

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Saddle Brook
County of Bergen
Saddle Brook, New Jersey 07663

We have audited the accompanying statements of financial position – regulatory basis of the various funds of the Township of Saddle Brook (“Township”), State of New Jersey, as of and for the years ended December 31, 2008 and December 31, 2007, and the related statements of operations and changes in fund balance – regulatory basis, and statement of revenue and expenditures – regulatory basis of accounts for the years ended December 31, 2008. These financial statements are the responsibility of the Township’s management. Our responsibility is to express an opinion on these financial statements, based on our audit.

Except as discussed in the following paragraph, 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 the 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 described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting principles prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

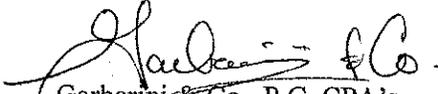
In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township, State of New Jersey, as of December 31, 2008 and December 31, 2007, or the results of its operations and changes in fund balance for the years then ended.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with accounting practices 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, State of New Jersey, as of December 31, 2008 and December 31, 2007, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township as of December 31, 2008 and December 31, 2007, and the results of its operations and the changes in fund balance of such funds for the years then ended, and the revenues and expenditures of the various funds for the year ended December 31, 2008 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 12, 2009 on our consideration of the Township of Saddle Brook, State of New Jersey, internal control over financial reporting and 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 reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedules of expenditures of federal awards and/or state financial assistance programs are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, the supplementary financial statements presented for the various funds are presented for the purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.


Garbarini & Co., P.C. CPA's
Certified Public Accountants
Registered Municipal Accountants


Paul C. Garbarini
Registered Municipal Accountant
License Number 120

June 12, 2009

**TOWNSHIP OF SADDLE BROOK
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2008

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TOWNSHIP OF SADDLE BROOK
BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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BERGEN COUNTY, NEW JERSEY

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TOWNSHIP OF SADDLE BROOK
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A

		At December 31,	
	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	A-4	\$1,676,081.66	\$3,207,378.80
Cash - Change Fund	A-6	475.00	475.00
Homeland Security Grant Receivable	A-21		70,000.00
Due from State of New Jersey - Seniors / Veterans Deductions	A-7	8,066.64	6,454.37
		<u>1,684,623.30</u>	<u>3,284,308.17</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-26		74.22
Special Emergency - Revaluation	A-26		335,000.00
Emergency Authorization - Municipal	A-26	257,730.00	
	A-26	<u>257,730.00</u>	<u>335,074.22</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	442,955.69	292,546.15
Tax Title Liens Receivable	A-10	97,092.73	
Property Acquired for Taxes - Assessed Valuation	A-11	742,249.00	934,149.00
Revenue Accounts Receivable	A-12	15,857.24	18,126.97
Due from Animal License Fund	B	32,914.23	28,110.27
Due from Board of Education	A-20	9,963.77	
Due from Other Trust Funds	B	18,380.84	177,405.54
Due from Water Operating Fund	D		99,410.00
	Contra	<u>1,359,413.50</u>	<u>1,549,747.93</u>
TOTAL ASSETS		<u><u>\$3,301,766.80</u></u>	<u><u>\$5,169,130.32</u></u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A

	<u>Reference</u>	At December 31,	
		<u>2008</u>	<u>2007</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>			
Liabilities:			
Appropriation Reserve	A-3,A-13	\$273,144.61	\$79,393.11
Encumbrance Payable	A-16	54,497.63	348,098.88
Prepaid Taxes	A-17	164,605.18	188,344.20
Tax Overpayments	A-18	28,360.82	5,480.53
Reserve for FEMA-Fire Department Grant	A-25	3,617.97	3,617.97
Fees Payable	A-22	3,159.00	5,451.34
Due to Self-Insurance Trust Fund	B	41,644.51	41,644.51
Reserve for Library State Aid Expenditures	A-24	50,653.02	153,833.11
Special Reserve - Amb / Fireman Pension	A-14	37,050.00	37,050.00
Special Reserve - Employee Sick Leave	A-15	30,842.73	30,842.73
Reserve for Preparation of Master Plan	A-23	628.00	628.00
Reserve for Revaluation	A-27		410,000.00
County Taxes Payable	A-19	17,140.27	14,471.87
Due to Board of Education	A-20		37,948.23
Reserve for Sewer User Fees	A-28	158,276.83	
Due to General Capital Fund	C	434,288.50	758,844.81
Due to Grant Fund	E	122,475.03	88,464.55
		<hr/>	<hr/>
		1,420,384.10	2,204,113.84
Reserve for Receivable and Other Assets	Contra	1,359,413.50	1,549,747.93
Fund Balance	A-1	521,969.20	1,415,268.55
		<hr/>	<hr/>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$3,301,766.80	\$5,169,130.32

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

A-1

	<u>Reference</u>	For the Years Ended December 31,	
		<u>2008</u>	<u>2007</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$1,033,000.00	\$1,900,000.00
Miscellaneous Revenue Anticipated	A-2	3,157,931.57	3,451,493.39
Receipts from Current Taxes	A-2	41,520,173.25	38,930,911.31
Receipts from Delinquent Taxes	A-2	261,253.72	367,825.77
Non-Budget Revenue	A-2	459,783.01	534,171.69
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	29,601.97	96,804.98
Interfunds Returned		273,418.65	123,355.76
Lapsed Appropriations	A-3	371.09	41,293.70
Canceled Tax Overpayments		0.00	1,291.06
Cancel Fees Payable	A-22	822.34	
Statutory Excess-Animal License Fund	B-9	4,803.96	5,649.32
Total Income		46,741,159.56	45,452,796.98
EXPENDITURES			
Budget and Emergency Appropriations	A-3	18,134,181.93	17,046,067.85
Local District School Tax	A-20	23,857,489.00	22,966,002.00
County Taxes	A-19	4,320,480.09	4,008,768.19
County Share of Added and Omitted Taxes	A-19	17,140.27	14,471.87
County Open Space	A-19	247,235.02	234,010.54
Prior Year County Tax Adjustment	A-19	44.00	
Prior Year Seniors & Veterans Deductions Disallowed		0.00	2,750.00
Interfund Advances		29,959.01	
Misc. Service Charges	A-4	121.83	
Tax Appeals / Prior Year Judgments	A-18	252,537.76	16,491.09
Return of Library 2005 Reserves			100,000.00
Total Expenditures		46,859,188.91	44,388,561.54
Excess / (Deficit) in Revenue		(118,029.35)	1,064,235.44
Fund Balance January 1	A	1,415,268.55	2,251,033.11
		1,297,239.20	3,315,268.55
Deferred Charges to be raised in next year Budget	A-3	257,730.00	
Less: Amount of Fund Balance Utilized as Revenue	A-2	1,033,000.00	1,900,000.00
Fund Balance December 31	A	\$521,969.20	\$1,415,268.55

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF REVENUES

A-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$1,033,000.00	\$1,033,000.00	\$0.00
Miscellaneous Revenues				
Licenses				
Alcoholic Beverages	A-12	11,800.00	11,725.00	(75.00)
Other	Below	28,000.00	25,593.00	(2,407.00)
Fees and Permits	Below	285,000.00	177,316.00	(107,684.00)
Fines and Costs - Municipal Court	A-12	221,000.00	213,928.83	(7,071.17)
Interest and Costs on Taxes	A-12	73,000.00	71,913.22	(1,086.78)
Interest on Investments and Deposits		215,000.00	45,319.13	(169,680.87)
Tax Search Fees	A-12	6,700.00	3,345.72	(3,354.28)
Consolidated Municipal Property Tax Relief Aid		452,228.00	452,228.00	0.00
Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et.seq.)		1,404,585.00	1,404,585.00	0.00
Municipal Homeland Security Assistance		70,000.00		(70,000.00)
Uniform Construction Code Fees	A-12	225,000.00	197,694.00	(27,306.00)
NJ Transportation Trust Fund Authority Act		150,000.00	150,000.00	0.00
Recycling Tonnage Grant - Chapter 159		17,294.66	17,294.66	0.00
Clean Communities Program		14,743.98	14,743.98	0.00
Municipal Alliance on Alcoholism and Drug Abuse		11,500.00	11,500.00	0.00
Reserve Items:				
Body Armor Replacement Fund		349.12	349.12	0.00
Recycling Tonnage		6,130.15	6,130.15	0.00
Uniform Fire Safety Act	A-12	49,797.83	49,548.15	(249.68)
Cable Franchise Tax		86,000.00	51,948.42	(34,051.58)
Due From Capital Fund:				
Reserve for Premium on BAN		134,236.24	134,236.24	0.00
Reserve for Accrued Interest		111,817.54	111,817.54	0.00
Reserve for Payment of BANS		6,715.41	6,715.41	0.00
 Total Miscellaneous Revenues	 A-1,Below	 3,580,897.93	 3,157,931.57	 (422,966.36)
Receipts from Delinquent Taxes	A-1	280,000.00	261,253.72	(18,746.28)
Amount to be Raised by Taxes for Support of Municipal Budget	A-8,Below	<u>13,457,554.00</u>	<u>13,552,828.87</u>	<u>95,274.87</u>
Total Revenues	A-3	<u>\$18,351,451.93</u>	<u>\$18,005,014.16</u>	<u>(\$346,437.77)</u>
Non-Budget Revenues	A-1, Below		<u>459,783.01</u>	
			<u>\$18,464,797.17</u>	

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF REVENUES

A-2

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1	\$41,520,173.25
Less: Allocated to School and County Taxes	A-19,20	<u>28,442,344.38</u>
		13,077,828.87
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>475,000.00</u>
Amount for support of Municipal Budget Appropriations	Above	<u>\$13,552,828.87</u>
Licenses		
Clerk	A-12	\$25,425.00
Registrar	A-12	<u>168.00</u>
	Above	<u>\$25,593.00</u>
Fees and Permits		
Board of Health	A-12	\$19,930.00
Registrar	A-12	4,820.00
Plumbing Inspector	A-12	33,946.00
Fire Sub-Code Inspector	A-12	18,741.00
Board of Adjustment	A-12	4,425.00
Planning Board	A-12	3,205.00
Fire Safety	A-12	50,095.00
Police/Firearms	A-12	882.00
Fire Prevention	A-12	4,900.00
Alarms	A-12	4,460.00
Electrical Inspector	A-12	28,632.00
Road Openings Fees	A-12	120.00
Building Non-Permit Penalties	A-12	3,375.00
Fees and Permits refunded	A-4	(215.00)
	Above	<u>\$177,316.00</u>
ANALYSIS OF MISCELLANEOUS REVENUES ANTICIPATED		
Cash Receipts	A-4	2,740,609.26
Grants Receivable	E-3	8,288.85
Unappropriated Grant Reserves	E-4	6,479.27
Fees and Permits refunded	A-4	(215.00)
Due from Capital Fund - Anticipated Revenue	C-8	<u>402,769.19</u>
	Above	<u>\$3,157,931.57</u>
ANALYSIS OF NON-BUDGET REVENUES		
Police Reports/Copies		\$5,553.50
Unclaimed / Revoked Bail		5,305.00
Prior Year Refunds		272.78
Other Misc-Maps/Bid Specs		2,115.15
Police Miscellaneous Fees		638.00
Division of Motor Vehicles		7,327.04
Sen/ Vet. 2% Admin. Fee		5,268.42
Hotel Fees		397,455.03
Bergen County Snow Plowing Reimbursement		4,000.00
Prior Year Void Checks		2,948.18
JIF Awards		1,750.00
Canceled /Returned Prior Year LOSAP		10,640.56
FEMA		10,437.34
Recycled / Scrap Meters		2,404.00
Sale of Municipal Property		<u>3,668.01</u>
	A-1, 4, Above	<u>\$459,783.01</u>

See Accompanying Notes To Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS			EXPENDED		Lapsed
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Office of the Mayor						
Salaries and Wages	\$4,750.00	\$	\$4,750.00	\$4,749.68	\$0.32	\$
Other Expenses	4,500.00		4,500.00	4,422.38	77.62	
Township Council						
Salaries and Wages	23,750.00		23,750.00	23,291.70	458.30	
Other Expenses	2,650.00		2,650.00	2,485.28	164.72	
Zoning Application Appeal	3,500.00		3,500.00	2,951.75	548.25	
Legal Fees	10,000.00		22,000.00	9,315.00	12,685.00	
Office of the Township Clerk						
Salaries and Wages	135,000.00		129,770.13	129,770.13	0.00	
Other Expenses	14,000.00		12,000.00	11,983.78	16.22	
Land Use	7,500.00		1,819.50	1,819.50	0.00	
Codification of Ordinance	10,000.00		4,366.00	4,365.60	0.40	
Elections						
Other Expenses	32,020.00		13,560.00	13,559.77	0.23	
Planning Board						
Salaries and Wages	5,200.00		5,200.00	5,200.00	0.00	
Other Expenses	1,500.00		1,500.00	1,497.56	2.44	
Board of Adjustments						
Salaries and Wages	4,865.00		4,865.00	4,865.00	0.00	
Other Expenses	1,300.00		1,300.00	1,296.23	3.77	
Department of Administration and Finance						
Office of the Business Administrator						
Salaries and Wages	124,500.00		124,180.75	124,180.75	0.00	
Salary - Business Administrator	110,000.00		107,699.38	107,699.38	0.00	
Other Expenses - Miscellaneous	10,800.00		10,800.00	10,800.00	0.00	
Other Expenses - Telephone	107,000.00		98,000.00	97,749.40	250.60	
Other Expenses - Postage	18,000.00		15,085.40	15,085.40	0.00	
Contractual Services	22,000.00		18,828.75	18,828.75	0.00	
Other Expenses-Computer Service Contract	58,000.00		58,000.00	57,932.88	67.12	
Motor Fuel						
Other Expenses	125,000.00		125,000.00	121,977.53	3,022.47	
Insurance						
Unemployment Compensation	70,000.00		60,500.00	60,491.14	8.86	
Division of Collector						
Office of the Tax Collector						
Salaries and Wages	74,000.00		74,600.00	74,594.10	5.90	
Overtime	2,000.00		2,000.00	2,000.00	0.00	
Other Expenses	8,300.00		7,032.83	7,032.83	0.00	

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See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS			EXPENDED		<u>Lapsed</u>
	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (Cont'd)						
Office of the Assessor						
Salaries and Wages	\$46,000.00	\$	\$44,500.00	\$44,450.01	\$49.99	\$
Other Expenses	2,700.00		2,378.82	2,378.82	0.00	
Division of the Treasury						
Salaries and Wages	38,000.00		39,796.73	39,796.73	0.00	
Other Expenses	1,600.00		1,599.27	1,599.27	0.73	
Statutory Audit	26,000.00		26,000.00	26,000.00	0.00	
Other Financial Services	14,600.00		9,645.00	9,633.75	11.25	
Special Financial Services	34,000.00		34,000.00	34,000.00	0.00	
Other Expenses - Financial Officer	21,150.00		21,150.00	21,126.50	23.50	
Department of Law						
Office of the Township Attorney						
Salaries and Wages	27,900.00		27,900.00	27,833.00	67.00	
Other Expenses	100,000.00		139,335.00	139,331.64	3.36	
Municipal Court						
Salaries and Wages	165,000.00		173,400.00	173,254.14	145.86	
Overtime	15,000.00		18,204.86	18,204.86	0.00	
Other Expenses	8,000.00		8,000.00	7,969.49	30.51	
Insurance						
Employee Group Health Premiums	462,000.00		462,000.00	462,000.00	0.00	
Other Insurance	205,000.00		191,587.98	191,587.98	0.00	
Worker's Compensation	222,000.00		191,599.04	191,599.04	0.00	
Self-Insurance Health Benefits Claims	1,730,000.00	257,730.00	1,987,730.00	1,987,225.27	504.73	
STREET AND ROADS:						
Department of Public Works						
Division of Engineering						
Salaries and Wages	1,500.00		1,500.00	1,500.00	0.00	
Other Expenses	39,000.00		39,000.00	38,505.42	494.58	
Street Lighting	210,000.00		210,000.00	210,000.00	0.00	
Division of Buildings and Property						
Salaries and Wages	35,583.00		36,454.59	36,454.59	0.00	
Rental of Buildings	1.00		1.00	1.00	0.00	
Utility Charges	290,000.00		290,000.00	290,000.00	0.00	
Other Expenses	17,000.00		17,000.00	16,617.45	382.55	
Division of Street Services						
Salaries and Wages	800,000.00		812,700.07	812,700.07	0.00	
Overtime	15,000.00		23,986.03	23,986.03	0.00	
Miscellaneous	115,000.00		132,414.56	132,343.83	70.73	
SANITATION:						
Division of Sewers						
Salaries and Wages	95,000.00		95,226.10	95,226.10	0.00	
Overtime	7,000.00		7,000.00	6,629.37	370.63	
Other Expenses - Miscellaneous	8,800.00		8,800.00	8,800.00	0.00	
Repairs to Pump Station	10,000.00		10,000.00	9,811.39	188.61	

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See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS			EXPENDED		Lapsed
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS WITHIN "CAPS" (Cont'd)						
SANITATION (Cont'd):						
Garbage and Trash Removal						
Contractual	\$780,000.00	\$	\$788,800.00	\$788,764.28	\$35.72	\$
Dumping Fees	115,000.00		139,063.58	139,063.58	0.00	
Recycling:						
Contractual	104,000.00		104,000.00	103,980.00	20.00	
DEPARTMENT OF PUBLIC SAFETY:						
Division of Police - Salaries & Wages						
Regular	3,910,000.00		3,898,000.00	3,733,724.71	164,275.29	
Marshall and Crossing Guards	458,000.00		464,832.15	438,687.13	26,145.02	
Overtime	60,000.00		50,275.12	50,275.12	0.00	
Clerical, Dispatchers, Etc.	98,000.00		100,300.00	100,281.90	18.10	
Miscellaneous Expense	72,000.00		72,000.00	71,757.53	242.47	
Uniform Allowance	36,650.00		31,450.00	31,450.00	0.00	
Marshalls' Uniforms	2,000.00		2,000.00	1,986.91	13.09	
Acquisition of Police Vehicles	50,000.00		49,441.00	49,440.70	0.30	
First Aid Organization						
Other Expenses	45,000.00		45,000.00	45,000.00	0.00	
Emergency Management Services						
Other Expenses	4,000.00		3,340.00	3,339.29	0.71	
Division of Fire						
Fire Department						
Other Expenses - Clothing Allowance	73,750.00		68,495.00	68,495.00	0.00	
Miscellaneous Other Expenses	115,950.00		115,950.00	115,554.85	395.15	
Uniform Fire Safety Code						
Salaries and Wages	114,000.00		111,128.60	111,128.60	0.00	
Other Expenses	10,000.00		10,000.00	9,987.27	12.73	
DIVISION OF HEALTH, WELFARE & RECREATION						
Division of Health						
General Health Service					0.00	
Salaries and Wages	5,000.00		5,000.00	5,000.00	0.00	
Other Expenses	54,771.00		54,771.00	54,769.71	1.29	
Dog Regulation						
Other Expenses	20,000.00		19,338.00	19,337.85	0.15	

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See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS			EXPENDED		
	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS" (Cont'd)						
RECREATION, EDUCATION & SENIOR CITIZENS:						
Division of Recreation						
Salaries and Wages	\$45,175.00	\$	\$45,800.00	\$45,800.00	\$0.00	\$
Other Expenses						
Community Projects & Activities						
Fireworks	6,000.00		12,250.00	12,250.00	0.00	
Xmas	4,000.00		1,104.30	1,104.30	0.00	
Halloween	2,000.00		1,260.45	1,260.45	0.00	
Picnic	13,000.00		645.25		645.25	
Community School Program	2,500.00		2,500.00	2,500.00	0.00	
Miscellaneous Expenses	86,800.00		86,800.00	85,294.62	1,505.38	
Other Expenses - Project Graduation	4,000.00		4,000.00	4,000.00	0.00	
Other Expenses - Memorial Day	5,000.00		5,000.00	5,000.00	0.00	
Senior Citizens Center						
Salaries and Wages	18,500.00		17,006.57	17,006.57	0.00	
Other Expenses-Miscellaneous	7,000.00		4,192.74	4,192.74	0.00	
A.A.R.P. Seniors	3,000.00		3,000.00	3,000.00	0.00	
Golden Age Club	3,000.00		3,000.00	3,000.00	0.00	
Division of Recreation						
Saddle Brook Seniors	3,000.00		3,000.00	3,000.00	0.00	
Senior Annual Dinner Dance	6,000.00		6,000.00	6,000.00	0.00	
UNIFORM CONSTRUCTION CODE: (N.J.S.A.52:27D-120 et seq)						
CONSTRUCTION CODE OFFICIAL						
Salaries and Wages	175,000.00		175,000.00	172,674.12	2,325.88	
Other Expenses	4,500.00		4,500.00	4,499.17	0.83	
Plumbing/Fire Sub-Code Official-Salaries and Wages	42,000.00		35,700.00	33,241.80	2,458.20	
UNCLASSIFIED:						
Field Maintenance	11,000.00		11,000.00	10,985.15	14.85	
TOTAL OPERATIONS WITHIN "CAPS"	\$12,322,565.00	\$257,730.00	\$12,555,111.28	\$12,337,344.62	\$217,766.66	\$0.00
Detail:						
Salaries and Wages	6,655,723.00	0.00	6,660,526.08	6,464,205.59	196,320.49	0.00
Other Expenses (Including Contingent)	5,666,842.00	257,730.00	5,894,585.20	5,873,139.03	21,446.17	0.00

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See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	<u>APPROPRIATIONS</u>			<u>EXPENDED</u>		
	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"						
DEFERRED CHARGES:						
Appropriation Overexpenditures	\$251,144.00	\$	\$251,144.00	\$251,144.00	\$	
Appropriation Reserve Overexpenditures	74.22		74.22	74.22		
Prior Year Bills	150,000.00		150,000.00	149,807.06	192.94	
STATUTORY EXPENDITURES:						
Contributions to:						
Public Employees' Retirement System	28,593.00		28,593.00	28,593.00	50.00	
Social Security System (O.A.S.I.)	240,000.00		240,000.00	228,633.32	11,366.68	
Pension of Widow of Volunteer Fireman (R.S. 43:12-28.1)	5,000.00		5,000.00	5,000.00	0.00	
Pension Volunteer Fire	82,500.00		82,883.72	82,883.72	0.00	
Pension Volunteer Ambulance	32,000.00		36,800.00	36,800.00	0.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPEND.-MUNICIPAL WITHIN "CAPS"	<u>789,311.22</u>	<u>0.00</u>	<u>794,494.94</u>	<u>782,935.32</u>	<u>11,559.62</u>	<u>0.00</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>13,111,876.22</u>	<u>257,730.00</u>	<u>13,349,606.22</u>	<u>13,120,279.94</u>	<u>229,326.28</u>	<u>0.00</u>
OPERATIONS EXCLUDED FROM "CAPS"						
Division of Sewers						
Passaic Valley Sewerage Commission - Contractual	769,160.00		769,160.00	759,581.35	9,578.65	
Borough of Lodi-Contractual	0.00		20,000.00	20,000.00	0.00	
Maintenance of Free Public Library (Chap. 82, P.L. 1985)	914,985.00		914,985.00	898,962.38	16,022.62	
PERS Pension Fund	173,760.80		173,760.80	155,543.94	18,216.86	
Police & Fireman's Pension Fund	814,953.00		814,953.00	814,952.80	0.20	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Reserve						
Body Armor Replacement Fund	349.12		349.12	349.12	0.00	
Recycling Tonnage Grant	6,130.15		6,130.15	6,130.15	0.00	
Chapter 159						
Recycling Tonnage Grant	17,294.66		17,294.66	17,294.66	0.00	

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See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

A-3

	APPROPRIATIONS			EXPENDED		
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Lapsed
Municipal Alliance	\$11,500.00	\$	\$11,500.00	\$11,500.00	\$0.00	\$
Matching Funds	2,875.00		2,875.00	2,875.00	0.00	
Clean Communities Program	14,743.98		14,743.98	14,743.98	0.00	
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	<u>52,892.91</u>	<u>0.00</u>	<u>52,892.91</u>	<u>52,892.91</u>	<u>0.00</u>	<u>0.00</u>
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	<u>2,725,751.71</u>	<u>0.00</u>	<u>2,745,751.71</u>	<u>2,701,933.38</u>	<u>43,818.33</u>	<u>0.00</u>
Detail:						
Salaries and Wages	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	2,725,751.71	0.00	2,745,751.71	2,701,933.38	43,818.33	0.00
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	75,000.00		75,000.00	75,000.00	0.00	
New Jersey Transportation Trust Fund Authority Act	150,000.00		150,000.00	150,000.00	0.00	
TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"	<u>225,000.00</u>	<u>0.00</u>	<u>225,000.00</u>	<u>225,000.00</u>	<u>0.00</u>	<u>0.00</u>
MUNICIPAL DEBT-EXCLUDED FROM "CAPS"						
Payment of Bond Principal	666,433.00		666,433.00	666,432.72	0.00	0.28
Interest on Bonds	996,857.00		996,857.00	996,856.08	0.00	0.92
Interest on Notes	66,534.00		66,534.00	66,164.11	0.00	369.89
TOTAL MUNICIPAL DEBT-EXCLUDED FROM "CAPS"	<u>1,729,824.00</u>	<u>0.00</u>	<u>1,729,824.00</u>	<u>1,729,452.91</u>	<u>0.00</u>	<u>371.09</u>
DEFERRED CHARGES:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	84,000.00		84,000.00	84,000.00		
TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"	<u>84,000.00</u>	<u>0.00</u>	<u>84,000.00</u>	<u>84,000.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	<u>4,764,575.71</u>	<u>0.00</u>	<u>4,784,575.71</u>	<u>4,740,386.29</u>	<u>43,818.33</u>	<u>371.09</u>
Subtotal General Appropriations	<u>17,876,451.93</u>	<u>257,730.00</u>	<u>18,134,181.93</u>	<u>17,860,666.23</u>	<u>273,144.61</u>	<u>371.09</u>
Reserve for Uncollected Taxes	475,000.00		475,000.00	475,000.00	0.00	0.00
TOTAL GENERAL APPROPRIATIONS	<u>\$18,351,451.93</u>	<u>\$257,730.00</u>	<u>\$18,609,181.93</u>	<u>\$18,335,666.23</u>	<u>\$273,144.61</u>	<u>\$371.09</u>
	A-2	A-1		Below	A	A-1
Reference						
Cash Expended	A-4			\$18,330,538.26		
Reserve for Uncollected Taxes	A-2			475,000.00		
Budget Offsets	A-4			(797,882.99)		
Encumbrance Payable	A-16			54,497.63		
Grant Fund Reserves	E-2			22,295.11		
Due to Self-Insurance Trust Fund	B-2			251,144.00		
Deferred Charges-Current Fund	A-26			74.22		
Above				<u>\$18,335,666.23</u>		

See Accompany Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
TRUST FUND

COMPARATIVE BALANCE SHEETS

B

		At December 31,	
	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
<u>Self-Insurance Trust Fund</u>			
Cash	B-1	\$ 12,109.01	\$
Deficit For Health Insurance Expenditures	B-3		251,143.74
Due from Current Fund	A,B-2	41,644.51	41,644.51
		<u>53,753.52</u>	<u>292,788.25</u>
 <u>Unemployment Insurance Trust Fund</u>			
Cash	B-1	25,714.37	8,961.69
Due from Payroll Account	B-25	934.12	
Due from Payroll Agency Account	B-6	6,462.33	17,064.25
		<u>33,110.82</u>	<u>26,025.94</u>
 <u>Animal License Fund</u>			
Cash	B-1	41,127.83	36,916.67
Due From State of New Jersey	B-8	4.20	
		<u>41,132.03</u>	<u>36,916.67</u>
 <u>Other Trust Funds</u>			
Cash-Trust Funds		1,907,760.82	1,899,980.81
Cash-Payroll Agency		50,956.35	192,741.43
Cash-Payroll Account		1,453.07	39,610.95
	B-1	<u>1,960,170.24</u>	<u>2,132,333.19</u>
Due from Water Operating Fund - Payroll Account	B-21		97,738.98
Due from Payroll Account to Payroll Agency	B-22		196,002.28
Due from Unemployment Trust-Treasurer's Trust	B-24	2,090.07	2,090.07
Due from Grant Fund-Police Department Trust	B-17, E	11,775.28	
		<u>1,974,035.59</u>	<u>2,428,164.52</u>
TOTAL ASSETS		<u>\$2,102,031.96</u>	<u>\$2,783,895.38</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
TRUST FUND

COMPARATIVE BALANCE SHEETS
(CONTINUED)

B

	<u>Reference</u>	At December 31,	
LIABILITIES, RESERVE AND FUND BALANCE		<u>2008</u>	<u>2007</u>
<u>Self-Insurance Trust Fund</u>			
Cash Overdraft	B-1	\$ -	\$279,872.25
Reserve for Health Insurance	B-3	40,837.52	
Due to Water Operating Fund	D	12,916.00	12,916.00
		53,753.52	292,788.25
<u>Unemployment Insurance Trust Fund</u>			
Reserve For Expenditures	B-4	26,020.75	18,935.87
Due to Water Operating Fund	D, B-5	5,000.00	5,000.00
Due to Treasurer's Trust	B-24	2,090.07	2,090.07
		33,110.82	26,025.94
<u>Animal License Fund</u>			
Due to State of New Jersey	B-8		3.00
Due to Current Fund	A,B-9	32,914.23	28,110.27
Prepaid Animal License	B-7		2.40
Reserve for Dog License Expenditures	B-10	8,217.80	8,801.00
		41,132.03	36,916.67
<u>Other Trust Funds</u>			
Due to Current Fund	A, B-11	18,380.84	177,405.54
WTC Relief Fund	B-12	501.35	501.35
Due to Unemployment Trust Fund from Payroll Agency	B-6	6,462.33	17,064.25
Due to Unemployment Trust Fund from Payroll Account	B-25	934.12	
Escrow Deposits	B-13	66,740.26	66,740.26
Community Projects / Town Picnic	B-14	1,550.78	1,550.54
Reserve for POAA	B-15	4,982.00	4,594.00
Reserve for Police Outside Overtime Escrow Acct	B-20	29,853.74	25,921.96
Payroll Deductions Payable	B-16	44,154.58	152,773.89
Special Reserves and Trust Fund Deposits	B-17	1,787,946.15	1,746,361.01
Due to VCCB	B-18	11,129.44	19,649.44
Reserve for Tax Sale Premium	B-19	1,400.00	19,600.00
Due to Payroll Agency from Payroll Account	B-23		196,002.28
		1,974,035.59	2,428,164.52
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$2,102,031.96	\$2,783,895.38

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

COMPARATIVE BALANCE SHEETS

C

ASSETS	<u>Reference</u>	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
Cash	C-2	\$1,211,437.95	\$770,297.30
Grants Receivable-Without Reserves	C-5	1,176,961.56	1,580,522.21
Grants Receivable-With Full Reserves	C-5		37,500.00
Due From Water Capital Fund	C-4	7,168.31	7,168.31
Due From Current Fund	A,C-8	434,288.50	758,844.81
Due From NJ Environmental Infrastructure Loan Receivable	C-21	1,123,798.00	
Deferred Charges to Future Taxation			
Funded	C-6	22,463,912.77	21,107,191.49
Unfunded	C-7	4,450,096.00	6,259,500.00
Special Emergency - Revaluation	C-23	251,000.00	
TOTAL ASSETS		\$31,118,663.09	\$30,521,024.12
LIABILITIES, RESERVE AND FUND BALANCE			
Serial Bonds	C-15	\$20,440,758.77	\$21,107,191.49
Bond Anticipation Notes	C-14	2,425,250.00	1,565,500.00
NJ Environmental Infrastructure Trust Loan	C-22	2,023,154.00	
Improvement Authorizations			
Funded	C-9	1,275,385.02	1,375,533.47
Unfunded	C-9	2,321,069.28	4,549,464.19
Capital Improvement Fund	C-10	135,506.71	71,756.71
Encumbrances Payable	C-18	1,404,090.71	851,835.12
Reserve for Revaluation	C-24	111,474.65	
Reserve for Grants Receivable	C-5,12	0.00	37,500.00
Reserve for Premium on BANS	C-17	0.00	134,236.24
Reserve for Payment of BANS/Bonds	C-11	875,942.54	595,157.95
Due to Water Operating Fund	C-13	1,065.82	1,065.82
Reserve for Accrued Interest	C-19	0.00	111,817.54
Reserve for Mount Laurel Development	C-20	100,000.00	100,000.00
Fund Balance	C-1	4,965.59	19,965.59
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		\$31,118,663.09	\$30,521,024.12

There were bonds and notes authorized but not issued on December 31, 2008
in the amount of \$2,024,846 (Exhibit C-16).

STATEMENT OF FUND BALANCE

	<u>Reference</u>	<u>C-1</u>
Balance December 31, 2007	C	\$19,965.59
Decreased by:		
Funding of Bond Ordinance	C-7,16	15,000.00
Balance December 31, 2008	C	\$4,965.59

See Accompanying Notes to Financial Statements

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS

D

	<u>Reference</u>	<u>At December 31,</u>	
ASSETS		<u>2008</u>	<u>2007</u>
Operating Fund:			
Cash	D-4	\$393,882.82	\$725,918.42
Change Fund	D-5	20.00	20.00
Due from Unemployment Trust	B,D-21	5,000.00	5,000.00
Consumer Accounts Receivable	D-6	135,935.45	99,046.07
Water Utility Liens	D-7	3,571.27	3,571.27
Due from Self-Insurance Trust Fund	B	12,916.00	12,916.00
Due from General Capital Fund	C,D-20	1,065.82	1,065.82
Deferred Charges:			
Deficit in Operations-Current Year	D-11A	25,532.66	
Total Operating Fund		577,924.02	847,537.58
Capital Fund:			
Cash	D-4	62,703.10	63,141.43
Cash-Water Main Project	D-4	10,114.27	10,035.58
Fixed Capital	D-8	2,447,025.79	2,445,972.13
Fixed Capital Authorized and Uncompleted	D-9	12,992.21	14,045.87
Due from Water Operating Fund	D-10	31,473.29	32,088.62
Total Capital Fund		2,564,308.66	2,565,283.63
TOTAL ASSETS		\$3,142,232.68	\$3,412,821.21
 LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities			
Appropriation Reserves	D-3,11	\$16,393.19	\$59,095.57
Encumbrance Payable	D-12	15,593.93	20,060.09
Water Rent Overpayments	D-13	11,587.93	13,344.49
Due to Current Fund	A,D-14	-	99,410.00
Accrued Interest on Bonds	D-22	25,369.24	17,182.77
Due to Water Capital Fund	D-10	31,473.29	32,088.62
Due to Payroll Account	B	-	97,738.98
Reserve for Receivable	D-6,7	139,506.72	102,617.34
Fund Balance	D-1	337,999.72	405,999.72
Total Operating Fund		577,924.02	847,537.58
Capital Fund:			
Water Utility Capital Bonds	D-23	1,434,241.23	1,472,808.51
Improvement Authorizations - Funded	D-15	12,992.21	14,045.87
Capital Improvement Fund	D-16	75,485.13	75,485.13
Due to General Capital Fund	D-19	7,168.31	7,168.31
Reserve for Amortization	D-17	978,107.51	939,540.23
Reserve for Deferred Amortization	D-18	46,200.00	46,200.00
Reserve for Water Main Project	D-24	10,114.27	10,035.58
Total Capital Fund		2,564,308.66	2,565,283.63
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$3,142,232.68	\$3,412,821.21

There were no bonds & notes authorized but not issued on December 31, 2008

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE

D-1

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>For the Years Ended December 31:</u>	
		<u>2008</u>	<u>2007</u>
Surplus Anticipated	D-2	\$68,000.00	\$328,900.00
Water Rents and Delinquent Water Rents	D-2	1,995,077.51	2,184,854.96
Miscellaneous Charges	D-2	6,877.50	9,492.29
Interest on Investments	D-2	5,372.35	26,092.77
Unexpended Balance of Appropriation Reserves	D-11	40,597.65	17,068.81
Canceled Balance - Appropriations	D-3	0.80	0.63
Canceled Water Rents Overpayments			53.30
		<u>2,115,925.81</u>	<u>2,566,462.76</u>
EXPENDITURES			
Operating	D-3	1,961,447.40	1,977,247.26
Statutory Expenditures	D-3	63,552.60	75,000.00
Debt Service	D-3	108,272.00	108,257.00
Deferred Charges			32,705.62
Deficit in Operations in Prior Years			39,990.12
Accrued Interest on Bonds	D-22	8,186.47	
		<u>2,141,458.47</u>	<u>2,233,200.00</u>
EXCESS/ (DEFICIT) IN REVENUES		(25,532.66)	333,262.76
Deferred Charges to be Appropriated in Next Years Budget-			
Deficit In Operations	D-11A	25,532.66	
		<u>(0.00)</u>	<u>333,262.76</u>
Fund Balance - Operating - January 1			
	D	405,999.72	401,636.96
		<u>405,999.72</u>	<u>734,899.72</u>
Utilization by Water Operating Budget			
	Above	68,000.00	328,900.00
		<u>68,000.00</u>	<u>328,900.00</u>
FUND BALANCE - OPERATING - DECEMBER		<u>\$337,999.72</u>	<u>\$405,999.72</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF REVENUES

D-2

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$68,000.00	\$68,000.00	\$ -
Rents	1,940,000.00	1,904,805.51	(35,194.49)
Miscellaneous	9,000.00	6,877.50	(2,122.50)
Interest on Investments	26,000.00	5,372.35	(20,627.65)
Delinquent Rents	90,272.00	90,272.00	0.00
	2,065,272.00	2,007,327.36	(57,944.64)
	\$2,133,272.00	\$2,075,327.36	(\$57,944.64)
<u>Reference</u>	D-3	D-1, Below	

Analysis of Revenue

Surplus Anticipated	D-1	\$68,000.00
Consumer Accounts Receivable:		
Cash Collections-Water Rents and Delinquent Rents	D-4,6	1,988,833.29
Overpayments applied	D-6	6,244.22
	D-1	1,995,077.51
Miscellaneous Charges:		
Water Interest	D-4	6,858.65
Sewer Interest	D-4	18.85
	D-1,4	6,877.50
Interest on Investments:		
Cash Receipts	D-4	4,757.02
Due From Water Capital Fund	D-4,10	615.33
	D-1	5,372.35
 TOTAL	 Above	 \$2,075,327.36

See Accompanying Notes to Financial Statements.

WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

STATEMENT OF EXPENDITURES

D-3

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Lapsed</u>
	<u>Budget</u>	<u>Emergency</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$540,000.00	\$	\$611,634.33	\$611,634.33	\$0.00	\$
Overtime	35,000.00		24,480.50	24,480.50	0.00	
Other Expenses	1,385,000.00		1,325,332.57	1,323,939.38	1,393.19	
Total Operating	1,960,000.00	-	1,961,447.40	1,960,054.21	1,393.19	-
Debt Service:						
Payment of Bond Principal	38,568.00		38,568.00	38,567.28	0.00	0.72
Interest on Bonds	69,704.00		69,704.00	69,703.92	0.00	0.08
Total Debt Service	108,272.00	-	108,272.00	108,271.20	0.00	0.80
Statutory Expenditures :						
Public Employees Retirement System	15,000.00		15,000.00	0.00	15,000.00	
Social Security System (O.A.S.I.)	50,000.00		48,552.60	48,552.60	0.00	
Total Statutory Expenditures	65,000.00	-	63,552.60	48,552.60	15,000.00	-
TOTAL WATER UTILITY APPROPRIATIONS	\$2,133,272.00	-	\$2,133,272.00	\$2,116,878.01	\$16,393.19	\$0.80
	D-2		D-1	Below	D	D-1
Cash Disbursements				\$2,086,092.80		
Encumbrances Payable				15,593.93		
Due to Current Fund-Expended in Current Fund				15,191.28		
Above				\$2,116,878.01		

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
GRANT FUND

COMPARATIVE BALANCE SHEETS

E

		At December 31,	
	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Grants Receivable	E-3	\$97,090.09	\$91,087.94
Due from Current Fund	A,E-1	122,475.03	88,464.55
		<hr/>	<hr/>
TOTAL ASSETS		\$219,565.12	\$179,552.49
		<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES AND RESERVES			
Reserve for Appropriated Grants	E-2	\$204,682.16	\$173,073.22
Reserve for Unappropriated Grants	E-4	3,107.68	6,479.27
Due to Trust Fund-Police Department Trust	B, E-2	11,775.28	
		<hr/>	<hr/>
TOTAL LIABILITIES AND RESERVES		\$219,565.12	\$179,552.49
		<hr/> <hr/>	<hr/> <hr/>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
GENERAL FIXED ASSETS GROUP

COMPARATIVE BALANCE SHEETS
(UNAUDITED)

F

	At December 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Land	\$7,716,700.00	\$7,665,500.00
Buildings	12,275,712.00	12,154,169.00
Machinery and Equipment (Munidex)	3,801,577.00	3,193,145.00
Vehicles	<u>4,436,413.00</u>	<u>4,425,551.00</u>
TOTAL ASSETS	<u>\$28,230,402.00</u>	<u>\$27,438,365.00</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$28,230,402.00</u>	<u>\$27,438,365.00</u>

Source for 2007 and 2008:

Land - Tax Duplicate - Assessed Valuations

All other values are from the Insured Statement of Values

See Accompanying Notes to Financial Statements.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

1. Summary of Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The financial statements of the Township of Saddle Brook have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Service, 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 Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of Saddle Brook (the "Township") operates under an elected Mayor/Council Falkner Act, Plan "A" form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are component units under GAAP.

B. Fund Accounting

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain functions or activities.

Funds are classified as follows:

Current Fund - This fund is used to account for resources and expenditures for governmental operations of general nature.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organization, or other governments are recorded in the Trust Fund. The Division of Local Government Services regulates the accounting for these funds.

Other Trust Fund - This fund is established to account for the assets and resources, which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits and funds deposited with the Township as collateral.

Animal Control Fund - This fund is used to account for fees collected from dog/cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Unemployment Insurance Fund - This fund is used to account for employee and Township contributions for the purpose of providing unemployment benefits to eligible employees.

Self-Insurance Fund - This fund is used to account for expenditures for health, workers compensation and auto and general liability insurance claims and premiums.

Community Development Block Grant - This fund is used to account for grant proceeds and related expenditures for Block grant entitlements.

Deferred Compensation Fund - This fund is used to account for deferred compensation plan assets held by the Township in a trustee capacity for the Township's employees.

General Capital Fund - This fund is used to account for receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Grant Fund - This fund is used to account for receipts and disbursements from Federal and State Grants.

Water Utility Fund - Revenues and expenditures for the operation of the Township's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the water utility are accounted for in the capital section of the fund.

General Fixed Assets Account Group - To account for all fixed assets of the Township, other than those accounted for in the Water Utility Fund. The Township's infrastructure is not reported in the group. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Saddle Brook. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units.

The more significant differences are as follows:

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Municipal budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the municipality, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Utility Rents - Utility charges are levied semi-annually for residential users and quarterly for commercial users based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's water utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division of Local Government Services (Chapter 159).

The Township is not required to adopt budgets for the following funds:

- Trust Funds
- General Capital Fund
- Water Utility Capital Fund

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Expenditures - are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. 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.

Encumbrances - contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as 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.

Self-Insurance Contributions - payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as expenditure.

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

Inventories - 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Incurred But Not Reported (IBNR) Reserves - The Township has not created a reserve for any potential unreported losses which have taken place but in which the Township has not received notices or report of losses. Additionally, the Township has not recorded a liability for those claims filed, but which have not been paid. GAAP requires the establishment of reserves for such potential claims, if material.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

General Fixed Assets - N.J.A.C. 5:30-5.6 codifies fixed asset accounting, the Technical Accounting Directive No. 86-2 (the "TAD") took affect in 1986. This TAD required local units to create and maintain a fixed asset accounting system for their physical assets. The requirement has now been codified as N.J.A.C. 5:30-5.6. The codification updates the definition of a fixed asset to refer to the 1997 edition of the U.S. Office of Management and Budget Circular A-87, Cost Principals for State, Local and Indian Governments. The regulation continues the requirement of the local units to:

1. Place a value of all fixed assets put into service
2. Have a subsidiary ledger of detailed records of fixed assets
3. Provide property management standards to control fixed assets
4. Provide a statement of fixed assets in the annual audit.

GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule F of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2007 and December 31, 2006, no depreciation has been provided for in the financial statements.

Fixed Assets purchased after December 31, 1989 are stated as cost. Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Estimated Market Value
Machinery and Equipment	Estimated Market Value

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

2. **Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2. 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 replacement 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 acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statement in order to provide an understanding of changes in the financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements in accordance with GAAP. The Township 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.

2. **Cash and Cash Equivalents**

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

2. Cash and Cash Equivalents (Continued)

At December 31, 2008, the Township of Saddle Brook had the following cash held by a custodial bank or financial institution:

Current Fund	\$1,676,081.66
Trust Fund	2,039,121.45
Capital Fund	1,211,437.95
Water Utility Fund	393,882.82
Water Capital Fund	62,703.10
Water Main Project	10,114.27
	\$5,393,341.25
Municipal Court *	
- Bail	\$14,511.57
- Fines and Costs	51,307.02
	\$65,818.59

The carrying amount of the Township's cash at December 31, 2007 was \$ 5,459,159.84 and the bank balance was \$ 5,687,265.67, of which \$311,170.12 was covered by federal depository insurance and \$ 5,376,095.55 was covered by the State of New Jersey, Governmental Unit Deposit Protection Act.

Investments

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 securities, as listed under Title 40A:5-15.1. Permitted investments include any of the following type of securities:

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;

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

2. Cash and Cash Equivalents (Continued)

6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund; or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. The underlying securities are permitted investments pursuant to paragraphs 1 and 3 above;
 - 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 statute; and
 - e. A master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Saddle Brook did not have any investments outstanding during and for the year ended December 31, 2008 except for one certificate of deposit at Interchange State Bank with a balance of \$ 96,580.54 for Community Youth Center Trust Account.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

3. Long-Term Debt

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

The Township's debt is summarized as follows:

<u>Summary of Municipal Debt</u>	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
Bonds and Notes Issued			
General			
Bonds, Notes and Loans	\$24,889,162.77	\$22,672,691.49	\$21,754,942.75
Water Utility Bonds and Notes	1,434,241.23	1,472,808.51	1,510,057.25
Net Debt Issued	<u>26,323,404.00</u>	<u>24,145,500.00</u>	<u>23,265,000.00</u>
Authorized But Not Issued			
General			
Bonds and Notes	2,024,846.00	4,694,000.00	3,865,500.00
Water Utility Bonds and Notes	<u> </u>	<u> </u>	<u> </u>
Bonds and Notes Issued and Authorized But Not Issued	<u>\$28,348,250.00</u>	<u>\$28,839,500.00</u>	<u>\$27,130,500.00</u>

The statement of debt condition which follows is extracted from the Township's Annual Debt Statement indicates a statutory net debt of 1.139 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 18,913,000.00	\$ 18,913,000.00	\$ -
Utility Debt	1,434,241.23	1,149,880.00	284,361.23
General Debt	26,914,008.77	-	26,914,008.77
Total	<u>\$ 47,261,250.00</u>	<u>\$ 20,062,880.00</u>	<u>\$ 27,198,370.00</u>

Net debt \$ 27,198,370 divided by Equalized Valuation Basis per N.J.S.40A:2-2 \$2,387,096,813 equals 1.139 %.

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

3. Long-Term Debt (Continued)

The Township's remaining borrowing power under N.J.S. 40A:2-6 at December 31, 2008 was as follows:

<u>Borrowing Power</u>	
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 83,548,388.46
Net Debt	27,198,370.00
Remaining Borrowing Power	<u>\$ 56,350,018.46</u>

<u>Calculation of "Self-Liquidating Purpose", Water Utility</u>	
Cash Receipts from Fees, Rents or Other Charges	\$ 2,075,327.00

Deductions:

Operating and Maintenance Cost (Net of Appr. Canceled)	\$ 2,025,000.00	
Debt Service	<u>108,272.00</u>	
Total Deductions		<u>2,133,272.00</u>
Excess/(Deficit) in Revenues		<u>\$ (57,945.00)</u>

The Township's long-term debt consisted of the following at December 31, 2008:

General Obligation Bonds

\$1,378,000.00 , 1996 Bonds, due in annual installments of \$120,000 through May, 2009, interest at 5.15%	\$120,000.00
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General Obligation Bonds-County Guaranteed Governmental Loan Bonds

\$21,394,942.75 , 2006 Bonds, due in annual installments of: \$565,114.18 due 8/17/09, \$588,466.01 due 8/17/10, interest at 3.50%; \$607,147.47 due 8/17/11, \$630,499.30 due 8/17/12, \$653,851.12 due 8/17/13, \$677,202.95 due 8/17/14, interest at 3.75%; \$705,225.14 due 8/17/15, interest at 3.80%; \$728,576.96 due 8/17/16, \$770,610.25 due 8/17/17, interest at 5.50%; \$812,643.54 due 8/17/18, \$854,676.82 due 8/17/19, \$896,710.11 due 8/17/20, \$938,743.40 due 8/17/21, \$990,117.41 due 8/17/22, \$1,036,821.06 due 8/17/23, \$1,088,195.08 due 8/17/24, \$1,144,239.46 due 8/17/25, \$1,200,283.84 due 8/17/26, \$1,260,998.59 due 8/17/27, \$1,321,713.34 due 8/17/28, \$1,391,768.81 due 8/17/29, \$1,457,153.93 due 8/17/30, interest at 5.00%.	<u>\$20,320,758.77</u>
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TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

3. Long-Term Debt (Continued)

Total, General Obligation Serial Bonds	\$ 20,440,758.77
Bond Anticipation Notes - \$1,565,000.00 , issued March 7, 2008, due March 6, 2009 bearing interest of 2.04%, and, \$859,750.00 , issued September 30, 2008, due September 29, 2009, bearing interest of 2.51%.	\$ 2,425,250.00
New Jersey Environmental Infrastructure Trust Loan	<u>\$ 2,023,154.00</u>
Total General Obligation Serial Bonds, Bond Anticipation Notes, and Loans:	<u>\$ 24,889,162.77</u>

The Township's principal and interest for bonded debt issued and outstanding is as follows:

Calendar Year	General	
	Principal	Interest
2009	\$ 685,114.18	\$ 990,963.85
2010	\$ 588,466.01	\$ 971,838.71
2011	\$ 607,147.47	\$ 945,879.71
2012	\$ 630,499.30	\$ 902,515.37
2013-2017	\$ 3,535,466.42	\$ 4,126,426.40
2018-2022	\$ 4,492,891.28	\$ 3,171,177.94
2023-2027	\$ 5,730,538.03	\$ 1,930,261.92
2028-2030	\$ 4,170,636.08	\$ 423,835.64
	\$ 20,440,758.77	\$ 13,462,899.54

Water Utility Debt

Water Utility - County Guaranteed Governmental Loan Bonds

\$ 1,510,057.25 2006 Bonds, due in annual installments of: \$39,885.82 due 8/17/09, \$41,533.99 due 8/17/10, interest at 3.50%; \$42,852.53 due 8/17/11, \$44,500.70 due 8/17/12, \$46,148.88 due 8/17/13, \$47,797.05 due 8/17/14, interest at 3.75%; \$49,774.86 due 8/17/15, interest at 3.80%; \$51,423.04 due 8/17/16, \$54,389.75 due 8/17/17, interest at 5.50%; \$57,356.46 due 8/17/18, \$60,323.18 due 8/17/19, \$63,289.89 due 8/17/20, \$66,256.60 due 8/17/21, \$69,882.59 due 8/17/22, \$73,178.94 due 8/17/23, \$76,804.92 due 8/17/24, \$80,760.54 due 8/17/25, \$84,716.16 due 8/17/26, \$89,001.41 due 8/17/27, \$93,286.66 due 8/17/28, \$98,231.19 due 8/17/29, \$102,846.07 due 8/17/30, interest at 5.00%.	\$ 1,434,241.23
	<u>\$ 1,434,241.23</u>

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

3. Long-Term Debt (Continued)

The Township's principal and interest for Water Utility bonded debt issued and outstanding is as follows:

<u>Calendar Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 39,885.82	\$ 68,156.29
2010	\$ 41,533.99	\$ 66,760.29
2011	\$ 42,852.53	\$ 65,306.60
2012	\$ 44,500.70	\$ 63,699.63
2013-2017	\$ 249,533.58	\$ 291,243.60
2018-2022	\$ 317,102.72	\$ 223,822.06
2023-2027	\$ 404,402.63	\$ 136,238.08
2028-2030	\$ 294,429.26	\$ 29,914.36
	<u>\$ 1,434,241.23</u>	<u>\$ 945,140.91</u>

Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2008 were as follows:

<u>Fund Type</u>	<u>Receivables</u>	<u>Payables</u>
Current	\$51,295.07	\$598,408.04
Trust	62,906.31	78,697.59
Capital	441,456.81	1,065.82
Water Utility	18,981.82	31,473.29
Water Capital	31,473.29	7,168.31
Grant	122,475.03	11,775.28
Total Interfund Receivables/Payables	<u>\$728,588.33</u>	<u>\$728,588.33</u>

4. Contingencies

Litigation

The Township is a party to various legal proceedings, which normally occur in governmental operations. The Township Attorney has reported in accordance with Financial Accounting Standards No. 5; and it is in his opinion, that there are no measurable contingent liabilities that would result in a material liability to the Township, in relation to its financial position.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

5. Risk Management - Claims and Judgments

Insurance/Risk Management

Effective March 1, 1992, the Township has established a group insurance benefit plan for its employees and their eligible dependents. The Township pays the cost of active employees, dependents, & retirees who meet the requirements set forth by the plan sponsor or as stipulated in an individual collective bargaining unit agreement. Claims are paid directly by the plan up to a maximum benefit per person, per policy year of \$1,000,000 with any excess benefit over \$30,000 being reimbursed through a Re-Insurance Agreement with HM Life Insurance. The Township has not created a loss reserve for claims incurred which were unpaid at December 31, 2008. In addition, the Township has not created a reserve for any potential unreported losses which have taken place but in which the Township has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Township under existing reinsurance agreements. Exhibit B-3 summarizes the 2008 transactions of the plan.

Effective February 1, 1987, the Township established a workmen's compensation plan for its employees. In addition, effective February 1, 1991, the Township established a liability trust reserve for the purpose of funding payments that may arise from any general, auto or other liability claims against the Township on a self-insured basis, the account was closed during 2006. The Township funds the entire cost of the plans. Claims are paid directly from the plans up to a maximum coverage of \$100,000 (General Liability) & \$150,000 (Workmen's Compensation) for any one accident or occurrence with any excess benefit being paid up to an additional \$5,000,000 (General Liability) & \$2,000,000 (Workmen's Compensation) through a reinsurance agreement with Municipal Excess Liability/Commerce Bank Insurance (General Reinsurance for Liability) & Municipal Excess Liability Joint Insurance Fund/National Union (Workmen's Compensation). There is no aggregate loss provision.

The Township has not created a loss reserve for claims incurred which were unpaid at December 31, 2008. In addition, the Township has not created a reserve for any potential unreported losses which have taken place but in which the Township has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Township under existing reinsurance agreements. There has been no reduction in insurance coverage from prior years and settlements did not exceed insurance coverage for the past three years.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

5. Risk Management -Claims and Judgments (Continued)

Claims and Judgments

The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of December 31, 2008, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Township.

6. Fund Balances Appropriated

Fund balances at December 31, 2008, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2009, were as follows:

Current Fund	\$257,547.92
Water Utility Fund	\$321,000.00

The above fund balance amount appropriated represents the surplus anticipated in the 2009 introduced municipal budget.

7. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges were listed in the Unaudited Annual Financial Statement of Current Fund and Water Utility Fund, and raised in the 2009 Budget.

	Audited Balance <u>Dec. 31, 2008</u>	2009 Budget <u>Appropriations</u>	Subsequent <u>Budgets</u>
<u>Current Fund</u>			
Emergency Authorization-Municipal	257,730.00	257,730.00	0.00
<u>Capital Fund</u>			
Special Emergency - Revaluation	251,000.00	84,000.00	167,000.00
 <u>Water Utility Fund</u>			
Deficit in Operations-Current Year	25,532.66	16,896.23	8,636.43
	<u>\$534,262.66</u>	<u>\$358,626.23</u>	<u>\$175,636.43</u>

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

8. Taxes Collected In Advance

Taxes collected in advance, and the amounts set forth as cash liabilities in the financial statements are as follows:

	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
Prepaid Taxes	\$164,605.18	\$188,344.20

9. Retirement Plans

Plan Description, Contribution Information, and Funding Policies

Employees who are eligible for a pension plan are enrolled in one of the three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State administered plans are: (1) the Public Employees' Retirement System, (2) the Police and Consolidated Police and Firemen's Pension Fund and (3) the Police and Firemen's Retirement System. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Township's share of pension costs, which is based upon the amount paid or charged to the 2008 budget amounted to \$ 999,089.74 for 2008 and \$ 640,124.20 was paid or charged to the 2007 budget for 2007.

Township employees are also covered by the Federal Insurance Contribution Act. Information as to the comparison of the actuarial computed value of vested benefit with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

Deferred Compensation Plan

The Township of Saddle Brook maintains a Deferred Compensation Plan in accordance with the Internal Revenue Code Section 457. Any employee of the Township is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Township does not and is not required to make contributions to the Plan. Nationwide Retirement Solutions, Inc. is the administrator of the Plan. Fund assets at December 31, 2008 totaled \$1,283,759.91. An independent review of the Plan is performed annually, separate from the annual audit.

10. Post Employment Benefits

The Township of Saddle Brook pays health insurance for employees who have retired only after they have completed 25 years or more of service. Currently the Township has 37 retired employees that have this benefit. In 2008, the costs of these health insurance benefits were \$ 541,084.56.

TOWNSHIP OF SADDLE BROOK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

11. Compensated Absences

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation and sick pay over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement.

The maximum sick leave benefit an employee is entitled to at retirement depends upon the actual years of service; however, the maximum number of days an employee is entitled to is 225 days for blue and white collar employees and 383 days for police department.

It is estimated that the unaudited current cost of such unpaid compensation would approximate \$ 978,313.00 for sick pay and \$ 122,291.00 for unused vacation pay. This amount, which is considered material to the financial statements, is not reported either as an expenditure or liability. An employee sick leave reserve has been established in the Current Fund. The balance in the reserve as of December 31, 2008 is \$ 30,842.73, as per exhibit A-15.

12. Leases

On April 12, 2007, the Township of Saddle Brook entered into a 36-month lease-purchase agreement with Ford Motor Credit Company for (6) 2007 Dodge Chargers for the Police Department. The annual payments of \$ 49,440.70 began on October 11, 2007. The total cost of the (6) vehicles is \$139,579.40. The lease bears interest of 6.4% and the total lease payments are \$148,322.10.

The following is a schedule of future lease payments for years ended December 31:

2009	\$49,440.70
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13. Property Tax Calendar

The Township of Saddle Brook property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. The tax sale was held for 2007 taxes on December 29, 2008.

14. Municipal Court

Municipal Court will be found in a separate municipal audit report. There were no comments.

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

15. Comparative Schedule of Fund Balances

Current Fund	<u>Year</u>	Balance <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
	2008	\$ 521,969.20	\$ 257,547.92
	2007	1,415,268.55	1,033,000.00
	2006	2,251,033.11	1,900,000.00
	2005	2,005,896.23	1,000,000.00
	2004	1,140,978.29	425,000.00
	2003	716,873.47	300,000.00

Water Utility Operating Fund	<u>Year</u>	Balance <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
	2008	\$ 337,999.72	\$ 321,000.00
	2007	405,999.72	68,000.00
	2006	401,636.96	328,900.00
	2005	401,636.96	-
	2004	10,150.78	-
	2003	160,335.83	150,185.05

16. Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Tax Rate	<u>3.525</u>	<u>3.300</u>	<u>3.120</u>	<u>2.940</u>	<u>2.750</u>	<u>2.610</u>

Apportionment of Tax Rate

Municipal	1.133	1.016	0.915	0.902	0.818	0.791
County	0.385	0.348	0.330	0.296	0.291	0.271
Local School	2.007	1.936	1.875	1.742	1.641	1.548

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

16. Comparative Schedule of Tax Rate Information (Continued)

Net Valuation Taxable as listed in the Bergen County Board of Taxation Levy Duplicate

2008	<u>\$1,188,560,803</u>			
2007	<u>\$1,186,063,206</u>			
2006	<u>\$1,168,694,606</u>			
2005	<u>\$1,163,358,395</u>			
2004	<u>\$1,153,990,034</u>			
2003	<u>\$1,150,054,981</u>			

Under the provisions of Chapter 173, P.L. 1963 (R.S. 54:4-46.1) the County Board of Taxation must add the estimated amount of approved Veterans' and Senior Citizens' tax deductions to the required tax levy for the purpose of computing the above tax rates. The total amount of such tax deductions used in computing the 2008 tax rate was \$261,750.00.

17. 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 Collections</u>	<u>Percentage of Collection</u>
2008	\$ 42,053,812.35	\$ 41,520,173.25	98.73%
2007	39,277,734.97	38,930,911.31	99.12%
2006	36,861,478.37	36,357,493.96	98.63%
2005	34,377,090.11	34,014,922.57	98.95%
2004	32,031,899.55	31,618,724.77	98.71%
2003	30,202,710.69	29,879,140.28	98.93%

TOWNSHIP OF SADDLE BROOK
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2008
 (Continued)

18. Delinquent Taxes and Tax Title Liens

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

<u>December Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2008	\$ 97,092.73	\$ 442,955.69	\$ 540,048.42	1.28%
2007	0.00	292,546.15	292,546.15	0.75%
2006	0.00	406,494.71	406,494.71	1.10%
2005	78,008.27	310,049.58	388,057.85	1.12%
2004	174,854.51	364,161.70	539,016.21	1.68%
2003	285,068.76	244,738.30	529,807.06	1.75%

19. Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2008	\$ 742,249.00
2007	934,149.00
2006	934,149.00
2005	742,249.00
2004	742,249.00
2003	262,249.00

20. Comparison of Water Utility Levies

<u>December Year</u>	<u>Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2008	\$ 2,032,554.79	\$ 1,988,833.29	97.85%
2007	2,043,267.43	2,031,782.11	99.44%
2006	1,867,018.58	2,028,253.43	108.64%
2005	1,777,372.62	1,886,169.45	106.12%
2004	1,987,760.00	1,445,948.15	72.74%
2003	1,741,792.46	1,731,639.91	99.42%

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH - TREASURER

A-4

	<u>Reference</u>		
Balance December 31, 2007	A		\$3,207,378.80
Increased by Receipts:			
Taxes Receivable	A-5,8	\$41,323,068.73	
Miscellaneous Revenue Anticipated	A-2	2,740,609.26	
Non-Budget Revenue	A-2	459,783.01	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	263,421.24	
Tax Overpayments	A-18	36,759.71	
Outside Tax Title Liens	A-9	97,835.37	
Prepaid Taxes	A-17	164,605.18	
Budget Offsets	A-3	797,882.99	
Sewer User Fees	A-28	158,276.83	
Fees Payable	A-22	22,853.00	
Homeland Security Grant Receivable	A-21	70,000.00	
Transfer from Water Operating Fund-Interfund	D-4	114,601.28	
Transfer from Capital Fund-Interfund Loan	Contra	800,000.00	
Transfer from Capital Fund-Interfund	C-8	3,212.88	
Due to Capital Fund - Grant Receivable-Ord.#1330	Contra	37,500.00	
Due from Other Trust Fund-Payroll Agency-Interfund	B-1	226,739.06	
Due from Other Trust Fund-Payroll-Interfund	B-1	1,181.22	
Interfund Loan Return-Other Trust Fund	Contra	30,000.00	
Due to Other Trust Fund-Developers Fee (Mount Laurel)	Contra	10,000.00	
Due to Police Department Trust-Bulletproof Vest Grant	Contra	13,149.87	
Due to Grant Fund-FEMA Grant Receivable	E-3	2,286.70	
Due to Grant Fund -Unappropriated Grants Rec.	E-4	3,107.68	
		47,376,874.01	
			50,584,252.81
Decreased by Disbursements:			
2008 Budget Appropriations	A-3	18,330,538.26	
2007 Appropriation Reserves	A-13	376,800.91	
County Taxes Payable	A-19	4,582,230.98	
Local District School Taxes Payable	A-20	23,905,401.00	
Fees Payable-Due State of New Jersey	A-22	24,323.00	
Reserve for Library State Aid Expenditures	A-24	103,180.09	
Water Budget Appropriation Paid By Current	D-14	15,191.28	
Transfer to Police Department Trust-Bulletproof Vest Grant	Contra	13,149.87	
Due to Self-Insurance Fund - Claims Paid by Current	B-2	251,144.00	
Transfer to Capital Fund-Interfund Loan	Contra	800,000.00	
Due to Capital Fund - Grant Receipt in Current Fund	Contra	37,500.00	
Interfund Loan-Other Trust Fund	Contra	30,000.00	
Due to Other Trust Fund-Developers Fee (Mount Laurel)	Contra	10,000.00	
Refund of Tax Overpayments	A-18	261,436.65	
Outside Tax Title Liens Payable	Contra	97,835.37	
Due to Other Trust Fund-Payroll	B-1	69,102.91	
Bank Charges/Bank Errors	A-1	121.83	
Refunds - Fees	A-2	215.00	
		48,908,171.15	
Balance December 31, 2008	A		\$1,676,081.66

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH - COLLECTOR

	<u>Reference</u>		A-5
Balance December 31, 2007	A		\$0.00
Increased by:			
Tax Overpayments	A-18	\$36,759.71	
Revenue Accounts Receivable	A-12	75,258.94	
Taxes Receivable	A-4, 8	41,323,068.73	
2009 Prepaid Taxes	A-17	<u>164,605.18</u>	
	Contra		<u>41,599,692.56</u>
			41,599,692.56
Decreased by:			
Payments to Treasurer	Contra		<u>41,599,692.56</u>
Balance December 31, 2008	A		<u><u>\$0.00</u></u>

SCHEDULE OF CHANGE FUNDS

	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
<u>Office</u>		
Tax Collector	\$50.00	\$50.00
Central Cashier	125.00	125.00
Building Inspector	50.00	50.00
Municipal Court	<u>250.00</u>	<u>250.00</u>
	<u>\$475.00</u>	<u>\$475.00</u>
	A	A

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS (CHAPTER. 20, P.L. 1971)

A-7

	<u>Reference</u>		
Balance December 31, 2007 Due From State	A		\$6,454.37
Increased by:			
Senior Citizen's and Veteran's Deductions Per Tax billing	A-8, Below	\$ 261,750.00	
Senior Citizen's and Veteran's Deductions Allowed by Collector	Below	6,352.00	
			268,102.00
			274,556.37
Decreased by:			
Receipts from State of New Jersey Senior Citizen's and Veteran's Deductions	A-4	263,421.24	
Disallowed by Collector	Below	3,068.49	
			266,489.73
Balance December 31, 2008 Due from State	A		\$8,066.64
Analysis of Senior Citizen's & Veteran's Deductions Allowed Per tax Billing:			
Senior Citizen's & Veteran's Deductions Per Tax Billing	Above	\$ 261,750.00	
Senior Citizen's and Veteran's Deductions Allowed by Collector	Above	6,352.00	
Senior Citizen's and Veteran's Deductions Disallowed by Collector	Above	(3,068.49)	
			265,033.51
Realized as Tax Revenue	A-8		\$265,033.51

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-8

Year	Balance 12/31/07	2008 Levy	Cash Collections		County/State Board Judgments/ Canceled	Transfer To Tax Title Liens	Balance 12/31/08
			2007	2008			
2004	\$ 3,047.00	\$	\$	3,047.00	\$	\$	-
2005	6,197.52			6,197.52			-
2006	6,576.96			6,576.96			-
2007	276,724.67			245,432.24			31,792.43
2008		42,053,812.35	188,344.20	41,331,829.05	500.00	6,764.48	411,163.26
Reference	A	\$ 42,053,812.35	\$ 188,344.20	\$ 41,593,082.77	\$ 500.00	\$ 6,764.48	\$ 442,955.69
		Below	A-17	Below		A-10	A

Cash - Current Year
Senior Citizens & Veterans Deductions
Tax Overpayments Applied

Reference	Amount
A-4,5	\$ 41,323,068.73
A-7	265,033.51
A-18	4,980.53
Above	\$ 41,593,082.77

ANALYSIS OF 2008 PROPERTY TAX LEVY
TAX YIELD

	Reference	Amount
General Purpose Tax		\$41,635,027.17
State Share of Senior Citizens and Veterans Deductions	A-7	261,750.00
Added Taxes (54:4-63.1 et seq.)		157,035.18
	Above	\$42,053,812.35

TAX LEVY

Local District School Tax (Abst.)	A-20	\$23,857,489.00
County Taxes (Abstract)	A-19	4,320,480.09
Due County for Added Taxes	A-19	17,140.27
Due County Open Space	A-19	247,235.02
Local Tax for Municipal Purp.	A-2	13,457,554.00
Add: Additional Taxes		153,913.97
Total Tax Levy	Above	\$42,053,812.35

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF OUTSIDE TAX TITLE LIENS

A-9

	<u>Reference</u>	
Balance December 31, 2007	A	\$0.00
Increased by:		
Receipts	A-4	97,835.37
		97,835.37
Decreased by:		
Disbursements	A-4	97,835.37
		97,835.37
Balance December 31, 2008	A	\$0.00

SCHEDULE OF TAX TITLE LIENS-MUNICIPAL

A-10

	<u>Reference</u>	
Balance December 31, 2007	A	\$0.00
Increased by:		
Tax Title Liens receivable-prior years		\$90,328.25
Transferred from 2008 Taxes	A-8	6,764.48
		97,092.73
Balance December 31, 2008	A, Below	\$97,092.73

<u>Block & Lot</u>	
201 / 2	\$4,357.59
403 / 1	20,022.42
703 / 13	5,563.60
707 / 37	17,480.02
906 / 1	32,479.97
906 / 11	17,189.13
	\$97,092.73
	Above

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-11

	<u>Reference</u>	
Balance December 31, 2007	A	\$934,149.00
Decreased by:		
Prior year 2006 foreclosures canceled	<u>Block & Lot</u>	
	201 2	\$6,300.00
	403 1	38,400.00
	703 13	11,200.00
	707 37	35,200.00
	906 1	65,600.00
	906 11	35,200.00
		191,900.00
Balance December 31, 2008	A	\$742,249.00

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-12

	Balance	Accrued in	Collected by		Balance
	December 31, 2007	2008	Treasurer	Collector	December 31, 2008
Township Clerk					
Licenses	\$	\$	\$	\$	\$
Alcoholic Beverages		11,725.00	11,725.00		0.00
Other		25,425.00	25,425.00		0.00
Board of Health					
Fees and Permits		19,930.00	19,930.00		0.00
Registrar					
Licenses		168.00	168.00		0.00
Fees and Permits		4,820.00	4,820.00		0.00
Plumbing Inspector					
Fees and Permits		33,946.00	33,946.00		0.00
Fire Sub-Code Inspector					
Fees and Permits		18,741.00	18,741.00		0.00
Board of Adjustment					
Fees and Permits		4,425.00	4,425.00		0.00
Planning Board					
Fees and Permits		3,205.00	3,205.00		0.00
Fire Safety					
Fees and Permits		50,095.00	50,095.00		0.00
Police Department					
Fees and Permits		882.00	882.00		0.00
Fire Prevention					
Fees and Permits		4,900.00	4,900.00		0.00
Alarms					
Fees and Permits		4,460.00	4,460.00		0.00
Electrical Inspector					
Fees and Permits		28,632.00	28,632.00		0.00
Municipal Court					
Fines and Costs	18,126.97	211,659.10	213,928.83		15,857.24
Interest and Costs on Taxes		71,913.22		71,913.22	0.00
Consolidated Uniform Construction Code Fees		197,694.00	197,694.00		0.00
Tax Search Fees		3,345.72		3,345.72	0.00
Uniform Fire Safety Act		49,548.15	49,548.15		0.00
Road Openings Fees		120.00	120.00		0.00
Building Non-Permit Penalties		3,375.00	3,375.00		0.00
TOTALS	\$18,126.97	\$749,009.19	\$676,019.98	\$75,258.94	\$15,857.24
	A		A-2	A-5	A

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>2007</u> <u>Encumbrances</u>	<u>Modified by</u> <u>Transfers</u>	<u>Paid</u> <u>or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT					
Office of the Mayor					
Salaries and Wages	\$100.32	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	65.89		0.00	0.00	0.00
Township Council					
Salaries and Wages	1.60		1.60	0.00	1.60
Office of the Township Clerk					
Salaries and Wages	1,453.80		3,616.80	3,616.80	0.00
Other Expenses	242.33	130.94	132.94	109.46	23.48
Codification of Ordinance		5,000.00	5,000.00	4,992.21	7.79
Planning Board					
Other Expenses	7.12	3,242.50	3,249.62	0.00	3,249.62
Board of Adjustments					
Other Expenses	27.28		0.00	0.00	0.00
Department of Administration and Finance					
Office of the Business Administrator					
Salaries and Wages	4,842.84		4,019.84	4,019.84	0.00
Salary - Business Administrator	4,324.84		4,324.84	4,324.84	0.00
Other Expenses - Miscellaneous	29.50	530.00	559.50	530.05	29.45
Other Expenses - Telephone		401.70	401.70	0.00	401.70
Other Expenses - Computer Service Contract	87.04		0.00	0.00	0.00
Insurance					
Unemployment Compensation		24,026.52	24,026.52	24,026.52	0.00
Division of Collector					
Office of the Tax Collector					
Salaries and Wages	1,997.51		2,152.51	2,152.51	0.00
Other Expenses	13.98		0.00	0.00	0.00
Office of the Assessor					
Salaries and Wages	2,979.82		2,379.82	2,349.82	30.00
Other Expenses	54.67	48.00	48.00	48.00	0.00
Division of Treasury					
Salaries and Wages	51.17	805.00	2,808.17	2,614.69	193.48
Other Expenses	39.00		0.00	0.00	0.00
Statutory Audit		6,000.00	6,000.00	6,000.00	0.00
Department of Law					
Office of the Township Attorney					
Salaries and Wages	67.00	3,646.50	3,646.50	3,646.50	0.00
Other Expenses		421.76	421.76	71.76	350.00
Municipal Court					
Salaries and Wages	3,239.40		4,642.40	4,642.40	0.00
Other Expenses	235.03	262.50	262.50	262.50	0.00
STREET AND ROADS:					
Department of Public Works					
Division of Engineering					
Salaries and Wages	250.00		0.00	0.00	0.00
Other Expenses	155.55		0.00	0.00	0.00

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	Balance <u>Dec. 31, 2007</u>	2007 <u>Encumbrances</u>	Modified by <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Street Lighting	2,636.98		0.00	0.00	0.00
Division of Buildings and Property					
Salaries and Wages	1,482.88		1,082.88	1,082.88	0.00
Utility Charges	21,936.28		0.00	0.00	0.00
Other Expenses		82.00	82.00	82.00	0.00
Division of Street Services					
Salaries and Wages		6,000.00	26,000.00	24,198.00	1,802.00
Miscellaneous	4.06	416.70	420.76	378.60	42.16
SANITATION:					
Division of Sewers					
Salaries and Wages	2,541.95		3,141.95	3,141.95	0.00
Other Expenses - Miscellaneous	2,349.56	2,832.92	2,832.92	2,154.52	678.40
Garbage and Trash Removal					
Contractual	181.84		181.84	0.00	181.84
Dumping Fees		264.39	264.39	264.39	0.00
DEPARTMENT OF PUBLIC SAFETY:					
Division of Police - Salaries and Wages					
Regular	1,575.00	90.00	90.00	90.00	0.00
Marshall and Crossing Guards	5,936.83		17,477.83	14,130.06	3,347.77
Clerical, Dispatchers, etc.	4,632.17		2,931.19	2,931.19	0.00
Miscellaneous Expense		3,288.18	3,288.18	3,288.18	0.00
Marshalls' Uniforms	131.10		0.00	0.00	0.00
Division of Fire					
Fire Department					
Miscellaneous Other Expenses		16,567.82	16,567.82	16,567.82	0.00
Other Expenses - Clothing Allowance	0.47	6,235.00	6,235.47	6,235.00	0.47
Uniform Fire Safety Code					
Salaries and Wages	3,177.42		3,177.42	3,177.42	(0.00)
Other Expenses	20.00	67.00	87.00	67.00	20.00
DIVISION OF HEALTH, WELFARE, & RECREATION					
Division of Health					
General Health Services					
Other Expenses	3.79	372.00	375.79	372.00	3.79
Dog Regulation					
Other Expenses	19.88		19.88	0.00	19.88
RECREATION, EDUCATION, & SENIOR CITIZENS:					
Division of Recreation					
Salaries and Wages			2,300.00	2,300.00	0.00
Other Expenses					
Miscellaneous Expenses		22,573.75	22,573.75	5,178.75	17,395.00
Senior Citizens Center					
Salaries and Wages	840.31		840.31	840.31	0.00
Other Expenses-Miscellaneous		1,004.60	1,004.60	994.60	10.00
Division of Recreation					
Saddle Brook Seniors		1,000.00	1,000.00	1,000.00	0.00
UNIFORM CONSTRUCTION CODE:					

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF 2007 APPROPRIATION RESERVES

A-13

	Balance <u>Dec. 31, 2007</u>	2007 <u>Encumbrances</u>	Modified by <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
(N.J.S.A.52:27D-120 et seq)					
Construction Code Official					
Salaries and Wages	140.31		4,271.31	3,263.58	1,007.73
Other Expenses	212.30	360.00	572.30	0.00	572.30
Plumbing /Fire Sub-Code Official-Salaries and Wages	422.99		422.99	190.53	232.46
UNCLASSIFIED:					
Field Maintenance	321.32	1,077.00	1,077.00	1,077.00	0.00
SBC TV Equipment	299.10		0.00	0.00	0.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	0.20		0.20	0.00	0.20
OPERATIONS EXCLUDED FROM "CAPS"					
Division of Sewers					
Passaic Valley Sewerage Commission-Contractual	0.85		0.85	0.00	0.85
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	124.24	206,558.05	206,682.29	206,682.29	0.00
Employee Group Insurance	364.77		0.00	0.00	0.00
Other Insurance	27.25		0.00	0.00	0.00
Self Insurance Claims	9,743.57		0.00	0.00	0.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Body Armor Replacement Fund		3,197.46	3,197.46	3,197.46	0.00
Reserve					
Body Armor Replacement Fund		3,197.48	3,197.48	3,197.48	0.00
FEMA Grant		28,399.11	28,399.11	7,310.00	21,089.11
TOTALS	<u>\$ 79,393.11</u>	<u>\$ 348,098.88</u>	<u>\$ 427,491.99</u>	<u>\$ 376,800.91</u>	<u>\$ 50,691.08</u>
Reference	A	A-16		A-4	Below
<u>Analysis of Above</u>					
Canceled FEMA grant encumbrance		E-2			\$ 21,089.11
Unexpended Balance of Appropriation Reserves		A-1			<u>29,601.97</u>
		Above			<u>\$ 50,691.08</u>

TOWNSHIP OF SADDLE BROOK
 CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF SPECIAL RESERVES - AMBULANCE/FIREMEN PENSION

A-14

	<u>Reference</u>	
Balance December 31, 2007	A	<u>\$37,050.00</u>
Balance December 31, 2008	A	<u>\$37,050.00</u>

SCHEDULE OF SPECIAL RESERVE FOR EMPLOYEE SICK LEAVE

A-15

	<u>Reference</u>	
Balance December 31, 2007	A	<u>\$30,842.73</u>
Balance December 31, 2008	A	<u>\$30,842.73</u>

SCHEDULE OF ENCUMBRANCES PAYABLE

A-16

	<u>Reference</u>	
Balance December 31, 2007	A	\$348,098.88
Increased by:		
Charges to 2008 Appropriations	A-3	<u>54,497.63</u> 402,596.51
Decreased by:		
Payments	A-13	<u>348,098.88</u>
Balance December 31, 2008	A	<u>\$54,497.63</u>

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF PREPAID TAXES

A-17

	<u>Reference</u>	
Balance December 31, 2007	A	\$188,344.20
Increased by:		
Collection of 2009 Taxes	A-4,5	164,605.18
		<u>352,949.38</u>
Decreased by:		
Application to 2008 Taxes Receivable	A-8	188,344.20
		<u>188,344.20</u>
Balance December 31, 2008	A	<u>\$164,605.18</u>

SCHEDULE OF TAX OVERPAYMENTS

A-18

	<u>Reference</u>	
Balance December 31, 2007	A	\$5,480.53
Increased by:		
Cash Receipts	A-4,5	\$36,759.71
Prior Year Judgments	A-1	252,537.76
		<u>289,297.47</u>
		<u>294,778.00</u>
Decreased by:		
Tax Overpayments Refunded	A-4	261,436.65
Applied to 2008 Taxes	A-8	4,980.53
		<u>266,417.18</u>
Balance December 31, 2008	A	<u>\$28,360.82</u>

SCHEDULE OF COUNTY TAXES PAYABLE

A-19

	<u>Reference</u>	
Balance December 31, 2007	A	\$14,471.87
Increased by:		
County Tax	A-1,2,8	\$4,320,480.09
Due County for Added and Omitted Taxes	A-1,2,8	17,140.27
Due County - Open Space	A-1,2,8	247,235.02
Canceled/Adjustment	A-1	44.00
		<u>4,584,899.38</u>
		<u>4,599,371.25</u>
Decreased by:		
Payments	A-4	4,582,230.98
		<u>4,582,230.98</u>
Balance December 31, 2008	A	<u>\$17,140.27</u>

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO / (FROM) BOARD OF EDUCATION

	<u>Reference</u>	Local District School Tax
Balance December 31, 2007	A	\$37,948.23
Increased by:		
2008 Levy	A-1,2,8	<u>23,857,489.00</u>
		23,895,437.23
Decreased by:		
Payments	A-4	<u>23,905,401.00</u>
Balance December 31, 2008	A	<u><u>(\$9,963.77)</u></u>

SCHEDULE OF HOMELAND SECURITY GRANT RECEIVABLE

	<u>Reference</u>	
Balance December 31, 2007	A	\$70,000.00
Decreased by:		
Receipts	A-4	<u>70,000.00</u>
Balance December 31, 2008	A	<u><u>\$0.00</u></u>

SCHEDULE OF FEES PAYABLE

	<u>Balance December 31, 2007</u>	<u>Fees Collected</u>	<u>Payments</u>	<u>Cancelled</u>	<u>Balance December 31, 2008</u>
Due State of New Jersey					
State Training Fees	\$3,136.34	\$16,453.00	\$17,293.00	\$522.34	\$1,774.00
Marriage License	1,425.00	1,400.00	2,250.00	300.00	275.00
Death Certificates	890.00	5,000.00	4,780.00		1,110.00
	<u>\$5,451.34</u>	<u>\$22,853.00</u>	<u>\$24,323.00</u>	<u>\$822.34</u>	<u>\$3,159.00</u>
	A	A-4	A-4	A-1	A

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR PREPARATION OF A MASTER PLAN

A-23

	<u>Reference</u>	
Balance December 31, 2007	A	<u>\$628.00</u>
Balance December 31, 2008	A	<u><u>\$628.00</u></u>

SCHEDULE OF RESERVE FOR LIBRARY STATE AID EXPENDITURES

A-24

	<u>Reference</u>	
Balance December 31, 2007	A	\$153,833.11
Decreased by:		
Expenditures	A-4	<u>103,180.09</u>
Balance December 31, 2008	A	<u><u>\$50,653.02</u></u>

SCHEDULE OF RESERVE FOR FEMA - FIRE DEPARTMENT GRANT

A-25

	<u>Reference</u>	
Balance December 31, 2007	A	<u>\$3,617.97</u>
Balance December 31, 2008	A	<u><u>\$3,617.97</u></u>

TOWNSHIP OF SADDLE BROOK
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DEFERRED CHARGES

A-26

	Balance Dec. 31, 2007	Amount Resulting From Operations	Transferred to General Capital Fund	Raised In Budget	Balance Dec. 31, 2008
Overexpenditure of Appropriations	\$74.22	\$	\$	\$74.22	\$0.00
Special Emergency - Revaluation	335,000.00		335,000.00		0.00
Emergency Authorization - Municipal		257,730.00			257,730.00
	<u>\$335,074.22</u>	<u>\$257,730.00</u>	<u>\$335,000.00</u>	<u>\$74.22</u>	<u>\$257,730.00</u>
Reference	A	A-13,27	C-8	A-3	A

SCHEDULE OF RESERVE FOR REVALUATION

A-27

	<u>Reference</u>	
Balance December 31, 2007	A	\$410,000.00
Decreased by:		
Move Reserve to General Capital Fund	C-8	<u>410,000.00</u>
Balance December 31, 2008	A	<u>\$0.00</u>

SCHEDULE OF RESERVE FOR SEWER USER FEES

A-28

	<u>Reference</u>	
Balance December 31, 2007	A	\$0.00
Increased by:		
Receipts	A-4	<u>158,276.83</u>
Balance December 31, 2008	A	<u>\$158,276.83</u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND

SCHEDULE OF CASH - TRUST FUND

B-1

	<u>Reference</u>	<u>Self Insurance</u>	<u>Unemployment</u>	<u>Animal License</u>	<u>Other Trust Funds</u>
Balance December 31, 2007	B	(\$279,872.25)	\$8,961.69	\$36,916.67	\$2,132,333.19
Increased by:					
Budget Appropriation	B-3	2,158,914.29	70,000.00		
2007 Budget Appropriation Reserve	B-4		24,026.52		
Interest on Investments	B-3,4,10,11	874.83	97.50	395.76	5,702.63
Insurance bills paid in Current	B-2	136,210.56			
Due from Current Fund - Payroll	A-4,B-11				69,102.91
Interfund-Due from Payroll Agency Account	B-6		17,064.25		
Interfund-transfer from Payroll Agency Account	Contra		20,093.97		
Transfer from Payroll Account	B-25		11,192.88		
Cat License Fees Collected	B-10			176.20	
Dog License Official Fees Collected	B-10			3,770.80	
Due State of NJ - Dog License Fees Payable	B-8			1,056.00	
Late Fees	B-10			325.00	
Employee Payroll Deductions/Payroll Payable	B-16				9,897,668.21
Reserve for POAA	B-15				388.00
Special Reserves and Trust Fund Deposits	B-17				356,253.37
Police Outside Overtime Escrow	B-20				153,078.11
Community Projects/Town Picnic	B-14				0.24
Due to Capital Fund-CDBG	Contra				406,103.79
Transfer from Water Operating Fund -Payroll Account	B-21				97,738.98
Transfer from Unemployment - Payroll Agency	Contra				20,093.97
NJ-SUI refunds in Payroll-Due to Unemployment Fund	B-16				9,309.07
Tax Sale Premium	B-19				800.00
		<u>2,295,999.68</u>	<u>142,475.12</u>	<u>5,723.76</u>	<u>11,016,239.28</u>
		<u>2,016,127.43</u>	<u>151,436.81</u>	<u>42,640.43</u>	<u>13,148,572.47</u>
Decreased by:					
Self-Insurance Expenditures	B-3	2,004,018.42			
Interfund-transfer to Payroll Agency Account	Contra		20,093.97		
Dog License Expenditures	B-10			447.00	
To State of NJ - Dog License Fees Payable	B-8			1,065.60	
Employee Payroll Deductions Payable	B-16				9,997,007.26
Community Projects/Town Picnic	B-14				
Special Reserves and Trust Fund Deposits	B-17				334,963.51
Reserves for Tax Sale Premium-TTL Redemption	B-19				19,000.00
Due to Capital Fund-CDBG	Contra				406,103.79
Interfund Transfer to Unemployment - Payroll Agency	B-6				17,064.25
Transfer to Unemployment - Payroll Agency	Contra				20,093.97
Bank Charges	B-4		17.78		
Transfer to Current Fund-Interest	B-11				5,909.96
Due to Current Fund - Payroll	A-4, B-11				1,181.22
Transfer to Current Fund-Budget Offset	B-3		9,508.86		
Due to Current Fund - Payroll Agency	A-4, B-11				226,739.06
Transfer to Unemployment Trust Fund-Payroll	B-25				11,192.88
To State of NJ - Unemployment Fund	B-4		96,101.83		
Police Outside Overtime Escrow	B-20				149,146.33
		<u>2,004,018.42</u>	<u>125,722.44</u>	<u>1,512.60</u>	<u>11,188,402.23</u>
Balance December 31, 2008	B	<u>\$12,109.01</u>	<u>\$25,714.37</u>	<u>\$41,127.83</u>	<u>\$1,960,170.24</u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM CURRENT FUND
SELF-INSURANCE TRUST FUND

B-2

	<u>Reference</u>		
Balance December 31, 2007	B		\$41,644.51
Increased by:			
2008 Budget Appropriation - Deficit raised in Budget	B-3		251,144.00
			<u>292,788.51</u>
Decreased by:			
Health Claims Paid By Current Fund	B-1,3	\$136,210.56	
Health Claims Paid By Current Fund	B-3	<u>114,933.44</u>	
	A-4		<u>251,144.00</u>
Balance December 31, 2008	B		<u><u>\$41,644.51</u></u>

SCHEDULE OF RESERVE / (DEFICIT) FOR SELF-INSURANCE-HEALTH INSURANCE

B-3

	<u>Reference</u>		
Balance December 31, 2007	B		(\$251,143.74)
Increased by:			
Budget Appropriation	B-1	\$2,158,914.29	
Health Claims Paid By Current	B-2	136,210.56	
Health Claims Paid By Current	B-2	114,933.44	
Interest on Investments	B-1	<u>874.83</u>	
			<u>2,410,933.12</u>
			2,159,789.38
Decreased by:			
Self-Insurance Expenditures	B-1	2,004,018.42	
Health Claims Paid By Current	B-2	<u>114,933.44</u>	
			<u>2,118,951.86</u>
Balance December 31, 2008	B		<u><u>\$40,837.52</u></u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE-EXPENDITURES

B-4

	<u>Reference</u>		
Balance December 31, 2007	B		\$18,935.87
Increased by:			
2008 Budget Approp.-Transfer from Current Fund	B-1	\$70,000.00	
2007 Approp. Reserves-Transfer from Current Fund	B-1	24,026.52	
Interest Income	B-1	97.50	
NJ-SUI refunds due from Payroll Account	B-25	12,127.00	
NJ-SUI refunds due from Payroll Agency Account	B-6	6,462.33	
		<hr/>	
			112,713.35
			<hr/>
			131,649.22
Decreased by:			
State of New Jersey Unemployment Fund	B-1	96,101.83	
2008 Budget funds returned to Current Fund-unused	B-1	9,508.86	
Bank Charges	B-1	17.78	
		<hr/>	
			105,628.47
			<hr/>
			105,628.47
Balance December 31, 2008	B		<u><u>\$26,020.75</u></u>

SCHEDULE OF DUE TO WATER OPERATING FUND
UNEMPLOYMENT INSURANCE TRUST FUND

B-5

	<u>Reference</u>		
Balance December 31, 2007	B		<u>\$5,000.00</u>
Balance December 31, 2008	B		<u><u>\$5,000.00</u></u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM PAYROLL AGENCY ACCOUNT
UNEMPLOYMENT INSURANCE TRUST FUND

B-6

	<u>Reference</u>	
Balance December 31, 2007	B	\$17,064.25
Increased by:		
Prior year refunds received for NJ-SUI from ADP	B-4,16	6,462.33
		23,526.58
Decreased by:		
Receipt	B-1	17,064.25
		\$6,462.33
Balance December 31, 2008	B	\$6,462.33

SCHEDULE OF PREPAID ANIMAL LICENSE FEES
ANIMAL LICENSE FUND

B-7

	<u>Reference</u>	
Balance December 31, 2007	B	\$2.40
Decreased by:		
Due to State of NJ-License Fees Payable	B-8	2.40
		\$0.00
Balance December 31, 2008	B	\$0.00

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO / (FROM) STATE OF NEW JERSEY
ANIMAL LICENSE FUND

B-8

	<u>Reference</u>	
Balance December 31, 2007	B	\$ 3.00
Increased by:		
Due to State of NJ-Dog License Fees Payable	B-1	\$1,056.00
Due to State of NJ-Prepaid 2008 Dog License Fees	B-7	<u>2.40</u>
		<u>1,058.40</u>
		1,061.40
Decreased by:		
Disbursements	B-1	<u>1,065.60</u>
Balance December 31, 2008	B	<u>\$ (4.20)</u>

SCHEDULE OF DUE TO CURRENT FUND
ANIMAL LICENSE FUND

B-9

	<u>Reference</u>	
Balance December 31, 2007	B	\$28,110.27
Increased by:		
Excess of Reserve for Dog License Expenditure	A-1,B-10	<u>4,803.96</u>
Balance December 31, 2008	B	<u>\$32,914.23</u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR ANIMAL FUND EXPENDITURES

B-10

	<u>Reference</u>		
Balance December 31, 2007	B		\$8,801.00
Increased by:			
Cat License Fees Collected	B-1	\$176.20	
Dog License Fees Collected	B-1	3,770.80	
Interest Income	B-1	395.76	
Late Fee/ Replacement Fee	B-1	325.00	
			4,667.76
			13,468.76
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	447.00	
Excess of Reserve for Dog License Expenditures	B-9	4,803.96	
			5,250.96
Balance December 31, 2008	B		\$8,217.80

License Fees Collected

2006	\$4,221.60
2007	3,996.20
	\$8,217.80

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO CURRENT FUND
OTHER TRUST FUNDS

B-11

	<u>Reference</u>	
Balance December 31, 2007	B	\$177,405.54
Increased by:		
Interfund -Loan from Current Fund	Contra	\$30,000.00
Transfer from Current Fund-Payroll	B-1	69,102.91
Interest Due to Current Fund	B-1	<u>5,702.63</u>
		<u>104,805.54</u>
		282,211.08
Decreased by:		
Transfer to Current Fund - Interest	B-1	5,909.96
Due to Current Fund-Payroll Agency	B-1	226,739.06
Due to Current Fund-Payroll	B-1	1,181.22
Interfund-Return Loan to Current Fund	Contra	<u>30,000.00</u>
		<u>263,830.24</u>
Balance December 31, 2008	B, Below	<u><u>\$18,380.84</u></u>

Analysis of Balance:

Due from Current Fund to Community Youth Center	(\$36.00)
Due to Current Fund from Escrow Management	1,052.01
Due to Current Fund from Treasurer's Trust	18,530.61
Due to Current Fund from Public Defender Trust	181.02
Due to Current Fund from Pistol Range Trust	493.54
Due from Current Fund to Disaster Relief Fund	(1,961.51)
Due to Current Fund from Payroll Agency	392.70
Due to Current Fund to Payroll Account	465.69
Due from Current Fund to Outside Police Overtime Trust	<u>(737.22)</u>

B, Above \$18,380.84

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF WTC RELIEF FUND

B-12

	<u>Reference</u>	
Balance December 31, 2007	B	<u>\$501.35</u>
Balance December 31, 2008	B	<u><u>\$501.35</u></u>

SCHEDULE OF ESCROW DEPOSITS
OTHER TRUST FUND

B-13

	<u>Reference</u>	
Balance December 31, 2007	B	<u>\$66,740.26</u>
Balance December 31, 2008	B	<u><u>\$66,740.26</u></u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF COMMUNITY PROJECTS / TOWN PICNIC

B-14

	<u>Reference</u>	
Balance December 31, 2007	B	\$1,550.54
Increased by:		
Receipts-interest income	B-1	0.24
Balance December 31, 2008	B	\$1,550.78

SCHEDULE OF RESERVE FOR POAA

B-15

	<u>Reference</u>	
Balance December 31, 2007	B	\$4,594.00
Increased by:		
Deposits from Municipal Court	B-1	388.00
Balance December 31, 2008	B	\$4,982.00

SCHEDULE OF PAYROLL DEDUCTIONS / PAYROLL PAYABLE

B-16

	<u>Reference</u>	
Balance December 31, 2007	B	\$152,773.89
Increased by:		
Employee Payroll Deductions / Payroll Payable	B-1	\$9,897,668.21
NJ-SUI refunds received in Payroll Account	B-1	9,309.07
		9,906,977.28
		10,059,751.17
Decreased by:		
Payroll Deductions Payable	B-1	9,997,007.26
Due to Unemployment Fund-Payroll NJ-SUI refunds	B-25	12,127.00
Due to Unemployment Fund-Payroll Agency NJ-SUI refunds	B-6	6,462.33
		10,015,596.59
Balance December 31, 2008	B	\$44,154.58

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF SPECIAL RESERVES AND TRUST FUND DEPOSITS

B-17

	<u>Balance</u> <u>December 31, 2007</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Expenditures</u>	<u>Due from</u> <u>Grant</u> <u>Fund</u>	<u>Due from Criminal</u> <u>Dis. & Review</u> <u>Collection Fund</u>	<u>Balance</u> <u>December 31, 2008</u>
Reserve Public Defender	\$0.00	\$1,230.00	\$7,875.00		\$8,520.00	\$1,875.00
Reserve Community Youth Center	95,298.83	1,317.71				96,616.54
Reserve Police Pistol Range	2,120.38					2,120.38
Special Escrow Management Account	419,949.82	270,766.94	262,939.19			427,777.57
Disaster Relief Fund	2,957.30					2,957.30
Senior Center	1,500.23	1,413.87	1,406.58			1,507.52
Support Our Troops	556.63					556.63
Fire Safety Dedicated - Penalty	1,132.28	20.95				1,153.23
Mount Laurel	1,179,707.18	31,833.04				1,211,540.22
Shade Tree Commission	5,956.35	110.24				6,066.59
Reserve Police Department Trust	37,097.58	38,234.25	51,332.94	11,775.28		35,774.17
American Cancer Society	84.43	11,326.37	11,409.80			1.00
	<u>\$1,746,361.01</u>	<u>\$356,253.37</u>	<u>\$334,963.51</u>	<u>\$11,775.28</u>	<u>\$8,520.00</u>	<u>\$1,787,946.15</u>
	B	B-1	B-1	B	B-18	B

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO (VCCB) VICTIM OF CRIMES COMPENSATION BOARD

(Criminal Disposition - Review Collection Fund)

B-18

	<u>Reference</u>	
Balance December 31, 2007	B	\$19,649.44
Decreased by:		
Reserve for Public Defender shortage	B-17	<u>8,520.00</u>
Balance December 31, 2008	B	<u><u>\$11,129.44</u></u>

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM

B-19

	<u>Reference</u>	
Balance December 31, 2007	B	\$19,600.00
Increased by:		
Cash Receipts	B-1	<u>800.00</u>
		20,400.00
Decreased by:		
Cash Disbursements-TTL Redemption	B-1	<u>19,000.00</u>
Balance December 31, 2008	B	<u><u>\$1,400.00</u></u>

SCHEDULE OF RESERVE FOR POLICE OUTSIDE OVERTIME ESCROW

B-20

	<u>Reference</u>	
Balance December 31, 2007	B	\$25,921.96
Increased by:		
Receipts	B-1	<u>153,078.11</u>
Decreased by:		
Disbursements	B-1	<u>149,146.33</u>
Balance December 31, 2008	B	<u><u>\$29,853.74</u></u>

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM WATER OPERATING FUND
PAYROLL ACCOUNT

B-21

	<u>Reference</u>	
Balance December 31, 2007	B	\$97,738.98
Decreased by:		
Interfund transfer	B-1	97,738.98
Balance December 31, 2008	B	\$0.00

SCHEDULE OF DUE FROM PAYROLL ACCOUNT
PAYROLL AGENCY

B-22

	<u>Reference</u>	
Balance December 31, 2007	B	\$196,002.28
Increased by:		
Transfer to Payroll Account	B-23	\$42,337.73
Due from Payroll Account	B-23	5,705.60
		48,043.33
Decreased by:		244,045.61
Transfer from Payroll Account	B-23	244,045.61
Balance December 31, 2008	B	\$0.00

SCHEDULE OF DUE TO PAYROLL AGENCY
PAYROLL ACCOUNT

B-23

	<u>Reference</u>	
Balance December 31, 2007	B	\$196,002.28
Increased by:		
Transfer from Payroll Agency	B-22	\$42,337.73
Due to Payroll Agency	B-22	5,705.60
		48,043.33
Decreased by:		244,045.61
Transfer to Payroll Agency	B-22	244,045.61
Balance December 31, 2008	B	\$0.00

TOWNSHIP OF SADDLE BROOK
TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO TREASURER'S TRUST
UNEMPLOYMENT INSURANCE TRUST FUND

B-24

	<u>Reference</u>	
Balance December 31, 2007	B	\$2,090.07
		<hr/>
Balance December 31, 2008	B	<u>\$2,090.07</u>

SCHEDULE OF DUE FROM PAYROLL ACCOUNT
UNEMPLOYMENT INSURANCE TRUST FUND

B-25

	<u>Reference</u>	
Balance December 31, 2007	B	\$0.00
Increased by:		
NJ-SUI refunds due from Payroll Account	B-4, 16	<u>12,127.00</u>
		12,127.00
Decreased by:		
Transfers from Payroll account	B-1	<u>11,192.88</u>
Balance December 31, 2008	B	<u>\$934.12</u>

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH - TREASURER

C-2

	<u>Reference</u>		
Balance December 31, 2007	C,C-3		\$770,297.30
Increased by:			
Interest on Investments	C-8	7,397.45	
Transfer From Current Fund-Budget Appropriation	C-8	150,000.00	
Transfer From Current Fund-Interfund Loan	Contra	800,000.00	
Transfer From Current Fund-CIF	C-10	75,000.00	
Grants Receivable	C-5	591,060.65	
BC Open Space Grant Received - Ord. #1355	C-11	250,000.00	
NJ Environmental Infrastructure Loan Receivable	C-21	899,356.00	
Transfer from Current Fund - Revaluation	C-23	84,000.00	
Improvement Authorizations refunds	C-9	17,886.14	
BANS-Rollover	Contra	1,565,500.00	
BANS-New	C-14	859,750.00	
	C-3		<u>5,299,950.24</u>
			6,070,247.54
Decreased by:			
Improvement Authorizations	C-9	1,479,268.39	
Encumbrances Payable	C-18	704,905.52	
Transfer to Current Fund-Interfund Loan Return	Contra	800,000.00	
Transfer to Current Fund-Interest	C-8	7,397.45	
Transfer to Current Fund-Interfund	C-8	3,212.88	
Payment of BANS	Contra	1,565,500.00	
Reserve for Revaluation	C-24	298,525.35	
	C-3		<u>4,858,809.59</u>
Balance December 31, 2008	C,C-3		<u><u>\$1,211,437.95</u></u>

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

C-3

	Balance		Receipts	Disbursements	Transfer To/(From)	Balance Dec. 31, 2008
	Dec. 31, 2007					
Bond Anticipation Notes Issued	\$0.00	\$2,425,250.00		\$1,565,500.00	(\$859,750.00)	\$ 0.00
Fund Balance	19,965.59				(15,000.00)	4,965.59
Capital Improvement Fund	71,756.71	75,000.00			(11,250.00)	135,506.71
Due from Current Fund	(758,844.81)	957,397.45		810,610.33	177,769.19	(434,288.50)
Premium on BANS	134,236.24				(134,236.24)	0.00
Accrued Interest BANS	111,817.54				(111,817.54)	0.00
Grants Receivable	(1,618,022.21)	591,060.65			(150,000.00)	(1,176,961.56)
Reserve for Grants Receivable	37,500.00				(37,500.00)	0.00
Due From Water Capital Fund	(7,168.31)					(7,168.31)
Due To Water Operating Fund	1,065.82					1,065.82
Reserve for Payment of BANS	595,157.95	250,000.00			30,784.59	875,942.54
NJ Environmental Infrastructure Loan Receivable	0.00	899,356.00			(2,023,154.00)	(1,123,798.00)
Special Emergency-Revaluation	0.00	84,000.00			(335,000.00)	(251,000.00)
Reserve for Revaluation	0.00			298,525.35	410,000.00	111,474.65
Reserve for Mount Laurel Development	100,000.00					100,000.00
Encumbrances Payable	851,835.12			704,905.52	1,257,161.11	1,404,090.71
Bond Anticipation Note Issued - Duplicate (Ord.#1375)					152,000.00	152,000.00
Improvement Authorizations:						
<u>Ord. #</u>	<u>Improvement Description</u>					
1156/1282	Restoration of Various Recreation Fields	14,790.94		147.06		14,643.88
1175	Barrier Free Curbs	9,888.56		147.06		9,741.50
1179	Renovation of Police Station & Acq. of Play Ground					
	Equipment for Mayhill Street Park	364,376.81		147.06		364,229.75
1187	Acq. Real Property & New Equipment	2,012.50		529.11		1,483.39
1188/1283	Various Improv. Fifth St. Park & Barrier Free Improv. Municipal Bldg.	1,097.32		147.06		950.26
1206/1229	Installation of Burglar & Fire Alarm Systems	2,831.43		147.06		2,684.37
1212	Phase I Improvements to Schepis Avenue	38,178.10		147.06		38,031.04
1217/1266	Acq. & Improvements of Real Property	4,370.23		1,828.57		2,541.66
1228	Phase II Impr. to Schepis Avenue	92,057.38		147.07		91,910.31
1234	Acq. New, Add., Repl. Equip. and Machinery & Automotive Vehicles	29,433.76		4,843.54	(7,647.60)	16,942.62

(Continued on Next Page)

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

C-3

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

<u>Improvement Description</u>	<u>Dec. 31, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfer To/(From)</u>	<u>Dec. 31, 2008</u>
1246 Acq. Property for Police Department	\$ 3,891.07	\$ -	\$ 147.07		\$ 3,744.00
1253 Acq. New Pumper Fire Engine	70.65		70.65		0.00
1263 Various Public Improvements	295,925.92		147.07		295,778.85
1264/1289/131: HS Athletic Field	7,726.33		147.07		7,579.26
1270 Reconstruction of Presidents Street	28,335.75		147.07		28,188.68
1286/1296/134: Reconstruction of New Police Dept. Headquarters	55,380.99		147.07	100.00	55,333.92
1288 Various Sanitary Sewer System Imp. & Acq. of Sewer/Water Lines	511.99		382.05		129.94
1317 Various Equipment Purchases	46,849.03		3,894.94		42,954.09
1318 Sewer and Water Extensions	135,336.14		115,130.98		20,205.16
1319 2004 Road and Drainage Improvement Program	9,400.00		7,670.00		1,730.00
1325 Acquisition of Pumper Fire Truck	1,563.79		147.06		1,416.73
1341 Sewer System Upgrade Study and Repairs	27,417.75		24,912.83		2,504.92
1350 Various Improvements	2,306.90		659.34		1,647.56
1351 Construction Sidewalks-Midland Ave.	38,444.07	8,662.00	3,947.06		34,497.01
1354 Purchase Land for DPW	0.00				8,662.00
1355 Improvement to Sampson St. Recreation Fields	201,025.03	6,572.50	177,275.38	(495.00)	29,827.15
1375 Police Dept. Computers & Equipment	50,042.88		147.06	(14,118.00)	35,777.82
1381/1391 Improvements to Buildings & Facilities	3,153.36		147.06		3,006.30
1382 Vehicles & Equipment for Fire Dept. & DPW	23,437.58		8,729.29		14,708.29
1385 Sewage Pump Station on Mayhill St. & N. 5th St.	(239,633.21)		910,662.37		(165,252.26)
1394 Road Improvement Program 2006	29,574.55		12,117.75		11,160.89
1415 Road Improvement Program - Oxford Avenue	57,336.06	2,651.64	382.05	(6,295.91)	130,157.43
1424 Purchase and Improvements of Land	(212,136.00)		48,545.48	380,000.00	119,318.52
1426 Sewer Repair Work at Market Street	6,000.00		103,828.34	114,000.00	16,171.66
1429 Renovation & Expansion of SB Library	100,000.00		2,303.31		97,696.69
1440 Improvement to Township Property-Rosol Lane			15,000.00	15,000.00	0.00
1441 Oxford Ave Road and Drainage Improvements-Phase II			34,349.39	113,854.30	79,504.91
	<u>\$770,297.30</u>	<u>\$5,299,950.24</u>	<u>\$4,858,809.59</u>	<u>\$0.00</u>	<u>\$1,211,437.95</u>
Reference	C,C-2	C-2	C-2		C,C-2

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE (TO)/FROM WATER UTILITY CAPITAL FUND

C-4

	<u>Reference</u>	
Balance December 31, 2007	C	\$7,168.31
Balance December 31, 2008	C	\$7,168.31

SCHEDULE OF GRANTS RECEIVABLE / REIMBURSEMENTS

C-5

	<u>Reference</u>	
Balance December 31, 2007		
Grant Receivable With Full Reserves	C	\$37,500.00
Grant Receivable Without Reserves	C	1,580,522.21
		\$1,618,022.21
Increased By Grants Awarded:		
NJDOT - Road Improv. Oxford Ave Phase II-Ord. #1441	C-16	150,000.00
		1,768,022.21
Decreased By:		
Grants Without Offsetting Reserves Received in Cash		553,560.65
Grants With Offsetting Reserves Received in Cash-Ord.#1330	C-12	37,500.00
Total Grants Receipts	C-2	591,060.65
Balance December 31, 2008	Below	\$1,176,961.56
Grant Receivable With Full Reserves	C	\$0.00
Grant Receivable Without Reserves	C	1,176,961.56
	Above	\$1,176,961.56

Analysis of Balance

<u>Name</u>	<u>Ord. No.</u>	
State of NJ Dep. of Transportation	1212	\$ 25,381.15
State of NJ Dep. of Transportation	1228	63,273.11
State of NJ Dep. of Transportation	1263	338,734.01
Community Development Grant	1270	106,398.65
State of NJ Dep. of Community Affairs	1286/1296	375,000.00
Community Development Grant	1318	85,896.21
State of NJ Dep. of Transportation	1319	11,555.29
Community Development Grant	1330	130,680.00
State of NJ Dept. of Transportation	1415	2,543.14
State of NJ Dept. of Transportation	1441	37,500.00
	Above	\$1,176,961.56

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-6

	<u>Reference</u>	
Balance December 31, 2007	C	\$21,107,191.49
Increased by:		
NJ Environmental Infrastructure Trust Loan	C-7	2,023,154.00
		23,130,345.49
Decreased by:		
2008 Budget Appropriation to Pay Bonds	C-15	666,432.72
Balance December 31, 2008	C	\$22,463,912.77

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

finish after exhibit 9

C-7

Ord. #	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Capital Improvement Fund	Grants	NJ Environmental Infrastructure Trust Loan	Funded by Capital Surplus	Balance Dec. 31, 2008	Analysis of Balance - Dec. 31, 2008	
									Expenditures	Unexpended Improvement Authorizations
1355/1378	Improvement to Sampson St. Recreation Fields (Veterans Park)	\$ 434,750.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,750.00	\$ 404,922.85	\$ 29,827.15
1375	Police Dept. Computers & Equipment	152,000.00						152,000.00	116,222.18	35,777.82
1381/1391	Improvements to Buildings & Facilities	356,250.00						356,250.00	353,243.70	3,006.30
1382	Vehicles & Equipment for Fire Dept. & DPW	213,750.00						213,750.00	199,041.71	14,708.29
1385	Sewerage Pump Station on Mayhill St. & N. 5th St.	2,300,000.00				2,023,154.00		276,846.00	165,252.26	111,593.74
1394	Road Improvement Program 2006	408,750.00						408,750.00	397,589.11	11,160.89
1424	Purchase and Improvement of Land	380,000.00						380,000.00	260,681.48	119,318.52
1426	Sewer Repair Work at Market Street	114,000.00						114,000.00	97,828.34	16,171.66
1429	Renovation & Expansion of SB Library	1,900,000.00	15,000.00					1,900,000.00	-	1,900,000.00
1440	Improvement to Township Property-Rossol Lane		375,000.00	11,250.00	150,000.00		15,000.00	0.00		
1441	Oxford Ave. Road and Drainage Improvements-Phase II							213,750.00	134,245.09	79,504.91
		<u>\$ 6,259,500.00</u>	<u>\$ 390,000.00</u>	<u>\$ 11,250.00</u>	<u>\$ 150,000.00</u>	<u>\$ 2,023,154.00</u>	<u>\$ 15,000.00</u>	<u>\$ 4,450,096.00</u>	<u>\$ 2,129,026.72</u>	<u>\$ 2,321,069.28</u>
		C	C-9	C-10,16	C-16	C-6,16	C-16	C		C-9

Reference

CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM CURRENT FUND

C-8

	<u>Reference</u>		
Balance December 31, 2007	C		\$758,844.81
Increased by:			
Transfer of Interest	C-2	\$7,397.45	
Due to Current Fund-Interfund	A-4,C-2	3,212.88	
Reserve for Revaluation-move from Current Fund	A-27,C-24	410,000.00	
		<hr/>	420,610.33
			<hr/> 1,179,455.14
Decreased by:			
Interest Earned on Investments	C-2	7,397.45	
Revaluation Deferred Charge-move from Current Fund	A-26,C-23	335,000.00	
Reserve for Premium on BAN-Anticipated Revenue	A-2,C-17	134,236.24	
Reserve for Accrued Interest-Anticipated Revenue	A-2,C-19	111,817.54	
Reserve for Payment of BAN-Anticipated Revenue	A-2,C-11	6,715.41	
Due to Current Fund-Anticipated Revenue	C-2	150,000.00	
		<hr/>	745,166.64
			<hr/> \$434,288.50
Balance December 31, 2008	C		<hr/> <hr/>

CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Improvement Description	Balance December 31, 2007		Year 2008 Authorizations	Refunds	Prior Year Encumbrance Cancelled	Balance December 31, 2008	
		Funded	Unfunded				Funded	Unfunded
1156/1282/1334	Restoration of Various Recreation Fields at Avon Park	\$ 14,790.94	\$ -	\$ -	\$ -	\$ -	\$ 14,643.88	\$ -
1175	Barrier Free Curbs	9,888.56	-	-	147.06	-	9,741.50	-
1179	Renov. Police Stat'n & Acq. Playground Equip. for Mayhill St. Park	364,376.81	-	-	147.06	-	364,229.75	-
1187	Acq. Real Property & New Equipment	2,012.50	-	-	529.11	-	1,483.39	-
1188/1283	Various Imp. Fifth St. Park & Barrier Free Imp. Municipal Building	1,097.32	-	-	147.06	-	950.26	-
1206/1229	Installation of Burglar and Fire Alarm Systems	2,831.43	-	-	147.06	-	2,684.37	-
1212	Phase I Improvement to Schepis Avenue	38,178.10	-	-	147.06	-	38,031.04	-
1217/1266/1301/1316	Acquisition & Improvement of Real Property	4,370.23	-	-	1,828.57	-	2,541.66	-
1228	Phase II Improvement to Schepis Avenue	92,057.38	-	-	147.07	-	91,910.31	-
1234	Acq. New Add, Repl. Equip. Machinery & Automotive Veh.	29,433.76	-	-	12,491.14	-	16,942.62	-
1246	Acq. Property for Police Department	3,891.07	-	-	147.07	-	3,744.00	-
1253	Acq. New Pumper Fire Engine	70.65	-	-	70.65	-	0.00	-
1263	Various Public Improvements	295,925.92	-	-	147.07	-	295,778.85	-
1264/1289/1313	Construction of Recreation Fields	7,726.33	-	-	147.07	-	7,579.26	-
1270	Reconstruction of President Street	28,335.75	-	-	147.07	-	28,188.68	-
1286/1296/1330/1348	Police Department Headquarters	55,380.99	-	-	147.07	100.00	55,333.92	-
1288	Var. Sanitary Sewer Sys. Imp. & Acq. of Camera/Vehicle	511.99	-	-	382.05	-	129.94	-
1317	Various Equipment Purchases	46,849.03	-	-	3,894.94	-	42,954.09	-
1318	Sewer and Water Extensions	135,336.14	-	-	115,130.98	-	20,205.16	-
1319	2004 Road and Drainage Improvement Program	9,400.00	-	-	7,670.00	-	1,730.00	-

CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Improvement Description	Balance December 31, 2007		Year 2008 Authorizations	Expended	Refunds	Prior Year Encumbrance Cancelled	Balance December 31, 2008	
		Funded	Unfunded					Funded	Unfunded
1325	Acquisition of Pumper Fire Truck	\$ 1,563.79	\$ -	\$ -	\$ 147.06	\$ -	\$ -	\$ 1,416.73	\$ -
1341/1416	Sewer System Upgrade Study and Repairs	27,417.75			24,912.83			2,504.92	
1350	Various Improvements	2,306.90			659.34			1,647.56	
1351	Construction Sidewalks-Midland Ave.	38,444.07			3,947.06			34,497.01	
1354	Purchase Land for DPW	0.00				8,662.00		8,662.00	
1355/1378	Improvement to Sampson St. Recreation Fields		201,025.03		177,770.38	6,572.50			29,827.15
1375	Police Dept. Computers & Equipment		50,042.88		14,265.06				35,777.82
1381/1391	Improvements to Buildings & Facilities		3,153.36		147.06				3,006.30
1382	Vehicles & Equipment for Fire Dept. & DPW		23,437.58		8,729.29				14,708.29
1385	Sewerage Pump Station on Mayhill St. & N. 5th St		2,060,366.79		1,948,773.05				111,593.74
1394	Road Improvement Program 2006		29,574.55		18,413.66				11,160.89
1415	Road Improvement Program - Oxford Avenue	57,336.06			382.05	2,651.64	70,551.78	130,157.43	
1424	Purchase and Improvement of Land		167,864.00		48,545.48				119,318.52
1426	Sewer Repair Work - Market Street	6,000.00	114,000.00		103,828.34				16,171.66
1429	Renovation & Expansion of SB Library				2,303.31				
1440	Improvement to Township Property-Rosol Lane	100,000.00	1,900,000.00					97,696.69	1,900,000.00
1441	Oxford Ave Road and Drainage Improvements-Phase II			15,000.00					
			375,000.00		295,495.09				
Total		\$ 1,375,533.47	\$4,549,464.19	\$390,000.00	\$2,807,081.28	\$17,886.14	\$70,651.78	\$1,275,385.02	\$2,321,069.28
		C	C	C-7, 16	Below	C-2	C-18	C	C, C-7

Cash Disbursements \$1,479,268.39
Encumbrances Payable 1,327,812.89
Above \$2,807,081.28

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-10

	<u>Reference</u>	
Balance December 31, 2007	C	\$71,756.71
Increased by:		
Budget Appropriations	A-3,C-2	75,000.00
		146,756.71
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7,16	11,250.00
		11,250.00
Balance December 31, 2008	C	\$135,506.71

SCHEDULE OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES

C-11

	<u>Reference</u>	
Balance December 31, 2007	C	\$595,157.95
Increased by:		
BC Open Space Grant Received in Excess of Original Ordinance (1355)	C-2	\$250,000.00
Grants With Offsetting Reserves Received (1330)	C-5,12	37,500.00
		287,500.00
		882,657.95
Decreased by:		
Due to Current Fund-Anticipated Revenue	C-8	6,715.41
		6,715.41
Balance December 31, 2008	C,Below	\$875,942.54

Analysis of Balance

<u>Ordinance #</u>		
1142	Community Development	\$59,135.59
1232	Community Development	26,659.51
1102/1113	Canceled Ordinance	21,406.66
1143/1155	Canceled Ordinance	16,321.81
1161	Canceled Ordinance	8,778.94
1144	State of NJ Dept. of Transp.	93,706.53
1242	State of NJ Gov't Connect Grant Reimbursement	2,300.00
1351	State of NJ Dept. of Transp.	57,607.50
#1355/1378	BC Open Space Received in Excess of Ordinance	170,000.00
#1355	BC Open Space Trust Fund	250,000.00
#1330	State of NJ Dept. of Treasury	75,000.00
#1355/1378	State of NJ - Veterans Field/Avon Park	45,000.00
#1188	Community Development - Fifth St. Park	50,026.00
	Above	\$875,942.54

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>Reference</u>		C-12
Balance December 31, 2007	C	\$37,500.00	
Decreased by:			
Grant Receipt-NJ Contingency Fund Ord. #1330	C-5	<u>37,500.00</u>	
Balance December 31, 2008	C	<u><u>\$0.00</u></u>	

SCHEDULE OF DUE TO WATER OPERATING FUND

	<u>Reference</u>		C-13
Balance December 31, 2007	C	<u>\$1,065.82</u>	
Balance December 31, 2008	C	<u><u>\$1,065.82</u></u>	

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. #	Improvement Description	Useful Life Years	Date of Issuance of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2007	Increased by		C-14 Balance Dec. 31, 2008
								B.A.N. Issued		
1353/1378	Improvement to Sampson St. Rec. Fields	15	03/09/07	03/07/08	03/06/09	2.04%	\$434,750.00			\$434,750.00
1375	Police Dept. Computers & Equipment	5	03/09/07	03/07/08	03/06/09	2.04%	152,000.00			152,000.00
1381/1391	Improvements to Building & Facilities	15	03/09/07	03/07/08	03/06/09	2.04%	356,250.00			356,250.00
1382	Vehicles & Equipment for F.D. & DPW	5	03/09/07	03/07/08	03/06/09	2.04%	213,750.00			213,750.00
	Road Improvements 2006 and Stormwater									
1394	Drainage Improvements	6.75	03/09/07	03/07/08	03/06/09	2.04%	408,750.00			408,750.00
1375	Police Dept. Computers & Equipment	5	09/30/08	09/30/08	09/29/09	2.51%		152,000.00		152,000.00
1424	Purchase & Improvement of Land	40	09/30/08	09/30/08	09/29/09	2.51%		380,000.00		380,000.00
1426	Sewer Repair & Improvements-Market Street	40	09/30/08	09/30/08	09/29/09	2.51%		114,000.00		114,000.00
1441	Oxford Ave Road and Drainage Improvements-Phase II	15	09/30/08	09/30/08	09/29/09	2.51%		213,750.00		213,750.00
							<u>\$1,565,500.00</u>	<u>\$859,750.00</u>		<u>\$2,425,250.00</u>
							C	C-2, 16		C

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF SERIAL BONDS

C-15

Maturities of Bonds

Purpose:	Date of Issue	Original Issue	Outstanding 12/31/07 Date	Interest Rate	Amount	Balance Dec. 31, 2007	Decreased	Balance Dec. 31, 2008
General Bonds of 1996	05/15/96	\$1,378,000.00	05/15/09	5.15%	\$120,000.00	\$240,000.00	\$120,000.00	\$120,000.00
General Bonds - County Guaranteed Governmental Loan Bonds, Series 2006	03/07/06	21,394,942.75	08/17/09	3.50%	565,114.18	20,867,191.49	546,432.72	20,320,758.77
			08/17/10 - 2030	3.75% - 5.00%	various			
						<u>\$21,107,191.49</u>	<u>\$666,432.72</u>	<u>\$20,440,758.77</u>
						C		C

Paid by Budget Appropriation
\$666,432.72
A-3, C-6

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. #	<u>Improvement Description</u> <u>General Improvements</u>	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>2008</u> <u>Authorizations</u>	<u>BAN's</u> <u>Issued</u>	<u>Capital Surplus</u>	<u>NJ Environmental</u> <u>Infrastructure</u> <u>Trust Loan</u>	<u>Capital</u> <u>Improvement</u> <u>Fund</u>	<u>Funded by</u> <u>Grants</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	C-16
1385	Sewerage Pump Station on Mayhill St. & N. 5th St.	\$ 2,300,000.00	\$ -	\$ -	\$ -	\$ 2,023,154.00	\$ -	\$ -	\$ 276,846.00	
1424	Purchase of and Improvements to Land	380,000.00		380,000.00					0.00	
1426	Sewer Repair Work at Market Street	114,000.00		114,000.00					0.00	
1429	Renovation & Expansion of Saddle Brook Library	1,900,000.00							1,900,000.00	
1440	Improvement to Township Property-Rosol Lane		15,000.00		15,000.00				0.00	
1441	Oxford Ave Road and Drainage Improvements-Phase II		375,000.00	213,750.00			11,250.00	150,000.00	0.00	
1375*	Police Dept. Computers & Equipment			152,000.00					(152,000.00)	
		<u>\$ 4,694,000.00</u>	<u>\$ 390,000.00</u>	<u>\$ 859,750.00</u>	<u>\$ 15,000.00</u>	<u>\$ 2,023,154.00</u>	<u>\$ 11,250.00</u>	<u>\$ 150,000.00</u>	<u>\$ 2,024,846.00</u>	C
			C-7,9	C-14	C-1	C-7	C-7,10	Below, C-7		
	<u>Reference</u>									

* Duplicate BAN issued - Ord. #1375

Analysis of Grant Funding
NJDOT - Road Improvement Program - Oxford Avenue Phase II-Ord. #1441

<u>Reference</u>	
C-5	<u>150,000.00</u>
Above	<u>\$150,000.00</u>

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR PREMIUM ON BOND ANTICIPATION NOTES

C-17

	<u>Reference</u>	
Balance December 31, 2007	C	\$134,236.24
Increased by:		
Due to Current Fund - Anticipated Revenue	C-8	134,236.24
Balance December 31, 2008	C	\$0.00

SCHEDULE OF ENCUMBRANCES PAYABLE

C-18

	<u>Reference</u>	
Balance December 31, 2007	C	\$851,835.12
Increased by:		
Charges to Improvement Authorizations-2008	C-9	1,327,812.89
		2,179,648.01
Decreased by:		
Payments-2007 Encumbrances	C-2	704,905.52
Encumbrances cancelled	C-9	70,651.78
		775,557.30
Balance December 31, 2008	C	\$1,404,090.71

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR ACCRUED INTEREST

C-19

	<u>Reference</u>	
Balance December 31, 2007	C	\$111,817.54
Decreased by:		
Due to Current Fund - Anticipated Revenue	C-8	111,817.54
Balance December 31, 2008	C	\$0.00

SCHEDULE OF RESERVE FOR MOUNT LAUREL DEVELOPMENT

C-20

	<u>Reference</u>	
Balance December 31, 2007	C	\$100,000.00
Balance December 31, 2008	C	\$100,000.00

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE
 LOAN RECEIVABLE

C-21

	<u>Reference</u>	
Balance December 31, 2007	C	\$0.00
Increased by:		
NJEIT Loan	C-22	2,023,154.00
		2,023,154.00
Decreased by:		
Receipts	C-2	899,356.00
Balance December 31, 2008	C	\$1,123,798.00

TOWNSHIP OF SADDLE BROOK
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

C-22

Purpose:	Loan Agreement Dated	Loan Amount	Loan Principal due date	Loan Maturities Outstanding Dec. 31, 2008	Interest due dates	Interest Rate	Balance Dec. 31, 2007	New Loan	Balance Dec. 31, 2008
New Jersey Environmental Infrastructure Trust Series 2007A, Trust Loan	11/08/07	\$1,040,000.00	08/01/09	\$35,000.00	2/1/09 & 8/01/09	5.00%	\$ -	\$1,040,000.00	\$1,040,000.00
			08/01/10 - 2027	various	02/01/10 - 8/01/27	3.40% - 5.00%			
State of New Jersey Fund 2007A Loan	11/08/07	983,154.00	02/01/09	14,651.49	N/A	None	-	983,154.00	983,154.00
			08/01/09	36,593.08	N/A	None			
			02/01/10 - 8/01/27	various	N/A	None			
		<u>\$2,023,154.00</u>					<u>\$ -</u>	<u>\$2,023,154.00</u>	<u>\$2,023,154.00</u>
							C	C-21	C

TOWNSHIP OF SADDLE BROOK
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION
SPECIAL EMERGENCY - REVALUATION

C-23

	<u>Reference</u>	
Balance December 31, 2007	C	\$0.00
Increased by:		
Special Emergency - Revaluation Deferred Charge-move from Current Fund	C-8	335,000.00
		<u>335,000.00</u>
Decreased by:		
Raised in Budget-Cash Receipt from Current Fund	C-2	84,000.00
		<u>84,000.00</u>
Balance December 31, 2008	C	<u><u>\$251,000.00</u></u>

SCHEDULE OF RESERVE FOR REVALUATION

C-24

	<u>Reference</u>	
Balance December 31, 2007	C	\$0.00
Increased by:		
Reserve moved from Current Fund	C-8	410,000.00
		<u>410,000.00</u>
Decreased by:		
Expenditures	C-2	298,525.35
		<u>298,525.35</u>
Balance December 31, 2008	C	<u><u>\$111,474.65</u></u>

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF CASH

D-4

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>	<u>Water Main Project</u>
Balance December 31, 2007	D	\$725,918.42	\$63,141.43	\$10,035.58
Increased by Receipts:				
Water Overpayment	D-13	5,075.56		
Consumer Accounts Receivable	D-2,6	1,988,833.29		
Miscellaneous Charges	D-2	6,877.50		
Interest on Investments	D-2,24	4,757.02	615.33	78.69
		<u>2,005,543.37</u>	<u>615.33</u>	<u>78.69</u>
		<u>2,731,461.79</u>	<u>63,756.76</u>	<u>10,114.27</u>
Decreased by Disbursements:				
2008 Appropriations	D-3	2,086,092.80		
2007 Appropriation Reserves	D-11	18,497.92		
Encumbrances Payable	D-12,25	20,060.09		
Transfer to Current Fund-Interfund	A-4, D-14	114,601.28		
Transfer to Payroll Account-Interfund	B	97,738.98		
Refund-Water Rent Overpayment	D-13	587.90		
Improvement Authorizations	D-15		1,053.66	
		<u>2,337,578.97</u>	<u>1,053.66</u>	<u>0.00</u>
Balance December 31, 2008	D	<u>\$393,882.82</u>	<u>\$62,703.10</u>	<u>\$10,114.27</u>

SCHEDULE OF CHANGE FUND

D-5

	<u>Reference</u>	
Balance December 31, 2007	D	<u>\$20.00</u>
Balance December 31, 2008	D	<u>\$20.00</u>

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ACCOUNTS RECEIVABLE

D-6

	Reference	
Balance December 31, 2007	D	\$99,046.07
Increased by:		
Water Rents/Miscellaneous Charges Levied		2,032,554.79
		2,131,600.86
Decreased by:		
Collections:		
Water Rents/Misc Charges	D-2,4	\$1,988,833.29
Canceled		587.90
Overpayments applied	D-2,13	6,244.22
		1,995,665.41
Balance December 31, 2008	D	\$135,935.45

SCHEDULE OF WATER UTILITY LIENS

D-7

Balance December 31, 2007	D	\$3,571.27
<hr/>		
Balance December 31, 2008	D	\$3,571.27

SCHEDULE OF FIXED CAPITAL

D-8

	Balance Dec. 31, 2007	Increased	Balance Dec. 31, 2008
General Equipment	\$650,832.74	\$	\$650,832.74
Water Utility Improvements	457,650.00		457,650.00
Water Main	2,650.00		2,650.00
Hydrants	5,000.00		5,000.00
Water Meters	813,750.00	147.06	813,897.06
Water Mains	516,089.39	906.60	516,995.99
	\$2,445,972.13	\$1,053.66	\$2,447,025.79
Reference	D	D-9	D

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

Ord. No.	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance</u> <u>Amount</u>	Balance December 31, <u>2007</u>	Decreased	Balance December 31, <u>2008</u>
1200/1411	Extension of Water Mains/Purchase of Meters	03/09/00	\$215,000.00	\$13,556.61	\$906.60	\$12,650.01
1205	Automatic Meter Reading Equipment	05/11/00	295,000.00	489.26	147.06	342.20
				\$14,045.87	\$1,053.66	\$12,992.21
Reference				D	D-8	D

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE TO WATER CAPITAL FUND

D-10

	<u>Reference</u>	
Balance December 31, 2007	D	\$32,088.62
Decreased by:		
Interest	D-2,4	615.33
Balance December 31, 2008	D	\$31,473.29

SCHEDULE OF 2007 APPROPRIATION RESERVES

D-11

	<u>Balance Dec. 31, 2007</u>	<u>2007 Encumbrances</u>	<u>Modified Balance</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$14,019.24	\$1,600.00	\$23,619.24	\$18,555.43	\$5,063.81
Overtime	17,839.79		9,839.79		9,839.79
Other Expenses	371.45	18,460.09	18,831.54	18,597.79	233.75
Statutory Expenditures:					
Public Employees Retirement System	15,000.00		15,000.00		15,000.00
Social Security System	11,865.09		11,865.09	1,404.79	10,460.30
Total Water Utility Appropriations	<u>\$59,095.57</u>	<u>\$20,060.09</u>	<u>\$79,155.66</u>	<u>\$38,558.01</u>	<u>\$40,597.65</u>
<u>Reference</u>	D	D	D	D-4,12	D-1

SCHEDULE OF DEFERRED CHARGES

D-11A

	<u>Balance Dec. 31, 2007</u>	<u>Amount Resulting From Operations</u>	<u>Raised In Budget</u>	<u>Balance Dec. 31, 2008</u>
Deficit in Operations-Current Year	\$0.00	\$25,532.66	\$	\$25,532.66
<u>Reference</u>	<u>\$0.00</u>	<u>\$25,532.66</u>	<u>\$0.00</u>	<u>\$25,532.66</u>
	D	D-1		D

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF ENCUMBRANCES PAYABLE
WATER OPERATING FUND

D-12

	<u>Reference</u>	
Balance December 31, 2007	D	\$20,060.09
Increased by:		
Charges to 2008 Appropriations	D-3	15,593.93
		<u>35,654.02</u>
Decreased by:		
Cash Disbursements	D-4	20,060.09
		<u>20,060.09</u>
Balance December 31, 2008	D	<u><u>\$15,593.93</u></u>

SCHEDULE OF WATER RENT OVERPAYMENTS

D-13

	<u>Reference</u>		
Balance December 31, 2007	D		\$13,344.49
Increased by:			
Overpayments Received	D-4		5,075.56
			<u>18,420.05</u>
Decreased by:			
Overpayments applied to billings	D-6	\$6,244.22	
Refunds	D-4	587.90	
			<u>6,832.12</u>
Balance December 31, 2008	D		<u><u>\$11,587.93</u></u>

SCHEDULE OF DUE TO CURRENT FUND - WATER OPERATING FUND

D-14

	<u>Reference</u>	
Balance December 31, 2007	D	\$99,410.00
Increased by:		
Budget Appropriation paid in Current Fund	D-3	15,191.28
		<u>114,601.28</u>
Decreased by:		
Interfund Transfer	D-4	114,601.28
		<u>114,601.28</u>
Balance December 31, 2008	D	<u><u>\$0.00</u></u>

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Improvement Description	Date	Ordinance Amount	Balance December 31, 2007		Expended	Balance December 31, 2008		D-15
				Funded	Unfunded		Funded	Unfunded	
1200/1411	Extension of Water Mains/Purchase of Meters	03/09/00	\$ 215,000	\$ 13,556.61	\$	\$ 906.60	\$ 12,650.01	\$	
1205	Automatic Meter Reading Equipment	05/11/00	\$ 295,000	489.26		147.06	342.20		
				<u>\$14,045.87</u>	<u>\$0.00</u>	<u>\$1,053.66</u>	<u>\$12,992.21</u>	<u>\$0.00</u>	
			<u>Reference</u>	D	D	D-4	D	D	

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF WATER CAPITAL IMPROVEMENT FUND

D-16

	<u>Reference</u>	
Balance December 31, 2007	D	<u>\$75,485.13</u>
Balance December 31, 2008	D	<u><u>\$75,485.13</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

D-17

	<u>Reference</u>	
Balance December 31, 2007	D	\$939,540.23
Increased by:		
Payment of Bond Principal by Budget Approp.	D-3,23	<u>38,567.28</u>
Balance December 31, 2008	D	<u><u>\$978,107.51</u></u>

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

D-18

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance December 31, <u>2007</u>	Balance December 31, <u>2008</u>
1073/1410	Water Utility Improvements/Purchase of Meters	04/28/94	\$21,800.00	\$21,800.00
1200/1411	Extension of Water Mains/Purchase of Meters	03/09/00	10,300.00	10,300.00
1205	Automatic Meter Reading Equipment	05/11/00	14,100.00	14,100.00
			<u>\$46,200.00</u>	<u>\$46,200.00</u>
		Reference	D	D

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

**SCHEDULE OF DUE TO GENERAL CAPITAL FUND -
WATER CAPITAL FUND**

D-19

	<u>Reference</u>	
Balance December 31, 2007	D	<u>\$7,168.31</u>
Balance December 31, 2008	D	<u><u>\$7,168.31</u></u>

**SCHEDULE OF DUE FROM GENERAL CAPITAL FUND -
WATER OPERATING FUND**

D-20

	<u>Reference</u>	
Balance December 31, 2007	D	<u>\$1,065.82</u>
Balance December 31, 2008	D	<u><u>\$1,065.82</u></u>

TOWNSHIP OF SADDLE BROOK
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM UNEMPLOYMENT TRUST FUND

D-21

	<u>Reference</u>	
Balance December 31, 2007	D	<u>\$5,000.00</u>
Balance December 31, 2008	D	<u><u>\$5,000.00</u></u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

D-22

	<u>Reference</u>	
Balance December 31, 2007	D	\$17,182.77
Increased by:		
Accrued interest on Bonds	D-1	<u>8,186.47</u>
Balance December 31, 2008	D	<u><u>\$25,369.24</u></u>

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF UTILITY CAPITAL BONDS

Purpose:	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2007		Interest Rate	Balance Dec. 31, 2007	Payment	Balance Dec. 31, 2008
			Date	Amount				
Water Utility Projects								
Water Utility Bonds - County Guaranteed	03/07/06	1,510,057.25	08/17/09	39,885.82	3.50%	\$1,472,808.51	\$38,567.28	\$1,434,241.23
Governmental Loan Bonds, Series 2006			08/17/10	41,533.99	3.50%			
			08/17/11	42,852.53	3.75%			
			08/17/12	44,500.70	3.75%			
			08/17/13	46,148.88	3.75%			
			08/17/14	47,797.05	3.75%			
			08/17/15	49,774.86	3.80%			
			08/17/16	51,423.04	5.50%			
			08/17/17	54,389.75	5.50%			
			08/17/18	57,356.46	5.00%			
			08/17/19	60,323.18	5.00%			
			08/17/20	63,289.89	5.00%			
			08/17/21	66,256.60	5.00%			
			08/17/22	69,882.59	5.00%			
			08/17/23	73,178.94	5.00%			
			08/17/24	76,804.92	5.00%			
			08/17/25	80,760.54	5.00%			
			08/17/26	84,716.16	5.00%			
			08/17/27	89,001.41	5.00%			
			08/17/28	93,286.66	5.00%			
			08/17/29	98,231.19	5.00%			
			08/17/30	102,846.07	5.00%			
						\$1,472,808.51	\$38,567.28	\$1,434,241.23

Reference

D-3

TOWNSHIP OF SADDLE BROOK
 WATER UTILITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF RESERVE FOR WATER MAIN PROJECT

D-24

	<u>Reference</u>	
Balance December 31, 2007	D	\$10,035.58
Increased by:		
Interest on Investments	D-4	78.69
Balance December 31, 2008	D, Below	\$10,114.27

Analysis of Balance:

Reserve for Van Bussem		\$10,000.00
Interest		114.27
	Above	\$10,114.27

TOWNSHIP OF SADDLE BROOK
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF DUE FROM CURRENT FUND

	<u>Reference</u>		
Balance December 31, 2007	E		\$88,464.55
Increased by:			
Budget Appropriation	E-2,4	\$52,892.91	
Unappropriated Grants Received	E-4	3,107.68	
Receipt-Grants Receivable	E-3	2,286.70	
Cancel FEMA Grant encumbrance	E-2	21,089.11	
		79,376.40	
			167,840.95
Decreased by:			
Current Fund - Expenditures	E-2	\$30,597.80	
Transferred to 2008 Budget Approp.	E-4	6,479.27	
2008 Budget Revenue Realized	E-3	8,288.85	
		45,365.92	
Balance December 31, 2008	E		\$122,475.03

SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS

	<u>Balance</u>	<u>Transferred from</u>	<u>2007</u>		<u>Balance</u>
<u>Grant</u>	<u>Dec. 31, 2007</u>	<u>2008 Budgeted</u>	<u>Encumbrance</u>	<u>Cancelled</u>	<u>Dec. 31, 2008</u>
		<u>Appropriation</u>		<u>Expended</u>	
Clean Communities Grant	\$31,894.96	\$14,743.98		\$8,480.00	\$38,158.94
Municipal Alliance Program	33,214.59	14,375.00		7,242.81	40,346.78
Alcohol Education & Rehabilitation	677.39				677.39
Drunk Driving Enforcement Fund	10,783.09				10,783.09
Municipal Purpose Tax Ass. Act	1,183.00				1,183.00
Cops Fast Program	3.00				3.00
NY Susquelanna Parkway	1,425.00				1,425.00
Body Armor Replacement Fund	19,464.73	349.12		11,775.28	8,038.57
OSHA - Chap. 516 PL 1983 - Safety Equipment	404.40				404.40
Arts Grant	855.72				855.72
Community Development - Senior Bus	5,528.15				5,528.15
Storm Water Management Grant	24,609.50				24,609.50
Click-it-or-Ticket Grant	4,000.00				4,000.00
Recycling Tonnage Grant	22,657.10	23,424.81		14,874.99	31,206.92
BCUA	10,466.87				10,466.87
Domestic Violence Team	3,500.00				3,500.00
FEMA Storm Grant	0.00			21,089.11	21,089.11
OEM State Grant	2,405.72				2,405.72
	\$173,073.22	\$52,892.91		\$21,089.11	\$204,682.16
<u>Reference</u>	E	A-3, E-1, Below	E-1	Below	E
Current Fund - Expenditures	A-3, E-1	\$30,597.80			
Current Fund Budget Approp. - Unspent	A-3	22,295.11			
	Above	\$52,892.91			
Current Fund - Expenditures			A-3, E-1	\$30,597.80	
Expenditures in Other Trust Fund			E	11,775.28	
			Above	\$42,373.08	

TOWNSHIP OF SADDLE BROOK
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE OF GRANTS RECEIVABLE

E-3

<u>Grant</u>	Balance <u>Dec. 31, 2007</u>	Current Fund <u>Receipts</u>	2008 Budget <u>Revenue Realized</u>	Balance <u>Dec. 31, 2008</u>
Safe & Secure Communities Grant	\$15,000.00	\$	\$	\$15,000.00 *
Municipal Alliance Program	26,561.68		8,288.85	34,850.53 **
Alcohol Education & Rehabilitation	1,310.06			1,310.06 *
COPS FAST	9,500.00			9,500.00 *
Community Development - Senior Bus	5,808.50			5,808.50 *
Storm Water Grant	30,621.00			30,621.00 **
FEMA Grant	2,286.70	2,286.70		0.00
	<u>\$91,087.94</u>	<u>\$2,286.70</u>	<u>\$8,288.85</u>	<u>\$97,090.09</u>
<u>Reference</u>	E	A-4, E-1	A-2, E-1	E

* Grant receivable amount outstanding prior to 12/31/06.

** Accumulated grant receivable from 2005 through 2008.

SCHEDULE OF RESERVE FOR UNAPPROPRIATED GRANTS

E-4

	Balance <u>Dec. 31, 2007</u>	Transferred to 2008 <u>Budget Appropriation</u>	<u>Received</u>	Balance <u>Dec. 31, 2008</u>
Body Armor Replacement Fund	\$349.12	\$349.12	\$3,107.68	\$3,107.68
Recycling Tonnage Grant	6,130.15	6,130.15		0.00
	<u>\$6,479.27</u>	<u>\$6,479.27</u>	<u>\$3,107.68</u>	<u>\$3,107.68</u>
<u>Reference</u>	E	A-2, E-1	A-4, E-1	E

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

The Honorable Mayor and Members
of the Township Council
Township of Saddle Brook
County of Bergen
Saddle Brook, New Jersey 07663

We have audited the financial statements of the Township of Saddle Brook ("Township"), State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 12, 2009. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statement on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 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 audits, we considered the Township'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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal over financial reporting that we consider to be significant deficiencies.

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 a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and recommendations, item(s) 08-01, to be significant deficiencies in internal control over financial reporting.

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 entity's internal control.

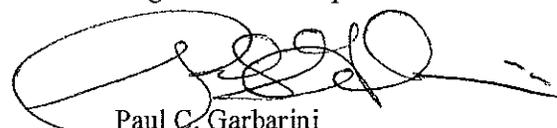
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 instances of noncompliance that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying schedule of findings and questioned costs as item(s) 08-01. We also noted certain immaterial instances of noncompliance or other matters that we have reported to management of the Township of Saddle Brook in a separate letter dated June 12, 2009.

This report is intended solely for the information and use of the Township of Saddle Brook's management, and council members, others within the organization, the DLGS, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


Garbarini & Co., P.C. CPA's
Certified Public Accountants
Registered Municipal Accountants


Paul C. Garbarini
Registered Municipal Accountant
License Number 120

June 12, 2009

TOWNSHIP OF SADDLE BROOK
 SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule I-1

Federal Grantor/ Pass-Through Grantor Program	Federal CFDA#	Pass - Through Entity ID #	Grant Period	Cash Received	Program Expenditures
<u>Non - Major Programs:</u>					
FEMA - Flood Relief-Spring 2007	97.036	NJ Div. Of Law & Public Safety 703-066-1200-011		\$ 12,724.04	\$ -
Transportation State Aid Highway Projects Highway Planning and Construction					
New Jersey Department of Transportation	20.205	480-078-6320-AJZ-6010	01/01/07-12/31/07	34,956.86	
- Oxford Ave. Project - Ord. #1415					
- Oxford Ave. Project - Phase II Improvements Ord. #1441	20.205	480-078-6320-AJ3-6010	01/01/08-12/31/08	112,500.00	150,000.00 *
U.S. Department of Housing and Urban Development (Passed through County Department of Community Development) Community Development Block Grants	20.205	Bergen County	various	406,103.79	85,753.79 **
- Sewer & Water Extensions-Van Bussum Ave Rehabilitation Ord. #1318					
FY 2003 Bulletproof Vest Partnership			Prior years	13,149.87	13,149.87
				<u>\$579,434.56</u>	<u>\$248,903.66</u>

NOTES:

- * 2008 Encumbered funds
- ** additional \$320,350 was encumbered in 2006, expended in 2007 & 2008

TOWNSHIP OF SADDLE BROOK
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule I-2

<u>State Grant Program</u>	<u>Pass - Through Entity ID #</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>
New Jersey Division of Criminal Justice: Department of Law and Public Safety - Body Armor Replacement Fund		1020-718-001-066	01/01/08-12/31/08	\$ 3,107.68	\$ 11,775.28
New Jersey Solid Waste Administration: Department of Environmental Protection - Clean Communities Program Grant		4900-765-004-042	01/01/08-12/31/08	14,743.08	8,480.00
- Recycling Tonnage Grant		4900-752-001-042	01/01/08-12/31/08	17,294.66	14,874.99
New Jersey Department of the Treasury State Contingency Fund - Special Purpose Grant - Ord.#1330 New Police Dept. Headquarters (\$75,000 award)		9420-100-094-047	1/1/07-12/31/07	37,500.00	
Total State Financial Assistance:				<u>\$72,645.42</u>	<u>\$35,130.27</u>

TOWNSHIP OF SADDLE BROOK
 SCHEDULE OF EXPENDITURES OF COUNTY FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule I-3

<u>County Grant Program</u>	<u>Pass - Through Entity ID #</u>	<u>County Account Number</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>Program Expenditures</u>
Bergen County Open Space Trust Fund - 2004 Award - Ord. #1355 - Acquisition of 40 Sampson Street Recreation Complex		006-910-785-20-31 05-00638	Prior years	\$ 250,000.00	\$ -
Municipal Alliance				3,211.15	7,242.81
County Law Enforcement Trust Account				20,340.00	20,340.00
Total County Financial Assistance:				<u>\$273,551.15</u>	<u>\$27,582.81</u>

TOWNSHIP OF SADDLE BROOK
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2008

1. General

The accompanying schedules present the activity of all federal and state financial assistance programs of the Township of Saddle Brook. The Township is defined in Note 1A of the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

2. Basis of Accounting

The accompanying schedules are presented using the modified accrual basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1C of the Township's financial statements.

3. Relationship of Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements, exclusive of the unappropriated reserves. Financial assistance awards are reported in the Township's financial statements on a basis of accounting described above as follows:

	Federal	State	County	Total
Grant Fund	\$ -	\$35,130.27	\$ 7,242.81	\$42,373.08
Trust Fund	13,149.87		20,340.00	33,489.87
Capital Fund	235,753.79			235,753.79
	<u>\$248,903.66</u>	<u>\$35,130.27</u>	<u>\$27,582.81</u>	<u>\$311,616.74</u>

4. Relationship to Federal and State Financial Reports

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

TOWNSHIP OF SADDLE BROOK
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2008

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Louis D'Arminio	Mayor	
Omar Rodriguez	Council President	
Florence Mazzer	Councilwoman	
Edward F. Kugler	Councilman	
John P. Cook Jr. (until 3/08)	Councilman	
Anthony Halko (from 4/08- 12/08)	Councilman	
Joseph C. Setticase	Councilman	
Robert Elia	Business Administrator/Treasurer	\$ 1,000,000
Peter Lo Dico	Township Clerk	
Durene M. Ayer (from 5/08)	Chief Financial Officer	
Michele Sanzari	Tax Collector – Tax Search Officer	\$ 1,000,000
Art Carlson, Jr.	Tax Assessor	
Linda Pellicier	Principal Cashier	
Donna Kovalovsky	Utilities Clerk	\$ 1,000,000
Robert Kugler	Police Chief	
Nicholas Nasarenko	Municipal Court Judge	\$ 50,000
Thomas Cuomo	Court Administrator	\$ 50,000
Eileen Pinto	Acting Deputy Court Administrator	\$ 50,000
Debra Zafonte	Acting Violations Clerk	\$ 50,000
Tracy Adams	Secretary to Health Department and Registrar of Vital Statistics	
Raymond Dressler (until 9/08)	Construction Official	
Anthony Ambrogio (from 9/08)		
Michael Seitz	Fire Sub-Code Official	
Birdsall Engineering	Township Engineer	
Anthony Suarez	Township Attorney	

Effective January 1, 2008, the Insurer is the Municipal Excess Liability Joint Insurance Fund.

The Statutory positions, the Treasurer and the Tax Collector, are covered by the Statutory Bond in the amount of \$1,000,000 limit per occurrence.

The Statutory positions associated with the court, the Magistrate, Court Administrator, Court Clerk, are covered under the blanket JIF "Courts" coverage for the sum of \$50,000 limit per occurrence.

All other employees are covered by JIF Blanket Crime Coverage, for the sum of \$1,000,000 per loss included in the coverage provided by the Municipal Excess Liability Joint Insurance Fund.

Township of Saddle Brook
General Comments
For the Year Ended December 31, 2008

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of \$21,000...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$29,000.'], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

N.J.S.A. 40A:11-9 states "The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,000.00 within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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.

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$29,000.00 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

Expenditure of \$4,350 and More and Less Than \$ 29,000.00 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. d. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

Township of Saddle Brook
General Comments (Continued)
For the Year Ended December 31, 2008

Collection of Interest of Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate 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 1, 2008 adopted the following resolution authorizing interest to be charged on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Council of the Township of Saddle Brook, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.
2. There is a ten-day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

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

Collection of Interest on Delinquent Utility Rents

The Governing Body on January 1, 2008 adopted the following resolution authorizing interest to be charged on delinquent water rents:

Be it resolved, by the Township Council of the Township of Saddle Brook that the penalty interest rate for the year 2008 chargeable against all persons who are delinquent in the payment of Water charges, is hereby established at eight percent (8%) per annum on the first One Thousand Five Hundred (\$1,500.00) dollars of delinquency and a rate of eighteen percent (18%) per annum on any amount in excess of One Thousand Five Hundred (\$1,500.00).

Be it further resolved that the penalty interest on water charges shall revert to 8% per annum from the first day of billing unless the water charges for the period are paid during the first 30 days of the same period.

Be it further resolved that the penalty interest will be charged at the rate of 18% per annum on all delinquent water charges in excess of \$1,500.00 to be calculated from the date of billing until the date of actual payment, unless the water charges are paid during the first 30 days of the billing period or on the first business day thereafter if the office of the Treasurer is closed.

Be it further resolved that the penalty interest rate on water charges shall revert to 18% per annum from the first day of the billing unless the water charges are in excess of \$1,500.00 for the same period are paid during the first 30 days of the billing.

It appears from an examination of the utility collector's records that interest was collected in accordance with the foregoing resolution.

Township of Saddle Brook
General Comments (Continued)
For the Year Ended December 31, 2008

Delinquent Taxes and Tax Title Liens

The last tax sale was held December 29, 2008 and was complete.

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

The following comparison is made of the number of tax title liens receivable on December 31, of the last six years:

<u>Year</u>	<u>Number of Liens</u>
2008	6
2007	0
2006	0
2005	6
2004	8
2003	9

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

TOWNSHIP OF SADDLE BROOK
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

PRIOR YEAR AUDIT FINDINGS:

*** #07-1: *Recommendation:***

The general ledger should be reviewed monthly and traced to cash receipts, cash disbursements, appropriations reports, and cash reconciled to the bank's statements, to assure that all items are posted, and that a capital fund general ledger be maintained.

Status:

Corrective action has been taken.

*** #07-2: *Recommendation:***

All expenditures must be charged to the period in which the expenses were incurred.

Status:

Corrective action has *not* been taken.

*** #07-3: *Recommendation:***

All monies collected by the construction code official must be deposited or transmitted to the treasurer within 48 hours of receipt.

Status:

Corrective action has been taken.

*** Repeated from prior year's audit**

TOWNSHIP OF SADDLE BROOK
AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Encumbrances

***Finding #08-1**

Encumbrances were not always charged to the correct budget year.

Criteria:

Encumbrances are obligations in the form of purchase orders, or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual liability is set up.

Recommendation:

All expenditures must be charged to the period in which the expenses were incurred.

Township's Proposed Corrective Action Plan:

The CFO will ensure that expenditures are charged to the correct period in which the expenses were incurred.

* Repeated from prior year's audit

Township of Saddle Brook
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued	<u>Unqualified - Statutory basis</u>		
B) Internal Control over Financial Reporting			
1) Material weakness identified?	<u>Yes</u>	<u>X</u>	<u>No</u>
2) Were reportable conditions identified that were not considered to be material weaknesses?	<u>X</u>	<u>Yes</u>	<u>No</u>
C) Noncompliance material to financial statements notes?	<u>Yes</u>	<u>X</u>	<u>No</u>

Federal Awards Section – “No Major Federal Programs”
Not Applicable

D) Dollar threshold used to determine Type A Program	<u>\$300,000</u>		
E) Auditee qualified as low-risk auditee?	<u>X</u>	<u>Yes</u>	<u>No</u>
F) Type of auditor's report on compliance for major programs	<u>No Major Programs</u>		
G) Internal Control over major programs			
1) Material weakness identified?	<u>Yes</u>	<u>X</u>	<u>No</u>
2) Were reportable conditions identified that were not considered to be material weaknesses?	<u>Yes</u>	<u>X</u>	<u>No</u>
H) Any audit findings disclosed that are required to be Reported in accordance with OMB Circular A-133 [section 510(e)]?	<u>Yes</u>	<u>X</u>	<u>No</u>
I) Identification of major programs	<u>No Major Federal Programs</u>		

Township of Saddle Brook
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2008

Summary of Auditor's Results (Continued)

State Awards Section – Not Applicable

J) Dollar threshold used to determine Type A Program \$300,000

K) Audited qualified as low-risk auditee? X Yes No

L) Type of auditor's report on compliance for major Programs Unqualified - Statutory basis

M) Internal Control over Compliance

1) Material weakness identified? Yes X No

2) Were reportable conditions identified that were not considered to be material weaknesses? Yes X No

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? Yes X No

O) Identification of major programs

Grant Number / Project Number No Major State Programs

Name of State Program _____

Township of Saddle Brook
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2008

Part 2 - Schedule of Federal and State Awards Findings and Questioned Costs

(This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04, as amended.)

NONE

Status of Prior Year Findings

(This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 [section .315 (a)(b)] and New Jersey OMB Circular 04-04, as amended.)

NONE

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Township Officials and employees during the year.

The problems and weaknesses noted in our review are not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

June 12, 2009