500.00 |
| Water Rents | D-3 | 169,103.82 | 158,852.29 |
| Fire Hydrant Service | D-3 | 125,000.00 | 125,000.00 |
| Other Credits to Income : | | | |
| Unexpended Balance of Appropriation Reserves | D-16 | 34,946.73 | 50,506.47 |
| Reserve for Encumbrances Canceled | D-17 | <u>17,000.00</u> | <u>-</u> |
| Total Income | | <u>366,050.55</u> | <u>364,858.76</u> |
| <u>Expenditures</u> | | | |
| Budgetary and Emergency Appropriations: | | | |
| Operating | D-4 | 168,000.00 | 190,500.00 |
| Debt Service | D-4 | <u>135,000.00</u> | <u>140,000.00</u> |
| Total Expenditures | | <u>303,000.00</u> | <u>330,500.00</u> |
| Excess in Revenue | | 63,050.55 | 34,358.76 |
| Fund Balance January 1 | D | <u>73,850.26</u> | <u>69,991.50</u> |
| | | 136,900.81 | 104,350.26 |
| Decreased by : | | | |
| Utilization by Water Operating Budget | D-1 | <u>20,000.00</u> | <u>30,500.00</u> |
| Fund Balance December 31 | D | <u>\$ 116,900.81</u> | <u>\$ 73,850.26</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

NOT APPLICABLE

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

| | <u>Ref.</u> | <u>Budget Anticipated</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|-------------------------------------|-------------|-------------------------------|----------------------|--------------------------------|
| Operating Fund Balance Utilized | D-1 | \$ 20,000.00 | \$ 20,000.00 | \$ - |
| Rents | D-1,3 | 158,000.00 | 169,103.82 | 11,103.82 |
| Fire Hydrant Service | D-1,18 | <u>125,000.00</u> | <u>125,000.00</u> | <u>-</u> |
| | D-4 | <u>\$ 303,000.00</u> | <u>\$ 314,103.82</u> | <u>\$ 11,103.82</u> |
| | | | | |
| <u>Analysis of Realized Revenue</u> | <u>Ref.</u> | | | |
| Rents : | | | | |
| Consumer Accounts Receivable | D-9 | <u>\$ 169,103.82</u> | | |
| | D-3 | | <u>\$ 169,103.82</u> | |

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION E
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF SADDLE RIVER
 GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | <u>December 31,</u> | |
|-------------------------------------|-------------------------|-------------------------|
| | <u>2009</u> | <u>2008</u> |
| General Fixed Assets: | \$ 11,364,409.96 | \$ 10,925,529.00 |
| Land (Equalized Value) | 3,930,546.87 | 3,778,753.61 |
| Buildings (Equalized Value) | <u>2,088,039.82</u> | <u>2,103,515.49</u> |
| Machinery and Equipment | | |
| | <u>\$ 17,382,996.65</u> | <u>\$ 16,807,798.10</u> |
| | | |
| Investments in General Fixed Assets | <u>\$ 17,382,996.65</u> | <u>\$ 16,807,798.10</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SADDLE RIVER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Borough of Saddle River have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough accounting policies are described below.

B. Reporting Entity

The Borough of Saddle River is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough of Saddle River.

The primary criterion for including activities within the Borough reporting entity, as set forth in section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Borough of Saddle River. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Except as noted below, the financial statements of the Borough of Saddle River include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Saddle River, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Saddle River do not include the operations of the volunteer fire department. Furthermore, the Borough of Saddle River is not includable in any other reporting entity on the basis of such criteria.

C. Description of Funds

GASB Codification establishes seven fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The accounting policies of the Borough of Saddle River conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division). 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 of Saddle River accounts for its financial transactions through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grants for operation.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

Trust Fund – receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund – receipt and disbursement of funds used for acquisition of general capital facilities other than those acquired in the Current Fund.

Water Operating and Capital Funds – account for the operations and acquisition of capital facilities of the water utility.

D. 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 (GAAP) applicable to local government units. The more significant differences are as follows:

Property Taxes and Other Revenues – 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 sheets. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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 of Saddle River budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures (including Federal and State Financial Assistance Programs) – unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Encumbrances – contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

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

Interfunds – advances from the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Basic Financial Statements – The GASB Codification also defines the financial statements of a governmental unit that are required to be presented in the general purpose financial statements be in accordance with GAAP. The Borough of Saddle River 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 SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Budgetary Information

Annual budgets are adopted on a basis consistent with the requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services.

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2009 statutory budget included a reserve for uncollected taxes in the amount of \$1,600,000.00. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2009 statutory budgets were as follows:

| | |
|------------------------------|---------------|
| Current Fund | \$ 550,000.00 |
| Water Utility Operating Fund | 20,000.00 |

Transfers of line item amounts are permitted after November 1 and must be made by a resolution adopted by the governing body. There were no significant budget transfers approved in the 2009 calendar year.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. There were no significant budget insertions were approved during the 2009 calendar year.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved during the 2009 calendar year.

BOROUGH OF SADDLE RIVER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statutes provide a list of permissible investments that may be purchased by New Jersey governmental units.

2. Property Tax Assessment and Billing

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A revaluation of all property in the Borough of Saddle River was last completed in 2001 and was effective as of January 1, 2002 with subsequent annual reassessments made through 2007.

Upon the filing of certified adopted budgets by the School District and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum of the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. Pursuant to c. 75, P.L. 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities

3. Deferred Charges

The funding of certain expenditures incurred in the current year (i.e. emergencies, overexpenditures) are deferred to subsequent years' budgets.

4. Fixed Assets

In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough of Saddle River has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land and buildings which are valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

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

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Assets and Liabilities

5. Use of Estimates

The preparation of financial statements in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations in order to provide an understanding of changes in the Borough of Saddle River's financial position. However, comparative data have not been presented in each of the supplemental schedules since their inclusion would make statements unduly complex and difficult to read.

Note II: Detailed Notes On All Funds

A. Deposits and Investments

Deposits

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), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

At December 31, 2009 the Borough of Saddle River's cash and cash equivalents amounted to \$9,289,952.04. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$7,563,212.49 was covered by a collateral pool maintained by the banks as required by GUDPA. Although the individual developers' accounts are subject to F.D.I.C. coverage, it cannot be accurately determined whether the total amount of \$414,464.31 included in Developers' Escrow deposits is covered.

At December 31, 2009 the Borough of Saddle River's participation in the State of New Jersey Cash Management Fund amounted to \$1,062,275.24

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Saddle River will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of December 31, 2009, \$1,476,739.55 of the Borough of Saddle River's cash and cash equivalents of \$9,289,952.04 was exposed to custodial credit risk as follows:

| | |
|--|--|
| Uninsured and uncollateralized | \$ 414,464.31 |
| Uninsured and collateral held by public depository or by its' trust department not in the Borough of Saddle River's name | <u>1,062,275.24</u> <u>\$1,476,739.55</u> |

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 40A:5-15.1) permit the Borough of Saddle River to purchase the following types of securities:

- a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, any local unit may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the local unit;
 - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
 - (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
 - (6) Local government investment pools;
 - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4);or
 - (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Saddle River had no investments as described in Note I:F.1. at December 31, 2009

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

B. Property Taxes

The Borough of Saddle River is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. All property tax revenue is recognized when received in cash. Property taxes receivable as of December 31, 2009 are composed of the following:

| <u>Year of Levy</u> | <u>Amount</u> |
|---------------------|----------------------|
| 2008 | \$ 24,718.45 (1) |
| 2008 | <u>432,879.25</u> |
| | <u>\$ 457,597.70</u> |

(1) 2008 taxes are for properties in litigation.

C. Interfund Receivables and Payables

As of December 31, 2009 interfund receivables and payables resulting from various interfund transactions were as follows:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|-------------------------------|---------------------------------|-------------------------------|
| Current Fund | \$4,078,755.65 | \$ 106,473.25 |
| Federal and State Grants Fund | 108,087.12 | |
| Trust Funds: | | |
| Animal Control Fund | | 457.62 |
| Other Trust Fund | | 9,423.86 |
| General Capital Fund | | 3,281,312.40 |
| Water Utility Fund: | | |
| Operating Fund | 260,969.67 | 540,526.77 |
| Capital Fund | 15,325.00 | 3,004.20 |
| Payroll and Payroll Agency | -0- | <u>3,004.20</u> |
| | <u>\$4,202,167.77</u> | <u>\$4,202,167.77</u> |

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

D. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009 there were no deferred charges shown on the balance sheets of the various funds:

E. Leases

The Borough of Saddle River has commitments to lease copying and fax equipment under operating leases which expire in 2011. Total operating lease payments made during the year ended December 31, 2009 were \$9,273.16. Future minimum lease payments are as follows:

| <u>Year ended</u> | <u>Amount</u> |
|-------------------------------------|--------------------|
| December 31, 2010 | \$ 3,413.82 |
| December 31, 2011 | <u>657.48</u> |
| Total future minimum lease payments | <u>\$ 4,071.30</u> |

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

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

Summary of Municipal Debt

| | <u>Year 2009</u> | <u>Year 2008</u> | <u>Year 2007</u> |
|---|-------------------------|-------------------------|-------------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Loan and Notes | \$ 8,754,899.71 | \$ 6,289,419.38 | \$ 6,981,638.77 |
| Water Utility: | | | |
| Notes | - | 300,000.00 | 430,000.00 |
| Total Issued | <u>8,754,899.71</u> | <u>6,589,419.38</u> | <u>7,411,638.77</u> |
| <u>Less</u> | | | |
| Funds Temporarily Held to Pay | | | |
| Bonds and Notes: | | | |
| Excess Proceeds of Notes Issued | | 40,000.00 | |
| Total Deductions | - | <u>40,000.00</u> | - |
| Net Debt Issued | <u>8,754,899.71</u> | <u>6,549,419.38</u> | <u>7,411,638.77</u> |
| <u>Authorized but not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | 5,321,321.00 | 8,071,321.00 | 6,735,895.00 |
| Water Utility: | | | |
| Bonds and Notes | <u>510,000.00</u> | <u>510,000.00</u> | <u>510,000.00</u> |
| Total Authorized but Not Issued | <u>5,831,321.00</u> | <u>8,581,321.00</u> | <u>7,245,895.00</u> |
| Net Bonds and Notes Issued and Authorized but not Issued | <u>\$ 14,586,220.71</u> | <u>\$ 15,130,740.38</u> | <u>\$ 14,657,533.77</u> |

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.52%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-------------------------|------------------------|-------------------------|
| Local School District Debt | 540,000.00 | 540,000.00 | - |
| Water Utility Debt | 510,000.00 | 510,000.00 | - |
| General Debt | <u>14,076,220.71</u> | <u>-</u> | <u>14,076,220.71</u> |
| | <u>\$ 15,126,220.71</u> | <u>\$ 1,050,000.00</u> | <u>\$ 14,076,220.71</u> |

Net Debt \$14,076,220.71 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$2,661,350,935.00 = 0.52%

Borrowing Power Under N.J.S.A. 40a:2-6 As Amended

| | |
|---|-------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 93,147,282.73 |
| Net Debt | <u>14,076,220.71</u> |
| Remaining Borrowing Power | <u>\$ 79,071,062.02</u> |

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

| | |
|--|---------------------|
| Cash Receipts from fees, rents or other charges for year | \$ 314,103.82 |
| Deductions: | |
| Operating and Maintenance Cost | \$ 168,000.00 |
| Debt Service per Water Account | <u>135,000.00</u> |
| Total Deductions | <u>303,000.00</u> |
| Excess in Revenue-Self Liquidating | <u>\$ 11,103.82</u> |

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the adoption of an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Saddle River are general obligation bonds.

There are no Serial Bonds outstanding as of December 31, 2009.

2. Bond Anticipation Notes

Bond Anticipation Notes outstanding as of December 31, 2009 consists of the following:

| <u>Description</u> | <u>Interest Rate</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Amount Outstanding</u> |
|---|----------------------|-------------------|----------------------|---------------------------|
| General Capital Fund: 10 Ordinances (See Exhibit C-17) | 1.50% | 4/1/09 | 4/1/10 | <u>6,866,000.00</u> |
| | | | | <u>6,866,000.00</u> |

3. Bonds Authorized but not Issued

As of December 31, 2009 the Borough of Saddle River had authorized but not issued bonds as follows:

| | |
|----------------------------|-----------------|
| General Capital Fund | \$ 5,321,321.00 |
| Water Utility Capital Fund | 510,000.00 |

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

G. N.J. Environmental Infrastructure Trust Financing Program

On September 8, 2006, a loan agreement was entered into by the Borough of Saddle River for the purpose of construction of water mains. Loans payable in the amount of \$2,094,855.00 are detailed as follows:

| | |
|--|-----------------|
| New Jersey Environmental Infrastructure Trust - Trust Loan | \$ 1,060,000.00 |
| New Jersey Environmental Infrastructure Trust - Fund Loan | 1,034,855.00 |

Schedule of remaining annual principal and interest payments for the loan are detailed as follows:

| <u>Calendar Year</u> | <u>Trust Loan</u> | | <u>Fund Loan</u> | <u>Total</u> | |
|--------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Principal</u> | <u>Interest</u> |
| 2010 | \$ 40,000.00 | \$ 43,725.00 | \$ 53,497.32 | \$ 93,497.32 | \$ 43,725.00 |
| 2011 | 40,000.00 | 42,125.00 | 52,474.98 | 92,474.98 | 42,125.00 |
| 2012 | 45,000.00 | 40,125.00 | 54,391.88 | 99,391.88 | 40,125.00 |
| 2013 | 45,000.00 | 37,875.00 | 52,954.20 | 97,954.20 | 37,875.00 |
| 2014 | 50,000.00 | 35,625.00 | 54,711.36 | 104,711.36 | 35,625.00 |
| 2015 | 50,000.00 | 33,125.00 | 53,113.94 | 103,113.94 | 33,125.00 |
| 2016 | 55,000.00 | 30,625.00 | 54,711.35 | 109,711.35 | 30,625.00 |
| 2017 | 55,000.00 | 27,875.00 | 52,954.21 | 107,954.21 | 27,875.00 |
| 2018 | 55,000.00 | 25,675.00 | 51,548.48 | 106,548.48 | 25,675.00 |
| 2019 | 60,000.00 | 23,475.00 | 53,337.59 | 113,337.59 | 23,475.00 |
| 2020 | 60,000.00 | 21,075.00 | 51,804.07 | 111,804.07 | 21,075.00 |
| 2021 | 65,000.00 | 18,675.00 | 53,465.38 | 118,465.38 | 18,675.00 |
| 2022 | 65,000.00 | 15,993.76 | 51,752.15 | 116,752.15 | 15,993.76 |
| 2023 | 70,000.00 | 13,312.50 | 53,233.75 | 123,233.75 | 13,312.50 |
| 2024 | 75,000.00 | 10,337.50 | 54,527.65 | 129,527.65 | 10,337.50 |
| 2025 | 75,000.00 | 6,587.50 | 52,131.54 | 127,131.54 | 6,587.50 |
| 2026 | 80,000.00 | 3,400.00 | 53,289.86 | 133,289.86 | 3,400.00 |
| | <u>\$ 985,000.00</u> | <u>\$ 429,631.26</u> | <u>\$ 903,899.71</u> | <u>\$ 1,888,899.71</u> | <u>\$ 429,631.26</u> |

Installment payments of principal and interest on the above described Loan are due on February 1 and August 1 of each year.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2009, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2010 were as follows:

| | |
|------------------------------|--------------|
| Current Fund | \$ 50,000.00 |
| Water Utility Operating Fund | 20,000.00 |

Note III: Pension Plans

Description of Systems

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

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits.

The Police and Fireman's Retirement System (PFRS) was established in July 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 with vesting occurring after 10 years of membership

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

BOROUGH OF SADDLE RIVER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note III: Pension Plans (Continued)

Retirement Benefits

For PERS employees, the benefits will be 1/55 of the average of the three highest year compensation for each year of service. However, for PERS who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

For PFRS employees, the benefits will be various percentages of final compensation depending upon the number of years of service.

Significant Legislation

P.L. 2009, c.19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, State PERS, and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 8.5 percent for PFRS and 5.5 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the PFRS and PERS

During the state fiscal year ended June 30, 2009, for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost equals contributions made.

BOROUGH OF SADDLE RIVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note III: Pension Plans (Continued)

Contribution Requirements (Continued)

The Borough total payroll for the year ended December 31, 2009 was \$3,942,660.75 and covered payroll was \$1,240,683.00 for PERS and \$2,127,911.00 for PFRS. Contributions to the PERS and the PFRS for the year ended December 31, 2009 made by the employees and Borough of Saddle River were as follows:

| | | <u>PERS</u> | <u>Percent of Covered Payroll</u> | <u>PFRS</u> | <u>Percent of Covered Payroll</u> |
|-------------------------|----------|-------------|---|--------------|---|
| Employees | 12/31/07 | \$56,709.66 | 5.09% | \$163,496.91 | 8.61% |
| | 12/31/08 | 63,485.94 | 5.34% | 174,990.58 | 8.66% |
| | 12/31/09 | 69,262.22 | 5.58% | 180,872.55 | 8.50% |
| Borough of Saddle River | 12/31/07 | \$34,859.07 | 3.13% | \$292,988.00 | 15.42% |
| | 12/31/08 | 65,235.20 | 5.49% | 449,235.00 | 22.24% |
| | 12/31/09 | 93,564.00 | 7.54% | 488,826.00 | 22.97% |

Note IV: Post Retirement Medical Benefits

P.L. 1997, C.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$24.4 million for the state fiscal year 2009 to provide benefits under Chapter 330 to qualified retirees.

PERS employees do not receive post-retirement medical benefits.

Note V: Deferred Compensation Plan

The Borough of Saddle River offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by the Borough of Saddle River was available to all Borough of Saddle River employees and permitted participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries. Only one person, Genevieve Johnson, has funds remaining in the plan.

BOROUGH OF SADDLE RIVER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note V: Deferred Compensation Plan (Continued)

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Saddle River (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Saddle River's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Borough of Saddle River in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$7,500.00 or 25 percent of the participant's includable compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended December 31, 2009 and 2008, the employees' contributions to the plan were \$ -0-, and \$-0-, respectively.

Note VI: Risk Management

The Borough of Saddle River 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.

The Borough of Saddle River is a member of the Bergen County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage up to \$100,000 for member municipalities. The Borough of Saddle River pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

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

The Borough of Saddle River is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$100,000 for general liability, automobile liability and workers' compensation. The MEL also provides insurance coverage for the following: employment practices liability, non-owned aircraft, public officials liability, directors and officers liability and Faithful Performance and Employee Dishonesty Blanket Bond (\$1,000,000 limit).

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

BOROUGH OF SADDLE RIVER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note VI: Risk Management (Continued)

The Borough of Saddle River is also a member of the Bergen Municipal Employee Benefits Fund (the "Fund"). The Fund is a self-administered group of municipalities established for the purpose of providing certain low-cost health insurance coverage for member municipalities. The Borough of Saddle River pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note VII: Segment Information – Utility/Enterprise Funds

The Borough of Saddle River maintains one utility fund which provides water service. Segment information for the year ended December 31, 2009 was as follows:

| | <u>Water Utility Fund</u> |
|---------------------------------|-----------------------------------|
| Operating Revenues | \$ 294,103.82 |
| Operating Income | 126,103.82 |
| Operating Transfers in or (Out) | -0- |
| Net Income | 63,050.55 |
| Fixed Assets: | |
| Additions | -0- |
| Deletions | -0- |
| Net Working Capital | 135,466.03 |
| Total Operating Assets | 415,210.01 |
| Operating Fund Balance | 116,900.81 |
| Long Term Debt | -0- |
| Short Term Debt | 510,000.00 |

Note VIII: Accrued Sick and Vacation Benefits

The Borough of Saddle River has specific policies which permits all employees retiring under the Policemen's and Firemen's Retirement System to accrue their unused accumulated sick leave. It is estimated that the current cost of such unpaid compensation would approximate \$412,800.00. Unused vacation time is not allowed to be accumulated without authorization and any liability would not be considered material to the financial statements.

Note IX: Contingent Liabilities

The Borough of Saddle River is a defendant in several lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

SUPPLEMENTARY DATA

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | <u>Year 2009</u> | | <u>Year 2008</u> | |
|--|-----------------------|----------------|-----------------------|----------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| <u>Revenue and Other Income Realized</u> | | | | |
| Fund Balance Utilized | \$ 550,000.00 | 2.35% | \$ 828,841.00 | 3.71% |
| Miscellaneous-From other than Local Property Tax Levies | 2,706,010.91 | 11.58% | 2,384,106.08 | 10.68% |
| Collection of Delinquent Taxes and Tax Title Liens | 343,538.26 | 1.47% | 234,069.41 | 1.05% |
| Collection of Current Tax Levy | 19,416,261.83 | 83.06% | 18,661,760.21 | 83.61% |
| Other Credits to Income | <u>360,303.25</u> | <u>1.54%</u> | <u>211,748.81</u> | <u>0.95%</u> |
| Total Income | <u>23,376,114.25</u> | <u>100.00%</u> | <u>22,320,525.51</u> | <u>100.00%</u> |
| <u>Expenditures</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | 9,371,953.37 | 40.72% | 9,035,862.71 | 43.27% |
| County Taxes | 5,234,159.70 | 22.74% | 4,801,913.96 | 22.99% |
| Local School Taxes | 6,659,468.00 | 28.93% | 6,469,194.00 | 30.98% |
| Other Expenditures | <u>1,752,305.69</u> | <u>7.61%</u> | <u>577,772.30</u> | <u>2.77%</u> |
| Total Expenditures | <u>23,017,886.76</u> | <u>100.00%</u> | <u>20,884,742.97</u> | <u>100.00%</u> |
| Excess in Revenue | 358,227.49 | | 1,435,782.54 | |
| Fund Balance January 1 | <u>2,817,337.31</u> | | <u>2,210,395.77</u> | |
| | 3,175,564.80 | | 3,646,178.31 | |
| Less: | | | | |
| Utilization as Anticipated Revenue | <u>550,000.00</u> | | <u>828,841.00</u> | |
| Fund Balance December 31 | <u>\$2,625,564.80</u> | | <u>\$2,817,337.31</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - WATER UTILITY OPERATING FUND

| | <u>Year 2009</u> | | <u>Year 2008</u> | |
|--|----------------------|----------------|---------------------|----------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| <u>Revenue and Other Income Realized</u> | | | | |
| Fund Balance Utilized | \$ 20,000.00 | 5.46% | \$ 30,500.00 | 8.36% |
| Collection of Water Rents | 169,103.82 | 46.20% | 158,852.29 | 43.54% |
| Fire Hydrant Service | 125,000.00 | 34.15% | 125,000.00 | 34.26% |
| Other Credits to Income | 51,946.73 | 14.19% | 50,506.47 | 13.84% |
| Total Income | <u>366,050.55</u> | <u>100.00%</u> | <u>364,858.76</u> | <u>100.00%</u> |
| <u>Expenditures</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | 168,000.00 | 55.45% | 190,500.00 | 57.64% |
| Debt Service | 135,000.00 | 44.55% | 140,000.00 | 42.36% |
| Total Expenditures | <u>303,000.00</u> | <u>100.00%</u> | <u>330,500.00</u> | <u>100.00%</u> |
| Excess in Revenue | 63,050.55 | | 34,358.76 | |
| Fund Balance January 1 | <u>73,850.26</u> | | <u>69,991.50</u> | |
| | 136,900.81 | | 104,350.26 | |
| Less: | | | | |
| Utilization as Anticipated Revenue | <u>20,000.00</u> | | <u>30,500.00</u> | |
| Fund Balance December 31 | <u>\$ 116,900.81</u> | | <u>\$ 73,850.26</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| <u>Year</u> | <u>Assessed Valuation</u> | <u>Apportionment of Tax Rate</u> | | | |
|-------------|---------------------------|----------------------------------|------------------|---------------|---------------------|
| | | <u>Total</u> | <u>Municipal</u> | <u>County</u> | <u>Local School</u> |
| 2009 | \$ 2,187,463,453 | \$ 0.914 | \$ 0.370 | \$ 0.240 | \$ 0.304 |
| 2008 | 2,143,209,753 | 0.883 | 0.357 | 0.224 | 0.302 |
| 2007 | 2,131,618,846 | 0.840 | 0.333 | 0.206 | 0.301 |
| 2006 | 2,066,905,486 | 0.800 | 0.299 | 0.200 | 0.301 |
| 2005 | 2,004,522,124 | 0.780 | 0.279 | 0.203 | 0.298 |
| 2004 | 1,947,604,824 | 0.750 | 0.242 | 0.200 | 0.308 |
| 2003 | 1,884,001,016 | 0.720 | 0.224 | 0.186 | 0.310 |
| 2002 | 1,821,282,400 (1) | 0.720 | 0.225 | 0.181 | 0.314 |
| 2001 | 1,088,414,854 | 1.150 | 0.359 | 0.287 | 0.504 |
| 2000 | 1,074,358,143 | 1.070 | 0.352 | 0.254 | 0.464 |

(1) Revaluation Effective

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collection</u> | <u>Percentage of Collection</u> |
|-------------|------------------|------------------------|---------------------------------|
| 2009 | \$ 20,006,863.07 | \$ 19,416,261.83 | 97.04% |
| 2008 | 19,071,952.32 | 18,661,760.21 | 97.84% |
| 2007 | 17,961,405.75 | 17,666,939.11 | 98.36% |
| 2006 | 16,676,870.43 | 16,461,071.18 | 98.70% |
| 2005 | 15,715,533.38 | 15,454,960.76 | 98.34% |
| 2004 | 14,715,949.72 | 14,423,519.36 | 98.01% |
| 2003 | 13,764,842.10 | 13,499,298.34 | 98.07% |
| 2002 | 13,444,109.77 | 12,919,189.31 | 96.09% |
| 2001 | 12,602,566.30 | 12,372,534.22 | 98.17% |
| 2000 | 11,599,735.26 | 11,453,424.18 | 98.73% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>Dec. 31 Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------------------|--|---|-----------------------------|-----------------------------------|
| 2009 | \$ 3,576.60 | \$ 457,597.70 | \$ 461,174.30 | 2.30% |
| 2008 | 3,247.56 | 368,256.71 | 371,504.27 | 1.94% |
| 2007 | 2,984.36 | 287,399.87 | 290,384.23 | 1.61% |
| 2006 | 2,520.73 | 165,383.58 | 167,904.31 | 1.00% |
| 2005 | 2,232.73 | 211,883.97 | 214,116.70 | 1.36% |
| 2004 | 1,951.93 | 252,146.83 | 254,098.76 | 1.72% |
| 2003 | 1,681.93 | 144,346.36 | 146,028.29 | 1.06% |
| 2002 | 1,422.73 | 252,698.81 | 254,121.54 | 1.89% |
| 2001 | 1,163.53 | 204,785.80 | 205,949.33 | 1.63% |
| 2000 | 915.13 | 125,188.30 | 126,103.43 | 1.08% |

COMPARISON OF WATER UTILITY LEVIES

| <u>Year</u> | <u>Levy</u> | <u>Cash Collection</u> |
|-------------|---------------|------------------------|
| 2009 | \$ 152,025.37 | \$ 169,103.82 |
| 2008 | 172,757.98 | 159,399.50 |
| 2007 | 169,218.42 | 189,498.57 |
| 2006 | 143,748.74 | 123,364.25 |
| 2005 | 149,322.17 | 143,804.04 |
| 2004 | 155,867.70 | 155,628.00 |
| 2003 | 97,452.74 | 128,227.34 |
| 2002 | 83,029.39 | 38,768.09 |
| 2001 | 24,529.34 | 28,048.46 |
| 2000 | 32,946.44 | 32,946.44 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>Year</u> | <u>Balance Dec. 31</u> | <u>Utilized In Budget of Succeeding Year</u> |
|---------------------------------|-------------|----------------------------|--|
| Current Fund | 2009 | \$ 2,625,564.80 | \$ 50,000.00 |
| | 2008 | 2,817,337.31 | 550,000.00 |
| | 2007 | 2,210,395.77 | 828,841.00 |
| | 2006 | 1,419,352.03 | 400,000.00 |
| | 2005 | 2,001,827.54 | 900,000.00 |
| | 2004 | 2,076,055.67 | 1,050,000.00 |
| | 2003 | 1,876,716.29 | 850,000.00 |
| | 2002 | 1,042,207.26 | - |
| | 2001 | 1,600,601.12 | 1,100,000.00 |
| | 2000 | 1,983,129.62 | 1,100,000.00 |
| Water Utility Operating Fund | 2009 | \$ 116,900.81 | \$ 20,000.00 |
| | 2008 | 73,850.26 | 20,000.00 |
| | 2007 | 69,991.50 | 30,500.00 |
| | 2006 | 52,456.55 | 32,000.00 |
| | 2005 | 149,742.25 | 145,830.00 |
| | 2004 | 268,930.76 | 127,000.00 |
| | 2003 | 241,362.07 | 75,000.00 |
| | 2002 | 149,483.60 | 50,000.00 |
| | 2001 | 90,272.01 | 25,000.00 |
| | 2000 | 87,478.05 | - |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|-------------------------------------|---|-----------------------|
| Samuel S. Raia | Mayor | |
| Maurice R. Burke | Council President | |
| Karen Mastriano | Councilwoman | |
| John E. Murray | Councilman | |
| Michael Mutter | Councilman | |
| Robert Re | Councilman | |
| Michael Toomey | Councilman | |
| Charles S. Cuccia | Borough Administrator | |
| | Treasurer/Chief Financial Officer | \$ 1,000,000.00 |
| | Assistant Chief Financial Officer | |
| Maria Reda | Borough Clerk, Registrar | |
| Marie Elena Macari | Secretary - Board of Adjustment | |
| | Deputy Registrar | |
| Georgia Silverman | Secretary - Planning Board | |
| Joy Convertini and Dobbie Burgio | Confidential Administrative Secretaries | |
| Linda Canavan | Collector of Taxes | \$ 1,000,000.00 |
| | Tax Search Officer | |
| | Local Improvement Assessment Officer | |
| | Dog Licensing Agent | |
| | Tax Assessor | |
| Stuart Stolarz | Engineers | |
| Charles J. Wilde, Martin Spence | Attorney | |
| Russell Huntington | Judge | (1) |
| Philip F. Sheridan, Jr. | Court Administrator | (1) |
| Carol Portier | Deputy Court Administrator | (1) |
| Janine Napoleone | Construction Code Official | |
| John Scialla | Zoning Officer | |
| | Building Sub- Code Official | |
| | Plumbing Sub- Code Official | |
| Thomas Zaconie | Fire Sub- Code Official | |
| Richard Silvia | Electrical Sub- Code Official | |
| Chris Walthour | | |

(1) There is Public Employees Dishonesty coverage written through the Travelers Casualty and Surety Co. of America for \$50,000 for each Municipal Court Employee.

There is Public Employees Dishonesty coverage written through the Municipal Excess Liability Joint Insurance Fund for \$1,000,000 is in effect for all other employees.

All of the bonds were examined and properly executed.

The surety bonds for Tax Collector and the Municipal Court personnel were in accordance with the Local Finance Board promulgated schedule.

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF CASH - TREASURER

| | <u>Ref.</u> | | |
|--|-------------|----------------------|------------------------|
| Balance December 31, 2008 | A | | \$ 4,562,142.48 |
| Increased by Receipts: | | | |
| Miscellaneous Revenue Not Anticipated | A-2 | \$ 499,655.81 | |
| Tax Collector | A-5 | 19,847,330.71 | |
| Amount Due from State for Senior Citizens' and Veterans' Deductions | A-8 | 21,500.00 | |
| Revenue Accounts Receivable | A-12 | 1,024,982.23 | |
| Interfund Accounts Receivable | A-13 | 8,074,338.57 | |
| Interfund Accounts Payable | A-18 | 25,431.22 | |
| Reserve for Funds - Unappropriated | A-23 | 337,847.41 | |
| Other Liabilities | A-24 | <u>14,641.00</u> | |
| | | | <u>29,845,726.95</u> |
| | | | 34,407,869.43 |
| Decreased by Disbursements : | | | |
| Refund of Prior Year Revenue | A-1 | 7,545.86 | |
| 2009 Budget Appropriations | A-3 | 8,409,513.00 | |
| Interfund Accounts Receivable | A-13 | 9,099,305.40 | |
| 2008 Appropriation Reserves | A-16 | 380,557.68 | |
| Reserve for Encumbrances | A-17 | 1,545.42 | |
| Interfund Accounts Payable | A-18 | 15,092.37 | |
| Reserve for Funds - Unappropriated | A-23 | 25,797.50 | |
| Other Liabilities | A-24 | 15,758.00 | |
| Local School District and County Taxes | A-25 | <u>11,927,426.03</u> | |
| | | | <u>29,882,541.26</u> |
| Balance December 31, 2009 | A | | <u>\$ 4,525,328.17</u> |

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

| | <u>Ref.</u> | | |
|----------------------------------|-------------|-------------------|-------------------------|
| Increased by Receipts : | | | |
| Tax Receivable | A-9 | \$ 19,536,457.82 | |
| Revenue Accounts Receivable | A-12 | 104,406.25 | |
| Prepaid Taxes | A-19 | <u>206,466.64</u> | |
| | | | <u>\$ 19,847,330.71</u> |
| Decreased by Disbursements : | | | |
| Paid to Treasurer | A-4 | | <u>\$ 19,847,330.71</u> |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF CHANGE FUNDS

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|---------------|--|--|
| Tax Collector | \$ 200.00 | \$ 200.00 |
| | <u>\$ 200.00</u> | <u>\$ 200.00</u> |
| | Ref. A | A |

SCHEDULE OF PETTY CASH

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|-------------------------|--|--|
| Chief Financial Officer | \$ 450.00 | \$ 450.00 |
| | <u>\$ 450.00</u> | <u>\$ 450.00</u> |
| | Ref. A | A |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM/(TO) STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| Balance December 31, 2008 | A | \$ (7,147.30) |
| Increased by : | | |
| Senior Citizens' Deductions Per Tax Billings | A-8 | \$ 500.00 |
| Veterans' Deductions Per Tax Billings | A-8 | <u>21,000.00</u> |
| | | <u>21,500.00</u> |
| | | 14,352.70 |
| Decreased by : | | |
| Received in Cash from State of New Jersey | A-4 | 21,500.00 |
| Veterans' Deductions Disallowed by Tax Collector | A-8 | <u>250.00</u> |
| | | <u>21,750.00</u> |
| Balance December 31, 2009 | A | <u>\$ (7,397.30)</u> |
| | | |
| <u>Calculation of State's Share of Senior Citizens' and Veterans' Deductions</u> | | |
| Senior Citizens' Deductions per Tax Billings | A-8 | \$ 500.00 |
| Veterans' Deductions per Tax Billings | A-8 | 21,000.00 |
| Veterans' Deductions Disallowed by Tax Collector | A-8 | <u>(250.00)</u> |
| | A-9 | <u>\$ 21,250.00</u> |

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2009 PROPERTY TAX LEVY

| Year | Balance Dec. 31, 2008 | 2009 Levy | 2008 Collections | 2009 Collections | State's Share of Senior Citizens' and Veterans' Deductions | Canceled | Transferred to Tax Title Liens | Balance Dec. 31, 2009 |
|------|--------------------------|------------------|---------------------|---------------------|---|---------------|--------------------------------------|--------------------------|
| 2005 | \$ 4,330.54 | | \$ - | \$ 4,330.54 | \$ - | \$ - | \$ - | \$ - |
| 2006 | 23,902.40 | | - | 23,902.40 | - | - | - | 24,718.45 |
| 2007 | 25,097.52 | | 25,097.52 | 25,097.52 | - | - | - | 24,718.45 |
| 2008 | 314,926.25 | | 290,207.80 | 290,207.80 | - | - | 329.04 | 432,879.25 |
| 2009 | 368,256.71 | 20,006,863.07 | 202,092.27 | 343,538.26 | 21,250.00 | 157,392.95 | | |
| | | | 19,192,919.56 | 19,192,919.56 | | | | |
| | \$ 368,256.71 | \$ 20,006,863.07 | \$ 202,092.27 | \$ 19,536,457.82 | \$ 21,250.00 | \$ 157,392.95 | \$ 329.04 | \$ 457,597.70 |

Ref. A

A-2,5

A-2,8

A-10

A

Analysis of 2009 Property Tax Levy

| | |
|--------------------------------------|-------------------------|
| Tax Yield : | |
| General Purpose Tax | \$ 19,985,252.42 |
| Business Personality Tax | 8,163.42 |
| | <u>\$ 19,993,415.84</u> |
| Added Taxes (54:4-63.1 et seq.) | 13,447.23 |
| | <u>\$ 20,006,863.07</u> |
| Tax Levy : | |
| Local School District Tax (Abstract) | \$ 6,659,468.00 |
| County Taxes (Abstract) | 4,956,845.36 |
| County Open Space Preservation (| 273,785.95 |
| Amount Due to County for Added | 3,528.39 |
| Taxes (54:4-63.1 et seq.) | <u>5,234,159.70</u> |
| Local Tax for Municipal Purposes (| 8,093,041.00 |
| Add : Additional Tax Levied | 20,194.37 |
| | <u>8,113,235.37</u> |
| | <u>\$ 20,006,863.07</u> |

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

| | <u>Ref.</u> | |
|-----------------------------------|-------------|--------------------|
| Balance December 31, 2008 | A | \$ 3,247.56 |
| Increased by : | | |
| Transferred from Taxes Receivable | A-9 | <u>329.04</u> |
| Balance December 31, 2009 | A | <u>\$ 3,576.60</u> |

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| Ref. | Balance Dec. 31, 2008 | Accrued in 2009 | Collector | Treasurer | Balance Dec. 31, 2009 |
|------|--------------------------|------------------------|----------------------|------------------------|--------------------------|
| A-2 | \$ - | \$ 17,264.15 | - | \$ 17,264.15 | - |
| A-2 | - | 134,979.87 | - | 134,979.87 | - |
| A-2 | 6,174.44 | 101,843.85 | 104,406.25 | 103,342.65 | 4,675.64 |
| A-2 | - | 104,406.25 | - | 9,251.56 | - |
| A-2 | - | 9,251.56 | - | 475,026.00 | - |
| A-2 | - | 475,026.00 | - | 285,118.00 | - |
| A-2 | - | 285,118.00 | - | - | - |
| | <u>\$ 6,174.44</u> | <u>\$ 1,127,889.68</u> | <u>\$ 104,406.25</u> | <u>\$ 1,024,982.23</u> | <u>\$ 4,675.64</u> |

Ref. A

A-5

A-4

A

Fees, Permits and Licenses
 Hotel Occupancy Fees
 Municipal Court - Fines and Costs
 Interest and Costs on Taxes
 Interest on Investments and Deposits
 Energy Receipts Tax
 Construction Code Official - Fees and Permits

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

| Ref. | Balance Dec. 31, 2008 | Accrued in in 2009 | Paid in 2009 | Interfund Advance Originating in 2009 | Received in 2009 | Balance Dec. 31, 2009 |
|---|--------------------------|-----------------------|-----------------|--|---------------------|--------------------------|
| | \$ 457.62 | \$ - | \$ - | \$ - | \$ - | \$ 457.62 |
| Animal Control Fund: Interfund Advance | | | | | | 6,874.54 |
| Other Trust Funds: | | | | | | |
| Interest | 100,799.26 | (93,924.72) | | | 100,000.00 | 935.45 |
| Budget Revenue | 5,935.45 | (5,000.00) | | | 100,000.00 | 7,809.99 |
| Interfund Advance (Payment of Bills) | 106,734.71 | 1,075.28 | | | | |
| General Capital Fund: | | | | | | |
| Budget Revenue | 51,150.00 | 944,793.00 | | | 944,793.00 | 51,150.00 |
| Budget Appropriation (CIF) | (502,000.00) | (200,000.00) | | | 6,866,000.00 | (702,000.00) |
| Bond Anticipation Notes | (2,020,000.00) | | 3,616,000.00 | | | (5,270,000.00) |
| Reimbursement from COAH | (880,294.59) | 880,294.59 | | | 26,365.44 | (62,016.44) |
| Premium on Sale of Notes | (35,651.00) | | | | | 9,249,178.84 |
| Interfund Advance (Payment of Bills) | 5,885,243.31 | (1,825,087.59) | 5,189,023.12 | | 7,837,158.44 | 3,266,312.40 |
| | 2,498,447.72 | (200,000.00) | 8,805,023.12 | | | |
| Water Operating Fund: | | | | | | |
| Budget Appropriation (Fire Hydrant Service) | (411,000.00) | (125,000.00) | | | 137,180.13 | (536,000.00) |
| Interfund Advance (Payment of Bills) | 639,542.52 | | 294,282.28 | | 137,180.13 | 796,644.67 |
| | 228,542.52 | (125,000.00) | 294,282.28 | | | 260,644.67 |
| Water Capital Fund: | | | | | | |
| Interfund Advance (Payment of Bills) | 540,526.77 | | | | | 540,526.77 |
| Payroll Account: | | | | | | |
| Interfund Advance (Payment of Bills) | 3,004.20 | | | | | 3,004.20 |
| | \$ 3,377,713.54 | \$ (323,924.72) | \$ 9,099,305.40 | \$ - | \$ 8,074,338.57 | \$ 4,078,755.65 |
| Ref. | A | A-4 | Ref. | A-4 | A | A |
| Summary of Fund Balance Entries: | | | | | | |
| | | | | \$ 5,346,125.27 | | |
| Interfund Advance (Payment of Bills) | | | | (3,250,000.00) | | |
| Bond Anticipation Notes (Net) | | | | (26,365.44) | | |
| Premium on Sale of Notes (Receipts) | | | | (125,000.00) | | |
| Budget Appropriation (Fire Hydrant Service) | | | | (200,000.00) | | |
| Budget Appropriation (CIF) | | | | | \$ 1,744,759.83 | |

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008

| | Balance Dec. 31, 2008 | Transfers To/From | Transferred - Reserve for Encumbrances | Balance After Transfers | Paid or Charged | Lapsed |
|---|--------------------------|----------------------|--|-------------------------------|--------------------|-----------|
| <u>OPERATIONS WITHIN "CAP"</u> | | | | | | |
| Salaries and Wages : | \$ 6,346.35 | | | \$ 6,346.35 | \$ - | - |
| General Administration | 79.00 | | | 79.00 | | - |
| Municipal Clerk | 5,311.43 | | | 5,311.43 | | - |
| Financial Administration | 960.64 | | | 960.64 | | - |
| Collection of Taxes | 162.30 | | | 162.30 | | - |
| Assessment of Taxes | 3,534.90 | | | 3,534.90 | | - |
| Municipal Court | 525.00 | | | 525.00 | | - |
| Historical Preservation Commission | | | | | | |
| Municipal Land Use Law (N.J.S.A. 40:55D-1): | | | | | | |
| Planning Board | 237.80 | | | 237.80 | | - |
| Board of Adjustment | 308.22 | | | 308.22 | | - |
| Police | 56,900.76 | | | 56,900.76 | | - |
| Fire | 37,034.38 | | | 37,034.38 | | - |
| Road Repairs and Maintenance | 23,771.38 | | | 23,771.38 | | - |
| Solid Waste Collection | 9,500.04 | | | 9,500.04 | | - |
| Board of Health - Secretary to the Board | 0.04 | | | 0.04 | | - |
| Board of Health - Sanitarian | 1,001.52 | | | 1,001.52 | | - |
| Environmental Commission | 299.24 | | | 299.24 | | - |
| Recreation Services and Programs | 577.20 | | | 577.20 | | - |
| Accumulated Leave Compensation | 500.00 | | | 500.00 | | - |
| Uniform Construction Code: | | | | | | |
| Code Enforcement and Administration | 21,004.28 | | | 21,004.28 | | - |
| Other Expenses : | | | | | | |
| General Administration | 682.85 | | 2,888.09 | 3,570.94 | 3,461.88 | 109.06 |
| Municipal Clerk | 11,097.27 | | 411.50 | 11,508.77 | 7,287.47 | 4,221.30 |
| Financial Administration | 9,862.77 | | | 9,862.77 | 90.00 | 9,772.77 |
| Audit Services | 2,200.00 | | | 2,200.00 | | 2,200.00 |
| Collection of Taxes | 6,487.92 | | | 6,487.92 | 3,556.67 | 2,931.25 |
| Assessment of Taxes | 22,254.00 | | | 22,254.00 | 2,970.00 | 19,284.00 |

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008

| | Balance Dec. 31, 2008 | Transfers To/From | Transferred - Reserve for Encumbrances | Balance After Transfers | Paid or Charged | Lapsed |
|---|--------------------------|----------------------|--|-------------------------------|--------------------|-----------|
| <u>Other Expenses: (Continued)</u> | \$ | | | \$ | \$ | |
| Legal Services and Costs | 858.84 | | | 858.84 | 855.00 | 3.84 |
| Municipal Court | 4,934.28 | | 157.49 | 5,091.77 | 379.49 | 4,712.28 |
| Engineering Services and Costs | 1,797.90 | | | 1,797.90 | 1,115.00 | 682.90 |
| Historical Preservation Commission | 6,096.75 | | 692.50 | 6,789.25 | 855.00 | 5,934.25 |
| Municipal Land Use Law (N.J.S.A. 40:55D-1) | | | | | | |
| Planning Board | 21,977.08 | | | 21,977.08 | 35.29 | 21,941.79 |
| Board of Adjustment | 8,983.67 | | | 8,983.67 | | 8,983.67 |
| Insurance: | | | | | | |
| General Liability | 10,840.38 | | | 10,840.38 | | 10,840.38 |
| Worker's Compensation | 10,270.13 | | | 10,270.13 | | 10,270.13 |
| Employee Group Health | | | | | | |
| Police | 7,697.04 | | 50,891.00 | 50,891.00 | 50,891.00 | 5,990.69 |
| Homeland Security | 6,485.06 | | 15,091.01 | 22,788.05 | 16,797.36 | 8,664.00 |
| Emergency Management Services | 119.80 | | 23,196.00 | 23,196.00 | 14,532.00 | 1,285.06 |
| Aid to Volunteer Fire Companies | 208.48 | | | 6,485.06 | 5,200.00 | 113.17 |
| Fire | 500.00 | | | 11,958.23 | 11,845.06 | 371.33 |
| Municipal Prosecutor | 121,902.97 | | 1,808.85 | 2,017.33 | 1,646.00 | 500.00 |
| Road Repairs and Maintenance | 20,971.80 | | 2,391.85 | 500.00 | 68,075.74 | 56,219.08 |
| Solid Waste Collection | 62.40 | | | 124,294.82 | | 20,971.80 |
| Public Buildings and Grounds | 146.10 | | 1,044.53 | 1,106.93 | 667.03 | 439.90 |
| Vehicle Maintenance | 2,430.63 | | 4,539.39 | 4,685.49 | 4,453.80 | 231.69 |
| Board of Health | 7,780.00 | | 2,375.00 | 4,805.63 | 2,375.00 | 2,430.63 |
| Environmental Commission | 3,268.85 | | | 7,780.00 | | 7,780.00 |
| Contribution to Social Services Agencies | 1,175.43 | | 644.70 | 3,913.55 | 2,814.70 | 1,098.85 |
| Recreation Services and Programs | 2,262.32 | | 6,365.65 | 7,541.08 | 6,208.65 | 1,332.43 |
| Celebration of Public Event, Anniversary or Holiday | | | 5,708.99 | 7,971.31 | 708.99 | 7,262.32 |

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008

| | Balance Dec. 31, 2008 | Transfers To/From | Transferred - Reserve for Encumbrances | Balance After Transfers | Paid or Charged | Lapsed |
|--|--------------------------|----------------------|--|-------------------------------|----------------------|----------------------|
| <u>Other Expenses: (Continued)</u> | | | | | | |
| <u>Utilities:</u> | | | | | | |
| Electricity | \$ 400.23 | | | \$ 400.23 | | \$ 400.23 |
| Street Lighting | 4,034.24 | | | 4,034.24 | 1,718.39 | 2,315.85 |
| Telephone | 756.07 | | 45.05 | 801.12 | 45.05 | 756.07 |
| Sewerage Disposal | 12,797.27 | | 1,219.00 | 12,797.27 | 1,190.63 | 12,797.27 |
| Gasoline | 784.99 | | | 2,003.99 | | 813.36 |
| Landfill Disposal Costs | 40,808.53 | | | 40,808.53 | | 40,808.53 |
| Uniform Construction Code Code Enforcement and Administration | 16,702.08 | | 2,500.00 | 19,202.08 | 2,728.00 | 16,474.08 |
| Social Security System (O.A.S.I.) | 16,640.87 | | | 16,640.87 | | 16,640.87 |
| <u>OPERATIONS EXCLUDED FROM "CAP"</u> | | | | | | |
| <u>Other Expenses :</u> | | | | | | |
| Engineering Services and Costs - Stormwater Management | 17,023.19 | | | 17,023.19 | | 17,023.19 |
| Insurance: | | | | | | |
| Employee Group Health | 16,884.51 | | | 16,884.51 | | 16,884.51 |
| Public Employees Retirement System of N.J. | 264.80 | | | 264.80 | | 264.80 |
| Police and Firemen's Retirement System of N.J. | 226.17 | | | 226.17 | | 226.17 |
| | <u>\$ 588,732.15</u> | <u>\$ -</u> | <u>\$ 133,809.03</u> | <u>\$ 722,541.18</u> | <u>\$ 380,557.68</u> | <u>\$ 341,983.50</u> |

Ref. A A-17 A-4 A-1

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>Ref.</u> | | |
|---|-------------|-------------------|---------------------|
| Balance December 31, 2008 | A | | \$ 163,681.04 |
| Increased by : | | | |
| 2009 Budget Charges | A-3 | | <u>80,040.92</u> |
| | | | 243,721.96 |
| Decreased by : | | | |
| Canceled in 2009 | A-1 | \$ 14,552.93 | |
| Paid in 2009 | A-4 | 1,545.42 | |
| Transferred to 2008 Appropriation Reserves | A-16 | <u>133,809.03</u> | |
| | | | <u>149,907.38</u> |
| Balance December 31, 2009 | A | | <u>\$ 93,814.58</u> |
| <u>Analysis of Balance December 31, 2009</u> | | | |
| 2009 Budget Charges | | \$ 80,040.92 | |
| 2005 Appropriation Reserves Charges (Homeland Security) | | <u>13,773.66</u> | |
| | | | <u>\$ 93,814.58</u> |

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

| | Balance Dec. 31, 2008 | Received in 2009 | Accrued in 2009 | Paid in 2009 | Balance Dec. 31, 2009 |
|--|--------------------------|---------------------|--------------------|---------------------|--------------------------|
| | \$ 94,259.40 | \$ 25,431.22 | \$ 1,875.00 | \$ 15,092.37 | \$ 106,473.25 |
| | <u>\$ 94,259.40</u> | <u>\$ 25,431.22</u> | <u>\$ 1,875.00</u> | <u>\$ 15,092.37</u> | <u>\$ 106,473.25</u> |

Federal and State Grants Funds

| | | | | |
|------|---|-----|-----|---|
| Ref. | A | A-4 | A-4 | A |
|------|---|-----|-----|---|

Ref. _____

| | | |
|-------------------------------------|-----|--------------------|
| 2009 Budget Revenue - Grants | A-2 | \$ (32,173.62) |
| 2009 Budget Appropriations - Grants | A-3 | <u>34,048.62</u> |
| | | <u>\$ 1,875.00</u> |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF PREPAID TAXES

| | <u>Ref.</u> | |
|-----------------------------|-------------|----------------------|
| Balance December 31, 2008 | A | \$ 202,092.27 |
| Increased by : | | |
| 2010 Taxes Paid | A-5 | <u>206,466.64</u> |
| | | 408,558.91 |
| Decreased by : | | |
| Applied to Taxes Receivable | A-9 | <u>202,092.27</u> |
| Balance December 31, 2009 | A | <u>\$ 206,466.64</u> |

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

| | <u>Ref.</u> | |
|--|-------------|--------------------|
| Balance December 31, 2008 | A | \$ 6,758.82 |
| Decreased by: | | |
| Canceled in 2009 | A-1 | <u>3,766.82</u> |
| Balance December 31, 2009 | A | <u>\$ 2,992.00</u> |
| <u>Analysis of Balance December 31, 2009</u> | | |
| 2007 Taxes | | <u>\$ 2,992.00</u> |
| | | <u>\$ 2,992.00</u> |

A-21

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
CURRENT FUND
SCHEDULE OF RESERVES FOR FUNDS - APPROPRIATED

| | <u>Ref.</u> | <u>Total</u> | <u>Tax and Drainage Map</u> | <u>Fair Share Housing Expenditures</u> | <u>Master Plan Revision</u> |
|---------------------------|-------------|--------------|-------------------------------------|--|---------------------------------|
| Balance December 31, 2008 | A | \$ 1,074.43 | \$ 485.50 | \$ 266.57 | \$ 322.36 |
| Balance December 31, 2009 | A | \$ 1,074.43 | \$ 485.50 | \$ 266.57 | \$ 322.36 |

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

| | <u>Ref.</u> | <u>Total</u> | <u>COAH</u> |
|---------------------------|-------------|---------------|---------------|
| Balance December 31, 2008 | A | \$ 641,063.04 | \$ 641,063.04 |
| Increased by: | | | |
| Received in 2009 | A-4 | 337,847.41 | 337,847.41 |
| | | 978,910.45 | 978,910.45 |
| Decreased by : | | | |
| Disbursed in 2009 | A-4 | 25,797.50 | 25,797.50 |
| Balance December 31, 2009 | A | \$ 953,112.95 | \$ 953,112.95 |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF OTHER LIABILITIES AND RESERVES

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Received</u> <u>in 2009</u> | <u>Paid</u> <u>in 2009</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|------------------------------------|--|-----------------------------------|-------------------------------|--|
| Amount Due to State of New Jersey: | | | | |
| Marriage License Surcharge Fees | \$ 305.00 | \$ 370.00 | \$ 375.00 | \$ 300.00 |
| UCC Surcharge Fees | <u>3,015.00</u> | <u>14,271.00</u> | <u>15,383.00</u> | <u>1,903.00</u> |
| | <u>\$ 3,320.00</u> | <u>\$ 14,641.00</u> | <u>\$ 15,758.00</u> | <u>\$ 2,203.00</u> |
| Ref. | A | A-4 | A-4 | A |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT AND COUNTY TAXES

| | Ref. | <u>Balance Dec. 31, 2008</u> | <u>2009 Levy</u> | <u>Paid in 2009</u> | <u>Balance Dec. 31, 2009</u> |
|---|------|----------------------------------|-------------------------|-------------------------|----------------------------------|
| | | <u>Payable</u> | | | <u>Payable</u> |
| Local School District Tax | A-2 | \$ - | \$ 6,659,468.00 | \$ 6,659,468.00 | \$ - |
| County Tax | A-2 | (50.00) | 4,956,845.36 | 4,956,795.36 | - |
| County Open Space Preservation | A-2 | - | 273,785.95 | 273,785.95 | - |
| Amount Due County for Added and Omitted Taxes - 2009 - 2008 | A-2 | - | 3,528.39 | | 3,528.39 |
| | | <u>37,376.72</u> | <u>-</u> | <u>37,376.72</u> | <u>-</u> |
| | | <u>\$ 37,326.72</u> | <u>\$ 11,893,627.70</u> | <u>\$ 11,927,426.03</u> | <u>\$ 3,528.39</u> |
| | | A | A-1 | A-4 | A |

BOROUGH OF SADDLE RIVER

CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM CURRENT FUND
TO FEDERAL AND STATE GRANTS FUND

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------|
| Balance December 31, 2008 | A | \$ 94,259.40 |
| Increased by : | | |
| Received in Current Fund | | |
| - State Aid Receivable | A-27 | \$ 3,975.94 |
| - Unappropriated Reserves | A-29 | 21,455.28 |
| 2009 Budget Appropriations | A-28 | <u>34,048.62</u> |
| | | <u>59,479.84</u> |
| | | 153,739.24 |
| Decreased by : | | |
| 2009 Budget Revenues | | |
| - State Aid Receivable | A-27 | 9,576.46 |
| - Unappropriated Reserves | A-29 | 22,597.16 |
| Expended in Current Fund | | |
| - Appropriated Reserves | A-28 | <u>15,092.37</u> |
| | | <u>47,265.99</u> |
| Balance December 31, 2009 | A | <u>\$ 106,473.25</u> |

A-26a

SCHEDULE OF AMOUNT DUE FROM OTHER TRUST FUND
TO FEDERAL AND STATE GRANTS FUND

| | <u>Ref.</u> | |
|--|-------------|--------------------|
| Balance December 31, 2008 | A | <u>\$ 1,613.87</u> |
| Balance December 31, 2009 | A | <u>\$ 1,613.87</u> |
| <u>Analysis of Balance December 31, 2009</u> | | |
| Body Armor Replacement Fund | | <u>\$ 1,613.87</u> |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>2009 Budget</u> <u>Revenues</u> | <u>Received</u> <u>in Current</u> <u>Fund</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|---|--|---------------------------------------|---|--|
| Municipal Alliance on Alcoholism and Drug Abuse | \$ 37,598.20 | \$ 7,500.00 | \$ 1,899.48 | \$ 43,198.72 |
| Bergen County Municipal Recycling Assistance | 870.00 | | | 870.00 |
| Municipal Stormwater Regulation Program | 1,707.00 | | | 1,707.00 |
| Life Hazard Use Fee | 1,903.85 | 2,076.46 | 2,076.46 | 1,903.85 |
| GDL 2008 Enforcement and Education Grant | <u>2,000.00</u> | <u>-</u> | <u>-</u> | <u>2,000.00</u> |
| | <u>\$ 44,079.05</u> | <u>\$ 9,576.46</u> | <u>\$ 3,975.94</u> | <u>\$ 49,679.57</u> |
| Ref. | A | A-26 | A-26 | A |

BOROUGH OF SADDLE RIVER

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

| | <u>Balance</u> Dec. 31, 2008 | <u>2009 Budget</u> <u>Appropriations</u> | <u>Expenditures</u> <u>in Current</u> <u>Fund</u> | <u>Balance</u> Dec. 31, 2009 |
|---|---------------------------------|---|---|---------------------------------|
| Drunk Driving Enforcement Fund | \$ 24,992.50 | \$ 3,382.56 | \$ 2,345.00 | \$ 26,030.06 |
| Clean Communities Grant | 8,364.47 | 6,030.82 | | 14,395.29 |
| Alcohol Education and Rehabilitation Fund | 8,950.47 | 856.73 | | 9,807.20 |
| Municipal Alliance on Alcoholism and Drug Abuse: State | 23,357.05 | 7,500.00 | 7,957.90 | 22,899.15 |
| Matching | 5,839.26 | 1,875.00 | 1,989.47 | 5,724.79 |
| Bergen County Municipal Recycling Assistance | 6,471.74 | | | 6,471.74 |
| Municipal Stormwater Regulation Program | 5,909.00 | | | 5,909.00 |
| Body Armor Replacement Fund | 20,224.27 | 1,755.55 | | 21,979.82 |
| Life Hazard Use Fee | 2,863.90 | 2,076.46 | 2,800.00 | 2,140.36 |
| Over the Limit Grant | 2,087.50 | 3,327.50 | | 5,415.00 |
| Obey the Signs or Pay the Fines Grant | 3,820.00 | 3,622.00 | | 7,442.00 |
| Click It or Ticket Grant | <u>2,000.00</u> | <u>3,622.00</u> | <u>-</u> | <u>5,622.00</u> |
| | <u>\$ 114,880.16</u> | <u>\$ 34,048.62</u> | <u>\$ 15,092.37</u> | <u>\$ 133,836.41</u> |
| Ref. | A | A-26 | A-26 | A |

BOROUGH OF SADDLE RIVER

CURRENT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

| | Balance Dec. 31, 2008 | Received in Current Fund | Utilized as 2009 Budget Revenue | Balance Dec. 31, 2009 |
|---|--------------------------|--------------------------------|--|--------------------------|
| Drunk Driving Enforcement Fund | \$ 3,382.56 | \$ - | \$ 3,382.56 | \$ - |
| Clean Communities Grant | 6,030.82 | 7,884.00 | 6,030.82 | 7,884.00 |
| Alcohol Education and Rehabilitation Fund | 856.73 | 371.28 | 856.73 | 371.28 |
| Body Armor Replacement Fund | 1,755.55 | | 1,755.55 | - |
| Over the Limit Grant | 3,527.50 | 6,000.00 | 3,327.50 | 6,200.00 |
| Obey the Signs or Pay the Fines Grant | 3,622.00 | 3,200.00 | 3,622.00 | 3,200.00 |
| Click It or Ticket Grant | <u>3,622.00</u> | <u>4,000.00</u> | <u>3,622.00</u> | <u>4,000.00</u> |
| | <u>\$ 22,797.16</u> | <u>\$ 21,455.28</u> | <u>\$ 22,597.16</u> | <u>\$ 21,655.28</u> |
| Ref. | A | A-26 | A-26 | A |

BOROUGH OF SADDLE RIVER
 CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

| | <u>Ref.</u> | |
|--|-------------|--------------------|
| Balance December 31, 2008 | A | <u>\$ 2,275.00</u> |
| Balance December 31, 2009 | A | <u>\$ 2,275.00</u> |
| <u>Analysis of Balance December 31, 2009</u> | | |
| 2001 O.E.S. Grant - State | | \$ 1,137.50 |
| 2001 O.E.S. Grant - Matching | | <u>1,137.50</u> |
| | | <u>\$ 2,275.00</u> |

BOROUGH OF SADDLE RIVER
 TRUST FUND
SCHEDULE OF CASH - TREASURER

| | <u>Ref.</u> | <u>Animal Control</u> | <u>Other Funds</u> |
|-------------------------------------|-------------|---------------------------|------------------------|
| Balance December 31, 2008 | B | \$ <u>2,061.80</u> | \$ <u>2,709,715.19</u> |
| Increased by Receipts: | | | |
| Interfund Accounts Payable | B-3 | | 1,075.28 |
| 2009 Dog License Fees | B-4 | 1,540.00 | |
| Late Fees | B-4 | 55.00 | |
| Miscellaneous Revenue | B-4 | 14.10 | |
| Cat Licenses | B-4 | 252.00 | |
| Amount Due to State Board of Health | B-5 | 390.00 | |
| Reserve for Special Funds | B-8 | - | 449,424.30 |
| | | <u>2,251.10</u> | <u>450,499.58</u> |
| | | <u>4,312.90</u> | <u>3,160,214.77</u> |
| Decreased by Disbursements : | | | |
| Interfund Accounts Payable | B-3 | | 100,000.00 |
| Expenditures Per R.S. 4:19-15.11 | B-4 | 2,885.00 | |
| Amount Due to State Board of Health | B-5 | 445.60 | |
| Reserve for Special Funds | B-8 | - | 740,563.52 |
| | | <u>3,330.60</u> | <u>840,563.52</u> |
| Balance December 31, 2009 | B | \$ <u>982.30</u> | \$ <u>2,319,651.25</u> |

BOROUGH OF SADDLE RIVER
TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

NOT APPLICABLE

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Received</u> <u>in 2009</u> | <u>Accrued</u> <u>in 2009</u> | <u>Paid</u> <u>in 2009</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|-------------------------------|--|-----------------------------------|----------------------------------|-------------------------------|--|
| Animal Control Fund: | | | | | |
| Current Fund | \$ 457.62 | \$ - | \$ - | \$ - | \$ 457.62 |
| Other Trust Funds: | | | | | - |
| Current Fund: | | | | | - |
| Interest on Investments | 100,799.26 | 1,075.28 | | 95,000.00 | 6,874.54 |
| Interfund Advance | 5,935.45 | | | 5,000.00 | 935.45 |
| Federal and State Grants Fund | <u>1,613.87</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,613.87</u> |
| | <u>108,348.58</u> | <u>1,075.28</u> | <u>-</u> | <u>100,000.00</u> | <u>9,423.86</u> |
| | <u>\$ 108,806.20</u> | <u>\$ 1,075.28</u> | <u>\$ -</u> | <u>\$ 100,000.00</u> | <u>\$ 9,881.48</u> |
| Ref. | B | B-1 | | | B |

BOROUGH OF SADDLE RIVER
 TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>Ref.</u> | |
|----------------------------------|-------------|------------------|
| Balance December 31, 2008 | B | \$ 1,536.58 |
| Increased by : | | |
| 2009 Dog License Fees | B-1 | \$ 1,540.00 |
| Late Fees | B-1 | 55.00 |
| Miscellaneous | B-1 | 14.10 |
| Cat Licenses | B-1 | <u>252.00</u> |
| | | <u>1,861.10</u> |
| | | 3,397.68 |
| Decreased by : | | |
| Expenditures Per R.S. 4:19-15.11 | B-1 | <u>2,885.00</u> |
| Balance December 31, 2009 | B | <u>\$ 512.68</u> |

Animal Control Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|--------------------|
| 2007 | \$ 2,289.40 |
| 2008 | <u>2,198.40</u> |
| | <u>\$ 4,487.80</u> |

BOROUGH OF SADDLE RIVER
 TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE BOARD OF HEALTH

| | <u>Ref.</u> | |
|-------------------------------|-------------|-----------------|
| Balance December 31, 2008 | B | \$ 67.60 |
| Increased by : | | |
| Fees Collected in 2009 | B-1 | <u>390.00</u> |
| | | 457.60 |
| Decreased by : | | |
| Paid to State Board of Health | B-1 | <u>445.60</u> |
| Balance December 31, 2009 | B | <u>\$ 12.00</u> |

SCHEDULE OF PREPAID LICENSE FEES

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
TRUST FUND
RESERVE FOR SPECIAL DEPOSITS

| | Balance <u>Dec. 31, 2008</u> | Received in <u>2009</u> | Paid in <u>in 2009</u> | Balance <u>Dec. 31, 2009</u> |
|---|---------------------------------|----------------------------|---------------------------|---------------------------------|
| Performance Bonds and Special Deposits | \$ 1,553,985.41 | \$ 176,856.73 | \$ 264,979.79 | \$ 1,465,862.35 |
| Developers' Escrow | 782,763.18 | 56,182.07 | 459,534.97 | 379,410.28 |
| Rindlaub Park | 10,150.00 | | | 10,150.00 |
| Saddle River Recreation | 219.16 | | | 219.16 |
| Saddle River Day | 25,161.97 | | | 25,161.97 |
| Municipal Alliance | 918.21 | | | 918.21 |
| Police Equipment | 2,954.80 | 31,462.00 | 15,031.70 | 19,385.10 |
| Seized Money (Police) | 81.00 | | | 81.00 |
| Oelkrug Property | 340.50 | | | 340.50 |
| Pancreatic Cancer Fund | 330.00 | | | 330.00 |
| School Resource Officer | 1.41 | | | 1.41 |
| Borough Events | 57.00 | 1,020.00 | 1,014.95 | 62.05 |
| First Responder Equipment | | 10,100.00 | | 10,100.00 |
| Section 125 Flex Spending | 3,048.24 | | | 3,048.24 |
| Parks and Recreation Commission | 411.29 | | | 411.29 |
| State Unemployment Compensation Insurance | 13,028.86 | 3,938.54 | 2.11 | 16,965.29 |
| Accumulated Sick Leave Benefits | 206,260.05 | 169,864.96 | | 376,125.01 |
| Tax Title Lien Redemptions | <u>1,655.53</u> | <u>-</u> | <u>-</u> | <u>1,655.53</u> |
| | <u>\$ 2,601,366.61</u> | <u>\$ 449,424.30</u> | <u>\$ 740,563.52</u> | <u>\$ 2,310,227.39</u> |
| | B | B-1 | B-1 | B |

BOROUGH OF SADDLE RIVER
TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

SCHEDULE OF CASH - DEFERRED COMPENSATION PLAN

| | <u>Ref.</u> | |
|--|-------------|---------------------|
| Balance December 31, 2008 | B | \$ 11,498.02 |
| Increased by Receipts: | | |
| Plan Investment Earnings (Net of Fees) | | <u>68.68</u> |
| | | 11,566.70 |
| Decreased by Disbursements: | | |
| Paid in 2009 | | <u>1,149.80</u> |
| Balance December 31, 2009 | B | <u>\$ 10,416.90</u> |

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

| | <u>Ref.</u> | | |
|------------------------------|-------------|---------------------|------------------------|
| Balance December 31, 2008 | C | | \$ 2,109,695.07 |
| Increased by Receipts: | | | |
| Interfund Accounts Payable | C-13 | <u>\$ 40,000.00</u> | <u>40,000.00</u> |
| | | | 2,149,695.07 |
| Decreased by Disbursements : | | | |
| Interfund Accounts Payable | C-13 | 944,793.00 | |
| Bond Anticipation Notes | C-17 | <u>40,000.00</u> | |
| | | | <u>984,793.00</u> |
| Balance December 31, 2009 | C | | <u>\$ 1,164,902.07</u> |

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH

| Ord Number | Improvement Authorizations | Receipts | | Disbursements | | Transfers | Balance or (Deficit) Dec. 31, 2009 |
|------------|--|-----------------|---------------|---------------|---------------|------------------|------------------------------------|
| | | Miscellaneous | Miscellaneous | Anticipation | Miscellaneous | | |
| | | \$ 42.77 | \$ - | \$ - | \$ - | \$ - | \$ 42.77 |
| 472M | Modernization of Municipal Building | 235.00 | | | | | 235.00 |
| 493M | Purchase of Fire Truck | 0.34 | | | | | 0.34 |
| 568M | Removal of Storage Tanks | 583.00 | | | | | 583.00 |
| 632M/666M | Acquisition of New Fire Truck | 13,248.75 | | | | | 13,248.75 |
| 665M | Improvements to Mill Road | 693.00 | | | | | 693.00 |
| 667M | Acquisition of Fire CAD | 77.70 | | | | | 77.70 |
| 669M | Improvements to Millennium Park | 192.57 | | | | | 192.57 |
| 679M | Essier Lane Improvements | 47,190.63 | | | | | 47,190.63 |
| 684M | Parking Improvements | 3,259.60 | | | | | 3,259.60 |
| 703M | Improvements to Denison Drive East | (23,639.37) | | | 847.50 | | (24,486.87) |
| 706M/819M | Improvements to Rindlaub Park | 549.21 | | | | | 549.21 |
| 714M | Reconstruct Mill Race Pond Levee | (3,220.00) | | | | | (3,220.00) |
| 719M | Improvements to Roads | (56,926.19) | | | | | (56,926.19) |
| 727M | Various Improvements | (330,000.00) | | | | | (330,000.00) |
| 729M | Improvements to Oak Road | (99,952.10) | | | | | (99,952.10) |
| 730M | Various Improvements | (94,567.19) | | | 432.00 | | (94,999.19) |
| 742M | Various Improvements | 49,733.15 | | | 36,750.76 | | 12,982.39 |
| 749M | Improvements to Oak Road | | | | | | |
| 757M | (Supplements 707M and 729M) | (81,010.86) | | | | | (81,010.86) |
| 759M | RCA Agreements | 290,000.00 | | | | | 290,000.00 |
| 760M | Improvements to Roads | (95,000.00) | | | | | (95,000.00) |
| 762M | Drainage River Farm Lane | (117,956.78) | | | | | (117,956.78) |
| 763M | Purchase of Real Property | (6,517.38) | | | 17,000.00 | | (94,978.27) |
| 771M | Various Roadway Improvements | (94,978.27) | | | 10,539.22 | | (105,145.00) |
| 773M | Water Main Extension Project (Ramsey) | (94,605.78) | | | | | (94,485.00) |
| 774M | Police Communications and Emergency 911 System | (54,485.00) | | | | | (54,237.18) |
| 786M | Various Roadway Improvements | (39,963.10) | | | 22,892.00 | | (62,855.10) |
| 790M | Lower Cross Road Improvements | 17,549.36 | | | 4,000.00 | | 13,549.36 |
| 791M | Improvements to the Saddle River Museum | (62,761.00) | | | | | (62,761.00) |
| 792M | Improvements to Rindlaub Park (Phase II) | (74,248.60) | | | | | (74,248.60) |
| 793M | Police and Fire Complex Roof Replacement | 45,529.14 | | | | | 45,529.14 |
| 797M | Acquisition of Real Estate | 311,661.14 | | | 305,908.26 | | 5,752.88 |
| 802M | Burning Hollow Water Main Project (Phase II) | 1,283.19 | | | 575.78 | | 707.41 |
| 803M | Chestnut Ridge Road Water Line | 148,387.23 | | | | | 148,387.23 |
| 809M | Various Water Main Extensions | (93,775.67) | | | 2,000,000.00 | | (94,220.26) |
| 812M | Various Roadway Improvements | | | | | | |
| 815M | Upgrade Police Communications Desk and Acquire Various Equipment | (321,497.68) | | | | | (321,497.68) |
| 820M | Acquisition of Fire Equipment | (33,364.55) | | | 500,000.00 | | (39,460.55) |
| 821M | Acquisition of Automotive Vehicles | (38,989.69) | | | | | (38,989.69) |
| 824M | Various Roadway Improvements | 31,000.00 | | | 171,000.00 | | 20,550.12 |
| 825M | Reconstruction of Old Woods Road | - | | | 619,000.00 | | (95,000.00) |
| 826M | Various Improvements to Rindlaub Park | - | | | 5,000.00 | | 334,391.74 |
| 829M | Culvert Replacement on East Saddle River Road | - | | | 360,000.00 | | 129,941.05 |
| 831M | Acquisition of DPW Utility Truck | - | | | 166,000.00 | | 338,478.72 |
| | Federal, State and Other Aid Receivable | (72,893.00) | | | 585,000.00 | | 3,551.03 |
| | Reserve for Encumbrances | 130,829.74 | | | 4,000.00 | | (1,164,651.00) |
| | Capital Improvement Fund | 182,936.56 | | | | | 130,829.74 |
| | Capital Reserves | 2,513,447.72 | | | 200,000.00 | | 69,583.10 |
| | Interfund Accounts Payable | 47,596.26 | | | 41,341.10 | | 218,268.40 |
| | Fund Balance | 40,000.00 | | | 1,672,657.68 | | 3,281,312.40 |
| | Excess BAN Proceeds - Ord. No. 749M | - | | | 26,365.44 | | 73,961.70 |
| | | \$ 2,109,665.07 | \$ 40,000.00 | \$ 40,000.00 | \$ 944,793.00 | \$ 36,350,364.22 | \$ 1,164,902.07 |

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------------|
| Balance December 31, 2008 | C | \$ 1,983,419.38 |
| Decreased by: | | |
| Loans Paid: | | |
| 2009 Budget Appropriation | C-16 | <u>94,519.67</u> |
| Balance December 31, 2009 | C | <u>\$ 1,888,899.71</u> |

BOROUGH OF SADDLE RIVER
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

| Ordinance Number | Improvement Description | Analysis of Balance | | | | | | |
|------------------|--|-------------------------|----------------------|------------------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | | Balance Dec. 31, 2008 | 2009 Authorizations | Notes Paid by Budget Appropriation | Balance Dec. 31, 2009 | Bond Anticipation Notes | Expenditures | Unexpended Balance |
| 706M/819M | Improvements to Denison Drive East | \$ 45,000.00 | \$ - | \$ - | \$ 45,000.00 | \$ - | \$ 24,486.87 | \$ 20,513.13 |
| 714M | Improvements to Rindlaub Park | 365,000.00 | - | 365,000.00 | 20,000.00 | - | 3,220.00 | 16,780.00 |
| 719M | Reconstruct Mill Race Pond Levee | 20,000.00 | - | - | 57,000.00 | - | 56,926.19 | 73.81 |
| 727M | Improvements to Roads | 57,000.00 | - | - | 330,000.00 | - | 330,000.00 | - |
| 729M | Improvements to Oak Road | 100,000.00 | - | - | 100,000.00 | - | 99,952.10 | 47.90 |
| 730M | Various Improvements | 95,000.00 | - | - | 95,000.00 | - | 94,999.19 | 0.81 |
| 742M | Improvements to Roads | 235,000.00 | - | - | - | - | - | - |
| 749M | Various Improvements | 81,750.00 | - | - | 81,750.00 | - | 81,010.86 | 739.14 |
| 757M | Improvements to Oak Road (Supplements 707M and 729M) | 1,200,000.00 | - | 50,000.00 | 1,150,000.00 | 90,000.00 | 95,000.00 | 1,060,000.00 |
| 759M | RCA Agreements | 95,000.00 | - | - | 95,000.00 | - | 117,956.78 | 12,043.22 |
| 760M | Improvements to Roads | 130,000.00 | - | - | 130,000.00 | - | 23,517.38 | 1,482.62 |
| 762M | Drainage River Farm Lane | 745,000.00 | - | 20,000.00 | 725,000.00 | 700,000.00 | 94,978.27 | 21.73 |
| 763M | Purchase of Real Property | 95,000.00 | - | - | 95,000.00 | - | 105,145.00 | - |
| 771M | Various Roadway Improvements | 105,145.00 | - | - | 105,145.00 | - | 54,485.00 | 515.00 |
| 773M | Water Main Extension Project (Ramsey) | 55,000.00 | - | - | 55,000.00 | - | 94,237.18 | 762.82 |
| 774M | Police Communications and Emergency 911 System | 95,000.00 | - | - | 95,000.00 | - | 62,855.10 | 2,144.90 |
| 786M | Various Roadway Improvements | 65,000.00 | - | - | 65,000.00 | - | 62,761.00 | 165.00 |
| 790M | Lower Cross Road Improvements | 62,926.00 | - | - | 62,926.00 | - | 74,248.60 | 751.40 |
| 792M | Improvements to Rindlaub Park (Phase II) | 75,000.00 | - | 20,000.00 | 75,000.00 | 1,025,000.00 | - | - |
| 793M | Police and Fire Complex Roof Replacement | 1,045,000.00 | - | - | 1,025,000.00 | 1,238,000.00 | - | - |
| 797M | Acquisition of Real Estate | 1,238,000.00 | - | - | 1,238,000.00 | 1,238,000.00 | - | - |
| 802M | Burning Hollow Water Main Project (Phase II) | 428,000.00 | - | - | 428,000.00 | 428,000.00 | - | - |
| 803M | Chestnut Ridge Road Water Line | 95,000.00 | - | - | 95,000.00 | 95,000.00 | - | - |
| 805M | Various Roadway Improvements | 95,000.00 | - | - | 95,000.00 | 2,000,000.00 | 1,262,303.80 | 784,696.20 |
| 809M | Various Water Main Extensions | 4,047,000.00 | - | - | 4,047,000.00 | 94,220.26 | 94,220.26 | 779.74 |
| 812M | Various Roadway Improvements | 95,000.00 | - | - | 95,000.00 | - | - | - |
| 815M | Upgrade Police Communications Desk and Acquire Various Equipment | 500,000.00 | - | - | 500,000.00 | 500,000.00 | 39,460.55 | 8,039.45 |
| 820M | Acquisition of Fire Equipment | 47,500.00 | - | - | 47,500.00 | 171,000.00 | - | - |
| 821M | Acquisition of Automotive Vehicles | 171,000.00 | - | - | 171,000.00 | 619,000.00 | - | - |
| 822M | Acquisition of Real Property | 619,000.00 | - | - | 619,000.00 | 95,000.00 | 95,000.00 | 190,000.00 |
| 824M | Various Roadway Improvements | 190,000.00 | 95,000.00 | - | 190,000.00 | 190,000.00 | - | - |
| 825M | Reconstruction of Old Woods Road | 179,000.00 | 179,000.00 | - | 179,000.00 | 179,000.00 | - | - |
| 826M | Various Improvements to Rindlaub Park | 76,000.00 | 76,000.00 | - | 76,000.00 | 76,000.00 | - | - |
| 831M | Acquisition of DPW Utility Truck | - | 76,000.00 | - | 76,000.00 | - | - | - |
| | | \$ 12,337,321.00 | \$ 540,000.00 | \$ 690,000.00 | \$ 12,187,321.00 | \$ 6,866,000.00 | \$ 2,966,764.13 | \$ 2,354,556.87 |

| | C | C-9 | C-17 | C |
|---|---|-----|------|------------------------|
| Improvement Authorizations - Unfunded | | | | |
| Less: Unexpended Proceeds of Notes Issued | | | | |
| Ordinance No. 759M | | | | 90,000.00 |
| Ordinance No. 797M | | | | 45,529.14 |
| Ordinance No. 802M | | | | 5,752.88 |
| Ordinance No. 803M | | | | 707.41 |
| Ordinance No. 815M | | | | 96,254.86 |
| Ordinance No. 821M | | | | 51,659.97 |
| Ordinance No. 822M | | | | 20,550.12 |
| | | | | 310,454.38 |
| | | | | \$ 2,665,011.25 |
| | | | | \$ 2,354,556.87 |

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELLED FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL, STATE AND OTHER AID RECEIVABLE

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------------|
| Balance December 31, 2008 | C | \$ 72,893.00 |
| Increased by : | | |
| Awarded in 2009 | C-14 | <u>1,091,758.00</u> |
| Balance December 31, 2009 | C | <u>\$ 1,164,651.00</u> |

Analysis of Balance December 31, 2009

Appropriated:

Federal Aid:

| | |
|--|-----------|
| Community Development Funds (Ord. No.589M/625M Barrier Free Municipal Building) | \$ 425.00 |
| Community Development Funds (Ord. No.589M/625M Bishop House) | 3,781.00 |
| NJ Environmental Infrastructure Trust Loan (Ord. No. 773M) | 22,954.00 |

State Aid:

| | |
|--|------------|
| Transportation Trust Funds (Ord. No. 589M/625M) | 2,079.00 |
| NJ Environmental Infrastructure Trust Loan (Ord. No. 773M) | 23,519.00 |
| Transportation Trust Funds (Ord. No. 825M) | 350,000.00 |

Other Aid:

| | |
|--|------------|
| Ccounty of Bergen Open Space (Ord. No. 826M) | 156,758.00 |
| Ccounty of Bergen Open Space (Ord. No. 829M) | 585,000.00 |

Unappropriated:

Other Aid:

| | |
|---|------------------|
| County of Bergen (Traffic Light at Boroline Road) | <u>20,135.00</u> |
|---|------------------|

\$ 1,164,651.00

BOROUGH OF SADDLE RIVER

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>Ref.</u> | |
|---------------------------|-------------|----------------------|
| Balance December 31, 2008 | C | <u>\$ 130,829.74</u> |
| Decreased by : | | |
| Paid in 2009 | C-13 | <u>\$ 130,829.74</u> |

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| Balance December 31, 2008 | C | \$ 182,936.56 |
| Increased by : | | |
| 2009 Budget Appropriation | C-13 | <u>200,000.00</u> |
| | | 382,936.56 |
| Decreased by : | | |
| Appropriated to Finance Improvement Authorizations | C-9 | 28,242.00 |
| Appropriated to Finance Preliminary Engineering Costs | C-12 | <u>41,341.10</u> |
| Balance December 31, 2009 | C | <u>\$ 313,353.46</u> |

BOROUGH OF SADDLE RIVER
 GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

| | <u>Ref.</u> | <u>Total</u> | <u>Preliminary Engineering Costs Municipal Building</u> | <u>Construction of Water System</u> | <u>Road Reconstruction</u> | <u>Reconstruction of Catch Basins</u> |
|---------------------------|-------------|----------------------|---|---|--------------------------------|---|
| Balance December 31, 2008 | C | \$ 218,268.40 | \$ - | \$ 182,218.40 | \$ 1,250.00 | \$ 34,800.00 |
| Increased by : | | | | | | |
| Appropriated in 2009 | C-11 | <u>41,341.10</u> | <u>41,341.10</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | 259,609.50 | 41,341.10 | 182,218.40 | 1,250.00 | 34,800.00 |
| Decreased by : | | | | | | |
| Disbursed in 2009 | C-13 | <u>41,341.10</u> | <u>41,341.10</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance December 31, 2009 | C | <u>\$ 218,268.40</u> | <u>\$ -</u> | <u>\$ 182,218.40</u> | <u>\$ 1,250.00</u> | <u>\$ 34,800.00</u> |

BOROUGH OF SADDLE RIVER

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

| | Balance Dec. 31, 2008 | Received in 2009 | Accrued in 2009 | Paid in 2009 | Balance Dec. 31, 2009 |
|---|--------------------------|---------------------|------------------------|----------------------|--------------------------|
| Current Fund | | | | | |
| Water Capital Fund - General Capital CIF to Water Capital Ordinance | \$ 2,498,447.72 | \$ 40,000.00 | \$ 1,672,657.68 | \$ 944,793.00 | \$ 3,266,312.40 |
| | <u>15,000.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,000.00</u> |
| | <u>\$ 2,513,447.72</u> | <u>\$ 40,000.00</u> | <u>\$ 1,672,657.68</u> | <u>\$ 944,793.00</u> | <u>\$ 3,281,312.40</u> |

Ref. C C-2 C

| | Ref. | Ref. |
|----------------------------|------|------------------------|
| Disbursed in Current Fund: | | |
| Improvement Authorizations | C-9 | \$ 5,016,852.28 |
| Encumbrances | C-10 | 130,829.74 |
| Capital Reserves | C-12 | 41,341.10 |
| Premium on Sale of Notes | C-1 | (26,365.44) |
| Budget Appropriation | C-11 | (200,000.00) |
| Notes Received | C-17 | (6,866,000.00) |
| Notes Paid | C-17 | <u>3,576,000.00</u> |
| | | <u>\$ 1,672,657.68</u> |

BOROUGH OF SADDLE RIVER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

| | <u>Ref.</u> | |
|-----------------------------------|-------------|------------------------|
| Balance December 31, 2008 | C | \$ 1,983,419.38 |
| Decreased by : | | |
| Paid by 2009 Budget Appropriation | C-4 | <u>94,519.67</u> |
| Balance December 31, 2009 | C | <u>\$ 1,888,899.71</u> |

BOROUGH OF SADDLE RIVER

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| Ordinance Number | Improvement Description | Original Notes | | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2008 | Increased | Decreased | Balance Dec. 31, 2009 |
|------------------|--|----------------|---------------|---------------|------------------|---------------|-----------------------|-----------------|-----------------|-----------------------|
| | | Date of Issue | Amount Issued | | | | | | | |
| 714M | Improvements to Rindlaub Park | 4/10/03 | 200,079.53 | 4/5/07 | 4/4/08 | 3.60% | \$ 65,000.00 | \$ - | \$ 65,000.00 | \$ - |
| 714M | Improvements to Rindlaub Park | 5/14/04 | 400,000.00 | 4/5/07 | 4/4/08 | 3.60% | 300,000.00 | - | 300,000.00 | - |
| 749M | Various Improvements | 5/14/04 | 500,000.00 | 4/5/07 | 4/4/08 | 3.60% | 275,000.00 | - | 275,000.00 | - |
| 759M | RCA Agreements | 5/14/04 | 220,000.00 | 4/5/07 | 4/4/08 | 3.60% | 140,000.00 | 90,000.00 | 140,000.00 | 90,000.00 |
| 763M | Purchase of Real Property | 5/14/04 | 900,000.00 | 4/1/09 | 4/1/10 | 1.50% | 720,000.00 | 700,000.00 | 720,000.00 | 700,000.00 |
| 797M | Acquisition of Real Estate | 10/19/06 | 1,045,000.00 | 4/1/09 | 4/1/10 | 1.50% | 1,045,000.00 | 1,025,000.00 | 1,045,000.00 | 1,025,000.00 |
| 802M | Burning Hollow Water Main Project (Phase II) | 4/5/07 | 1,238,000.00 | 4/1/09 | 4/1/10 | 1.50% | 1,238,000.00 | 1,238,000.00 | 1,238,000.00 | 1,238,000.00 |
| 803M | Chestnut Ridge Road Water Line | 4/5/07 | 428,000.00 | 4/5/07 | 4/4/08 | 3.60% | 428,000.00 | 428,000.00 | 428,000.00 | 428,000.00 |
| 805M | Various Roadway Improvements | 4/4/08 | 95,000.00 | 4/1/09 | 4/1/10 | 1.50% | 95,000.00 | 95,000.00 | 95,000.00 | 95,000.00 |
| 809M | Various Water Main Extensions | 4/1/09 | 2,000,000.00 | 4/1/09 | 4/1/10 | 1.50% | - | 2,000,000.00 | - | 2,000,000.00 |
| 815M | Upgrade Police Communications Desk and Acquire Various Equipment | 4/1/09 | 500,000.00 | 4/1/09 | 4/1/10 | 1.50% | 500,000.00 | 500,000.00 | - | 500,000.00 |
| 821M | Acquisition of Automotive Vehicles | 4/1/09 | 171,000.00 | 4/1/09 | 4/1/10 | 1.50% | 171,000.00 | 171,000.00 | - | 171,000.00 |
| 822M | Acquisition of Real Property | 4/1/09 | 619,000.00 | 4/1/09 | 4/1/10 | 1.50% | 619,000.00 | 619,000.00 | - | 619,000.00 |
| | | | | | | | \$ 4,306,000.00 | \$ 6,866,000.00 | \$ 4,306,000.00 | \$ 6,866,000.00 |

| Ref. | C | C |
|-----------------------------|-----------------|-----------------|
| Cash - General Capital Fund | \$ - | \$ 40,000.00 |
| Budget Appropriation | 6,866,000.00 | 690,000.00 |
| Cash - Current Fund | \$ 6,866,000.00 | 3,576,000.00 |
| | \$ 6,866,000.00 | \$ 4,306,000.00 |

BOROUGH OF SADDLE RIVER
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| Ordinance Number | Improvement Description | Balance | | Notes Issued | Balance | |
|------------------|--|------------------------|----------------------|------------------------|------------------------|---------------|
| | | Dec. 31, 2008 | 2009 Authorizations | | Dec. 31, 2008 | Dec. 31, 2009 |
| 706M/819M | Improvements to Denison Drive East | \$ 45,000.00 | \$ - | - | \$ 45,000.00 | |
| 719M | Reconstruct Mill Race Pond Levee | 20,000.00 | | | 20,000.00 | |
| 727M | Improvements to Roads | 57,000.00 | | | 57,000.00 | |
| 729M | Improvements to Oak Road | 330,000.00 | | | 330,000.00 | |
| 730M | Various Improvements | 100,000.00 | | | 100,000.00 | |
| 742M | Improvements to Roads | 95,000.00 | | | 95,000.00 | |
| 757M | Improvements to Oak Road (Supplements 707M and 729M) | 81,750.00 | | | 81,750.00 | |
| 759M | RCA Agreements | 1,060,000.00 | | | 1,060,000.00 | |
| 760M | Improvements to Roads | 95,000.00 | | | 95,000.00 | |
| 762M | Drainage River Farm Lane | 130,000.00 | | | 130,000.00 | |
| 763M | Purchase of Real Property | 25,000.00 | | | 25,000.00 | |
| 771M | Various Roadway Improvements | 95,000.00 | | | 95,000.00 | |
| 773M | Water Main Extension Project (Ramsey) | 105,145.00 | | | 105,145.00 | |
| 774M | Police Communications and Emergency 911 System | 55,000.00 | | | 55,000.00 | |
| 786M | Various Roadway Improvements | 95,000.00 | | | 95,000.00 | |
| 790M | Lower Cross Road Improvements | 65,000.00 | | | 65,000.00 | |
| 792M | Improvements to Rindlaub Park (Phase II) | 62,926.00 | | | 62,926.00 | |
| 793M | Police and Fire Complex Roof Replacement | 75,000.00 | | | 75,000.00 | |
| 809M | Various Water Main Extensions | 4,047,000.00 | 2,000,000.00 | | 2,047,000.00 | |
| 812M | Various Roadway Improvements | 95,000.00 | | | 95,000.00 | |
| 815M | Upgrade Police Communications Desk and Acquire Various Equipment | 500,000.00 | | 500,000.00 | - | |
| 820M | Acquisition of Fire Equipment | 47,500.00 | | | 47,500.00 | |
| 821M | Acquisition of Automotive Vehicles | 171,000.00 | | 171,000.00 | - | |
| 822M | Acquisition of Real Property | 619,000.00 | | 619,000.00 | - | |
| 824M | Various Roadway Improvements | | 95,000.00 | | 95,000.00 | |
| 825M | Reconstruction of Old Woods Road | | 190,000.00 | | 190,000.00 | |
| 826M | Various Improvements to Rindlaub Park | | 179,000.00 | | 179,000.00 | |
| 831M | Acquisition of DPW Utility Truck | | 76,000.00 | | 76,000.00 | |
| | | <u>\$ 8,071,321.00</u> | <u>\$ 540,000.00</u> | <u>\$ 3,290,000.00</u> | <u>\$ 5,321,321.00</u> | |

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

| | <u>Ref.</u> | <u>Operating</u> | <u>Capital</u> |
|--------------------------------|-------------|----------------------|---------------------|
| Balance December 31, 2008 | D | <u>\$ 364,721.10</u> | <u>\$ 19,025.00</u> |
| Increased by Receipts : | | | |
| Consumers' Accounts Receivable | D-7 | <u>169,103.82</u> | |
| | | <u>169,103.82</u> | <u>-</u> |
| | | <u>533,824.92</u> | <u>19,025.00</u> |
| Decreased by Disbursements : | | | |
| Interfunds Accounts Payable | D-18 | <u>137,180.13</u> | <u>-</u> |
| Balance December 31, 2009 | D | <u>\$ 396,644.79</u> | <u>\$ 19,025.00</u> |

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
ANALYSIS OF WATER CAPITAL CASH

| | Balance or (Deficit) Dec. 31, 2008 | Receipts | | | Disbursements | | | Transfers To | Transfers From | Balance or (Deficit) Dec. 31, 2009 |
|-------------------------------|--|-------------------------|-------------------------------|---------------|-------------------------------|---------------|-----------|-----------------|-------------------|--|
| | | Budget Appropriation | Bond Anticipation Notes | Miscellaneous | Bond Anticipation Notes | Miscellaneous | | | | |
| Improvement Authorizations: | | | | | | | | | | |
| Ord. | | | | | | | | | | |
| No. | | | | | | | | | | |
| 646M | \$ | (224,478.14) | \$ | - | \$ | - | \$ | - | \$ | (224,478.14) |
| 746M | (282,398.63) | | | | | | | | | (282,398.63) |
| Interfund Accounts Payable | 540,526.77 | | | | | | | | | 540,526.77 |
| Reserve for Encumbrances | 700.00 | | | | | | | | | 700.00 |
| Interfund Accounts Receivable | (15,325.00) | | | | | | | | | (15,325.00) |
| | <u>\$</u> | <u>19,025.00</u> | <u>\$</u> | <u>-</u> | <u>\$</u> | <u>-</u> | <u>\$</u> | <u>-</u> | <u>\$</u> | <u>19,025.00</u> |

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF CASH - WATER COLLECTOR

| | <u>Ref.</u> | |
|--------------------------------|-------------|----------------------|
| Increased by Receipts: | | |
| Consumers' Accounts Receivable | D-9 | <u>\$ 169,103.82</u> |
| Decreased by Disbursements : | | |
| Amount Paid to Treasurer: | | |
| Water Operating Fund | D-5 | <u>\$ 169,103.82</u> |

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

| | Balance Dec. 31, 2008 | Received in 2009 | Accrued in 2009 | Paid in 2009 | Canceled in 2009 | Balance Dec. 31, 2009 |
|----------------------|--------------------------|---------------------|--------------------|-----------------|---------------------|--------------------------|
| Water Capital Fund: | | | | | | |
| General Capital Fund | \$ 15,000.00 | \$ - | \$ - | \$ - | \$ - | \$ 15,000.00 |
| Water Operating Fund | 325.00 | - | - | - | - | 325.00 |
| | <u>\$ 15,325.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,325.00</u> |

Water Capital Fund:
 General Capital Fund
 Water Operating Fund

Ref. D

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF WATER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2008 | D | \$ 35,643.67 |
| Increased by : | | |
| 2009 Charges | | <u>152,025.37</u> |
| | | 187,669.04 |
| Decreased by : | | |
| Received in 2009 | D-3,7 | <u>169,103.82</u> |
| Balance December 31, 2009 | D | <u>\$ 18,565.22</u> |

SCHEDULE OF WATER LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>Ord. Number</u> | <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Balance</u> | <u>Balance</u> |
|------------------------|--|------------------|---------------|------------------------|------------------------|
| | | <u>Date</u> | <u>Amount</u> | <u>Dec. 31, 2008</u> | <u>Dec. 31, 2009</u> |
| 646M | Construction of Water Mains | 05/19/97 | 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 |
| 746M | Construction of Water Main (Burning Hollow - Phase I) | 06/16/03 | 300,000.00 | <u>300,000.00</u> | <u>300,000.00</u> |
| | | | | <u>\$ 2,300,000.00</u> | <u>\$ 2,300,000.00</u> |
| | | | Ref. | D | D |

D-14

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS RECEIVABLE

NOT APPLICABLE

D-15

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2008

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Paid or</u> <u>Charged</u> | <u>Lapsed</u> |
|----------------|--|----------------------------------|---------------------|
| Operating: | \$ 34,946.73 | - | \$ 34,946.73 |
| Other Expenses | <u>\$ 34,946.73</u> | <u>-</u> | <u>\$ 34,946.73</u> |
| Ref. | D | | D-1 |

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>Ref.</u> | |
|---------------------------------------|-------------|--------------------|
| Balance December 31, 2008 | D | \$ 17,000.00 |
| Increased by : | | |
| Charges to 2009 Budget Appropriations | D-4 | <u>4,800.00</u> |
| | | 21,800.00 |
| Decreased by : | | |
| Canceled in 2009 | D-1 | <u>17,000.00</u> |
| Balance December 31, 2009 | D | <u>\$ 4,800.00</u> |

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

| | Balance Dec. 31, 2008 | Received in 2009 | Accrued in 2009 | Paid in 2009 | Balance Dec. 31, 2009 |
|---------------------------------------|--------------------------|---------------------|----------------------|----------------------|--------------------------|
| Water Operating Fund: Current Fund | \$ 228,542.52 | \$ - | \$ 169,282.28 | \$ 137,180.13 | \$ 260,644.67 |
| Water Capital Fund | 325.00 | - | - | - | 325.00 |
| | <u>228,867.52</u> | <u>-</u> | <u>169,282.28</u> | <u>137,180.13</u> | <u>260,969.67</u> |
| Water Capital Fund: Current Fund | 540,526.77 | - | - | - | 540,526.77 |
| | <u>\$ 769,394.29</u> | <u>\$ -</u> | <u>\$ 169,282.28</u> | <u>\$ 137,180.13</u> | <u>\$ 801,496.44</u> |

Ref. D D D-5 D

| | |
|----------------------------|---------------|
| Budget Appropriation - | |
| Fire Hydrant Service | D-3 |
| Disbursed in Current Fund: | |
| Budget Appropriations | D-4 |
| Interest on Notes | D-22 |
| | \$ 169,282.28 |

D-19

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

NOT APPLICABLE

D-20

SCHEDULE OF ACCRUED INTEREST ON BONDS

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

| | <u>Ref.</u> | |
|---------------------------|-------------|--------------------|
| Balance December 31, 2008 | D | \$ 10,056.59 |
| Increased by : | | |
| 2009 Budget Appropriation | D-4 | <u>5,000.00</u> |
| | | 15,056.59 |
| Decreased by : | | |
| Budget Appropriations | D-18 | <u>7,180.13</u> |
| Balance December 31, 2009 | D | <u>\$ 7,876.46</u> |

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ord. Number | Improvement Description | Ordinance Date | Amount | Balance Dec. 31, 2008 | | Expended | Authorizations Canceled | Balance Dec. 31, 2009 | |
|-------------|---|----------------|--------------|-----------------------|-------------|----------|-------------------------|-----------------------|-------------|
| | | | | Funded | Unfunded | | | Funded | Unfunded |
| 646M | Construction of Water Mains | 5/19/97 | 2,000,000.00 | \$ - | \$ 521.86 | \$ - | \$ - | \$ - | \$ 521.86 |
| 746M | Construction of Water Main (Burning Hollow - Phase I) | 6/16/03 | 300,000.00 | - | 2,601.37 | - | - | - | 2,601.37 |
| | | | | \$ - | \$ 3,123.23 | \$ - | \$ - | \$ - | \$ 3,123.23 |

Ref. D D D

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------|
| Balance December 31, 2008 | D | <u>\$ 700.00</u> |
| Balance December 31, 2009 | D | <u>\$ 700.00</u> |

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

NOT APPLICABLE

SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

NOT APPLICABLE

BOROUGH OF SADDLE RIVER
 WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Date of Ordinance</u> | <u>Balance Dec. 31, 2008</u> | <u>Notes Paid by Budget Appropriation</u> | <u>Balance Dec. 31, 2009</u> |
|-----------------------------|--|------------------------------|----------------------------------|---|----------------------------------|
| 646M | Construction of Water Mains | 5/19/97 | \$ 1,475,000.00 | \$ 300,000.00 | \$ 1,775,000.00 |
| 746M | Construction of Water Main (Burning Hollow - Phase I) | 6/16/03 | <u>15,000.00</u> | <u>-</u> | <u>15,000.00</u> |
| | | | <u>\$ 1,490,000.00</u> | <u>\$ 300,000.00</u> | <u>\$ 1,790,000.00</u> |
| Ref. | | | D | D-31 | D |

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF BONDS PAYABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND

SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS PAYABLE

NOT APPLICABLE

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF BOND ANTICIPATION NOTES

| <u>Ord. No.</u> | <u>Improvement Description</u> | <u>Original Note</u> | | <u>Date of Issue</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2008</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2009</u> |
|-----------------|--------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------|----------------------|------------------------------|
| | | <u>Date of Issue</u> | <u>Amount of Issue</u> | | | | | | | |
| 646M | Construction of Water Mains | 12/12/03 | 300,000.00 | 4/4/08 | 4/3/09 | 2.50% | 300,000.00 | 300,000.00 | - | - |
| | | | | | | | | <u>\$ 300,000.00</u> | <u>\$ 300,000.00</u> | <u>\$ -</u> |

Ref. D D-28

BOROUGH OF SADDLE RIVER

WATER UTILITY FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2008</u> | <u>Balance Dec. 31, 2009</u> |
|-----------------------------|--|----------------------------------|----------------------------------|
| 646M | Construction of Water Mains | \$ 225,000.00 | \$ 225,000.00 |
| 746M | Construction of Water Main (Burning Hollow - Phase I) | 285,000.00 | - |
| | | <u>285,000.00</u> | <u>285,000.00</u> |
| | | <u>\$ 510,000.00</u> | <u>\$ 510,000.00</u> |

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

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

Honorable Mayor and
Members of the Borough Council
Borough of Saddle River
County of Bergen, New Jersey

We have audited the financial statements of the Borough of Saddle River as of and for the years ended December 31, 2009 and December 31, 2008, and have issued our report thereon dated May 27, 2010. In our report our opinion was qualified because the Borough of Saddle River prepares its financial statements on a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Saddle River'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 of Saddle River's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Saddle River's internal control over financial reporting.

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

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

*170 East Main Street
P.O. Box 541
Denville, NJ 07834
973-625-2920 Fax: 973-625-8733
Email: tmvrabeldvc@optonline.net*

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Saddle River'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 on noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Borough of Saddle River, Division of Local Government Services, Department of Community Affairs, State of New Jersey and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

May 27, 2010

BOROUGH OF SADDLE RIVER

PART II

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2009**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRING ADVERTISEMENT FOR BIDS

Effective April 17, 2000 N.J.S.A. 40A:11-1 et seq. (Local Public Contracts Law) was revised by P.L. 1999, c.440 (originally known as Assembly bill No. 3519). The Division of Local Government Services in the Department of Community Affairs, after consultation with the Commissioner of Education, shall prescribe rules and procedures to implement the requirements of the law.

Effective April 17, 2000 until September 23, 2002 the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) was \$17,500.00.

Effective September 23, 2002 the bid threshold was increased to \$25,000.00 because Charles Cuccia was appointed as the Qualified Purchasing Agent in accordance with N.J.S.A. 40A:11-2(30) and effective July 1, 2005, was increased to \$29,000.00.

It is pointed out that the governing body of the Borough has the responsibility of determining whether commitments and expenditures are in compliance with the statutes and, where question arises as to whether any contract or agreement might result in violation of these statutes the Borough Attorney's opinion should be sought before commitment is made.

Inasmuch as the system of records is not required to provide and therefore did not provide for an accumulation of payments by categories for the performance of any work or the furnishing or hiring or 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. None were disclosed.

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Auditor, Borough Attorney, Borough Engineers, Borough Planners, Borough Prosecutor, Public Defender and Risk Management Consultant.

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

Water Main Extensions, Solid Waste Removal, Park Improvements and Reconstruction and Drainage System.

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the municipality used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination did reveal however, that the following purchases were made through the use of State contracts: Vehicles, Bulk Rock Salt.

The minutes indicate that on July 25, 1990 the Borough passed ordinance 90-544C which authorized them to enter into a cooperative pricing agreement with the Borough of Ramsey.

COLLECTION OF INTEREST AND PENALTIES ON DELINQUENT TAXES AND ASSESSMENTS CHARGES

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

The governing body on January 2, 2009, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that there shall be collected interest at the maximum rates permitted by law on all taxes and assessments, whether regular, added or omitted, from the date they are due and payable, when they are not paid on or before the tenth (10th) day of the month in which they are payable and,

BE IT FURTHER RESOLVED that the Mayor and Council will assess a penalty of 6% on taxpayers with delinquencies exceeding \$10,000.00 who do not pay the delinquency by the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2009 include taxes for 2008 (Litigation).

The last tax sale was held December 16, 2009 and was complete.

There was one tax title lien receivable as of December 31.

VERIFICATION OF TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

| <u>Type</u> | <u>Number Mailed</u> |
|-----------------------------------|----------------------|
| Payments of 2010 Taxes | 25 |
| Payments of 2009 Taxes | 25 |
| Delinquent Taxes Receivable | 25 |
| Water Utility Accounts Receivable | 10 |

The result of the test, for the year ended December 31, 2009, is not yet fully known, however the items that were returned were checked and in agreement with the Borough's records and for items not returned either a second request was made or the open items were traced to subsequent collection. If any irregularities are discovered as a result of our second request a separate report will be issued.

OTHER COMMENTS

MUNICIPAL COURT

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Magistrate, Borough Clerk and Division of Local Government Services. Comments regarding the financial records maintained by the Court Administrator are covered in this report.

TECHNICAL ACCOUNTING DIRECTIVES

The Division of Local Government Services has established three systems which are required by all local units. They are as follows:

1. Encumbrance accounting system (N.J.A.C. 5:30-5.2)
2. Fixed asset accounting and reporting system (N.J.A.C. 5:30-5.6)
3. General Ledger accounting and record system (N.J.A.C. 5:30-5.7)

The Borough has complied by implementing all three directives.

RECOMMENDATIONS

None

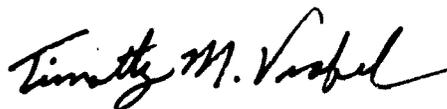
Status of prior years' Audit Findings/Recommendations:

Not Applicable

Should any questions arise as to our comments, or should you desire assistance, please do not hesitate to call us.

APPRECIATION

We wish to express our appreciation of the assistance and courtesies rendered by the Borough Officials during the course of the audit.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

May 27, 2010